

OFFICE LEASE

Landlord:

Tenant:

Date: May 5, 2016

This Lease consists of four parts:

| | |
|----------|------------------------------------|
| Part I | Cover Sheet |
| Part II | Standard Lease Provisions |
| Part III | Additional Provisions (if any) and |
| Part IV | Exhibits |

- EXHIBIT A - Floor Plan of Premises
- EXHIBIT B - Notice of Lease Term Dates
- EXHIBIT C - Tenant Improvements
- EXHIBIT D - Rules and Regulations
- EXHIBIT E - Guaranty
- EXHIBIT F - Exclusions from Operating Expenses
- EXHIBIT G - Façade Sign
- EXHIBIT H - Arbitration Provision
- EXHIBIT I - Janitorial Specifications
- EXHIBIT J - Form Estoppel Certificate
- EXHIBIT K - Approved Space Plan
- EXHIBIT L - Commission Agreement

PART I

COVER SHEET

The terms listed below shall have the following meanings throughout this Lease:

DATE OF LEASE: May 5, 2016, the date on which Landlord has signed this Lease

LANDLORD:

TENANT:

TENANT'S ADDRESS:

MANAGER:

MANAGER'S ADDRESS:

PREMISES: The area consisting of approximately 35,553 rentable square feet on the seventh floor and eighth floor of Building C, as shown on **Exhibit A** attached hereto

BUILDING:

PROPERTY: The Building, other improvements and land (the "Lot")

TENANT'S PERCENTAGE: 17.73% (35,553 rentable square feet in the Premises divided by 200,552 rentable square feet in the Building and in the Building)

PERMITTED USES: General office purposes and uses ancillary thereto, including employee training (subject to the parking ratio)

restriction set forth in Section 1 of Part III of this Lease)

**TENANT
IMPROVEMENTS:** See Exhibit C

**SCHEDULED
COMMENCEMENT DATE:** October 1, 2016, subject to Section 2.1

TERM: One hundred thirty eight (138) months

TURNOVER DATE: The first business day after the Date of Lease

**BASE RENT
(TRIPLE NET):** Tenant shall pay Base Rent for the Premises in accordance with the following schedule:

| Months | Rent Per Month | Annual Rent | Annual Rent p.r.s.f. |
|---------|-------------------|----------------|----------------------------|
| 1-18 | \$0.00 | \$0.00 | \$0.00 |
| 19-30 | \$62,217.75 | \$746,613.00 | \$21.00 |
| 31-42 | \$63,699.13 | \$764,389.50 | \$21.50 |
| 43-54 | \$65,180.50 | \$782,166.00 | \$22.00 |
| 55-66 | \$66,661.88 | \$799,942.50 | \$22.50 |
| 67-78 | \$68,143.25 | \$817,719.00 | \$23.00 |
| 79-90 | \$69,624.63 | \$835,495.50 | \$23.50 |
| 91-102 | \$71,106.00 | \$853,272.00 | \$24.00 |
| 103-114 | \$72,587.38 | \$871,048.50 | \$24.50 |
| 115-126 | \$74,068.75 | \$888,825.00 | \$25.00 |
| 127-138 | \$75,550.13 | \$906,601.50 | \$25.50 |

SECURITY DEPOSIT: N/A

**PUBLIC LIABILITY
INSURANCE AMOUNT:** \$3,000,000 combined single limit

BROKER(S):

GUARANTOR(S): Patterson-UTI Energy, Inc. Such guaranty shall have a term of ninety (90) months as set forth in the Guaranty attached hereto as Exhibit E.

TABLE OF CONTENTS OF STANDARD LEASE PROVISIONS

| | Page |
|---|------|
| ARTICLE I: PREMISES | |
| 1.1 <i>Premises</i> | 1 |
| 1.2 <i>Common Areas</i> | 1 |
| ARTICLE II: TERM | |
| 2.1 <i>Commencement Date</i> | 2 |
| ARTICLE III: RENT | |
| 3.1 <i>Base Rent</i> | 2 |
| 3.2 <i>Additional Rent for Operating Expenses, Taxes, and Capital Costs</i> | 3 |
| ARTICLE IV: DELIVERY OF PREMISES AND TENANT IMPROVEMENTS | |
| 4.1 <i>Condition of Premises</i> | 5 |
| 4.2 <i>Delay in Possession</i> | 5 |
| 4.3 <i>Delivery and Acceptance of Possession</i> | 5 |
| 4.4 <i>Early Occupancy</i> | 5 |
| ARTICLE V: ALTERATIONS AND TENANT'S PERSONAL PROPERTY | |
| 5.1 <i>Alterations</i> | 6 |
| 5.2 <i>Tenant's Personal Property</i> | 7 |
| ARTICLE VI: LANDLORD'S COVENANTS | |
| 6.1 <i>Services Provided by Landlord</i> | 7 |
| 6.2 <i>Repairs and Maintenance</i> | 8 |
| 6.3 <i>Quiet Enjoyment</i> | 9 |
| 6.4 <i>Insurance</i> | 9 |
| ARTICLE VII: TENANT'S COVENANTS | |
| 7.1 <i>Repairs, Maintenance and Surrender</i> | 9 |
| 7.2 <i>Use</i> | 10 |
| 7.3 <i>Assignment; Sublease</i> | 10 |
| 7.4 <i>Indemnities</i> | 11 |
| 7.5 <i>Tenant's Insurance</i> | 11 |
| 7.6 <i>Payment of Taxes</i> | 12 |
| 7.7 <i>Environmental Assurances</i> | 12 |
| 7.8 <i>Americans With Disabilities Act</i> | 14 |
| ARTICLE VIII: DEFAULT | |
| 8.1 <i>Default</i> | 14 |

| | | |
|-----|--|----|
| 8.2 | <i>Remedies of Landlord and Calculation of Damages</i> | 15 |
|-----|--|----|

ARTICLE IX: CASUALTY AND EMINENT DOMAIN

| | | |
|-----|-----------------------|----|
| 9.1 | <i>Casualty</i> | 16 |
| 9.2 | <i>Eminent Domain</i> | 18 |

ARTICLE X: RIGHTS OF PARTIES HOLDING SENIOR INTERESTS

| | | |
|------|----------------------------|----|
| 10.1 | <i>Subordination</i> | 19 |
| 10.2 | <i>Mortgagee's Consent</i> | 19 |

ARTICLE XI: GENERAL

| | | |
|-------|---|----|
| 11.1 | <i>Representations</i> | 19 |
| 11.2 | <i>Notices</i> | 19 |
| 11.3 | <i>No Waiver or Oral Modification</i> | 19 |
| 11.4 | <i>Severability</i> | 19 |
| 11.5 | <i>Requests by Tenant</i> | 20 |
| 11.6 | <i>Estoppel Certificate and Financial Statements</i> | 20 |
| 11.7 | <i>Waiver of Liability</i> | 20 |
| 11.8 | <i>Execution, Prior Agreements and No Representations</i> | 20 |
| 11.9 | <i>Brokers</i> | 20 |
| 11.10 | <i>Successors and Assigns</i> | 21 |
| 11.11 | <i>Applicable Law and Lease Interpretation</i> | 21 |
| 11.12 | <i>Costs of Collection, Enforcement and Disputes</i> | 21 |
| 11.13 | <i>Holdover</i> | 21 |
| 11.14 | <i>Force Majeure</i> | 21 |
| 11.15 | <i>Limitation On Liability</i> | 21 |
| 11.16 | <i>Notice of Landlord's Default</i> | 22 |
| 11.17 | <i>Lease not to be Recorded</i> | 22 |
| 11.18 | <i>Security Deposit</i> | 22 |
| 11.19 | <i>Guaranty of Lease</i> | 22 |
| 11.20 | <i>Landlord and Tenant Relationship</i> | 23 |
| 11.21 | <i>OFAC</i> | 23 |
| 11.22 | <i>Taxes</i> | 23 |
| 11.23 | <i>DTPA</i> | 23 |

PART II STANDARD LEASE PROVISIONS

ARTICLE I PREMISES

1.1 Premises.

(a) *Demise of Premises.* This Lease (the "Lease") is made and entered into by and between Landlord and Tenant and shall become effective as of the Date of Lease. In consideration of the mutual covenants made herein, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises, on all of the terms and conditions set forth in this Lease.

(b) *Relocation. Intentionally omitted*

(c) *Access to Premises.* Landlord shall have reasonable access to the Premises, at any time during the Term, to inspect Tenant's performance hereunder and to perform any acts required of or permitted to Landlord herein, including, without limitation, (i) the right to make any repairs or replacements Landlord deems necessary, (ii) the right to show the Premises to prospective purchasers and mortgagees, and (iii) during the last nine (9) months of the Term, the right to show the Premises to prospective tenants. Landlord shall at all times have a key to the Premises; provided, however, that Tenant shall have the right to install supplemental locks on internal offices and secured file rooms (the "Secured Areas"), provided that the locks shall not be a part of the structure of the doors, and Landlord shall be able to change the locks at the expiration or earlier termination of this Lease without causing damage to the doors, and Tenant shall provide Landlord with supervised access to such areas when reasonably required. Except as set forth above, Tenant shall not change any existing lock(s), nor install any additional lock(s) without Landlord's prior consent. Except in the case of any emergency, any entry into the Premises by Landlord shall be on reasonable advance notice. Landlord shall use reasonable efforts to minimize the disruption to Tenant due to Landlord's entry.

1.2 **Common Areas.** Tenant shall have the right to use, in common with other tenants, the Building's common lobbies, corridors, stairways, and elevators necessary or convenient for access to the Premises, and the common walkways and driveways necessary for access to the Building, the common toilets, corridors and elevator lobbies of any multi-tenant floor, the parking areas for the Building, and any other portions of the Lot designated for the shared use of tenants and occupants ("Common Areas"). Tenant's use of the Building parking areas shall be on an unreserved, non-exclusive basis, except as provided otherwise in Part III of this Lease, and solely for Tenant's employees and visitors. Subject to Section 9.2 of this Lease, Landlord shall not be liable to Tenant, and this Lease shall not be affected, if any parking rights of Tenant hereunder are impaired by any law, ordinance or other governmental regulation imposed after the Date of Lease; provided, however, that nothing in this provision shall be construed as a waiver of Tenant's parking rights set forth in Section 1 of Part III of this Lease. If Landlord grants to any other tenant the exclusive right to use any particular parking spaces and visibly designates the same as such, neither Tenant nor its visitors shall use such spaces, provided that Tenant's parking rights shall not be disturbed. Use of the Common Areas shall be only upon the terms, which shall be consistent with this Lease, set forth at any time by Landlord. Landlord may at any time and in any manner make any changes, additions, improvements, repairs or replacements to the Common Areas that it considers desirable, provided that (i) Landlord shall use reasonable efforts to minimize interference with Tenant's normal activities, and (ii) no such changes, additions, improvements, repairs or replacements shall have a material adverse effect on Tenant's rights under this Lease or Tenant's access to the Premises. Such actions of Landlord shall not

constitute constructive eviction or give rise to any rent abatement or liability of Landlord to Tenant.

ARTICLE II TERM

2.1 Commencement Date. The Scheduled Commencement Date set forth in Part I shall be only an estimate of the beginning of the Term of this Lease and the actual commencement date (the "Commencement Date") shall be the first to occur of (i) the date of substantial completion of the Tenant Improvements to the Premises to be constructed by Tenant pursuant to **Exhibit C**, as reasonably determined by Landlord, and any certificate or approval required by local governmental authority for occupancy of the Premises has been obtained, or (ii) the Scheduled Commencement Date; provided, however, that the Scheduled Commencement Date shall be extended by one day for each day of Landlord Delay (as defined in **Exhibit C**). The dates upon which the Term shall commence and end shall be confirmed in the Notice of Lease Term Dates ("Notice"), substantially in the form attached as **Exhibit B**. Landlord shall deliver the Notice to Tenant upon substantial completion of the Tenant Improvements. Tenant shall promptly return to Landlord a countersigned original of the Notice, provided that Landlord's failure to deliver the Notice shall not delay the Commencement Date.

ARTICLE III RENT

3.1 Base Rent.

(a) *Payment of Base Rent.* Tenant shall pay the Base Rent each month in advance on the first day of each calendar month during the Term. If the Commencement Date is other than the first day of the month, Tenant shall pay a proportionate part of such monthly installment on the Commencement Date. An adjustment in the Base Rent for the last month of the Term shall be made if the Term does not end on the last day of the month. All payments shall be made to Manager at Manager's Address or to such other party or to such other place in the continental United States as Landlord may designate in writing, without prior demand and without abatement, deduction or offset, except as expressly set forth in this Lease. All charges to be paid by Tenant hereunder, other than Base Rent, shall be considered "Additional Rent" for the purposes of this Lease, and the words "rent" or "Rent" as used in this Lease shall mean both Base Rent and Additional Rent unless the context specifically or clearly indicates that only Base Rent is referenced.

(b) *Late Payments.* Tenant acknowledges that the late payment by Tenant to Landlord of any rent or other sums due under this Lease will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to ascertain. Therefore, if any rent or other sum due from Tenant is not received when due, Tenant shall pay to Landlord no later than ten (10) calendar days after the rental due date an additional sum equal to 5% of such overdue payment. In addition to such late charge, all such delinquent rent or other sums due to Landlord, including the late charge, shall bear interest beginning on the date such payment was due at the lesser of twelve percent (12%) per annum or the then maximum lawful rate permitted to be charged by Landlord (the "Designated Interest Rate"). The notice and cure period provided in Paragraph 8.1(a) does not apply to the foregoing late charges and interest. If payments of any kind are returned for insufficient funds Tenant shall pay to Landlord an additional handling charge of \$50.00. In addition, in the event that a monetary Event of Default (as defined in Article VIII below) occurs, the unamortized portion, as of the date of the Event of Default, of the value of the eighteen (18) months of free rent, amortized over one hundred thirty eight (138) months shall become immediately due and payable; provided, however, that if such an Event of Default occurs during the first eighteen (18) months of the initial Lease

Term, all abated rent which would have been due for the first eighteen (18) months of the Lease Term shall become immediately due and payable.

(c) *Initial Payment.* Upon full execution hereof, Tenant shall pay to Landlord the Base Rent and Additional Rent for the first month of the Term hereof for which Base Rent will be due.

3.2 Additional Rent for Operating Expenses, Taxes, and Capital Costs.

(a) *Additional Rent.* Beginning on the first day on which Base Rent is due under this Lease, Tenant shall pay to Landlord, for each Lease Year as Additional Rent, the sum of (1) the Operating Expenses, and (2) the Capital Costs, times Tenant's Percentage ("Tenant's Share of Expenses").

