2. Premises.

2.1 Letting. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT to be used as square footage and is not subject to adjustment should the actual size be determined to be different.

Note: Lessee is advised to verify all square footage.

2.2 Condition. Lessor shall deliver the Premises to Lessee in a clean condition on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), and all other systems and equipment in the Premises, are in good working condition, and that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and that the Premises do not contain hazardous levels of any mold or fungi defined as toxic pursuant to applicable state or federal law. Lessor also warrants that the Premises are in compliance with all other applicable state and federal laws, and that Lessor is unaware of any requirement to complete or alter the Premises so as to provide a habitable environment as required by law. Default affecting the Premises; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 Compliance. Lessor warrants that to the best of its knowledge the improvements on the Premises and the Common Areas comply with all building codes and applicable laws, and that the Premises are in a habitable condition as required by law. Lessor warrants that thePremises and the Common Areas are not in violation of any law, rule or regulation and that the Premises are not subject to any lien or encumbrance. Lessee is also advised to verify all information provided by Lessor.

(a) Subject to Paragraph 2.3(b) below, if such Capital Expenditures are required to be made by Lessor, Lessor shall make such expenditures. Capital Expenditures shall include but not be limited to any expenditures required by applicable law or court order, or any expenditure made by Lessor in good faith to maintain the Premises in a condition reasonably comparable to the condition of the Premises at the Commencement Date.

(b) If any such Capital Expenditures are not the result of the specific and unique use of the Premises by Lessee, Lessor shall make such expenditures. Lessor shall be entitled to recover from Lessee certain costs incurred by Lessor in connection with such Capital Expenditures. Lessor shall charge Lessee such costs on an annual basis, and Lessee shall pay such costs in the amount of $100 per month, commencing on the date that the Capital Expenditures are incurred.

(c) Lessor shall make such expenditures to the extent that such expenditures are reasonably necessary to maintain the Premises in a condition reasonably comparable to the condition of the Premises at the Commencement Date. Lessor shall be entitled to recover from Lessee any costs incurred by Lessor in connection with such Capital Expenditures. Lessor shall charge Lessee such costs on an annual basis, and Lessee shall pay such costs in the amount of $100 per month, commencing on the date that the Capital Expenditures are incurred.

2.4 Acknowledgements. Lessor acknowledges that: (i) it has been given an opportunity to inspect and measure the Premises; (ii) Lessee has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises; and (iii) Lessee has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises. Lessor shall not have any right to terminate this Lease, and shall be entitled to recover from Lessee any costs incurred by Lessor in connection with such Capital Expenditures.

2.5 Lessee as Prior Owner/Occupant. The warranties made by Lessor in Paragraph 2.2 shall be of no force or effect if immediately prior to the Start Date Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

2.6 Vehicle Parking. So long as Lessee is not in default, and subject to the Rules and Regulations attached hereto, and as established by Lessor from time to time, Lessee shall be entitled to rent and use the number of parking spaces specified in Paragraph 1.2(b) at the rental rate applicable from time to time for monthly parking as set by Lessor and/or its licensee. Lessor shall have the right, without notice, in its discretion to establish such other rights and remedies as it may have, to remove or tow away the vehicle involved in such complaint, at the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.7 Common Areas - Definition. The term "Common Areas" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility easeways and installations within the Premises that are provided and designated by the Lessor from time to time for the general nonexclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including, but not limited to, common entrances, lobbies, corridors, stairwells, public restrooms, elevators, parking areas, loading and unloading areas, trash areas, roadways, walkways, driveways, landscaped areas, and any other facilities and areas.

2.8 Common Areas - Lessee's Rights. Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the nonexclusive right to use, in common with others entitled to such use, the Common Areas. Lessor grants, from time to time, subject to such lessee's rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project, the right to enter the Common Areas to effectuate the purposes of this Lease, or any other purpose reasonably related to the operation or management of the Project. In the event that any such entry is necessary to exercise such rights, powers, and privileges, such entry shall be at Lessor's sole discretion, and Lessor shall have no liability for any damage or loss to Lessee or any other party, or for the failure of any of its employees, suppliers, shippers, contractors, customers and invitees to exercise such right, power, or privilege.
unauthorized storage shall occur then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 Common Areas - Rules and Regulations. Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management with respect to the Common Areas, and shall have the right, from time to time, to adopt, modify and enforce reasonable rules and regulations ("Rules and Regulations") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. The Lessee agrees to abide by and conform to such Rules and Regulations and to use its best efforts to cause its employees, such Rupipers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the noncompliance with said Rules and Regulations by other tenants of the Project. No changes to Lessor's rules and regulations shall have a material negative effect on Lessee's economic rights or obligations under this Lease.

2.10 Common Areas - Changes. Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of the lobbies, windows, stairways, air shafts, elevators, escalators, restrooms, driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility easeways;
(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;
(c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;
(d) To add additional buildings and improvements to the Common Areas;
(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

No changes to the Common Areas shall have a material negative effect on Lessee's economic rights or obligations under this Lease.

3. Term. 3.1 Term. The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.2 Early Possession. Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being substantially completed by the Date. Any agreement of parties to the contrary only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of the Operating Expenses) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 Delay in Possession. Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, neither shall said failure affect the change in the Expiration Date. Lessee shall not, however, be obligated to pay rent or perform any other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessor would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the fault of Lessor. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties. Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within such 10 day period, Lessee's right to possession of the Premises is hereby terminated. If possession of the Premises is not delivered within 120 days after the Commencement Date, the Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 Lessee Compliance. Lessor shall not be required to deliver possession of the Premises to Lessee until Lessee complies with its obligations to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent. 4.1. Rent Defined. All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("Rent").

4.2 Operating Expense Increase. Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share of the amount by which all Operating Expenses for each Comparison Year exceeds the amount of all Operating Expenses for the Base Year, such excess being hereinafter referred to as the "Operating Expense Increase," in accordance with the following provisions:

(a) "Base Year" is as specified in Paragraph 1.9
(b) "Comparison Year" is defined as each calendar year during the term of this Lease subsequent to the Base Year;

provided, however, Lessee shall have no obligation to pay a share of the Operating Expense Increase applicable to the first 12 months of the Lease (other than as are mentioned by a governmental authority, as to which governmental entity the amount of such increase, if any, shall not affect, the Base Year, as specified in Paragraph 1.9, notwithstanding that they occur during the first twelve (12) months). Lessee's Share of the Operating Expense Increase for the first and last Comparison Years of the Lease Term shall be prorated according to that portion of such Comparison Year as to which Lessee is responsible for a share of such increase.