(b) *Definitions.* As used herein, the following terms shall have the following meanings:

- (i) *Lease Year.* Each successive 12 month period following the Commencement Date.
- (ii) *Operating Expenses.* The total cost of operation of the Property commonly passed through to tenants by landlords of comparable buildings in the Houston, Texas area, including, without limitation, (1) premiums and deductibles for insurance carried with respect to the Property; (2) all costs of supplies, materials, equipment, and utilities used in or related to the operation, maintenance, and repair of the Property or any part thereof (including utilities, unless the cost of any utilities is to be paid for separately by Tenant pursuant to Paragraph 6.1(b)); (3) all labor costs, including without limitation, salaries, wages, payroll and other taxes, unemployment insurance costs, and employee benefits; (4) all maintenance, management, janitorial, inspection, legal, accounting, and service agreement costs related to the operation, maintenance, and repair of the Property or any part thereof, including, without limitation, service contracts with independent contractors; and (5) Taxes (as defined below). Any of the above services may be performed by Landlord or its affiliates, provided that fees for the performance of such services shall be reasonable and competitive with fees charged by unaffiliated entities for the performance of such services in comparable buildings in the Houston, Texas area. In the event that the Building is less than 95% occupied during an year, then in determining the Operating Expenses, all Operating Expenses that may reasonably be determined to vary in accordance with the occupancy level of the Building, shall be grossed up to reflect 95% occupancy. Operating Expenses shall not include the expenses listed on **Exhibit F** attached hereto.
- (iii) *Taxes.* Any form of assessment, rental tax, license tax, business license tax, levy, charge, tax or similar imposition imposed by any authority having the power to tax, including any city, county, state or federal government, or any school, agricultural, lighting, library, drainage, or other improvement or special assessment district, as

against the Property or any part thereof or any legal or equitable interest of Landlord therein, or against Landlord by virtue of its interest therein, and any reasonable costs incurred by Landlord in any proceedings for abatement thereof, including, without limitation, attorneys' and consultants' fees, and regardless of whether any abatement is obtained. Landlord's income and franchise taxes are excluded from Taxes.

- (iv) *Capital Costs.* The annual cost of any capital improvements to the Property made by Landlord that are designed to increase safety, to reduce Operating Expenses, or to comply with any governmental law or regulation imposed after the Commencement Date, amortized over the useful life of the improvement for tax purposes, together with a fixed annual interest rate equal to the Prime Rate plus 2% on the unamortized balance. The Prime Rate shall be the prime rate published in the Wall Street Journal on the date the construction is completed.

(c) *Estimate of Tenant's Share of Expenses.* Before each Lease Year, and from time to time as Landlord deems appropriate, Landlord shall give Tenant estimates for the coming Lease Year of Operating Expenses, Capital Costs, and Tenant's Share of Expenses. Landlord shall make reasonable efforts to provide estimates fifteen (15) days before the beginning of each Lease Year. Tenant shall pay one twelfth (1/12) of the estimated amount of Tenant's Share of Expenses with each monthly payment of Base Rent during the Lease Year. Each Lease Year, Landlord shall give Tenant a statement (the "Share of Expenses Statement") showing the Operating Expenses and Capital Costs for the prior Lease Year, a calculation of Tenant's Share of Expenses due for the prior Lease Year and a summary of amounts already paid by Tenant for the prior Lease Year. Landlord shall make reasonable efforts to provide the Share of Expenses Statement within one hundred twenty (120) days after the end of the prior Lease Year. Any underpayment by Tenant shall be paid to Landlord within thirty (30) days after delivery of the Share of Expenses Statement; any overpayment shall be credited against the next installment of Base Rent due, provided that any overpayment shall be paid to Tenant within thirty (30) days if the Term has ended. No delay by Landlord in providing any Share of Expenses Statement shall be deemed a waiver of Tenant's obligation to pay Tenant's Share of Expenses; provided, however, Landlord's failure to deliver the Share of Expenses Statement to Tenant for any Lease Year prior to the end of the following Lease Year shall constitute a waiver of Landlord's right to collect Tenant's Share of excess Operating Expenses for such Lease Year. Such waiver shall have no effect on Landlord's obligation to refund any overpayment of Operating Expenses to Tenant promptly upon the discovery of the same. Notwithstanding anything contained in this paragraph, the total rent payable by Tenant shall in no event be less than the Base Rent.

(d) *Audit of Landlord's Expense Records.* Not more than once per year, Tenant, at Tenant's sole expense, may audit Landlord's records relating to Operating Expenses, Taxes and Capital Costs at the Property for up to the preceding two (2) Lease Years only, by giving Landlord written notice of its desire to perform such an audit within thirty (30) days after Tenant receives Landlord's Share of Expenses Statement. Notwithstanding the foregoing, in no event may Operating Expenses, Taxes and/or Capital Costs for any Lease Year be audited more than once. Any such audit by Tenant shall be performed during normal business hours at Manager's office and shall not be undertaken by any firm which is compensated based on a percentage of Operating Expenses disallowed. If Tenant's audit establishes to the reasonable satisfaction of Landlord and Tenant that Tenant has overpaid Tenant's Share of Expenses for

the preceding Lease Year, Landlord shall reimburse Tenant for such overpayment within thirty (30) days thereafter. If Tenant's audit establishes to the reasonable satisfaction of Landlord and Tenant that Tenant has underpaid Tenant's Share of Expenses for the preceding Lease Year, Tenant shall pay the full amount of such underpayment to Landlord within thirty (30) days thereafter. Additionally, if Tenant's audit establishes to the reasonable satisfaction of Landlord and Tenant that Tenant has overpaid Tenant's Share of Expenses for an audited Lease Year by more than the greater of (i) five percent (5%) or (ii) Fifteen Hundred Dollars (\$1,500.00), Landlord shall immediately upon demand reimburse Tenant the lesser of (x) Five Thousand Dollars (\$5,000.00) or (y) Tenant's reasonable third party costs of Tenant's audit. If Landlord and Tenant are unable to agree on the accuracy or conclusiveness of Tenant's audit and/or the computation of Operating Expenses, Taxes or Capital Costs for an audited Lease Year, such dispute shall be resolved by arbitration in accordance with **Exhibit H** attached hereto.

ARTICLE IV DELIVERY OF PREMISES AND TENANT IMPROVEMENTS

4.1 Condition of Premises. Landlord shall deliver the Premises to Tenant on the Turnover Date in "AS-IS" condition. If the Premises are found to have been in violation of any applicable law on the date the Premises were delivered to Tenant, and such violation has a material adverse effect on Tenant, such violation shall be promptly corrected by Landlord, at Landlord's expense and without including the cost of such correction in Operating Expenses.

4.2 Delay in Possession. If Landlord is unable to deliver possession of the Premises to Tenant on or before the Turnover Date for any reason whatsoever, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom and this Lease shall continue in full force and effect. Notwithstanding the foregoing, if Landlord fails to deliver possession of the Premises to Tenant, for purposes of the commencement of the Tenant Improvements on the Turnover Date, Tenant shall have the right to terminate this Lease upon written notice delivered to Landlord at any time prior to the date possession of the entire Premises has been delivered to Tenant. If Tenant terminates this Lease pursuant to the preceding sentence, all security deposits, prepaid rent and other sums paid by or on behalf of Tenant to Landlord pursuant to this Lease shall be promptly returned to Tenant and neither party shall have any further obligations under this Lease.

4.3 Delivery and Acceptance of Possession. Tenant shall accept possession of the entire Premises within thirty (30) days after the Commencement Date. Tenant's taking possession of any part of the Premises shall be deemed to be an acceptance and an acknowledgment by Tenant that (i) Tenant has had an opportunity to conduct, and has conducted, such inspections of the Premises as it deems necessary to evaluate its condition, (ii) except as otherwise specifically provided herein, Tenant accepts possession of the Premises in its then existing condition, "as-is", including all patent (but not latent) defects, (iii) Tenant Improvements have been completed in accordance with the terms of this Lease, except for defects of which Tenant has given Landlord written notice within thirty (30) days after Tenant takes possession, and (iv) neither Landlord, nor any of Landlord's agents, has made any oral or written representations or warranties with respect to such matters other than as set forth in this Lease.

4.4 Early Occupancy. Landlord shall allow Tenant and its contractors to enter the Premises prior to the Commencement Date and beginning on the Turnover Date for purposes of the commencement of the Tenant Improvements. Tenant (and its contractors) shall do so upon all of the provisions of this Lease (including Tenant's obligations regarding indemnity and insurance), except those provisions regarding Tenant's obligation to pay Base Rent, Operating Expenses, Taxes and Capital Costs, which obligation shall commence on the Commencement Date (subject to the abatements provided for in this Lease).

ARTICLE V ALTERATIONS AND TENANT'S PERSONAL PROPERTY

5.1 Alterations.

(a) *Landlord's Consent.* Tenant shall not make any alterations, additions, installations, substitutes or improvements ("Alterations") in and to the Premises without first obtaining Landlord's written consent. Landlord shall not unreasonably withhold or delay its consent; provided, however, that Landlord shall have no obligation to consent to Alterations of a structural nature or Alterations that would violate the certificate of occupancy for the Premises or any applicable law, code or ordinance or the terms of any superior lease or mortgage affecting the Property. No consent given by Landlord shall be deemed as a representation or warranty that such Alterations comply with laws, regulations and rules applicable to the Property ("Laws"). Tenant shall pay Landlord's reasonable costs of reviewing or inspecting any proposed Alterations and any other costs that may be incurred by Landlord as a result of such Alterations. Landlord's contractor or another contractor approved by Landlord (such approval not to be unreasonably withheld or delayed) shall perform all Alterations work required by Tenant, other than the Tenant Improvements. Unless Landlord and Tenant agree otherwise, Landlord shall contract with the general contractor for completion of the work. Landlord shall manage the construction on behalf of Tenant. Landlord shall charge a construction management fee equal to five percent (5%) of the total cost of construction of the improvements; provided, however, that no such charge shall apply to the Tenant Improvements, which are addressed exclusively in **Exhibit C**, or the initial work in the Expansion Premises (as defined in Part III of this Lease). Such construction management fee shall be paid by Tenant, along with any construction costs pursuant to the terms hereof.

(b) *Workmanship.* All Alterations shall be done at reasonable times in a first-class workmanlike manner, by contractors selected by Tenant and approved by Landlord (such approval not to be unreasonably withheld or delayed), and according to plans and specifications previously approved by Landlord (such approval not to be unreasonably withheld or delayed). All work shall be done in compliance with all Laws, and with all regulations of the Board of Fire Underwriters or any similar insurance body or bodies. Tenant shall be solely responsible for the effect of any Alterations on the Building's structure and systems, notwithstanding that Landlord has consented to the Alterations, and shall reimburse Landlord on demand for any costs incurred by Landlord by reason of any faulty work done by Tenant or its contractors, unless Tenant causes such faulty work to be corrected within thirty (30) days after written notice from Landlord specifying such faulty work in reasonable detail. Upon completion of any Alterations requiring a building permit (or the equivalent), Tenant shall provide Landlord with a complete set of "as-built" plans for such Alterations.

(c) *Mechanics and Other Liens.* Tenant shall keep the Property and Tenant's leasehold interest therein free of any liens or claims of liens arising by, through or under Tenant, and shall discharge any such liens within ten (10) days of their filing. Before commencement of any work, Tenant shall provide evidence of such insurance as Landlord may reasonably require, naming Landlord as an additional insured. Tenant shall indemnify Landlord and hold it harmless from and against any cost, claim, or liability arising from any work done by or at the direction of Tenant.

(d) *Removal of Alterations.* All Alterations affixed to the Premises shall become part thereof and remain therein at the end of the Term. However, if Landlord gives Tenant notice, at the time Landlord approves the Alterations, that Tenant must remove such

Alterations upon expiration or termination of this Lease, then upon such expiration or termination, Tenant shall remove the Alterations, make any repair required by such removal, and restore the Premises to its condition prior to installation of the Alterations.

5.2 Tenant's Personal Property.

(a) *In General.* Tenant may provide and install, and shall maintain in good condition, all trade fixtures, personal property, equipment, furniture and moveable partitions required in the conduct of its business in the Premises. All of Tenant's personal property, trade fixtures, equipment, furniture, movable partitions, and any Alterations not affixed to the Premises shall remain Tenant's property ("Tenant's Property"), and may be removed by Tenant at the end of the Term.

(b) *Waiver of Landlord's Lien.* Landlord hereby expressly and irrevocably waives any and all landlord's liens or other liens, express or implied, contractual or statutory, that would or might otherwise serve to secure the obligations of Tenant under this Lease. Landlord agrees to promptly execute any and all further documentation reasonably required by Tenant to evidence the waiver contained in this paragraph.

(c) *Payment of Taxes.* Tenant shall pay before delinquency all taxes levied against Tenant's Property and any Alterations installed by or on behalf of Tenant (if separately assessed). If any such taxes are levied against Landlord or its property, or if the assessed value of the Premises is increased by the inclusion of a value placed on Tenant's Property, Landlord may pay such taxes, and Tenant shall upon demand repay to Landlord the portion of such taxes resulting from such increase.

ARTICLE VI LANDLORD'S COVENANTS

6.1 Services Provided by Landlord.

(a) *Services.* Landlord shall provide services, utilities, facilities and supplies equal in quality to those customarily provided by landlords in buildings of a similar design in the Houston, Texas area. Such services shall include, but are not limited to, (i) janitorial services 5 days a week (except for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day and any other state or national holiday celebrated in Texas on a state-wide basis ("Holidays")), in accordance with the janitorial specifications attached hereto as **Exhibit I** (as the same may be reasonably amended from time to time, so long as no such amendment or series of amendments shall materially reduce the quality or quantity of such janitorial services); provided, however, that such janitorial services shall not be required with respect to the Secured Areas on days on which Landlord cannot access such Secured Areas, (ii) passenger elevator service 7 days a week 24 hours a day, (iii) exterior window cleaning at least 1 time per calendar year, (iv) hot and cold water in the Building restrooms, (v) electrical service to the Premises in the amount described below, and (vi) replacement bulbs and ballasts for lighting within the Premises. Landlord shall provide reasonable additional Building operation services upon reasonable advance request of Tenant at reasonable rates from time to time established by Landlord. Landlord shall furnish space heating and cooling as normal seasonal changes may require to provide comfortable space temperature and ventilation for occupants of the Premises under normal business operation, daily from 7:00 a.m. to 6:00 p.m. (Saturdays from 8:00 a.m. to noon, but only if requested by Tenant by 5:00 p.m. on the immediately preceding Friday), Sundays and Holidays excepted. If Tenant shall require space heating or cooling outside the hours and days above specified or on Saturday from 8:00 a.m. to noon, Landlord shall provide

such service at Tenant's expense in accordance with any advance notice requirements established from time to time by Landlord (the current rate being \$52.00 per hour per floor). Landlord shall furnish to the Premises, at all times, electrical current for (1) lighting at the maximum allowable under the current electrical code as of the Date of Lease; and (2) the operation of general office machines which use 110 and 220 volt power, up to a maximum connected load for Tenant's equipment of 4 watts per usable square foot ("USF") of Premises.

(b) *Utilities.* If the Premises are separately metered as of the Commencement Date, Tenant shall pay all charges for all separately metered and separately billed gas, electricity, telephone and other utility services used, rendered or supplied upon or in connection with the Premises and shall indemnify Landlord against liability or damage on such account. The costs of any utilities which are not separately metered shall be included as an Operating Expense. If Landlord has reason to believe that Tenant is using a disproportionate share of any utility which is not separately metered, Landlord may, at Landlord's election, and at Landlord's expense, conduct an engineering audit to estimate Tenant's actual use. If such audit determines that Tenant is using more than its proportionate share of any utility, Tenant shall reimburse Landlord for the cost of the audit and, provided other tenants and occupants of the Building are subject to the same requirement, uniformly enforced, Tenant shall pay for any use above its proportionate share as additional rent.

(c) *Graphics and Signs.* Tenant may install, as part of the Tenant Allowance, on the entrance doors to the Premises Tenant's identity signage, logos and Suite number, and Tenant shall be added to the Building's electronic directory in the lobby. All signs, notices, graphics and decorations of every kind or character which are visible in or from the Common Areas or the exterior of the Premises shall be subject to Landlord's prior written approval, which Landlord shall have the right to withhold in its absolute and sole discretion.

(d) *Right to Cease Providing Services.* In case of Force Majeure or in connection with any repairs, alterations or additions to the Property or the Premises, or any other acts required of or permitted to Landlord herein, Landlord may temporarily reduce or suspend service of the Building's utilities, facilities or supplies, provided that Landlord shall use reasonable diligence to restore such services, facilities or supplies as soon as possible. No such reduction or suspension shall constitute an actual or constructive eviction or disturbance of Tenant's use or possession of the Premises, except as provided in Paragraph 6.1(e) below.

(e) *Interruption of Services.* If there is interruption of the above described services which has a material adverse effect on Tenant's use and enjoyment of the Premises and such interruption continues for a period of four (4) consecutive business days, all Rent and other sums payable by Tenant to Landlord under this Lease shall abate in full until such time as such services are fully resumed. In addition, if such interruption continues for a period of sixty (60) consecutive days or occurs for more than sixty (60) days in any six (6) month period, Tenant shall have the right, to terminate this Lease upon thirty (30) days prior written notice to Landlord, in which event neither party shall have any further obligations under this Lease (except for any obligations that expressly survive the termination of this Lease).

6.2 Repairs and Maintenance. Landlord shall repair and maintain the Building, including, without limitation, (i) the Common Areas, (ii) the structural portions of the Building, (iii) the parking garage and other parking lots and facilities, (iv) the exterior walls of the Building (including exterior windows, glass and glazing), (v) the roof, and (vi) the plumbing, electrical, mechanical and heating, ventilating and air-conditioning systems serving the Premises, in the manner and to the extent customarily provided by landlords in similar buildings in the Houston,

Texas area. Tenant shall pay for such repairs as and to the extent set forth in Paragraph 3.2. If any maintenance, repair or replacement is required because of Tenant's breach of this Lease or any negligence or willful misconduct by Tenant or its agents, employees, invitees or contractors, the cost thereof shall be paid by Tenant to Landlord as additional rent within thirty (30) days after billing; provided, however, that the foregoing does not apply to casualty loss, which is addressed exclusively in Article IX hereof.

6.3 Quiet Enjoyment. Upon Tenant's paying the rent and performing its other obligations, Landlord shall permit Tenant to peacefully and quietly hold and enjoy the Premises, subject to the provisions of this Lease.

6.4 Insurance. Landlord shall insure the Property, including the Building (and including the Tenant Improvements and approved Alterations, if any), against damage by fire and standard extended coverage perils, and shall carry public liability insurance, all in such reasonable amounts as would be carried by a prudent owner of a similar building in the area. Landlord may carry any other forms of insurance as it or its mortgagee may deem advisable. Insurance obtained by Landlord shall not be in lieu of any insurance required to be maintained by Tenant. Landlord shall not carry any insurance on Tenant's Property, and shall not be obligated to repair or replace any of Tenant's Property.

ARTICLE VII TENANT'S COVENANTS

7.1 Repairs, Maintenance and Surrender.

(a) *Repairs and Maintenance.* Tenant shall keep the Premises in good order and condition, subject to ordinary wear and tear, casualty loss, condemnation and other matters that are not Tenant's responsibility under this Lease, and shall promptly repair any damage to the Premises for which Tenant is responsible under this Lease excluding glass in exterior walls. Tenant shall also repair any damage to the rest of the Property, including glass in exterior walls, if such damage is attributable to the negligence or willful misconduct of Tenant or its agents, employees, invitees or contractors; provided, however, that the foregoing does not apply to casualty loss, which is addressed exclusively in Article IX hereof. All repairs shall be made in a workmanlike manner and any replacements or substitutions shall be of a quality, utility, value and condition similar to or better than the replaced or substituted item.

(b) *Surrender.* At the end of the Term, Tenant shall peaceably surrender the Premises in good order, repair and condition, except for reasonable wear and tear, casualty loss, condemnation and other matters that are not Tenant's responsibility under this Lease and Tenant shall remove Tenant's Property (including, without limitation, all cabling and telecommunications equipment, excepting any cabling not installed by or on behalf of Tenant) and (if required by Landlord as provided above) any Alterations, repairing any damage caused by such removal and restoring the Premises and leaving them clean and neat. Any property not so removed shall be deemed abandoned and may be retained by Landlord or may be removed and disposed of by Landlord in such manner as Landlord shall determine. Tenant shall be responsible for costs and expenses incurred by Landlord in removing any Alterations and disposing of any such abandoned property, making any incidental repairs and replacements to the Premises, and restoring the Premises to its original condition, subject to reasonable wear and tear, casualty loss, condemnation and other matters that are not Tenant's responsibility under this Lease.

7.2 Use.

(a) *General Use.* Tenant shall use the Premises only for the Permitted Uses, and shall not use or permit the Premises to be used in violation of any law or ordinance or of any certificate of occupancy issued for the Building or the Premises, or of the Rules and Regulations. Tenant shall not cause, maintain or permit any nuisance in, on or about the Property, or commit or allow any waste in or upon the Property. Tenant shall not use utility services in excess of the amounts required to be provided by Landlord pursuant to Section 6.1 of this Lease.

(b) *Obstructions and Exterior Displays.* Tenant shall not obstruct any of the Common Areas or any portion of the Property outside the Premises, and shall not, except as otherwise previously approved by Landlord, place or permit any signs, decorations, curtains, blinds, shades, awnings, aerials or flagpoles, or the like, that may be visible from outside the Premises. If Landlord designates a standard window covering for use throughout the Building, Tenant shall use this standard window covering to cover all windows in the Premises.

(c) *Floor Load.* Tenant shall not place a load upon the floor of the Premises exceeding the load per square foot such floor was designed to carry, as determined by applicable building code.

(d) *Compliance with Insurance Policies.* Tenant shall not keep or use any article in the Premises, or permit any activity therein, which is prohibited by any insurance policy covering the Building, or would result in an increase in the premiums thereunder.

(e) *Rules and Regulations.* Tenant shall observe and comply with the rules and regulations attached as **Exhibit D** (the "Rules and Regulations"), and all modifications thereto as made by Landlord and put into effect from time to time. So long as Landlord uses reasonable efforts to uniformly enforce the same, Landlord shall not be responsible to Tenant for the violation or non-performance by any other tenant or occupant of the Building of the Rules and Regulations.

7.3 Assignment; Sublease.

(a) Except as expressly set forth below, Tenant shall not assign its rights under this Lease nor sublet the whole or any part of the Premises without Landlord's prior written consent, which shall not be unreasonably withheld. Landlord's consent shall not be considered unreasonably withheld (by way of example and not limitation) if (i) the proposed subtenant's or assignee's creditworthiness does not meet the same criteria Landlord uses to select comparable Building tenants; (ii) the proposed subtenant's or assignee's business is not suitable for the Building when considering the business of the other tenants and the Building's profile or reputation; or (iii) the proposed subtenant or assignee is already a tenant or occupant of the Building. In the event that Landlord grants such consent, Tenant shall remain primarily liable to Landlord for the payment of all rent and for the full performance of the obligations under this Lease and one-half (1/2) of any excess rents collected by Tenant, after the deduction of any reasonable expenses incurred by Tenant in connection with such assignment or sublease, shall be paid to Landlord. Tenant shall be responsible for payment of all out of pocket costs incurred by Landlord in connection with any such request for Landlord's consent to a proposed assignment or subletting, as provided in Paragraph 11.5. Any assignment or subletting which does not conform with this Paragraph 7.3 shall be void.

(b) For purposes of this Paragraph 7.3, "assignment" shall include, without limitation: (i) any transfer of Tenant's interest in this Lease by operation of law, unless Tenant is at

the time a publicly traded entity; (ii) any merger or consolidation of Tenant with or into any other firm or corporate entity, whether in a single transaction or a series of transactions; (iii) the transfer or sale of a controlling interest in Tenant, whether by sale of its capital stock or otherwise, unless Tenant is at the time a publicly traded entity; or (iv) any agreement by which Tenant agrees to enter into or execute any assignment or other transfer of the Lease at the direction of any other party, or assigns Tenant's rights in and to the income arising from any such assignment or transfer to another party.

(c) Notwithstanding anything to the contrary set forth in this Article, no consent from Landlord shall be required for an assignment of the Lease, or a subletting of the Premises (each, a "Permitted Transfer"), to any of the following (each, a "Permitted Transferee"): (i) any corporation or other entity into which or with which Tenant has merged or consolidated; (ii) any parent, affiliate or successor of Tenant, or (iii) any entity which acquires all or substantially all of the assets of Tenant, or all or substantially all of the ownership interests in Tenant, provided in each case that the resulting, surviving and/or acquiring entity shall agree in writing to assume and perform all of Tenant's obligations under the Lease to be performed from and after the effective date of such assignment or subletting, and further provided that Tenant shall not be released thereby.

7.4 Indemnities.

(a) Tenant, at Tenant's expense, shall defend (with counsel reasonably satisfactory to Landlord), indemnify and hold harmless Landlord and Landlord's agents, employees, invitees, licensees and contractors from and against any cost, claim, action, liability or damage of any kind arising from (i) Tenant's use and occupancy of the Premises or the Property, or any activity done or permitted by Tenant, in, on or about the Premises or the Property, (ii) any breach or default by Tenant of its obligations under this Lease, or (iii) any negligent, tortious or illegal act or omission of Tenant, its agents, employees, invitees, licensees or contractors. The obligations of Tenant under this paragraph shall survive the expiration or termination of this Lease. Nothing in this paragraph shall relieve Landlord from, or require Tenant to indemnify Landlord against, liability for damages to property or injury to person caused by the negligence or willful misconduct of Landlord or its agents, employees or contractors. All property kept, stored or maintained in the Premises shall be at the sole risk of Tenant.

(b) Landlord, at Landlord's expense, shall defend, (with counsel reasonably satisfactory to Tenant), indemnify and hold harmless Tenant and Tenant's agents, employees, invitees, licensees and contractors from and against any cost, claim, action, liability or damage of any kind arising from (i) any breach or default by Landlord of its obligations under this Lease, or (ii) any negligent, tortious or illegal act or omission of Landlord, its agents, employees, invitees, licensees or contractors. The obligations of Landlord under this paragraph shall survive the expiration or termination of this Lease. Nothing in this paragraph shall relieve Tenant from, or require Landlord to indemnify Tenant against, liability for damages to property or injury to person caused by the negligence or willful misconduct of Tenant or its agents, employees or contractors.

7.5 **Tenant's Insurance.** Tenant shall maintain in responsible companies qualified to do business, in good standing in the state in which the Premises are located and otherwise reasonably acceptable to Landlord and at its sole expense the following insurance: (i) commercial general liability insurance covering the Premises, with Landlord to be named an additional insured to the extent of Tenant's liability under this Lease, in an amount at least equal to the Public Liability Insurance Amount and from time to time during the Term shall be for such higher limits, if any, as are customarily carried in the area in which the Premises are located with respect to

similar properties, and (ii) to the extent required by applicable law, workers' compensation insurance with statutory limits covering all of Tenant's employees working in the Premises. Notwithstanding the foregoing, so long as Tenant and/or a Permitted Transferee occupy the Premises, Tenant and/or such Permittee Assignee shall not be required to increase the Public Liability Insurance Amount as provided herein. Tenant shall deposit promptly with Landlord certificates for such insurance, and all renewals thereof, bearing the endorsement that the policies will not be canceled for any reason other than non-payment of premium until after ten (10) days' written notice to Landlord. All policies shall be taken out with insurers with a rating of A-IX by Best's and otherwise reasonably acceptable to Landlord. Tenant's deductibles for such insurance may be in amounts up to:

- (a) commercial general liability: \$2,000,000.00, and
- (b) worker's compensation: \$1,500,000.00.

7.6 Payment of Taxes. If at any time during the Term, any political subdivision of the state in which the Property is located, or any other governmental authority, levies or assesses against Landlord a tax or excise on rents or other tax (excluding income and franchise tax), however described, including but not limited to assessments, charges or fees required to be paid, by way of substitution for real estate taxes, or any other tax on rent or profits in substitution for a tax levied against the Property, Building or Landlord's personal property, then Tenant will pay to Landlord as additional rent its proportionate share based on Tenant's Percentage of said tax or excise.

7.7 Environmental Assurances.

- (a) *Covenants.*
 - (i) Tenant shall not cause any Hazardous Materials to be used, generated, stored or disposed of on, under or about, or transported to or from, the Premises unless the same is specifically approved in advance by Landlord in writing other than small quantities of retail, household, and office chemicals customarily sold over-the-counter to the public and which are related to Tenant's Permitted Uses.
 - (ii) Tenant shall comply with all obligations imposed by Environmental Laws, and all other restrictions and regulations upon the use, generation, storage or disposal of Hazardous Materials at, to or from the Premises.
 - (iii) Tenant shall deliver promptly to Landlord true and complete copies of all notices received by Tenant from any governmental authority with respect to the use, generation, storage or disposal by Tenant of Hazardous Materials at, to or from the Premises and shall immediately notify Landlord both by telephone and in writing if Tenant becomes aware of any unauthorized discharge of Hazardous Materials at, to or from the Premises.
 - (iv) Tenant shall complete fully, truthfully and promptly any reasonable questionnaires sent by Landlord with respect to Tenant's use of the Premises and its use, generation, storage and disposal of

Hazardous Materials at, to or from the Premises.

- (v) Tenant shall permit entry onto the Premises by Landlord or Landlord's representatives at any reasonable time and upon reasonable advance notice to verify and monitor Tenant's compliance with its covenants set forth in this Paragraph 7.7.
- (vi) If Landlord conducts any environmental inspections because it has reasonable grounds to believe that Tenant's activities have or are likely to result in a violation of Environmental Laws or a release of Hazardous Materials on the Property, and if Landlord discovers a material violation of Environmental Laws or a release of Hazardous Materials on the Property as a result of Tenant's activities, then Tenant shall pay to Landlord, as additional rent, the costs incurred by Landlord for such inspections up to \$7,500.00.
- (vii) Tenant shall cease immediately upon notice from Landlord any activity on the Property which violates or creates a risk of violation of any Environmental Laws.
- (viii) After notice to and approval by Landlord, Tenant shall promptly remove, clean-up, dispose of or otherwise remediate, in accordance with Environmental Laws and good commercial practice, any Hazardous Materials on, under or about the Property resulting from Tenant's activities on the Property.