(c) The following costs relating to the ownership and operation of the Project, calculated as if the Project was at least 55% occupied, are defined as "Operating Expenses":

(i) Costs relating to the operation, repair, and maintenance in neat, clean, safe, good order and condition, but not the replacement (see subparagraph (g), of the following:

(aa) The Common Areas, including their surfaces, coverings, decorative items, carpets, drapes and window treatments, and other items used, as necessary, for the maintenance, cleanliness, and overall attractiveness of the Common Areas;
(bb) The building exteriors, including the building exterior, landscaping, car ports, awnings, railings, elevator and stair enclosures, landscaping systems, Common Area lighting facilities, building exterior and roofs, fences and gates;
(cc) All heating, air conditioning, plumbing, electrical systems, life safety equipment, communication systems and other equipment used in common by, or for the benefit of, tenants or occupants of the Project, including elevators and escalators, tenant directories, fire detection systems including sprinkler system maintenance and repair.

(d) All other areas and improvements that are within the exterior boundaries of the Project but outside of the Premises and/or any other space occupied by a tenant.

(e) "Operating Expense";

(f) The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 and any deductible portion of an insured loss concerning the Building or the Common Areas;

(g) The amount of the Real Property Taxes payable by Lessor pursuant to paragraph 10

(h) The cost of electricity, gas, and other public utilities and service, if any, separately metered;

(i) Labor, salaries, and applicable fringe benefits and costs, materials, supplies and tools, used in maintaining and/or cleaning the Project and accounting and management fees attributable to the operation of the Project;

(j) The cost of Rule and Regulation improvements to the Building or the Project not covered under the provisions of Paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee is not required to pay more than Lessee's Share of 1/144th of the cost of such Capital Expenditure in any given month;

(k) The cost to replace equipment or improvements that have a useful life for accounting purposes of 5 years or less.

(l) Reserves set aside for maintenance, repair and/or replacement of Common Area improvements and equipment.

4.3 Any item of Operating Expense that is specifically attributable to the Premises, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Premises, Building, or other building. However, any such item that is not specifically attributable to the Building or any other building or the operation, repair and maintenance thereof shall be equitably allocated by Lessor to all buildings in the Project.

4.4 The inclusion of the improvements, facilities and services set forth in Paragraph 4.2(c) shall not be deemed to impose
an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same. Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(ii) Lessor's Share of Operating Expense Increase is payable monthly on the same day as the Base Rent is due hereunder.

The amount of such payments shall be based on Lessor's estimate of the Operating Expense Increases. Within 60 days after the end of the calendar year for which said Operating Expense Increase payments are to be made, Lessor shall deliver to Lessee a reasonably detailed statement showing Lessor's calculation of the Operating Expense Increases for the preceding year. If Lessor's calculation includes more than 1 year's anticipated increase, then Lessor shall deduct from the amount of any over-payment against Lessor's future payments. If Lessee's payments during such Year were less than Lessor's Share, Lessor shall pay to Lessee the amount of the deficiency within 10 days after delivery by Lessor of said statement. Lessor and Lessee shall forthwith adjust all amounts due to exist with respect to the year then last determined as a Comparision Year for which Lessee is responsible as to Operating Expense Increases, notwithstanding that the Lease term may have terminated before the end of such Comparison Year.

(iii) Operating Expenses shall not include the costs of replacement for equipment or capital components such as the roof, foundations, exterior walls or a Common Area capital improvement, such as the parking lot paving, elevators, fences that have a useful life for accounting purposes of 5 years or more.

(iv) Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessee is otherwise reimbursed by any third party, other tenant, or by insurance proceeds.

(v) Payment. Lessor shall cause payment of Rent to be received by Lessor in lawful money of the United States on or before the day on which it is due, without offset or deduction (except as specifically permitted in this Lease). All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice presented by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessor shall be obligated to pay the correct amount. Lessor shall not be obligated to pay the gross additional amount to which the Operating Expenses may be increased due to the completion of the Security Deposit Reserve created in the initial Security Deposit by the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreement be amended by mutual agreement in material change in the business of Lessor or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent the additional capital requirements for any increased working capital and capital improvements or losses may affect as a result thereof. If in Lessor's judgment, the increase in the Security Deposit is in good faith and in material change, significantly reduced, Lessor shall deposit such additional monies with Lessor as shall be sufficient to cover the Security Deposit to be at a commitment level equal or greater than the capital contribution of both Lessee and the security deposit to be segregated and maintained separately from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessee. Lessor shall upon written request provide Lessee with an accounting showing how that portion of the Security Deposit that was not returned was applied. The portion of the Security Deposit shall be considerd to be held in trust, to be held for the Escrow or to be prepaid for any monies to be paid by Lessor under this Lease.

6. Use.

6.1 Use. Lessee shall use and occupy the Premises for only the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not have or allow upon or within the Premises any animals, birds, fish, or other like creatures. Lessee shall not make any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the Improvements of the Building, will not adversely affect the mechanical, electrical, HVAC, and other systems of the Building, and will not affect the exterior appearance of the Stuido. If Lessee shall have submitted a request for a modification of the Agreed Use, Lessor shall have 60 days from receipt thereof to grant or deny the same. If Lessor offers any written comments to Lessee, then Lessee shall have 60 days from receipt thereof to respond to the same. If Lessor fails to so respond within the 60 days, then Lessee shall have the right to proceed with the modification.

6.2 Hazardous Substance.

(a) Reportable Uses Require Consent. The term "Hazardous Substance" as used in this Lease shall mean any product, service, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is: (i) potentially injurious to the public health, safety or welfare, or the environment, or the Premises, (ii) regulated or monitored by any governmental authority, (iii) potentially injurious, or (iv) any other material that may create an environmental concern. The term includes a "Reportable Use" which includes all uses of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage or transportation of any Controlled Substance or a written request for a permit to a waste that requires a permit to a more hazardous waste that requires a permit to a waste, (iii) the issuance of a notice, regulation or any business plan is required to be filed with, any governmental authority, and/or (iv) the presence of a Reportable Use as an "Hazardous Substance" with respect to any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties.

Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use such as ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements. Lessee is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability thereof. In addition, Lessee may consent to any Reportable Use by receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or requiring the Security Deposit.