(b) *Indemnification.* Tenant shall indemnify, defend with counsel reasonably acceptable to Landlord and hold Landlord harmless from and against any claims, damages, costs, liabilities or losses (including, without limitation, any decrease in the value of the Property, loss or restriction of any area of the Property, and adverse impact of the marketability of the Property or Premises) arising out of Tenant's use, generation, storage or disposal of Hazardous Materials at, to or from the Premises. Notwithstanding anything to the contrary in this Lease, in no event shall Tenant have any liability or responsibility whatsoever with respect to Hazardous Materials located in, on, under or about the Property or the Premises upon the date of this Lease.

(c) *Definitions.* Hazardous Materials shall include but not be limited to substances defined as "hazardous substances", "toxic substances", or "hazardous wastes" in the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended; the federal Hazardous Materials Transportation Act, as amended; and the federal Resource Conservation and Recovery Act, as amended; those substances defined as "hazardous substances", "materials", or "wastes" under the law of the state in which the Premises are located; and as such substances are defined in any regulations adopted and publications promulgated pursuant to said laws ("Environmental Laws"); materials containing asbestos or urea formaldehyde; gasoline and other petroleum products; flammable explosives; radon and other natural gases; and radioactive materials.

(d) *Existing Hazardous Materials.* Landlord shall be responsible at Landlord's expense to remediate any Hazardous Materials present on or in the Property prior to the date of this Lease, to the extent such remediation is required by applicable Environmental Laws.

(e) *Survival.* The provisions of this Paragraph 7.7 shall survive the expiration

or termination of this Lease.

7.8 Americans With Disabilities Act. Landlord shall comply with the Americans with Disabilities Act of 1990 ("ADA") and the regulations promulgated thereunder with respect to the Building excluding the Premises and, prior to the Commencement Date with respect to the Premises. Tenant shall comply with the ADA and the regulations thereunder that are promulgated after the Commencement Date with respect to the Premises. Subject to the foregoing, Tenant hereby expressly assumes all responsibility for the compliance of activities conducted by Tenant within the Premises with the ADA relating to the Premises; provided, however, that restrooms on any multi-tenant floor occupied by Tenant shall be the responsibility of Landlord. Any Alterations to the Premises made by Tenant for the purpose of complying with the ADA or which otherwise require compliance with the ADA shall be done in accordance with this Lease; provided, that Landlord's consent to such Alterations shall not constitute either Landlord's assumption, in whole or in part, of Tenant's responsibility for compliance with the ADA, or representation or confirmation by Landlord that such Alterations comply with the provisions of the ADA.

ARTICLE VIII DEFAULT

8.1 Default. The occurrence of any one or more of the following events (an "Event of Default") shall constitute a default hereunder by Tenant:

(a) The failure by Tenant to make any payment of Base Rent or additional rent or any other payment required hereunder, as and when due, where such failure shall continue for a period of five (5) days after written notice thereof from Landlord to Tenant; provided, that Landlord shall not be required to provide such notice more than once during any Lease Year with respect to non-payment of Base Rent, the second such non-payment of Base Rent constituting a default without requirement of notice;

(b) The failure by Tenant to observe or perform any of the express covenants or provisions of this Lease to be observed or performed by Tenant, other than as specified in clause (a) above, where such failure shall continue for a period of more than thirty (30) days after written notice thereof from Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said thirty (30) day period, diligently prosecutes such cure to completion;

(c) Tenant or any Guarantor becoming insolvent, filing or having filed against it a petition under any chapter of the United States Bankruptcy Code, 11 U.S.C. Paragraph 101 et seq. (or any similar petition under any insolvency law of any jurisdiction) and such petition is not dismissed within one hundred twenty (120) days thereafter, proposing any dissolution, liquidation, composition, financial reorganization or recapitalization with creditors, making an assignment or trust mortgage for the benefit of creditors, or if a receiver, trustee, custodian or similar agent is appointed or takes possession with respect to any property or business of Tenant or Guarantor (if any); or

(d) If the leasehold estate under this Lease or any substantial part of the property or assets of Tenant or of Guarantor of this leasehold is taken by execution, or by other process of law, or is attached or subjected to any involuntary encumbrance if such attachment or other seizure remains undismissed or undischarged for a period of one hundred twenty (120) days after the levy thereof.

8.2 Remedies of Landlord and Calculation of Damages.

(a) *Remedies.* Upon the occurrence of an Event of Default, whether or not the Term shall have begun, in addition to any other remedies available to Landlord at law or in equity, Landlord may, at its option and without further notice exercise any or all of the following remedies:

- (i) Terminate this Lease, and repossess the Premises by forcible entry or detainer suit or otherwise, and Landlord shall have the right and authority to expel or remove Tenant and any others who may be occupying the Premises. In such event, Landlord shall be entitled to recover as damages a sum of money equal to the total of (A) the reasonable cost of recovering the Premises (including, without limitation, reasonable attorneys' fees), plus (B) the unpaid Rent accrued as of the time of such termination, plus interest thereon at the Designated Interest Rate from the due date until paid, plus (C) (1) the present value, calculated using the Discount Rate (as such term is defined below), of the balance of the total Base Rent which would have accrued to Landlord hereunder for the remainder of the Term (not including any unexercised renewal terms) less (2) the present value, calculated using the Discount Rate of the fair market rental value of the Premises for said period (not including unexercised renewal terms). As used in this Lease, the term "Discount Rate" shall mean the prime rate as reported by the Wall Street Journal as of the date of default.
- (ii) Terminate Tenant's right of possession to the Premises, and repossess the Premises by forcible entry or detainer suit or otherwise, and Landlord shall have the right and authority to expel or remove Tenant and any others who may be occupying the Premises, and to remove any or all property therefrom, without terminating this Lease. In such event, Landlord may relet the Premises or any part thereof for the account of Lessee on terms and conditions determined by Landlord in Landlord's reasonable business judgment. Upon termination of Tenant's right of possession to the Premises as provided herein, Tenant shall be liable for and shall pay to Landlord all Rent payable by Tenant under this Lease (plus interest at the Designated Interest Rate, from the due date until paid) plus an amount equal to (A) the reasonable costs of recovering possession of the Premises (including reasonable attorneys' fees), (B) the reasonable cost of removing and storing any of Tenant's Property left in the Premises after re-entry, and (C) the reasonable cost of Building standard improvements to the Premises required by a new tenant of the Premises pursuant to a final formal lease agreement, provided that such new lessee shall use the Leased Premises for the same Permitted Use hereunder), all reduced by any and all sums received by Landlord through reletting the Premises. Landlord may file suit to recover any sums falling due under the terms of this paragraph from time to time.

(iii) Enter the Premises and cure any default by Tenant and in so doing, Landlord may make any reasonable payment of money or perform any other reasonable act. All sums so paid by Landlord, and all incidental costs and expenses, including reasonable attorneys' fees, shall be considered additional rent under this Lease and shall be payable to Landlord immediately upon demand, together with interest from the date of demand to the date of payment at the Designated Interest Rate.

(b) *Mitigation.* If this Lease or Tenant's right to possession of the Premises is terminated as provided in Paragraph 8.2(a)(i) or (ii) above, Landlord shall mitigate its damages as required by applicable law.

(c) *No Limitations.* Nothing contained in this Lease shall limit or prejudice the right of Landlord to prove for and obtain in proceedings for bankruptcy or insolvency by reason of the termination of this Lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be provided, whether or not the amount be greater, equal to, or less than the amount of the loss or damages referred to above.

(d) *Cumulative Remedies.* Landlord's remedies under this Lease are cumulative and not exclusive of any other remedies to which Landlord may be entitled in case of Tenant's default or threatened default under this Lease.

ARTICLE IX CASUALTY AND EMINENT DOMAIN

9.1 Casualty.

(a) *Casualty in General.* If, during the Term, the Premises, the Building or the Lot, are wholly or partially damaged or destroyed by fire or other casualty, and the casualty renders the Premises totally or partially inaccessible or unusable by Tenant in the ordinary conduct of Tenant's business, then Landlord shall, within thirty (30) days of the date of the damage, give Tenant a notice ("Damage Notice") stating whether, according to Landlord's good faith estimate after consultation with qualified, third party consultants, the damage can be repaired within nine (9) months ("Repair Period"), without the payment of overtime or other premiums.

(b) *Casualty Repairs.* If the Damage Notice states that the repairs can be completed within the Repair Period without the payment of overtime or other premiums, Landlord shall promptly commence and diligently complete the repairs, in which event this Lease shall remain in full force and effect, and Base Rent shall be reduced, during the period between the casualty and completion of the repairs, in proportion to the portion of the Premises that is inaccessible or unfit for Tenant's use during that period and which is, in fact, not utilized by Tenant. Base Rent shall not be reduced by reason of any portion of the Premises being unusable or inaccessible for a period of four (4) business days or less. If the Damage Notice states that the repairs cannot be completed within the Repair Period without the payment of overtime or other premiums, then either party may terminate this Lease by written notice given to the other within thirty (30) days after the giving of the Damage Notice. If either party so elects to terminate this Lease, this Lease shall terminate as of the date of the casualty, Tenant shall vacate the Premises within thirty (30) business days from the date of the written notice terminating the Lease, and neither party shall have any further obligations under this Lease (except for any obligations that expressly survive the termination of this Lease). If neither party so terminates, then this Lease

shall remain in effect, Landlord shall diligently make repairs, and Base Rent shall be proportionately reduced as set forth above during the period when the Premises is inaccessible or unfit for Tenant's use and is not used by Tenant.

(c) *Intentionally Omitted.*

(d) *Casualty within final six months of Term.* Notwithstanding anything to the contrary contained in this Paragraph 9.1, if the Premises or the Building is wholly or partially damaged or destroyed within the final six (6) months of the Term of this Lease, Landlord shall not be required to repair such casualty and either Landlord or Tenant may elect to terminate this Lease, in which event neither party shall have any further obligations under this Lease (except for any obligations that expressly survive the termination of this Lease).

(e) *Tenant Improvements and Alterations.* If Landlord elects to repair after a casualty in accordance with this Paragraph 9.1, then Tenant shall pay over to Landlord the proceeds of Tenant's insurance covering Tenant Improvements and approved Alterations, if any, and Landlord, to the extent such proceeds or other insurance proceeds from insurance maintained by Landlord are received on a timely basis and in sufficient amount, shall cause Tenant Improvements and approved Alterations to be repaired and restored. If the proceeds of Tenant's insurance or other insurance proceeds from insurance maintained by Landlord are not available on a timely basis for Landlord's use or are in an amount insufficient to repair and restore Tenant's Improvements and approved Alterations, Tenant shall be solely responsible for such repairs and replacements and such delay or insufficiency shall not limit or affect Tenant's obligations hereunder. Landlord shall have no responsibility for any personal property placed or kept in or on the Premises or the Building by Tenant or Tenant's agents, employees, invitees or contractors and Landlord shall not be required to repair any damage to, or make any repairs to or replacements of, such personal property.

(f) *Exclusive Remedy.* This Paragraph 9.1 shall be Tenant's and Landlord's sole and exclusive remedy in the event of damage or destruction to the Premises or the Building. No damages, compensation or claim shall be payable by Landlord for any inconvenience, any interruption or cessation of Tenant's business, or any annoyance, arising from any damage to or destruction of all or any portion of the Premises or the Building.

(g) *Waiver of Subrogation.* Notwithstanding anything to the contrary contained in this Lease, Landlord and Tenant each, on behalf of themselves and their respective successors, assigns and insurers, hereby (i) waives any and all rights of recovery, claims, actions or causes of action against the other and its respective officers, directors, partners, shareholders, agents, servants, employees, visitors, licensees or invitees for any loss or damage that may occur to the Premises, the Building, the Common Areas and the Property, or any personal property of such party therein, by reason of fire, the elements, or any other cause which is insured against or required to be insured against under the terms of the insurance policies referred to in this Lease, regardless of cause or origin, including negligence of the other party hereto or its respective officers, directors, partners, shareholders, agents, servants, employees, guests, licensees, customers or invitees, and (ii) covenants that no other insurer shall hold any right of subrogation against such other party; provided, however, that the waiver set forth in this paragraph, shall not apply to any commercially reasonable deductibles on insurance policies carried by Landlord or Tenant or to any coinsurance penalty which Landlord or Tenant might sustain. If the respective insurer or Landlord and Tenant does not permit such a waiver without an appropriate endorsement to such party's insurance policy, then Landlord and Tenant each shall notify its insurer of the waiver set forth herein and to secure from such insurer an appropriate endorsement

to its respective insurance policy with respect to such waiver. IT IS THE INTENTION OF BOTH LANDLORD AND TENANT THAT THE WAIVER CONTAINED IN THIS PARAGRAPH APPLY TO ALL CLAIMS DESCRIBED HEREIN, INCLUDING, WITHOUT LIMITATION, ANY OF THE SAME THAT ARE CAUSED, IN WHOLE OR IN PART, BY LANDLORD OR TENANT OR THEIR RESPECTIVE AGENTS, EMPLOYEES, CONTRACTORS, CUSTOMERS, INVITEES OR VISITORS.

9.2 Eminent Domain.

(a) *Eminent Domain in General.* If the whole of the Premises, or so much of the Premises as to render the balance unfit for Tenant's use, shall be taken or appropriated under the power of eminent domain or condemnation (a "Taking"), either Landlord or Tenant may terminate this Lease and the termination date shall be the date of the Order of Taking, or the date possession is taken by the Taking authority, whichever is earlier. If any part of the Property is the subject of a Taking and such Taking materially and adversely affects the normal operation of the Building or Common Areas, Landlord may elect to terminate this Lease. A sale by Landlord under threat of a Taking shall constitute a Taking for the purpose of this Paragraph 9.2. No award for any partial or entire Taking shall be apportioned. Landlord shall receive (subject to the rights of Landlord's mortgagees) and Tenant hereby assigns to Landlord any award which may be made and any other proceeds in connection with such Taking, together with all rights of Tenant to such award or proceeds, including, without limitation, any award or compensation for the value of all or any part of the leasehold estate; provided that nothing contained in this Paragraph 9.2(a) shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any separate award made to Tenant for (i) the taking of Tenant's Property, or (ii) interruption of or damage to Tenant's business, or (iii) Tenant's moving and relocation costs. Upon a termination of this Lease pursuant to this Section 9.2, neither party shall have any further obligations under this Lease (except for any obligations that expressly survive the termination of this Lease).

(b) *Reduction in Base Rent.* In the event of a Taking which does not result in a termination of the Lease, Base Rent shall be proportionately reduced based on the portion of the Premises rendered unfit for Tenant's use, and Landlord shall restore the Premises or the Building to the extent of available proceeds or awards from such Taking; provided, however, that in the event Landlord does not elect by written notice to Tenant within thirty (30) days of the date of such Taking, to fully restore the Premises or the Building and such failure to restore the Premises or the Building materially and adversely affects Tenant's normal business operations, Tenant shall have the right to terminate this Lease. Landlord shall not be required to repair or restore any damage to Tenant's Property.

(c) *Impairment of Parking Rights.* If any parking rights of Tenant hereunder are materially impaired (with material meaning a loss or material impairment of at least 5% of the parking on the Property) by any law, ordinance or other governmental regulation imposed after the Date of Lease and Landlord does not address such impairment (via replacement of parking spaces, reasonable shuttle service at no cost to Tenant or otherwise) in a manner that provides Tenant with substantially the same parking rights to which Tenant is entitled under this Lease within sixty (60) days after the date such impairment becomes effective, Tenant shall have the right to terminate this Lease.

(d) *Sole Remedies.* This Paragraph 9.2 sets forth Tenant's and Landlord's sole remedies for Taking. Upon termination of this Lease pursuant to this Paragraph 9.2, Tenant and Landlord hereby agree to release each other from any and all obligations and liabilities with respect to this Lease except such obligations and liabilities which arise or accrue prior to such

termination.

ARTICLE X RIGHTS OF PARTIES HOLDING SENIOR INTERESTS

10.1 Subordination. This Lease shall be subject and subordinate to any and all mortgages, deeds of trust and other instruments in the nature of a mortgage, ground lease or other matters or record ("Senior Interests") which now or at any time hereafter encumber the Property and Tenant shall, within twenty (20) days of Landlord's request, execute and deliver to Landlord such recordable written instruments as shall be necessary to show the subordination of this Lease to such Senior Interests. Landlord represents and warrants that the Building is not subject to any Senior Interests as of the date of this Lease. With respect to any Senior Interests that Landlord may hereafter create, Tenant's subordination thereto shall be conditional upon the holder of the Senior Interest executing and delivering to Tenant a commercially reasonable Subordination, Non-Disturbance and Attornment Agreement. If any holder of a Senior Interest succeeds to the interest of Landlord under this Lease, then, at the option of such holder, this Lease shall continue in full force and effect and Tenant shall attorn to such holder and to recognize such holder as its landlord.

10.2 Mortgagee's Consent. No assignment of the Lease that requires Landlord's consent and no agreement to make or accept any surrender, termination or cancellation of this Lease and no agreement to modify so as to reduce the Rent, reduce the Term, or otherwise materially and adversely change the rights of Landlord under this Lease, or to relieve Tenant of any obligations or liability under this Lease, shall be valid unless consented to by Landlord's mortgagees of record, if any.

ARTICLE XI GENERAL

11.1 Representations. Tenant represents and warrants that any financial statements provided by it to Landlord were true, correct and complete in all material respects when provided, and that no material adverse change has occurred since that date that would render them inaccurate or misleading. Landlord and Tenant represent and warrant that those persons executing this Lease on their behalf are duly authorized to execute and deliver this Lease on its behalf, and that this Lease is binding upon Landlord and Tenant in accordance with its terms, and simultaneously with the execution of this Lease, Tenant shall deliver evidence of such authority to Landlord in form reasonably satisfactory to Landlord.

11.2 Notices. Any notice required or permitted hereunder shall be in writing. Notices shall be addressed to Landlord c/o Manager at Manager's Address and to Tenant at Tenant's Address. Any communication so addressed shall be deemed duly given when delivered by hand, one day after being sent by Federal Express (or other guaranteed one day delivery service) or three days after being sent by registered or certified mail, return receipt requested. Either party may change its address by giving notice to the other.

11.3 No Waiver or Oral Modification. No provision of this Lease shall be deemed waived by Landlord or Tenant except by a signed written waiver. No consent to any act or waiver of any breach or default, express or implied, by Landlord or Tenant, shall be construed as a consent to any other act or waiver of any other breach or default.

11.4 Severability. If any provision of this Lease, or the application thereof in any circumstances, shall to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each provision hereof shall be valid and enforceable to the fullest extent permitted by law.

11.5 Requests by Tenant. Tenant shall pay, on demand, all costs incurred by Landlord, including without limitation reasonable attorneys' fees, in connection with any matter requiring Landlord's review or consent or any other requests made by Tenant under this Lease, regardless of whether such request is granted by Landlord.

11.6 Estoppel Certificate and Financial Statements.

(a) *Estoppel Certificate.* Within fifteen (15) days after written request by Landlord, Tenant shall execute, acknowledge and deliver to Landlord an estoppel certificate substantially in the form set forth on **Exhibit J** attached hereto. Any such statement may be relied upon by a purchaser, assignee or lender. Tenant's failure to execute and deliver such statement within the time required, if not remedied within five (5) days after a second written request from Landlord, shall be a default under this Lease and shall also be conclusive upon Tenant that this Lease is in full force and effect and has not been modified except as represented by Landlord; and there are no uncured defaults in Landlord's performance and Tenant has no right of offset, counterclaim or deduction against rent.

(b) *Financial Statements.* All requests made by Tenant regarding subleases or assignments (other than to a Permitted Transferee) must be accompanied by the prospective subtenant's or prospective assignee's most recent financial statements.

11.7 Waiver of Liability. Landlord and Tenant each hereby waive all rights of recovery against the other and against the officers, employees, agents, and representatives of the other, on account of loss by or damage to the waiving party or its property or the property of others under its control, to the extent that such loss or damage is insured against under any insurance policy that either may have in force at the time of the loss or damage. Each party shall notify its insurers that the foregoing waiver is contained in this Lease.

11.8 Execution, Prior Agreements and No Representations. This Lease shall not be binding and enforceable until executed by authorized representatives of Landlord and Tenant. This Lease contains all of the agreements of the parties with respect to the subject matter hereof and supersedes all prior dealings, whether written or oral, between them with respect to such subject matter. Each party acknowledges that the other has made no representations or warranties of any kind except as may be specifically set forth in this Lease.

11.9 Brokers. Each party represents and warrants that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation except Broker. Each party shall indemnify the other and hold it harmless from any cost, expense, or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission or fees claimed by any other real estate broker or agent in connection with this Lease or its negotiation by reason of any act or statement of the indemnifying party. Landlord shall pay a commission to Tenant's Broker in connection with this Lease and, if the Expansion Option (as defined in Part III of this Lease) is exercised by Tenant, in connection with the Expansion Space (as defined in Part III of this Lease), in accordance with the commission agreement between Landlord and Tenant's Broker, a copy of which is attached hereto as **Exhibit L** (the "Commission Agreement"). Landlord shall pay Tenant's Broker a commission in connection with the exercise by Tenant of the Right of First Refusal (as defined in Part III of this Lease) in accordance with the Commission Agreement, if Tenant notifies Landlord that Tenant's Broker is representing Tenant in connection with the exercise of such right.

11.10 Successors and Assigns. This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that only the original Landlord named herein shall be liable for obligations accruing before the beginning of the Term, and thereafter the original Landlord named herein and each successive owner of the Premises shall be liable only for obligations accruing during the period of their respective ownership.

11.11 Applicable Law and Lease Interpretation. This Lease shall be construed, governed and enforced according to the laws of the state in which the Property is located. In construing this Lease, paragraph headings are for convenience only and shall be disregarded. Any recitals herein or exhibits attached hereto are hereby incorporated into this Lease by this reference. Time is of the essence of this Lease and every provision contained herein. The parties acknowledge that this Lease was freely negotiated by both parties, each of whom was represented by counsel; accordingly, this Lease shall be construed according to the fair meaning of its terms, and not against either party.

11.12 Costs of Collection, Enforcement and Disputes. Tenant shall pay all out-of-pocket costs of collection, including reasonable attorneys' fees, incurred by Landlord in connection with any default by Tenant. If either Landlord or Tenant institutes any action to enforce the provisions of this Lease or to seek a declaration of rights hereunder, the prevailing party shall be entitled to recover its reasonable attorneys' fees and court costs as part of any award. Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other, on or in respect to any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant hereunder, Tenant's use or occupancy of the Premises, and/or claim of injury or damage.

11.13 Holdover. If Tenant holds over in occupancy of the Premises after the expiration of the Term, Tenant shall become a tenant at sufferance only on a month-to-month basis subject to the terms and conditions herein specified, so far as applicable. Tenant shall pay rent during the holdover period, at a base rental rate equal to one and a half times the Base Rent in effect at the end of the Term, plus the amount of Tenant's Share of Expenses then in effect. Tenant shall also be liable for all damages sustained by Landlord on account of such holding over.

11.14 Force Majeure. If Landlord or Tenant is prevented from or delayed in performing any act required of it hereunder, and such prevention or delay is caused by strikes, labor disputes, inability to obtain labor, materials, or equipment, inclement weather, acts of God, governmental restrictions, regulations, or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond such party's reasonable control ("Force Majeure"), the performance of such act shall be excused for a period equal to the period of prevention or delay. A party's financial inability to perform its obligations shall in no event constitute Force Majeure. Nothing in this Paragraph 11.14 shall excuse or delay Tenant's obligation to pay any rent or other charges due under this Lease. This Paragraph 11.14 is inapplicable to the time periods set forth in Paragraphs 3.2(c), 4.2, 6.1(e) and 9.1 of this Lease.

11.15 Limitation On Liability. Landlord's partners, directors, officers, shareholders, trustees or beneficiaries, shall not be liable to Tenant for any damage to or loss of personal property in, or to any personal injury occurring in, the Premises. Landlord shall not be liable to Tenant for any damage to or loss of personal property in, or to any personal injury occurring in, the Premises unless such damage, loss or injury is the result of the negligence or willful misconduct of Landlord or its agents. The obligations of Landlord under this Lease do not constitute personal obligations of the individual partners, directors, officers, shareholders, trustees

or beneficiaries of Landlord, and Tenant shall not seek recourse against the partners, directors, officers, shareholders, trustees or beneficiaries of Landlord, or any of their personal assets for satisfaction of any liability with respect to this Lease. In the event of any default by Landlord under this Lease, Tenant's sole and exclusive remedy shall be against Landlord's interest in the Property and the proceeds of any applicable insurance. **NOTWITHSTANDING ANY OTHER PROVISION OF THIS LEASE TO THE CONTRARY, EACH PARTY HEREBY WAIVES AND RELEASES THE OTHER PARTY AND SUCH OTHER PARTY'S PARTNERS, DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES, AGENTS, MANAGERS, MEMBERS, SHAREHOLDERS, TRUSTEES AND BENEFICIARIES FOR SUCH WAIVING AND RELEASING PARTY'S OWN SPECIAL, INDIRECT, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, HOWEVER AND WHENEVER ARISING UNDER THIS LEASE.**

11.16 Notice of Landlord's Default. The failure by Landlord to observe or perform any of the express or implied covenants or provisions of this Lease to be observed or performed by Landlord shall not constitute a default by Landlord unless such failure shall continue for a period of more than thirty (30) days after written notice thereof from Tenant to Landlord specifying Landlord's default; provided, however, that if the nature of Landlord's default is such that more than thirty (30) days are reasonably required for its cure, then Landlord shall not be deemed to be in default if Landlord commences such cure within said thirty (30) day period and diligently prosecutes such cure to completion. Tenant shall, simultaneously with delivery to Landlord, provide written notice specifying the Landlord default to the holder of any first mortgage or deed of trust covering the Premises whose name and address have been furnished to Tenant in writing. If any Landlord default occurs, in each such case, Tenant, as its sole and exclusive remedy, may immediately, or at any time thereafter, and without demand or notice (except as specifically provided above), either file suit against Landlord for damages (subject to the limitation in Paragraph 11.15 above) or perform whatever action Landlord has failed to perform and recover from Landlord all reasonable out-of-pocket expenses incurred by Tenant in performing such action. If Landlord fails to reimburse Tenant for any sums reimbursable by Landlord pursuant to this paragraph within thirty (30) days after Tenant provides Landlord with a court-issued judgment regarding the same, Tenant may withhold up to one-half (1/2) of all ensuing payment or payments of Base Rent payable by Tenant hereunder until Tenant has recovered such sums, together with interest at the Designated Interest Rate. In the event of a default by Landlord, Tenant shall be entitled to recover, in addition to the other sums described above, reasonable attorneys' fees, court costs and expenses incurred by Tenant in connection with the exercise of its remedies provided for in this paragraph.

11.17 Lease not to be Recorded. Tenant agrees that it will not record this Lease or any memorandum thereof.

11.18 Security Deposit. Upon the execution and delivery of this Lease, Tenant shall pay to Landlord the Security Deposit, if any, which shall be held as security for Tenant's performance as herein provided and refunded to Tenant at the end of the Term subject to Tenant's satisfactory compliance with the conditions hereof. The Security Deposit may be commingled with other funds of Landlord and no interest shall accrue thereon or be payable by Landlord with respect to the Security Deposit. If all or any part of the Security Deposit is applied to an obligation of Tenant hereunder, Tenant shall immediately upon request by Landlord restore the Security Deposit to its original amount.

11.19 Guaranty of Lease. Upon the execution and delivery of this Lease, and as a condition to the effectiveness of this Lease, Tenant shall cause Guarantor, if any, to execute and deliver to Landlord a guaranty in the form attached as **Exhibit E**.

11.20 Landlord and Tenant Relationship. This contract shall create the relationship of landlord and tenant between Landlord and Tenant, and no other relationship.

11.21 OFAC. Neither Tenant nor, to Tenant's actual knowledge without inquiry (i) its direct parent or any of its subsidiaries, (ii) any of their respective partners, or members, shareholders or other equity owners, or (iii) any of their respective employees, officers, directors, representatives or agents, is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action.

11.22 Taxes. Tenant hereby waives any and all rights under Section 41.413 of the Texas Property Tax Code granting the tenant the right to contest appraised values, or to receive notice of reappraised values, on all or any portion of the Building irrespective of whether Landlord has elected to contest same. To the extent such waiver is prohibited by applicable law, Tenant hereby appoints Landlord as Tenant's attorney in fact, coupled with an interest, to appear and take all actions on behalf of Tenant which Tenant may have under said Section of the Code with respect to the Building, but not with respect to Tenant's personal property located within the Premises.

11.23 DTPA. LANDLORD AND TENANT WAIVE THEIR RIGHTS UNDER THE DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, SECTION 17.41 ET SEQ., BUSINESS & COMMERCE CODE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. EACH, AFTER CONSULTATION WITH AN ATTORNEY OF ITS ELECTION, VOLUNTARILY CONSENTS TO THIS WAIVER.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease, which includes the cover sheet, the foregoing Standard Provisions, Additional Provisions, if any, and Exhibits attached to this Lease, with the intent that each of the parties shall be legally bound thereby and that this Lease shall become effective as of the Date of Lease.

PART III ADDITIONAL PROVISIONS

The following provisions ("Additional Provisions") identified below and attached and/or set forth below are included as part of the Lease between Landlord and Tenant. Capitalized terms used in any of the Additional Provisions and not otherwise defined shall have the meanings given such terms in Part I and Part II of this Lease. Unless express reference is made to a provision in Part I and Part II of this Lease for the purpose of modifying such provision, in the event of any conflict between the Additional Provisions and the provisions of Part I and Part II of this Lease, the provisions contained in these Additional Provisions shall control.

1. ***Parking.*** Tenant shall be entitled to use 4.0 unreserved parking spaces (including 2.25 unreserved garage parking spaces) for each 1,000 rentable square feet of space leased by Tenant hereunder, without charge during the initial Term of this Lease. Tenant shall limit Tenant's use of the unreserved parking area to 4.0 parking spaces per 1,000 rentable square feet. Tenant may convert up to twenty five (25) of its allocated unreserved garage parking spaces to reserved spaces in the lower level of the parking garage at no additional charge for the first sixty (60) months of the initial Lease Term, and thereafter at the prevailing rate, currently \$50.00 per month, until the end of the initial Lease Term. Visitor parking generally consistent with visitor parking at comparable buildings in the Houston, Texas area shall also be provided at no charge during the Lease Term.