(b) Duty to Inform Lessor. If Lessee knows, or has a reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, or to otherwise become known to Lessee, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) Lessor Remediation. Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises, or otherwise the site of the Premises, and shall not engage in any activity with respect to the Hazardous Substance that constitutes a Hazardous Substance Release. Lessee shall give Lessor any notice of any known spill or release of a Hazardous Substance. Lessor shall have the right to inspect the Premises or to require Lessee to perform any investigation and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee. Lessor shall have the right to use any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third-party.

(d) Lessor Indemnification. Lessor shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor. If any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third-party (provided, however, that Lessor shall have no liability for any loss of rents and/or damages to the extent such loss of rents and/or damages is caused by Lessor's negligence or willful misconduct or any Hazardous Substance Release except in the case of gross negligence or willful misconduct). Lessor shall have the right, but not the obligation, to remove any Hazardous Substance, take any actions as may be necessary to prevent the migration of any Hazardous Substance from the Premises, and/or take any actions with respect to any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, recondition, reusing, cleaning up, and other actions taken in any manner with respect to the Premises or termination or release agreement entered into by Lessor and Lessee shall release from Lessee's obligations under this Lease with respect to Hazardous Substance, and shall not be made any more responsible to Lessee than Lessor would have been but for the Lessor's good faith belief, prior to entering into such agreement, that the treatment, removal, or other action was not reasonably likely to create any contamination or injury to person, property or the environment or any costs, liabilities, claims, damages, losses, or expenses by Lessor in connection therewith, and any such agreement shall be executed only if agreed by Lessor in writing at the time of such agreement.

Lessor Indemnification. Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its agents, employees and lenders harmless from and against any and all environmental damages, including...
the cost of remediation, which result from Hazardous Substances which exist on the Premises prior to Lessee's occupancy or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. The cost of any remediation required by governmental entities having jurisdiction in respect to the existence of Hazardous Substances on the Premises prior to Lessee's occupancy shall be the responsibility of Lessor unless such remediation measures or requirements are requested as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3a) or the installation of equipment. Lessee shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessor shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered hereafter. Before the enforcement of record of such lien, claim, or demand, indemnifying Lessee against the liability for the same. If Lessee elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 Ownership; Removal; Surrender; and Restoration.

(a) Ownership. Subject to Lessor's right to require removal or own the premises after use as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to the owner of all or any part of the Premises to purchase such Alterations and Utility Installations at their fair market value. Lessor shall cooperate fully in any such activities at the request of Lessee, including allowing Lessor and Lessee's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigation and remediation responsibilities.

(b) Removal. By delivery of Lessee's written notice from Lessor not earlier than 90 and not later than 30 days prior to the termination of the Lessee, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessee may require the removal at any time of all or any part of Lessee Owned Alterations or Utility Installations made without the required consent.
(c) Surrender. Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, fixtures, and personal property therein, in good operating condition and repair, free of all debts, and in the same condition as on the Effective Date, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if this Lease is for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee, except for ordinary wear and tear and the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for the Lessee. Lessee shall also remove from the Premises any and all Hazardous Substances brought onto the Premises by or for the Lessee, or any third party (except Hazardous Substance in lessee's possession which were deposited via a waiver contained in the Premises) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee removed from the Premises prior to the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessee may desire. The failure by Lessee to timely surrender the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 28 below.

8. INSURANCE. Indemnity

8.1 Insurance Premiums. The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 are included as Operating Expenses (see paragraph 4.2 (c)(v)). Said costs shall include increases in the premiums resulting from additional coverage related to the expiration of the Premises or a portion of the Premises or the Building and/or Project, and/or a general premium rate increase. Said costs shall not, however, include any premium increases resulting from the nature of the occupancy of any other tenant of the Building. If the Project was not insured for the entirety of the Base Year, then the base premium shall be the lowest premium reasonably obtainable from the required insurance as of the Start Date, assuming the most nominal use possible of the Building and/or Project. In no event, however, shall Lessee be responsible for any portion of the premium cost attributable to liability insurance coverage in excess of $2,000,000 procured under Paragraph 8.2(b).

8.2 Liability Insurance. (a) Carried by Lessee. Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupation or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than $1,000,000 per occurrence with an annual aggregate of not less than $2,000,000. Lessee shall add Lessor as an insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Manager or Owners of Premises" endorsement and coverage shall also be extended to include damage caused by heat, smoke or fumes from a hostile fire. The policy shall not contain any insured-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "Insured Contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, be less than the limits required hereunder. Lessee shall also maintain such insurance as Lessor shall require which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) Carried by Lessor. Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be carried by Lessee. Lessee shall not be named as an additional insured therein.

8.3 Property Insurance - Building, Improvements and Rental Value (a) Property Damage. Lessee shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground-lessee, and to any Lender insuring loss or damage to the Building and/or Project. The amount of such insurance shall be equal to the full insurable replacement cost of the building and/or Project, as the same shall exist from time to time, or, if less, to at least 80% of the replacement cost of such property at its current value (the "Replacement Value"). Lessee's property shall include all fixtures, alterations, and improvements added to, or installed in, the Premises. Such policy or policies shall also provide protection against the perils of fire, theft, comprehensive general liability, and such other perils as may be required by the Building code. Such policies shall provide against the perils of the risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and applicable debris removal requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreement of subrogation in favor of Lessor in the event of subrogation by any other Lender. The premiums for such insurance shall be paid by Lessee, including Lessor's costs so caused. In no event shall the amount of such annual property insurance coverage amount be a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed $5,000 per occurrence.

(b) Rental Value. Rental shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value Insurance") insurance will be in the amount of the rental value of the Premises, including all improvements, fixtures, personal property, and the aggregate amount of all other charges which Lessor, in good faith, believes it will incur as a result of the loss or damage, including all overhead expenses which are not paid as a result of the loss or damage. Said policy or policies shall provide against the perils of the risks of direct physical loss or damage, such losses and the perils of fire, theft, and such other perils as may be required by the Building code. Such policies shall provide against the perils of the risks of direct physical loss or damage, such losses and the perils of fire, theft, and such other perils as may be required by the Building code. Such policies shall provide against the perils of the risks of direct physical loss or damage, such losses and the perils of fire, theft, and such other perils as may be required by the Building code. Such policies shall provide against the perils of the risks of direct physical loss or damage, such losses and the perils of fire, theft, and such other perils as may be required by the Building code.

(c) Adjacent Premises. Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas of the Project if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

(d) Lessee's improvements. Since Lessor is the Insuring Party, Lessee shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has shall become the property of Lessor under the terms of this Lease.

8.4 Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance. (a) Property Damage. Lessee shall obtain and keep in force a policy of insurance covering all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed $1,000 per occurrence. The proceeds from any such insurance shall be used by Lessor for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) Worker's Compensation Insurance. Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a "Waiver of Subrogation" endorsement. Lessee shall provide Lessor with a copy of such endorsement and the certificate of the policy not later than 30 days after the effective date of such policy.

(c) Business Interruption. Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils comúnmente covered against by prudent lessors in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(d) No Representation of Adequate Coverage. Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 Insurance Policies. Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessor shall, prior to the Start Date, deliver to Lessee certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 10 days prior written notice to Lessee. Lessee shall, at least 30 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "Insurance binders" evidencing renewal thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required under this Paragraph, the other Party may, but shall not be required to, procure and maintain the same.

8.6 Waivers of Subrogation. Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss or damage to its property arising out of or incident to the perils referred to in Paragraph 8.5. The effect of Paragraph 8.6 is that losses and waivers is not limited by the amount of insurance carried, and no deduction is made for deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 Indemnification. Except for Lessee's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, in connection with, the use and/or occupancy of the Premises by Lessee, if brought against Lessor or others (other than Lessor). Any term of any of its liability policies shall upon notice defend the same at Lessor's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessor in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 Waiver of Lessor and Lessor's Liability. Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage,
obstruction or other defects of pipes, fice sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether or not said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, or (ix) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease or tenancy on the Premises. A list of the risk losses of each of the above types of insurance shall be kept by Lessor in the event of such damages or injury to be filed a claim on the insurance policy(ies) that Lessor is required to maintain pursuant to the provisions of paragraph 8.

9. Failure to Provide Insurance. Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessee to Renter and potentially cause Lessee to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to accv rate. Accordingly, for any month or portion thereof that Lessor does not maintain the required insurance and/or does not provide Renter with the required evidence of the required insurance, Lessor shall immediately be required to pay, in addition to the other damages and costs, a sum sufficient to cover the shortfall in the required coverage, or a sum equal to 10% of the total existing Base Rent or $100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Renter will incur by reason of Lessor’s failure to maintain insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee’s Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessie of its obligation to maintain the insurance specified in this Lease.

9. Damage or Destruction.

9.1 Definitions. (a) “Premises Partial Damage” shall mean damage or destruction to the Improvements on the Premises, other than Lessor Owned Altered or Utility Installations. Premises Partial Damage shall be repaired or replaced within 3 months or less if the Base Rent shall exceed the amount of the damage as to whether or not the damage is Partial or Total.

(b) “Premises Total Damage” shall mean damage or destruction to the Improvements on the Premises, other than Lessor Owned Altered and Utility installations and Trade Fixtures, which cannot reasonably be repaired in 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 6 months Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) “Insured Loss” shall mean damage or destruction to improvements on the Premises, other than Lessor Owned Altered and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8(b), irrespective of any deductible amounts or coverage limits involved.

(d) “Replacement Cost” shall mean the cost to repair or rebuild the improvements owned by Renter at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the application of Applicable Requirements, and reasonable deducts for delays.

(e) “Hazardous Substance Contamination” shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

9.2 Partial Damage - Insured Premises Partial Damage. If Insured loss occurs, then Lessor shall, at Lessee’s option, repair such damage (but not Lessor’s Trade Fixtures or Lessor Owned Alterations and Utility Installations) as soon as reasonably possible and in full force and effect. Provided, however, that Lessor shall, at Lessor’s election, make the repair of any damage or destruction the total cost to repair of which is $5,000 or less, at the end of the same calendar month in which such damage occurs and, in such case, any applicable insurance proceeds shall be retained by Lessor on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to repair and/or restore the improvements to a condition substantially comparable to the condition existing immediately prior to such damage required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvement, full force and effect of the required contruction coverage was not commercially reasonable and available, Renter shall have no obligation to pay for the shortage in insurance proceeds or to fully reimburse Lessor on the Premises under this Lease with the funds to cover same, or adequate assurance thereof, provided Renter follows receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect.

9.3 Partial Damage - Uninsured Loss. If a Partial Damage that is not an Insured Loss occurs, unless caused by a negligence or willful misconduct of Renter, Renter shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of its intention to pay for the repair of such damage without reimbursement from Lessor. Renter shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessee shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessor does not make the required commitment, this Lease shall terminate at the date specified in the termination notice.

9.4 Total Destruction. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to terminate this Lease as provided in Paragraph 8, but this right shall not apply if damage from Paragraph 9.5 shall have been so provided.

9.5 Damage Near End of Term. If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month’s Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage. If the termination is within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessor at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessor may preserve this Lease by, (a) exercising such option and (b) paying with such shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs required within 30 days after such date of occurrence of such damage, and (c) delivering written notice to Renter at the date of the notice to which such option expires. If Lessor does not exercise such option during such period and provides with funds for insurance, and, in some cases, shall be held to be in default if the additional cost thereof to cover any shortage in insurance proceeds. Renter shall, at Lessor’s commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessor’s option shall be extinguished.

9.6 Abatement of Rent; Lessee’s Remedies. (a) Abatement. In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in the proportion to the degree to which Lessee’s use of the Premises is impaired, but not to exceed the proceeds recovered from the Rent-Related-Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessee shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

Lessee’s Remedies. If Lessee suffers any such damage or destruction that the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessor has actual notice, of Lessee’s election to terminate this Lease on a date not less than giving of such notice and such notice of Lessee’s having given written notice to Lessee that it is hereby terminates. If the parties shall agree therefor, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 90 days, this Lease shall continue in full force and effect.

9.7 Termination: Advance Payments. Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made for all unpaid Renter advances for the period remaining after the other advances are paid by Lessee.

10. Real Property Taxes.

10.1 Definitions. As used herein the term “Real Property Taxes” shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor’s right to other income therefrom, and/or Lessor’s business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address. "Real

11.1 Services Provided by Lessor. Lessor shall provide heating, ventilation, air conditioning, reasonable amounts of electricity for space lighting, and water to Leases. Lessor shall provide services to Lessee, including repair of all property, Lessee's equipment and fixtures, and Lessee's service facilities. Lessor shall provide maintenance and repair of all property, Lessee's equipment and fixtures, and Lessee's service facilities to the extent required by the terms of this Lease.