2. ***Operating Expense Cap.*** Notwithstanding the provisions of Section 3.2 of the Lease, Tenant's obligation to reimburse Landlord for increases in Controllable Operating Expenses shall not increase more than six percent (6%) per annum on a cumulative and compounding basis. "Controllable Operating Expenses" shall mean all Operating Expenses other than Taxes, utilities, insurance premiums, and cost increases associated with increases in the governmentally required minimum wage.

3. ***Renewal Option.*** Provided that at the time such option is exercised and at the expiration of the initial Term of this Lease, (i) Tenant is not then in default under the Lease, (ii) Tenant has not assigned this Lease except to Permitted Transferees, or sublet more than twenty five percent (25%) of the Premises except to Permitted Transferees, and (iii) Tenant and/or Permitted Transferees continue to occupy at least seventy five percent (75%) of the Premises, Tenant shall have the option ("Renewal Option") to renew the term of this Lease for either (a) one (1) additional ten (10) year term, or (b) two (2) additional five (5) year terms (each, a "Renewal Term"), on the same terms and conditions as are contained in this Lease, except that the Base Rent (including annual increases) for the Renewal Term shall be the then "Fair Market Rent" for the Premises, determined as set forth below. The term "Fair Market Rent" shall mean the rent (including annual increases) that a tenant would pay upon leasing space similar to the Premises in a comparable building in Houston, Texas, taking into consideration such factors as the amount of net rentable space leased; the length of the lease in question; the value of the leasehold improvements existing in the Premises, the suitability of the continued use of the improvements and the resulting cost savings to Tenant, the presence or absence of any tenant improvement allowance and/or other tenant inducements, escalations in Base Rent over the term of the lease that are being included in comparable leases, in comparable buildings for comparable spaces; appropriate inducements and concessions then being included in such comparable leases for preparation of comparable space, including but not limited to so-called free or abated rents; the location and quality of the Building as compared to comparable buildings; and the credit standing of Tenant. In order to exercise the Renewal Option, Tenant must give to Landlord written notice of Tenant's intent to enter negotiations with Landlord no

less than twelve (12) months, nor more than eighteen (18) months, prior to the expiration of the initial Lease Term, or the first Renewal Term, if applicable. Upon receipt of Tenant's written notice, Landlord and Tenant shall negotiate in good faith to reach agreement on the "Fair Market Rent" for the Premises for the Renewal Term. If Tenant and Landlord are unable to reach agreement on a Fair Market Rent for the Premises within thirty (30) days after Landlord's receipt of Tenant's counter-proposal, then within five (5) days after such 30-day period, each party shall select a local, MAI designated appraiser with at least ten (10) years of experience appraising buildings similar to the Building, and who has not previously worked for either Landlord or Tenant, to determine a Fair Market Rent. Each appraiser shall provide his or her determination of Fair Market Rent, and if the two determinations are within five percent (5%) of one another, the final Fair Market Rent shall be the average of the two determinations. If the two determinations are not within five percent (5%) of one another, then the two appraisers will jointly select a third MAI designated appraiser with similar qualifications, and the third appraiser shall conclusively determine the Fair Market Rent by selecting only one or the other of the two proposed Fair Market Rents determined by the first two appraisers.

4. ***Right of First Refusal.*** Provided that at the time such right is exercised, (i) Tenant is not then in default under the Lease, (ii) Tenant has not assigned this Lease except to Permitted Transferees or sublet more than twenty five percent (25%) of the Premises except to Permitted Transferees, and (iii) Tenant and/or Permitted Transferees continue to occupy seventy five percent (75%) of the Premises, Landlord hereby grants Tenant a continuing right of first refusal ("Right of First Refusal") to lease any vacant additional space on the seventh (7th) floor of the Building for which Landlord receives an offer during the Term of this Lease (the "ROFR Space"), in accordance with the following terms. If, within the first one hundred two (102) months of the initial Lease Term (or, if Tenant has then exercised the Renewal Option, at any time prior to the last three (3) years of the Renewal Term), Landlord receives a bona fide offer to lease any ROFR Space which Landlord intends to accept, Landlord shall provide written notice to Tenant with a copy of the proposed terms and conditions (the "ROFR Notice"). Tenant shall then have seven (7) days following receipt of the ROFR Notice in which to notify Landlord of Tenant's intentions to lease all (but not less than all) of the offered ROFR Space on the same terms and conditions as set forth in the ROFR Notice, and otherwise in the same terms as set out in this Lease. Failure by Tenant to respond within such 7- day period shall conclusively constitute a waiver of the Right of First Refusal with respect to the proposed lease described in the ROFR Notice; provided, however, that if (a) the net economics set forth in the ROFR Notice (i.e., base rent, free rent and any tenant allowance, considered together as single economic package) decrease by at least ten percent (10%), (b) the term of such lease changes by eighteen (18) months, (c) the lease described in the ROFR Notice is not executed by all parties within 180 days after the date Tenant receives the ROFR Notice, or (d) such ROFR Space again becomes available for lease, the Right of First Refusal shall again be applicable. Notwithstanding anything to the contrary contained herein, in the event that Tenant leases offered ROFR Space within the first twelve (12) months of the initial Lease Term, the abated rent provided to Tenant under this Lease shall apply to such offered ROFR Space and shall expire at the end of the eighteenth (18th) month of the initial Lease Term (rather than the eighteenth (18th) month following the commencement date of the ROFR Space), and the Tenant Allowance provided to Tenant under this Lease shall be applied to such offered ROFR Space on a pro-rated basis based on the number of months remaining in the initial Lease Term as of the commencement date of the ROFR Space.

5. ***Expansion Option.*** Provided that at the time such right is exercised, (i) Tenant is not then in default under the Lease, (ii) Tenant has not assigned this Lease except to Permitted Transferees or sublet more than twenty five percent (25%) of the Premises except to

Permitted Transferees, and (iii) Tenant and/or Permitted Transferees continue to occupy one hundred percent (100%) of the Premises (for purposes of this Lease, "occupy" means legally occupy and pay rent for, but does not require actual physical occupancy), Landlord hereby grants Tenant the one-time option (the "Expansion Option") to expand the Premises to incorporate all or a portion of the additional space on the seventh floor of the Building (the "Expansion Space") into the Premises, on the terms set forth herein. Tenant may only exercise the Expansion Option during the first twelve (12) months of the initial Lease Term, and must give Landlord ninety (90) days prior written notice. Upon receipt of such notice, Landlord shall prepare an amendment to this Lease incorporating the Expansion Space (or the applicable portion thereof) into the Premises (and making no other changes to this Lease unless approved by Tenant), which amendment must be signed by Tenant within ten (10) days after receipt thereof or the Expansion Option will be deemed to have been waived. All of the terms of this Lease shall apply to the Expansion Space (with Base Rent at the same per-square-foot amount), except the abated rent for the Expansion Space and the Tenant Allowance shall be pro-rated based on the number of months remaining in the initial Lease Term as of the commencement date of the Expansion Space. Each amendment incorporating all or a portion of the Expansion Space into the Premises shall provide Tenant with ninety (90) days prior to the applicable commencement date to construct tenant improvements therein.

6. **Signage.** Landlord, at Tenant's sole cost and expense (as part of the Tenant Allowance) shall install a corporate identification sign for Tenant on the lighted monument sign on the Property. Additionally, provided that Tenant and/or a Permitted Transferee occupies a minimum of thirty thousand (30,000) rentable square feet of space in the Building, Tenant, at Tenant's sole cost and expense and with prior written approval from Landlord as to location, size, specifications, design and construction of the signage (which shall not be unreasonably withheld or delayed), shall have the right to install Tenant's corporate signage on the façade on the top of the Building (the "Façade Sign"), in accordance with **Exhibit G** attached hereto. Prior to installation of the Façade Sign, Tenant must provide Landlord with written specifications for the proposed installation and mounting method and roof location for the Façade Sign, which shall be subject to Landlord's prior written approval (which shall not be unreasonably withheld or delayed). Under no circumstances shall any roof penetrations or other roof alterations be made. Tenant shall be responsible for all costs of installation and maintenance of the Façade Sign. In the event of any roof repair or maintenance work by Landlord, Tenant will relocate, or temporarily remove if necessary, the Façade Sign, at Tenant's cost, within ten (10) days following written notice from Landlord. Tenant, at Tenant's expense, shall defend (with counsel reasonably satisfactory to Landlord), indemnify and hold harmless Landlord and Landlord's agents, employees, invitees, licensees and contractors from and against any cost, claim, action, liability or damage of any kind resulting from or arising out of the installation or maintenance of the Façade Sign. Upon the termination or expiration of the Term of the Lease, Tenant shall remove the Façade Sign and restore the roof to its original condition, reasonable wear and tear excepted. Additionally, in the event that Tenant assigns the Lease or sublets 100% of the Premises pursuant to a Permitted Transfer, such assignee or sublessee, as the case may be, shall have the right, at its sole cost and expense, to install its corporate signage in the place of the Façade Sign under the same terms set forth herein, provided that Tenant has first removed Tenant's Façade Sign and restored the roof to its original condition, reasonable wear and tear excepted, at Tenant's sole cost and expense.

7. **Common Conference Room.** Landlord has agreed to and shall construct, at Landlord's expense and without including the cost of such construction in Operating Expenses, a common conference room (the "Common Conference Room") in the Property, using Building-standard materials, that will accommodate a minimum of fifty four (54) people. Landlord will

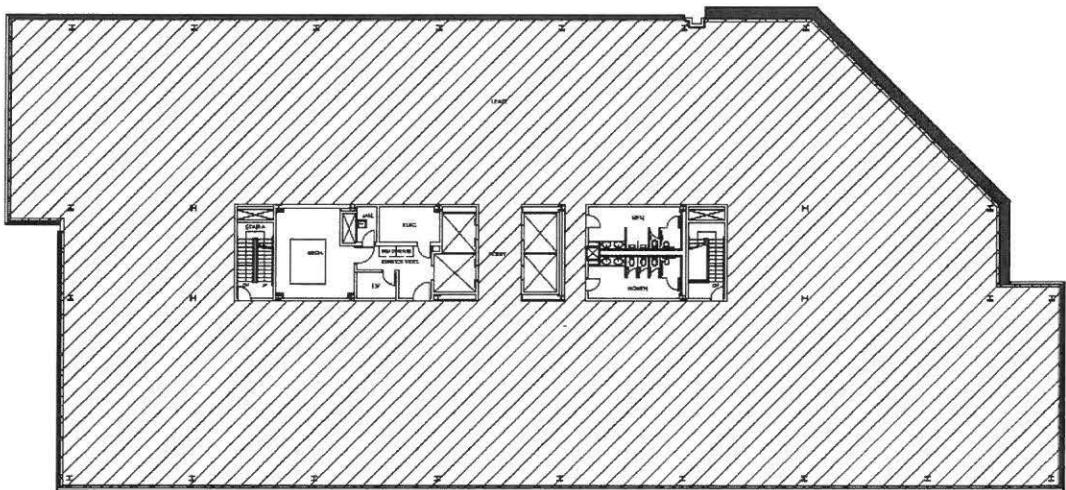
commence construction of the Common Conference Room prior to the end of calendar year 2017 and shall diligently complete the same. Upon completion of construction of the Common Conference Room, Tenant may utilize the Common Conference Room with other tenants in the Building in accordance with Landlord's procedures for reserving the Common Conference Room and at the most favorable rental rate offered by Landlord to any tenant.

PART IV EXHIBITS

HOU 408477067v8

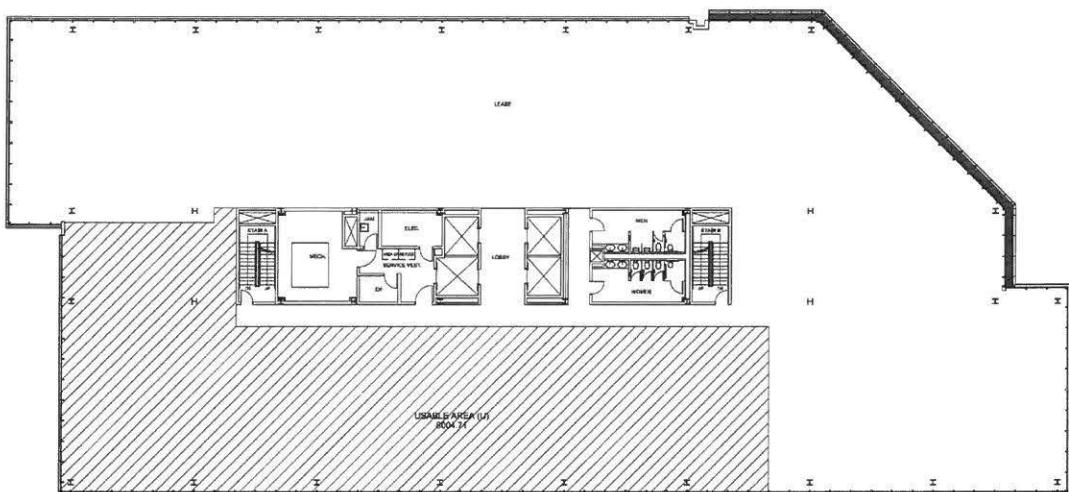
ACTIVE 40018288v3 05/02/2016

EXHIBIT A
FLOOR PLAN
(Attached)



HOU 408477067v8

ACTIVE 40018288v3 05/02/2016



HOU 408477067v8

ACTIVE 40018288v3 05/02/2016

EXHIBIT B
NOTICE OF LEASE TERM DATES

[Tenant] Date: _____

Ladies and Gentlemen:

In accordance with the Lease, please confirm the following by signing below:

1. The Premises have been accepted by Tenant as being substantially complete in accordance with the Lease, and there is no deficiency in construction, except for latent defects, matters reflected on a punchlist delivered by Tenant to Landlord on or before _____ and Landlord's on-going maintenance and repair obligations under the Lease.

2. Tenant has possession of the Premises. The Commencement Date of the Lease is _____ and the Term shall end on _____, subject to renewal if and as provided in the Lease.

TENANT:

LANDLORD:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

By: _____

Name: _____

Title: _____

EXHIBIT C
TENANT IMPROVEMENTS

1. Tenant accepts the Premises in AS-IS condition, subject to latent defects and Landlord's obligations set forth elsewhere in this Lease, provided Tenant shall be responsible for making improvements to the Premises based on plans (collectively, the "Plans") approved in writing in advance by Landlord, which consent shall not be unreasonably withheld or delayed (the "Tenant Improvements"). Landlord has approved the preliminary space plan attached hereto as **Exhibit K**, and those aspects of the Plans depicted on and addressed by such space plan shall be promptly approved by Landlord. Tenant shall not commence any Tenant Improvements until Tenant receives Landlord's written approval of the proposed Tenant Improvements. Tenant shall be permitted to obtain three (3) competitive bids for the Tenant Improvements and select the general contractor, who shall be reasonably acceptable to both Tenant and Landlord. Tenant shall cause the Tenant Improvements to be installed in accordance with the Plans and all applicable permits, approvals, codes, ordinances and regulations, in a good and workmanlike manner, using Building-standard materials unless otherwise approved in writing by Landlord, free of all liens, by a licensed contractor. Once installed, the Tenant Improvements shall be a part of the Premises and the sole property of Landlord. Any change orders from the Plans, and any delay in completion caused by Tenant which results in increased costs, shall be at Tenant's sole expense and shall not delay the Commencement Date.