11.2 Services Excludable by Lessor. Lessor shall not be required to provide any service to Lessee which is required by Lessee's equipment or fixtures to the extent required by the terms of this Lease. Lessor shall not be required to provide any service to Lessee which is required by Lessee's equipment or fixtures to the extent required by the terms of this Lease. Lessor shall not be required to provide any service to Lessee which is required by Lessee's equipment or fixtures to the extent required by the terms of this Lease.

11.3 Hours of Service. The hours of service shall be determined by the terms of this Lease. Lessor shall not be responsible for any damage to Lessee's equipment or fixtures to the extent required by the terms of this Lease. Lessor shall not be responsible for any damage to Lessee's equipment or fixtures to the extent required by the terms of this Lease. Lessor shall not be responsible for any damage to Lessee's equipment or fixtures to the extent required by the terms of this Lease. Lessor shall not be responsible for any damage to Lessee's equipment or fixtures to the extent required by the terms of this Lease.

11.4 Services Prior to Move-In. Prior to Move-In, Lessor shall provide services to Lessee, including repair of all property, Lessee's equipment and fixtures, and Lessee's service facilities. Lessor shall provide maintenance and repair of all property, Lessee's equipment and fixtures, and Lessee's service facilities to the extent required by the terms of this Lease.

11.5 Exclusions.

11.5.1 Lessor shall not be responsible for any damage to Lessee's equipment or fixtures to the extent required by the terms of this Lease. Lessor shall not be responsible for any damage to Lessee's equipment or fixtures to the extent required by the terms of this Lease. Lessor shall not be responsible for any damage to Lessee's equipment or fixtures to the extent required by the terms of this Lease. Lessor shall not be responsible for any damage to Lessee's equipment or fixtures to the extent required by the terms of this Lease. Lessor shall not be responsible for any damage to Lessee's equipment or fixtures to the extent required by the terms of this Lease. Lessor shall not be responsible for any damage to Lessee's equipment or fixtures to the extent required by the terms of this Lease.
proceeding said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of, the property covered by this Lease, be deemed to have made such consent as is required by any other term, condition, covenant and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessee shall not transfer, assign, mortgage, lease, sublet or otherwise convey, or otherwise encumber, any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 Additional Terms and Conditions Applicable to Subletting. The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises as provided for in this Lease or otherwise included in this Lease:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of any of Lessee's obligations under this Lease, no such assignment shall be deemed to transfer to Lessor any right in the sublease, or any obligations of such sublessee, unless and until a Breach shall occur in the performance of its obligations. Lessor shall have the right to collect such Rent, and all other Rent or other sums due under the sublease, whether or not due at the time such sublease is terminated. In the event that a Breach occurs in the performance of any such sublease, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessee under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rentals or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) No matter whether the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No subleasee shall; further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the time period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessor for any such Defaults cured by the sublessee.

13. Default; Breach; Remedies.

13.1 Default.

Default: Breach. A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The lessee is in default of any of the obligations under this Lease.

(b) Any breach of the covenant of quiet enjoyment for the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(c) The lessee is in default of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such default continues for a period of 3 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the provision of an unauthorized sublet or assignment, or (iv) a List of Records or broadcast titles, or any request for subletting, or any request concerning the acquisition of any item of equipment or material, and any request for any other item of equipment or material, which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure occurs for a period of 10 business days following written notice to Lessee.

(e) A Default as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2, if not cured within 30 days after written notice; provided, however, that if the nature of the default is such that more than 30 days are reasonably required for correction, and if it shall not be deemed a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days, or (iv) the attachment, execution or other judicial seizure of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and no remedy shall exist under the validity of such provision.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) any Guarantor's, (ii) the termination of any Guarantor's guarantee, (iii) any assignment of the Guarantor's interest in this Lease with the terms thereof as herein provided for under the Guarantor's guarantee, (iv) any assignment or release to which the Guarantor's guarantee is subject of a bankruptcy filing, (v) a Guarantor's refusal to honor the guarantee, or (vi) a Guarantor's breach of its guarantee obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing liabilities of Lessor, equals or exceeds the combined financial resources of Lessor and the Guarantors that existed at the time of execution of this Lease.

13.2 Remedies.

If Lessee fails to perform any of its affirmative duties or obligations, within 10 business days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event, Lessee shall be entitled to recover from Lessor: (i) the unpaid Rent which had been earned at the time of termination; (ii) the work at the time of award of the amount of which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the work at the time of award of the amount of which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of repairing any damage thereto, the cost of reletting the Premises, the cost of other means of reletting, expenses of leasing, reasonable attorneys' fees, and that portion of any loss compensation paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease.

(b) The work at the time of award of the amount referred to in provision (ii) of the immediately preceding sentence shall be computed by discounting such amount at the rate of discount of the Disbursement Date. The work at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover attorneys' fees as are reasonably incurred in the unlawful detainer and damages other than attorney's fees, but otherwise to be same as provided herein for any such remedy.

(c) Lessor shall have the right to perform the obligations of Lessee as are reasonably incurred in the unlawful detainer and recover any rent therein other than attorney's fees. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or, to perform or quit given under this Lease, unlawful detainer shall also constitute the notice required by Paragraph 13.1. In such case, the application of Paragraph 13.2 shall include the unlawful detainer statute as applicable. Any judgment for unlawful detainer shall be entered in the name of Lessor as the plaintiff and of the Lessee or tenant as the defendant. Default under the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(d) The Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may...
Lease:

SIGNED:

Lessor:

Lessee:

Date:

This Agreement (the "Agreement") is entered into on this [date], by and between [Lessor], a [Lessor's type], with its principal place of business at [Lessor's address], and [Lessee], a [Lessee's type], with its principal place of business at [Lessee's address] (collectively, the "Parties").

1. Premises:
The Premises are located at [Premises address], and consist of [describe the Premises].

2. Term:
The term of this Agreement shall commence on [start date] and shall continue until [end date].

3. Rent:

3.1 The rent for the Premises shall be [Rent amount] payable in [frequency] in arrears on or before the [due date].

3.2 Any rent not paid on time shall be subject to a late fee of [late fee amount] per [late fee period].

4. Other Charges:

4.1 In addition to the rent, the Lessee shall pay for [list other charges]

4.2 Any charges not paid on time shall be subject to a late fee of [late fee amount] per [late fee period].

5. Use and Occupancy:

5.1 The Premises shall be used for [use purpose].

5.2 The Lessee shall not use the Premises for any illegal activities.

6. Maintenance and Repair:

6.1 The Lessor shall be responsible for [list maintenance responsibilities].

6.2 The Lessee shall be responsible for [list repair responsibilities].

7. Indemnification:

7.1 The Lessee shall indemnify and hold harmless the Lessor from any and all losses, damages, costs, and expenses

8. Termination:

8.1 This Agreement may be terminated at any time by giving written notice to the other Party.

9. Governing Law:

This Agreement shall be governed by and construed in accordance with the laws of [governing jurisdiction].