2. Landlord shall provide Tenant a tenant allowance of up to Sixty Five Dollars (\$65.00) per rentable square foot of the Premises (the "Tenant Allowance") for design, engineering, permitting, construction and supervision of the Tenant Improvements to the Premises, and the cost of tenant-related expenses including telephone, computer and voice data lines, wiring, cabling, furniture, fixtures and signage. The Tenant Allowance shall be paid by the Landlord to the Tenant within thirty (30) days after receipt from Tenant of (i) lien waivers, in statutory form, from all contractors and subcontractors involved in the construction of the Tenant improvements, and (ii) paid invoices/receipts for all work done in the Premises. Any costs of the Tenant Improvements in excess of the Tenant Allowance shall be paid by Tenant. A portion of the Tenant Allowance of up to Five Dollars (\$5.00) per rentable square foot of the Premises may be used by Tenant for furniture, fixtures and equipment and/or applied against Base Rent. The Tenant Allowance may not be used for sample boards, samples or other non-Building-standard materials (provided, however, that Tenant has already had a test-fit of the Premises prepared, and Landlord has agreed to reimburse Tenant for the cost of said test-fit as a part of the Tenant Allowance). Any amount not drawn by Tenant for the Tenant Improvements described on the approved Plans within twelve (12) months after the date the Plans are approved shall be retained by Landlord, and in no event may any portion of the Tenant Allowance in excess of Five Dollars (\$5.00) per rentable square foot of the Premises (less any amount of the Tenant Allowance used by Tenant for furniture, fixtures and equipment) be used to pay or offset Base Rent or Additional Rent.

3. The costs of the Tenant Improvements shall include the actual costs of construction (including the overhead and profit of the contractors, and all keys and signage), the construction management fee of Landlord's property manager, the costs of all permits and approvals, all design costs and other charges by the architects and engineers, the cost of the test-fit for the Premises, and the cost of tenant-related expenses including telephone, computer and voice data lines, wiring, cabling, furniture and fixtures. The parties acknowledge that the

construction management fees of Landlord's property manager shall be Ten Thousand Dollars (\$10,000.00), and no further fee shall be charged or paid.

4. Upon substantial completion of the Tenant Improvements, Landlord will deliver the Notice of Lease Term Dates to Tenant. Within three (3) days after receipt of such notice, Tenant shall execute the Notice of Lease Term Dates.

5. The Scheduled Commencement Date shall be extended by one day for each day of Landlord Delay (as defined below). As used herein, "Landlord Delay" means delays in the commencement or completion of the Tenant Improvements caused by (i) Landlord's failure to respond in reasonable detail to any submission by Tenant under this **Exhibit C** within seven (7) business days after receipt of the submission (or five (5) business days in the case of non-structural change orders), (ii) any other delay requested or caused unilaterally by Landlord without cause, and (iii) any violation of this Lease by Landlord. In addition to the notice otherwise required by this Lease, Plan and change orders shall also be simultaneously submitted via email to

EXHIBIT D
RULES AND REGULATIONS

1. The driveways, parking areas, plazas, sidewalks, entrances, passages, courts, vestibules, stairwells, corridors or halls shall not be obstructed or encumbered by any tenant or used for any purpose other than ingress and egress to and from the premises.
2. No awnings, canopies, or other projections shall be attached to the outside walls of the building. No drapes, curtains, blinds, shades, or screens shall be attached to or hung in, or used in connection with, any window or door or the premises without the prior written consent of Landlord.
3. Except as may be provided in the applicable lease, Tenants are prohibited from displaying any sign, picture, advertisement or notice on the inside or outside of the building, or the premises, except the usual name signs on the doors leading to the premises, which shall conform to the requirements of the management of the building, and excepting also the name strips on the directory board of the building. The directory board of the building will be maintained by Landlord. In the event of the violation of the foregoing by any tenant, Landlord may remove same without any liability, and may charge the expense incurred by such removal to the tenant.
4. The sash doors, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the building shall not be covered or obstructed by any tenant, nor shall any bottles, parcels or other articles be placed on the windowsills or perimeter fan coil consoles.
5. No showcases or other articles shall be put in front of or affixed to any part of the exterior of the building nor placed in the halls, corridors, or vestibules without the prior written consent of Landlord.
6. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags or other substances shall be thrown therein. All damages resulting from any misuse of the fixtures shall be borne by the tenant who, or whose servants, employees, agents, visitors or licensees, shall have caused the same.
7. No tenant shall mark, paint, drill into, or in any way deface any part of the premises or the building of which they form a part. No boring, cutting or stringing of wires shall be permitted, except with the prior written consent of Landlord, and as Landlord may direct. No tenant shall lay any type of floor covering without first obtaining Landlord's written permission.
8. No bicycles, vehicles or animals of any kind shall be brought into or kept in or about the premises, and no cooking shall be done or permitted by any tenant on the premises, except via typical microwave ovens located in break rooms. No tenant shall cause or permit any unusual or objectionable odors to be produced upon or permeate from the premises.
9. No tenant shall make or permit to be made, any unseemly or disturbing noises that disturb or interfere with occupants of this building, or premises, or neighboring buildings.

10. No tenant, and no servants, employees, agents, visitors or licensees of any tenant, shall at any time bring or keep upon the premises any inflammable, combustible or explosive fluid, chemical or substance.

11. Tenants are prohibited from installing additional locks upon any of the doors or having duplicate keys made for any of the doors leading to the premises. (All necessary keys will be furnished to the tenants by Landlord). Landlord shall provide 132 access cards to Tenant, with any additional or replacement cards to be provided to Tenant at Landlord's actual cost plus a reasonable handling fee. Each tenant must, upon the termination of tenancy, return such access cards to Landlord.

12. Landlord shall have the right to prohibit any advertising by any tenant at the Property which, in Landlord's opinion, tends to impair the reputation of the building or their desirability for offices, and upon written notice from Landlord, the tenants shall refrain from or discontinue such advertising at the Property.

13. The premises shall not be used for lodging or sleeping.

14. The requirements of tenants will be attended to only upon application at the office of the building. Building employees shall not perform any work or do anything outside of their regular duties, unless under special instructions from the office of the building.

15. Canvassing, soliciting and peddling in the building are prohibited and each tenant shall cooperate to prevent the same.

16. Landlord reserves the right to make such other and further Rules and Regulations as in its judgment may from time to time be needful and proper, and upon delivery of the same to the tenants they shall become binding upon the parties hereto.

EXHIBIT E

GUARANTY

This Guaranty is made and entered into by

WITNESSETH:

WHEREAS, egotiated a
Lease Agreement ("Lease") with Landlord of even date herewith for certain premises ("Premises")

(this Guaranty being executed contemporaneously with the Lease); and

WHEREAS, the Guarantor has induced Landlord to execute and deliver the Lease by
executing this Agreement; and

WHEREAS, the Guarantor has a financial interest in Tenant and will benefit from Landlord
entering into the Lease with Tenant.

NOW THEREFORE, in consideration of the execution and delivery of the Lease by
Landlord, and for other valuable consideration, receipt of which is acknowledged by the
Guarantor, it is agreed as follows:

1. The Guarantor absolutely, unconditionally and irrevocably guarantees to Landlord,
the due and punctual payment of each installment of Rent payable under the Lease, and the full,
prompt, and complete performance by Tenant of all Tenant's covenants, conditions, and
provisions in the Lease, in each and every case, for the first ninety (90) months of the term of the
Lease, commencing on the Commencement Date set forth in the Lease (the "Guaranty Term"),
with no less force and effect than if the Guarantor was named as Tenant in the Lease. This
Guaranty shall be absolute, continuing and unlimited. The Guarantor shall, on written demand,
pay all amounts at any time in arrears, and will make good any and all defaults by Tenant under
the Lease including but not limited to reasonable attorneys' fees and costs incurred by Landlord
before, during or after trial (including appeals) in connection with the enforcement of this
Guaranty, whether or not suit is brought. This Guaranty shall automatically terminate at the
expiration of the Guaranty Term; provided, however, that such termination shall not affect the
Guarantor's liability for any specific claims made in writing by Landlord during the Guaranty Term.

2. The Guarantor does hereby further consent, covenant and agree that Landlord
may from time to time before or after any default by Tenant under the Lease, with or without
further notice or assent from the Guarantor, enter into, approve or consent to the following (and
this Guaranty shall remain and continue in full force and effect, notwithstanding): (a) any
amendment or modification of the Lease, whether or not the Guarantor has approved same and
whether or not the Guarantor has any knowledge of same; (b) any assignment of the rights and
obligations in any other document, instrument, or writing executed in connection with the
transactions contemplated under the Lease; (c) any extension or indulgence granted with respect
to Tenant's payment or performance under the Lease; (d) any release, sale, surrender,
impairment, exchange, substitution of any property of any nature held by or which may create a
part of any security available to Landlord for the payment or performance of any of Tenant's
obligations to Landlord; and (e) any settlement, release, adjustment, or compromise of any claim
of Landlord against Tenant or any other person otherwise liable (including, without limitation, any

other guarantor) for any indebtedness, liability, or obligation of Tenant guaranteed hereby).

3. The Guarantor hereby waives: (a) demand, presentment, notice, protest, and all suretyship defenses at law and in equity including, without limitation, waste or impairment of collateral, if any, notice of sale for consideration and notice of default of Tenant; (b) any right to have Tenant or any other guarantor, if any, joined in any suit in which Landlord and the Guarantor are parties; (c) any right to require Landlord to sue Tenant on any obligations guaranteed hereby as a prerequisite to any action by Landlord against the Guarantor; (d) any right to have the Guarantor joined in any suit against Tenant and the bringing of such suit against Tenant by Landlord shall not waive any rights that Landlord may have against the Guarantor pursuant to this Guaranty; (e) the lack of authority, death, or disability of any other party or revocation hereof by any other guarantor or by any other party; (f) any defense arising by virtue of the failure of Landlord to file or enforce a claim of any kind or any defense based upon an election of remedies by Landlord which destroys or otherwise impairs the subrogation rights, if any, of the Guarantor to proceed against Tenant for reimbursement or both; and (g) any duty on the part of Landlord to disclose to the Guarantor any facts which Landlord may now or hereafter know about Tenant, it being understood and agreed that the Guarantor is fully responsible for being and keeping informed of the financial condition of Tenant and all the circumstances bearing on the risk of nonpayment and nonperformance of any and all obligations hereby guaranteed.

4. Intentionally omitted.

5. The Guarantor shall not by reason of the performance of the terms and provisions of this Guaranty succeed to or be subrogated to the rights and privileges of Landlord against Tenant or be deemed to be the successor or assign of Landlord unless and until each and every indebtedness, liability and obligation of Tenant to Landlord shall have been fully paid and discharged.

6. The obligations of the Guarantor hereunder are independent of the obligations of Tenant and upon any default under the Lease or this Guaranty, separate action or actions may be brought and prosecuted against the Guarantor whether or not action is brought against Tenant. No delay on the part of Landlord in exercising any rights hereunder or failure to exercise same shall operate as a waiver of such rights. All of the rights, powers and remedies of Landlord hereunder under the Lease and any other agreement entered into between the Guarantor and Landlord shall be cumulative and nonexclusive and shall be in addition to all rights, remedies and powers available to Landlord hereunder, by law or otherwise.

7. No action or proceeding brought or instituted under this Guaranty against the Guarantor, and no recovery had in pursuance thereof, shall be any bar or defense to any further action or proceeding which may be brought under this Guaranty by reason of any further default or defaults of Tenant.

8. The liability of the Guarantor shall not be deemed to be waived, released, discharged, impaired or affected by reason of the release or discharge of Tenant in any creditors, receivership, bankruptcy (including Chapter X or Chapter XI bankruptcy proceedings or other reorganization proceedings under the Bankruptcy Act) or other proceedings, or the rejection or disaffirmance of the Lease in any proceedings.

9. There shall be no modification of the provisions of this Guaranty unless the modification be in writing and signed by the Guarantor and Landlord. The terms utilized in this Guaranty shall have the same meaning as defined in the Lease except as otherwise expressly

provided.

10. All of the terms, agreements and conditions of this Guaranty shall be joint and several, and shall extend to and be binding upon the Guarantor, its successors and assigns, and shall inure to the benefit of Landlord, its successors and assigns, and to any future owner of the fee of the Premises. This Guaranty shall not be construed more strictly by one party than the other, merely because it may have been prepared by counsel for one of the parties, it being recognized that the Guarantor has reviewed and approved the terms hereof.

11. In the event any provision hereof is determined to be invalid or unenforceable, the remaining provisions shall and do remain in full force and effect.

12. The Guarantor agrees that in any action or proceeding brought on, under or by virtue of this Guaranty, the Guarantor shall and does waive all present and future State homestead exemption rights and trial by jury, and the Guarantor agrees that the applicable courts of the State of Texas may have jurisdiction over the Guarantor upon appropriate service upon the Guarantor in any state of the United States in a manner in accordance with the laws of the State of Texas. Venue in any suit brought under this Guaranty shall be in the County in which the Premises are located.

13. Neither Guarantor nor, to Guarantor's actual knowledge without inquiry (i) its direct parent or any of its subsidiaries, (ii) any of their respective partners, or members, shareholders or other equity owners, or (iii) any of their respective employees, officers, directors, representatives or agents, is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action.

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IN WITNESS WHEREOF, the Guarantor has set its signature on the 4th day of
May, 2016.