In Witness Whereof, the Parties have executed this Agreement as of the date first above written.

[Signatures]

[Printed Names]

[Positions]

[Dates]
20. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall not in any way affect the validity of any other provision hereof.

21. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. No Prior or Other Agreements; Broker Disclaimer. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other matter or prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each warrants and represents to the other that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease, the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto with respect to any default or breach hereof by either Party.


(a) Notice Requirements. All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by email, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted above shall be used by either Party for delivery of notices hereunder. The other Party's address may be designated in writing to the other Party, and it shall be notified that the new address is effective by the mailing of a copy of this notice to such new address. Notices shall be given by Lessor to Lessee at the location specified herein and vice versa. Notices given by one Party shall be deemed to have been received on the earlier of the date such notice is actually delivered or the fifth business day following mailing thereof.

(b) Acceptance of Notice. Any notice or demand hereunder shall be served by the party sending the same upon the party to be notified, or at the address thereof last known to the sender of such notice, or at such other address as the party giving such notice shall have in writing directed to be served upon the other Party, and it shall be deemed to have been served without further act or answer of the other Party if the notice shall be directed to any person at any time in the same manner as a regular letter or facsimile, or if sent by email or facsimile, or if sent by registered or certified mail, with postage prepaid, the return receipt of which shall be required.

24. Waiver. (a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or to be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor as a temporary means of avoiding Default or Breach, or as part of the payment of any other amount due Lessor, notwithstanding any conflicting statements or conditions made by Lessee in connection therewith, such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

25. Disclaimers.

(a) The Parties Agree that THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED HERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE. (b) The Parties Acknowledge that the Nature of a Real Estate Agency Relationship.

(i) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows: (i) Lessor's Agent. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor. Only a Lessor's agent or Subagent has the following affirmative obligations: To the Lessor: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. To the Lessee and the Lessor: a. Direct exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property, or within or without the diligent attention and observation of the Parties, or not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above. (ii) Lessee's Agent. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement with the Lessor, the agent's obligation for service and compensation is to the Lessor. An agent acting only for a Lessee has the following affirmative obligations: To the Lessee: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. To the Lessee and the Lessor: a. Direct exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) Agent Representing Both Lessor and Lessee. A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: a. A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with either Lessor or Lessee. b. Duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii), in representing both Lessor and Lessee, the agent may not without the express permission of the respective Party, disclose to the other Party that the Lessor will accept rent in an amount less than that indicated in the listing or that the Lessee is willing to pay a higher rent than that offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. c. Agents who have not signed any confidentiality agreement related to any default or breach hereof by either Party. The Parties agree that there is no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this lease may be brought against Broker more than one year after the happening of the liability and the occurrence of any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

Lessee and Lessor agree to identify to brokers as Confidential any communication or information given Brokers that is considered by such Party to be confidential.

Right to Hold To Right. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 110% of the Base Rent applicable immediately preceding the expiration or termination. Holdover Base Rent shall be calculated on a monthly basis. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, whenever possible, be cumulative with all other remedies at law or in equity.

Covenants and Conditions: Construction of Agreement. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a

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FORM OFG-17-99/15E

PAGE 11 OF 14
39. **Options.** If Lessee is granted any Option, as defined below, then the following provisions shall apply.

39.1 **Definition.** "Option" shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right of first refusal, or the right of first refusal to purchase the Premises or other property of Lessor; and (d) the right of first refusal or first offer to lease any of the other real estate at any time during the term of this Lease.

39.2 **Options Personal To Original Lessee.** Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested, Lessor shall extend hereby the time for exercising the Option without interfering with the Option.

39.3 **Multiple Options.** In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot Option be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options.** (a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during a period of time during which any of the terms of this Lease have been breached by Lessee and during which time there are more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option. (b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to
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<th>By LESSOR: Cathрон Property Management</th>
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<tr>
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<tr>
<td>Name Printed: Robert Adatto</td>
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<tr>
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<tr>
<td>By:</td>
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<tr>
<td>Name Printed: Jannia Hamraz</td>
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<td>Title: Executive Director</td>
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ADDENDUM

Date: November 12, 2015

By and Between (Lessor) Cethron Property Management
(Leasee) The Downtown San Diego Partnership, a CA Not-For-Profit Corp.

Address of Premises: 1111 6th Avenue

Paragraph 50

In the event of any conflict between the provisions of this Addendum and the printed provisions of the Lease, this Addendum shall control.

A) The Leased Premises are comprised of three distinct spaces within the Building, more particularly shown on Exhibit A, which is attached hereto, and described as follows:

i) Suite 101 is approximately 2,048 rentable square feet on the ground floor of the Building

ii) Suites M29 and M31 are (combined) approximately 1,100 rentable square feet on the mezzanine level of the Building

iii) Bicycle & Cart Storage Area is approximately 150 square feet on the basement level of the Building

These spaces, combined, comprise the Leased Premises.

B) Leasee shall have access to the Leased Premises and the right to use the leased spaces in accordance with the Lease, seven days per week, twenty-four hours per day. Lessor shall use its reasonable best efforts to ensure that all applicable utilities and climate control are available to the Leased Premises at all times during the Term hereof.

C) If responsibility for operating Leasee’s “Clean and Safe Program” is removed from Leasee, Leasee may cancel this Lease upon at least ninety days’ written notice to Lessor (“Notice”), accompanied by reimbursement to Lessor for Lessor’s unamortized costs for tenant improvements to the Leased Premises and leasing commissions paid in connection with this Lease (a written expression of Leasee’s intent to cancel the Lease without paying the full amount of reimbursements due hereunder shall not constitute proper Notice).

D) Leasee shall reimburse Lessor for Leasee’s pro-rata share of the utility consumption costs for the Building, within twenty-one (21) days of Lessor’s delivery of an invoice for such costs. Lessor’s invoice shall include copies of the relevant utility bill(s) and a simple calculation of Leasee’s share thereof. Upon Lessor’s delivery of its invoice for such utility costs, such invoiced charges shall become immediately due and payable as rent (though, as set forth above, Leasee shall have a twenty-one day grace period to actually pay such charges). If Lessor’s pro-rata share of Lessor’s utility costs for the Building is greater than $750 in any billing month, Lessor shall limit its reimbursement charge and Invoice Leasee for only $750 for that specific billing month.