EXHIBIT F

EXCLUSIONS FROM OPERATING EXPENSES

- (a) All costs of tenant concessions;
- (b) Amounts which would have been reimbursable to Landlord if Landlord had maintained all insurance Landlord is required under this Lease to maintain;
- (c) The cost of any kind of service furnished directly to any other tenant in the Building which such tenant performs for itself or pays for itself, such as electricity and telecommunication services, and after-hours HVAC;
- (d) Salaries and fringe benefits of employees above the grade of Building manager;
- (e) Costs incurred in connection with the sale, financing, refinancing, mortgaging, or other change of ownership of the Property;
- (f) Expenses for sculptures, paintings or other major artwork (beyond Building-standard decoration) located at the Property;
- (g) Payments to parties related to Landlord for services or supplies or materials to the extent the costs of such services, supplies or materials exceeds the costs that would have been paid had such services or supplies or materials been provided on a competitive basis by parties unaffiliated with Landlord;
- (h) Capital costs incurred with respect to the renovation or upgrade of the Property, and except as expressly permitted by Paragraph 3.2(b)(iv) of this Lease, costs incurred by Landlord for alterations which are considered capital improvements and replacements under generally accepted accounting principles consistently applied;
- (i) Landlord's and/or Property's charitable or political contributions;
- (j) Costs incurred by Landlord arising from the gross negligence or willful misconduct of Landlord or its agents or employees or contractors or the violation by Landlord of the terms of any encumbrance on the Property or leases of the same;
- (k) Expenses incurred by Landlord, and reimbursed by insurance, for repairs or other work occasioned by fire, windstorm, or other insurable casualty or condemnation;
- (l) Expenses for the replacement of any item covered under warranty;
- (m) Cost to correct, and any penalty or fine incurred by Landlord due to, Landlord's violation of any federal, state or local law or regulation;
- (n) The portion of employee expenses which reflects that portion of such employee's time which is not spent directly and solely in the operation of the Property;
- (o) Landlord's general corporate overhead and administrative expenses except if it is related solely to the Property;

(p) Reserves;

(q) The operating expenses incurred by Landlord relative to retail stores, hotels, health clubs, retail operations and any specialty service in the Building (other than small operations primarily serving tenants of the Building);

(r) Any real estate brokerage commissions or other costs incurred in procuring tenants or any fee in lieu of such commission, and expenses incurred in tenant buildout, renovating, or otherwise improving or decorating, painting, or redecorating space for other tenants or other occupants of vacant space;

(s) Any advertising expenses incurred in connection with the marketing of any rentable space;

(t) Rental payments for base building equipment such as HVAC equipment and elevators;

(u) Any ground rents payable by Landlord;

(v) Payments of principal and/or interest on debt or amortization payments on any mortgage or mortgages executed by landlord covering the Building, Premises or parking garage (or any portion thereof), and rental concessions or negative cash flow guaranties;

(w) Depreciation costs;

(x) Uncollected debts owed to Landlord by other parties;

(y) Fees and interest payable for any mortgage loans encumbering the Building;

(z) Costs of testing and abatement of environmental contamination not caused or permitted by Tenant;

(aa) Landlord's personal income taxes;

(bb) Expenses incurred by Landlord for travel, entertainment or gifts;

(cc) Costs to repair structural defects on the Building;

(dd) Costs for sculpture, paintings or other art.

HOU 408477067v8

ACTIVE 40018288v3 05/02/2016

EXHIBIT H
ARBITRATION PROVISION

In the event of a dispute under Section 3.2(d) of this Lease, Landlord and Tenant shall jointly select an independent accountant or auditor (the "Auditor") to review Tenant's audit of Landlord's records relating to Operating Expenses, Taxes and Capital Costs at the Property. The Auditor's determination of the Tenant's Share of Expenses for the Lease Year(s) in question shall be final with regard to any overpayment or underpayment of Tenant's Share of Expenses for the Lease Year(s) being audited, and neither Tenant nor Landlord shall have the right to challenge the Auditor's determination with regard to the same. The cost of such audit shall be paid by Tenant, unless Landlord is found to be materially incorrect in its calculation of Operating Expenses, in which case Landlord shall promptly reimburse Tenant for all out-of-pocket costs incurred by Tenant in connection with such audit.

EXHIBIT I

Cleaning Specifications

| | Entry, Lobby and Common Areas | Frequency |
|------|--|------------------|
| 1.1 | Empty all waste paper receptacles, reline and wipe down if necessary. Take all trash to designate location for removal. | 5/W |
| 1.2 | Dust all exposed horizontal surfaces & fixtures, including desktops, files, chairs, tables, pictures and window sills up to 7 feet. | 5/W |
| 1.3 | Dusts mop all hard floor surfaces. | 5/W |
| 1.4 | Damp mop all hard floor surfaces. | 5/W |
| 1.5 | Vacuum all carpeted areas; use spot cleaners on fresh spots. Note: Not all spots can be removed. Spots are less than 3" in size. Stubborn or old spots need to be shampooed. | 5/W |
| 1.6 | Remove smudges & fingerprints from glass entrance doors and all internal glass partitions. | 5/W |
| 1.7 | Remove spots from all doors, door frames and light switches. | 5/W |
| 1.8 | Clean and polish drinking fountains. | 5/W |
| 1.9 | Dust window sills | 1/W |
| 1.10 | Edge vacuum. | 1/Q |
| 1.11 | Dust all air diffusers. | 1/Q |
| 1.12 | Dust all window blinds. | 1/Q |
| | Offices and Conference Rooms | Frequency |
| 2.1 | Remove smudges and fingerprints from glass entrance doors and all internal glass partitions. Remove spots from all doors and light switches. | 5/W |
| 2.2 | Dusts mop all exposed hard surface floor areas. | 5/W |
| 2.3 | Damp mop all exposed hard surface floors to remove spillage or soiled areas as needed. | 4/W |

| | | |
|-------------------------------------|--|------------------|
| 2.4 | Damp mop all exposed hard surface floor areas to include edges, corners and beneath furniture. | 1/W |
| 2.5 | Vacuum all carpeted traffic areas; use spot cleaners on fresh spots. Note: Not all spots can be removed. Spots are less than 3" in size. Stubborn or old spots need to be shampooed. | 4/W |
| Offices and Conference Rooms | | Frequency |
| 3.1 | Vacuum all carpeted area completely | 1/W |
| 3.2 | Dust all exposed horizontal surfaces & fixtures, including desktops, files, chairs, tables, pictures and window sills. | 3/W |
| 3.3 | Dust window sills. | 1/M |
| 3.4 | Dust all high and low shelves, surfaces and corners beyond the reach of normal dusting. | 1/M |
| 3.5 | Edge vacuum. | 1/Q |
| 3.6 | Dust all air diffusers. | 1/Q |
| 3.7 | Dust all window blinds. | 1/Q |
| Restrooms | | Frequency |
| 4.1 | Empty all waste paper receptacles, reline and wipe down if necessary. Take all trash to designated location for removal. | 5/W |
| 4.2 | Dust horizontal surfaces within reach. | 5/W |
| 4.3 | Re-stock all soap, toilet paper, paper towels, toilet seat covers & sanitary napkin dispensers. | 5/W |
| 4.4 | Clean all mirrors, frames and shelves. | 5/W |
| 4.5 | Clean, disinfect & polish all restroom floors. | 5/W |
| 4.6 | Dust mop, damp mop and disinfect all restroom floors. | 5/W |
| 4.7 | Dust and spot clean all partitions. | 4/W |
| 4.8 | Wash all restroom partitions with a quaternary disinfectant. | 1/W |
| 4.9 | Dust all high and low surfaces beyond normal reach. | 1/W |

| | | |
|------|-------------------------------|-----|
| 4.10 | Pour water into floor drains. | 1/W |
| 4.11 | Dust all air diffusers. | 1/Q |

| | Lunch / Break Room | Frequency |
|-----|--|------------------|
| 5.1 | Empty all waste paper receptacles, reline and wipe down if necessary. Take all trash to designated location for removal. | 5/W |
| 5.2 | Clean & disinfect all kitchen/lunch room tables, counters and sinks. | 5/W |
| 5.3 | Dusts mop all hard floor surfaces. | 5/W |
| 5.4 | Damp mop all hard floor surfaces. | 5/W |
| 5.5 | Vacuum all carpeted traffic areas; use spot cleaners on fresh spots. Note: Not all spots can be removed. Spots are less than 3" in size. Stubborn or old spots need to be shampooed. | 5/W |
| 5.6 | Dust all window sills. | 1/M |
| 5.7 | Dust all high and low shelves, surfaces and corners beyond the reach of normal dusting. | 1/M |
| 5.8 | Dust all air diffusers. | 1/Q |
| 5.9 | Dust all window blinds. | 1/Q |
| | **All periodic tasks will be performed at the end of the designated period. | 1/Q |
| | Stairways and Landings | Frequency |
| 6.1 | Police landings for trash. | 5/W |
| 6.2 | Vacuum all carpeted stairs. Spot clean all fresh spots. | 5/W |
| 6.3 | Sweep and remove minor stains. | 5/W |
| 6.4 | Dust handrails, ledges, rises and lights. | 1/W |

| | Elevator | Frequency |
|-----|---|------------------|
| 7.1 | Keep at least two elevators operating for passengers at all times, if possible. | 5/W |
| 7.2 | Clean all thresholds, hatches, doors, doorframes, railings, cab walls, panels and directional lights on interior of elevator. | 5/W |

| | | |
|------|--|------------------|
| 7.3 | Clean exterior control panels and lights. | 5/W |
| 7.4 | Clean all stainless steel with manufacturer approved stainless steel cleaner. | 5/W |
| | Trash Receptacles | Frequency |
| 8.1 | Line all trash receptacles with plastic bags suitable to the size of the container as needed. | 5/W |
| | Drinking Fountains | Frequency |
| 9.1 | Clean and sanitize. | 5W |
| 9.2 | Polish stainless steel. | 1/W |
| | Building Exterior | Frequency |
| 10.1 | Police main entrance area | 5/W |
| 10.2 | Clean all sand urns. Replace silica sand if needed. Note: Silica sand will be provided by the client. | 5/W |
| 10.3 | Empty all waste paper receptacles, reline and wipe down if necessary. Take all trash to designated location for removal. | 5/W |
| | Security Desk & Security Offices | Frequency |
| 11.1 | Dust and polish desk. | 5/W |

| | | |
|------|--|------------------|
| | Closing Instructions | Frequency |
| 12.1 | Turn off all designated lights. | 5/W |
| 12.2 | Secure all windows and doors upon departure. | 5/W |
| 12.3 | Set alarm as per instructions. | 5/W |
| 12.4 | Maintain a clean and organized janitorial closet. | 5/W |
| 12.5 | MSDS for all chemicals in use will be placed in janitorial closet. | 5/W |

EXHIBIT J

FORM ESTOPPEL CERTIFICATE

THIS IS TO CERTIFY TO _____ ("Buyer") THAT:

1. The undersigned is the tenant ("Tenant") under that certain Lease (the "Lease") dated _____ by and between _____ as Landlord ("Landlord"), and _____, as Tenant, covering those certain premises containing _____ square feet commonly known as _____ (the "Premises") in the property located at _____ (the "Property").

2. The Lease is in full force and effect and has not been assigned, modified, supplemented, altered or amended in any respect (except as indicated following this sentence) and is the only lease or agreement between the undersigned and Landlord affecting the Premises. If none, state "none". _____

3. The undersigned has accepted possession and now occupies the Premises and [if true on the date of this estoppel] is currently open for business. The improvements, appurtenances, common areas and parking facilities, if any, required to be furnished under the Lease have been completed and furnished (except as indicated following this sentence) and are satisfactorily completed in all respects (except as indicated following this sentence) and all conditions of the Lease to be performed by Landlord prior to the full effectiveness of the Lease have been satisfied (except as indicated following this sentence). If none, state "none".

_____. Any required payments, allowances and inducement from Landlord to Tenant have been paid or credited to Tenant (except as indicated following this sentence). If none, state "none". _____.

4. Tenant has no Knowledge (as defined below) of any event which with the giving of notice, the passage of time or both would constitute a default under the Lease on the part of Tenant or Landlord. To Tenant's Knowledge, no other tenant in the Property operates its business in a manner or for a use which violates any exclusive or similar restriction contained in the Lease. As used in this certificate, the term "Knowledge," when referring to Tenant, means the current, actual knowledge, without inquiry, of Tenant's general counsel and Tenant's senior facilities manager (or the equivalent).

5. The Lease term began _____, and the current Lease term expires _____. The Base Rent presently being paid is \$_____ per month. In addition, Tenant presently pays \$_____ per month to Landlord for parking at the Property. All rentals, charges and other obligations on the part of the undersigned under the Lease have been paid to and including _____. No rental, other than for the current month or as otherwise expressly required by the Lease, has been paid in advance.

6. Tenant has no right or option to extend or renew the term of the Lease, or to lease other space in the Property, except as expressly set forth in the Lease.

7. In addition to the above-referenced Base Rent, the Tenant currently pays monthly estimated payments of Operating Expenses, Taxes and Capital Costs in the amount of \$_____ per month.

8. To Tenant's Knowledge, there are no existing defenses which Tenant has against the enforcement of the Lease by Landlord (except as indicated following this sentence). If none, state "none". _____ The undersigned is entitled to no free rent nor any credits, offsets or deductions in rent, nor other leasing concessions, except as expressly set forth in the Lease.

9. The Lease contains, and the undersigned has, no options to purchase or rights of first refusal or other rights to purchase the Premises or any part thereof or the Property of which the Premises are a part.

10. The amount of the security deposit presently held under the Lease is \$ _____ (if none, so indicate).

11. This certification is made with the knowledge that it will be relied upon in connection with financings and sales of the Property and the purchase of the Property by Buyer and may be relied upon by the Buyer and any lender lending money to Buyer in connection with its acquisition of the Property, and their respective successors and assigns.

12. The provisions hereof shall be binding upon the Tenant and its successors and assigns and inure to the benefit of the Buyer and its successors and assigns.

Executed under seal this _____ day of _____, 20____.

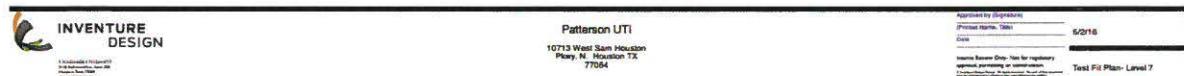
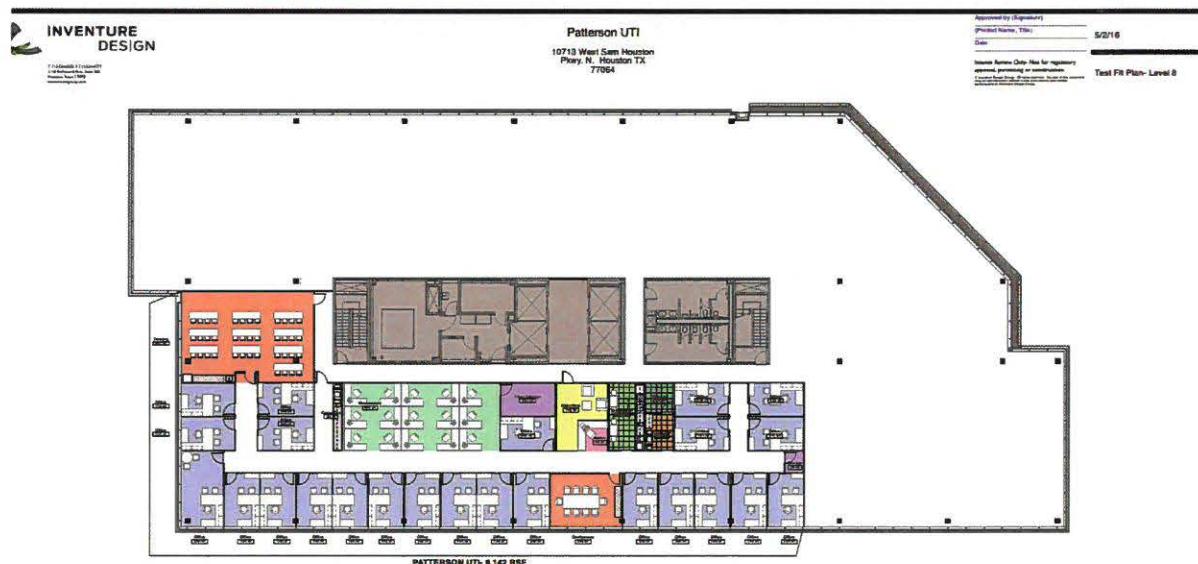
TENANT

By: _____

Name:

Title:

EXHIBIT K
APPROVED SPACE PLANS



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