E) Lessor has presented a tenant improvement plan to Leasee, and Leasee has accepted that plan as representing all improvements required of Lessor for the Leased Premises. The plan is attached hereto as Exhibit A and is incorporated herein by this reference. Lessor shall provide, at Lessor’s cost, the improvements shown on Exhibit A. It is anticipated that Lessor shall commence the improvements in December, 2015 (prior to the commencement of the Term hereof, and during the extended Term of the prior lease between the same parties). Upon notice from Lessor (anticipated to be delivered on November 30, 2015) Leasee shall promptly vacate the “Suite 101” portion of the Leased Premises, and move its office operations and personnel temporarily into space on the fourth floor of the Building known as Suites 406 and 408 (as more particularly indicated on Exhibit B, which is attached hereto, and incorporated herein by this reference). Leasee shall continue to pay rent as set forth in the prior lease during the “temporary occupancy” of Suites 406 and 408, and Lessor
shall permit Lessee to occupy Suites 406 and 408 during the construction of the tenant improvements in Suite 101 at no additional rent or related cost to Lessee. It is anticipated that Lessor will achieve substantial completion of the tenant improvements to Lessee’s ground-floor space in mid-January, 2016 and Lessee shall vacate the temporary space on the fourth floor and re-occupy its ground-floor space promptly upon Lessor’s substantial completion of the tenant improvements in the ground-floor space. Lessor shall commence tenant improvements on Lessee’s mezzanine-level space within ninety (90) days after achieving substantial completion of the tenant improvements of Lessee’s ground-floor space, and Lessee shall vacate its mezzanine-level space to facilitate installation of new flooring in that space, when Lessee requests (but for only as long as the flooring contractor requires for proper installation of the new flooring).

F) Lessee shall use its best efforts to ensure that its staff and visitors avoid or minimize the use of the Building lobby and main elevators, and shall instruct its non-professional staff to use only the Building’s freight elevator (the southern-most elevator car in the Building) for access to its mezzanine-level space.

G) Lessor and Lessee ("the Parties") acknowledge that the same two parties were landlord and tenant under a prior lease for nearly the same Leased Premises as are the subject of this Lease, and that prior lease was amended (and extended) two times. The Term of the prior lease (including any applicable amendments/extensions) was scheduled to terminate on June 30, 2015, and any holdover was contractually subject to an automatic 50% increase in Base Rent as of July 1, 2015. The Parties acknowledge that as a material inducement to Lessee to enter into this Lease, Lessor hereby waives any “holdover increase” in Base Rent under the prior lease. The Parties further acknowledge that the Term of the prior lease is extended through December 31, 2015 and that the Base Rent payable as of the last scheduled month of the Term of the prior lease (which was $6,144.74) shall continue to be the Base Rent under the prior lease through and including December 31, 2015. All other terms, covenants and conditions of the prior lease shall remain in full force and effect until the adjusted termination date of December 31, 2015.
RENT ADJUSTMENT(S)
STANDARD LEASE ADDENDUM

Dated November 12, 2015

By and Between (Lessor) Cethron Property Management

(Lessee) The Downtown San Diego Partnership, a California Not-For-Profit Corporation

Address of Premises: 1111 6th Avenue (see Exhibit A to Lease for a specific description of the Leased Premises)

Paragraph 51

A. RENT ADJUSTMENTS:
   The monthly rent for each month of the adjustment period(s) specified below shall be increased using the method(s) indicated below:
   (Check Method(s) to be Used and Fill in Appropriately)
   □ I. Cost of Living Adjustment(s) (COLA)
      a. On (Fill in COLA Dates):

   the Base Rent shall be adjusted by the change, if any, from the Base Month specified below, in the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for (select one): □ CPI W (Urban Wage Earners and Clerical Workers) or □ CPI U (All Urban Consumers), for (Fill in Urban Area):

   (1982-1984 = 100), herein referred to as "CPI."

   b. The monthly Base Rent payable in accordance with paragraph A.I.a. of this Addendum shall be calculated as follows: the Base Rent set forth in paragraph 1.5 of the attached Lease, shall be multiplied by a fraction the numerator of which shall be the CPI of the calendar month 2 months prior to the month(s) specified in paragraph A.I.a. above during which the adjustment is to take effect, and the denominator of which shall be the CPI of the calendar month which is 2 months prior to (select one): the □ first month of the term of this Lease as set forth in paragraph 1.3 ("Base Month") or □ (Fill in Other "Base Month"). The sum so calculated shall constitute the new monthly Base Rent hereunder, but in no event, shall any such new monthly Base Rent be less than the Base Rent payable for the month immediately preceding the Base Rent adjustment.

   c. In the event the compilation and/or publication of the CPI shall be transferred to any other governmental department or bureau or agency or shall be discontinued, then the index most nearly the same as the CPI shall be used to make such calculation. In the event that the Parties cannot agree on such alternative index, then the matter shall be submitted for decision to the American Arbitration Association in accordance with the then rules of said Association and the decision of the arbitrators shall be binding upon the parties. The cost of said Arbitration shall be paid equally by the Parties.

   □ II. Market Rental Value Adjustment(s) (MRV)
      a. On (Fill in MRV Adjustment Date(s)):

   the Base Rent shall be adjusted to the "Market Rental Value" of the property as follows:
   1) Four months prior to each Market Rental Value Adjustment Date described above, the Parties shall attempt to agree upon what the new MRV will be on the adjustment date. If agreement cannot be reached within thirty days, then:
      a. Lessor and Lessee shall immediately appoint a mutually acceptable appraiser or broker to establish the new MRV within the next 30 days. Any associated costs will be split equally between the Parties, or
      b. Both Lessor and Lessee shall each immediately make a reasonable determination of the MRV and submit such determination, in writing, to arbitration in accordance with the following provisions:
         i. Within 15 days thereafter, Lessor and Lessee shall each select an □ appraiser or □ broker ("Consultant") - check one) of their choice to act as an arbitrator. The two arbitrators so appointed shall immediately select a third mutually acceptable Consultant to act as a third arbitrator.
         ii. The 3 arbitrators shall within 30 days of the appointment of the third arbitrator reach a decision as to what the actual MRV for the Premises is, and whether Lessor's or Lessee's submitted MRV is the closest thereto. The decision of a majority of the arbitrators shall be binding on the Parties. The submitted MRV which is determined to be the closest to the actual MRV shall thereafter be used by the Parties.

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(ii) If either of the Parties fails to appoint an arbitrator within the specified 15 days, the arbitrator timely appointed by one of them shall reach a decision on his or her own, and said decision shall be binding on the Parties.

(iii) The entire cost of such arbitration shall be paid by the party whose submitted MRV is not selected, i.e., the one that is NOT the closest to the actual MRV.

2) When determining MRV, the Lessor, Lessee and Consultants shall consider the terms of comparable market transactions which shall include, but no limited to, rent, rental adjustments, abated rent, lease term and financial condition of tenants.

3) Notwithstanding the foregoing, the new Base Rent shall not be less than the rent payable for the month immediately preceding the rent adjustment.

b. Upon the establishment of each New Market Rental Value:

1) the new MRV will become the new "Base Rent" for the purpose of calculating any further Adjustments, and

2) the first month of each Market Rental Value term shall become the new "Base Month" for the purpose of calculating any further Adjustments.

7. Fixed Rental Adjustment(s) (FRA)

The Base Rent shall be increased to the following amounts on the dates set forth below:

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<th>Date</th>
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Telephone No. (213) 887-8777. Fax No.: (213) 887-8616.
RULES AND REGULATIONS FOR STANDARD OFFICE LEASE

Dated: November 12, 2015

By and Between Cathron Property Management and Downtown San Diego Partnership, Inc.

GENERAL RULES

1. Lessee shall not suffer or permit the obstruction of any Common Areas, including driveways, walkways and stairways.

2. Lessor reserves the right to refuse access to any persons Lessor in good faith judges to be a threat to the safety and reputation of the Project and its occupants.

3. Lessor shall not make or permit any noise or odors that annoy or interfere with other lessees or persons having business within the Project.

4. Lessee shall not keep animals or birds within the Project, and shall not bring bicycles, motorcycles or other vehicles into areas not designated as authorized for same.

5. Lessee shall not make, suffer or permit litter except in appropriate receptacles for that purpose.

6. Lessee shall not alter any lock or install new or additional locks or bolts.

7. Lessee shall be responsible for the inappropriate use of any toilet rooms, plumbing or other utilities. No foreign substances of any kind are to be inserted therein.

8. Lessee shall not deface the walls, partitions or other surfaces of the Premises or Project.

9. Lessee shall not suffer or permit anything in or around the Premises or Building that causes excessive vibration or floor loading in any part of the Project.

10. Furniture, significant freight and equipment shall be moved into or out of the building only with the Lessor's knowledge and consent, subject to such reasonable limitations, techniques and timing, as may be designated by Lessor. Lessee shall be responsible for any damage to the Office Building Project arising from any such activity.

11. Lessor shall not employ any service or contractor for services or work to be performed in the Building, except as approved by Lessor.

12. Lessor reserves the right to close and lock the Building on Saturdays, Sundays and Building Holidays, and on other days between the hours of 6:00 P.M. and 8:00 A.M. of the following day. If Lessee uses the Premises during such periods, Lessee shall be responsible for securely locking any doors it may have opened for entry.

13. Lessee shall return all keys at the termination of its tenancy and shall be responsible for the cost of replacing any keys that are lost.

14. No window coverings, shades or awnings shall be installed or used by Lessee.

15. No Lessee, employee or invitee shall go upon the roof of the Building.

16. Lessor shall not suffer or permit smoking or carrying of lighted cigars or cigarettes in areas reasonably designated by Lessor or by applicable governmental agencies as non-smoking areas.

17. Lessee shall not use any method of heating or air conditioning other than as provided by Lessor.

18. Lessor shall not install, maintain or operate any vending machines upon the Premises without Lessor's written consent.

19. The Premises shall not be used for lodging or manufacturing, cooking or food preparation.

20. Lessee shall comply with all safety, fire protection and evacuation regulations established by Lessor or any applicable governmental agency.

21. Lessor reserves the right to waive any one of these rules or regulations, and/or as to any particular Lessee, and any such waiver shall not constitute a waiver of any other rule or regulation or any subsequent application thereof to such Lessee.

22. Lessee assumes all risks from theft or vandalism and agrees to keep its Premises locked as may be required.

23. Lessor reserves the right to make such other reasonable rules and regulations as it may from time to time deem necessary for the appropriate operation and safety of the Project and its occupants. Lessee agrees to abide by these and such rules and regulations.

PARKING RULES

1. Parking areas shall be used only for parking by vehicles no longer than full size, passenger automobiles herein called "Permitted Size Vehicles." Vehicles other than Permitted Size Vehicles are herein referred to as "Oversized Vehicles."

2. Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessor or Lessee's employees, suppliers, shippers, customers, or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.

3. Parking stickers or identification devices shall be the property of Lessor and be returned to Lessor by the holder thereof upon termination of the holder's parking privileges. Lessor will pay such replacement charge as is reasonably established by Lessor for the loss of such devices.

4. Lessor reserves the right to refuse the sale of monthly identification devices to any person or entity that willfully refuses to comply with the applicable rules, regulations, laws and/or agreements.

5. Lessor reserves the right to relocate all or a part of parking spaces from floor to floor, within one floor, and/or to reasonably adjacent offsite location(s), and to reasonably allocate them between compact and standard size spaces, as long as the same complies with applicable laws, ordinances and regulations.

6. Users of the parking area will obey all posted signs and park only in the areas designated for vehicle parking.

7. Unless otherwise instructed, every person using the parking area is required to park and lock his own vehicle. Lessor will not be responsible for any damage to vehicles, injury to persons or loss of property, all of which risks are assumed by the party using the parking area.

8. Validation, if established, will be permissible only by such method or methods as Lessor and/or its licensees may establish at rates generally applicable to visitor parking.

9. The maintenance, washing, waxing or cleaning of vehicles in the parking structure or Common Areas is prohibited.

10. Lessee shall be responsible for seeing that all of its employees, agents and invitees comply with applicable parking rules, regulations, laws and agreements.

11. Lessor reserves the right to modify these rules and/or adopt such other reasonable and non-discriminatory rules and regulations as it may deem necessary for the proper operation of the parking area.

12. Such parking use as is herein provided is intended merely as a license only and no bailment is intended or shall be created hereby.

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