

COMMERCIAL LEASE AGREEMENT

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This Commercial Lease Agreement ("Lease") is entered into effective March 1, 2026, by and between Meridian Properties LLC, a California limited liability company ("Landlord"), and CloudScale Solutions Inc., a Delaware corporation ("Tenant").

PREMISES

Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the following described premises: Suite 400, located at 2500 Market Street, San Francisco, CA 94114, consisting of approximately 4,500 square feet of rentable office space ("Premises"), together with non-exclusive use of common areas including lobbies, restrooms, elevators, parking garage, and loading dock.

1. TERM

1.1 Initial Term: The initial term of this Lease shall be sixty (60) months, commencing on March 1, 2026, and expiring on February 28, 2031 ("Initial Term").

1.2 Renewal Option: Tenant shall have two (2) consecutive options to renew this Lease for additional periods of thirty-six (36) months each, upon written notice given not less than one hundred eighty (180) days prior to expiration, subject to market rate adjustment.

1.3 Early Termination: Tenant may terminate this Lease after the thirty-sixth (36th) month by providing one hundred twenty (120) days' written notice and paying an early termination fee equal to four (4) months' Base Rent.

2. RENT AND FINANCIAL TERMS

2.1 Base Rent: Tenant shall pay monthly Base Rent as follows:

Months 1-2: \$0 (Free Rent Period)

Months 3-12: \$22,500 per month (\$60.00 per square foot per annum)

Months 13-24: \$23,175 per month (3% annual escalation)

Months 25-36: \$23,870 per month

Months 37-48: \$24,586 per month

Months 49-60: \$25,324 per month

2.2 Security Deposit: Tenant shall deposit \$67,500 (equivalent to three months' Base Rent) with Landlord upon execution of this Lease. Deposit shall be returned within thirty (30) days of Lease termination, less any amounts owed.

2.3 Operating Expenses: Tenant shall pay its proportionate share (estimated at 15.2%) of Building Operating Expenses, including property taxes, insurance, maintenance, janitorial services, and common area utilities. Base Year for Operating Expense calculations shall be calendar year 2026.

2.4 Utilities: Tenant shall be responsible for all utilities serving the Premises, including electricity, gas, water, sewer, internet, and telecommunications.

2.5 Late Payment: Rent not received within five (5) days of the due date shall incur a late fee of 5% of the

overdue amount, plus interest at 1.5% per month.

2.6 Tenant Improvement Allowance: Landlord shall provide a Tenant Improvement Allowance of \$45 per rentable square foot (\$202,500 total) for initial build-out. Any costs exceeding this amount shall be Tenant's responsibility. Unused allowance shall not be converted to rent credit.

3. USE AND OPERATIONS

3.1 Permitted Use: The Premises shall be used exclusively for general office purposes, software development, and activities incidental thereto.

3.2 Prohibited Uses: Tenant shall not use the Premises for: (a) any unlawful purpose, (b) storage of hazardous materials, (c) manufacturing or industrial operations, (d) retail sales to the general public, or (e) any purpose that increases the insurance premium for the Building.

3.3 Hours of Operation: Tenant shall have access to the Premises 24 hours a day, 7 days a week. Building HVAC services are provided Monday through Friday, 8:00 AM to 6:00 PM, and Saturday 9:00 AM to 1:00 PM. After-hours HVAC is available at \$75 per hour.

3.4 Parking: Landlord shall provide Tenant with twelve (12) unreserved parking spaces at \$250 per space per month, subject to 3% annual increases. Four (4) additional reserved spaces are available at \$400 per space per month.

4. MAINTENANCE AND REPAIRS

4.1 Landlord Responsibilities: Landlord shall maintain the structural elements of the Building, including roof, exterior walls, foundation, common area HVAC systems, elevators, and fire safety systems.

4.2 Tenant Responsibilities: Tenant shall maintain the interior of the Premises in good condition, including flooring, paint, fixtures, appliances, and Tenant's equipment. Tenant shall be responsible for any damage to the Premises caused by Tenant, its employees, agents, or invitees.

4.3 HVAC Maintenance: Tenant shall maintain a preventive maintenance contract for the HVAC unit(s) serving the Premises, at Tenant's expense, with a licensed contractor approved by Landlord.

4.4 Emergency Repairs: In the event of an emergency requiring immediate repair, Landlord may enter the Premises without notice to perform necessary repairs, and Tenant shall reimburse Landlord for the cost of any repairs attributable to Tenant's negligence.

5. INSURANCE

5.1 Tenant Insurance: Tenant shall maintain at all times: (a) Commercial General Liability insurance with limits of not less than \$2,000,000 per occurrence and \$5,000,000 aggregate, (b) Property Insurance covering Tenant's personal property, improvements, and betterments, (c) Workers' Compensation insurance as required by law, (d) Business Interruption insurance covering at least twelve (12) months of rent and operating expenses, and (e) Cyber Liability insurance with limits of \$1,000,000.

5.2 Landlord as Additional Insured: Tenant shall name Landlord as additional insured on all liability policies.

5.3 Waiver of Subrogation: Both parties waive rights of subrogation against each other.

6. ASSIGNMENT AND SUBLETTING

6.1 Tenant shall not assign this Lease or sublet all or any portion of the Premises without Landlord's prior written consent, which shall not be unreasonably withheld.

6.2 Any permitted assignment or sublease shall not release Tenant from its obligations under this Lease.

6.3 Landlord shall receive 50% of any sublease profit (sublease rent minus Tenant's per-square-foot cost).

7. DEFAULT AND REMEDIES

7.1 Tenant Default: The following events shall constitute a default by Tenant: (a) failure to pay rent within ten (10) days after written notice, (b) failure to perform any other Lease obligation within thirty (30) days after written notice, (c) Tenant's bankruptcy or insolvency, or (d) abandonment of the Premises.

7.2 Landlord Remedies: Upon Tenant default, Landlord may: (a) terminate this Lease and recover damages, (b) re-enter and take possession of the Premises, (c) relet the Premises and hold Tenant liable for any deficiency, or (d) pursue any other remedy available at law or equity.

7.3 Landlord Default: If Landlord fails to perform any obligation within thirty (30) days of written notice (or such longer period as reasonably required), Tenant may: (a) perform the obligation and deduct the cost from rent, or (b) terminate this Lease if the default materially affects Tenant's use of the Premises.

8. INDEMNIFICATION AND LIABILITY

8.1 Tenant Indemnification: Tenant shall indemnify, defend, and hold harmless Landlord from any claims, damages, costs, or expenses arising from Tenant's use of the Premises, Tenant's breach of this Lease, or the negligence of Tenant or its agents.

8.2 Landlord Indemnification: Landlord shall indemnify Tenant from claims arising from Landlord's negligence or breach of this Lease.

8.3 Limitation of Liability: In no event shall either party be liable for consequential, incidental, or punitive damages.

9. ENVIRONMENTAL COMPLIANCE

9.1 Tenant shall comply with all federal, state, and local environmental laws and regulations.

9.2 Tenant shall not generate, store, treat, or dispose of any Hazardous Materials in or about the Premises, except for ordinary office supplies in de minimis quantities.

9.3 Tenant shall immediately notify Landlord of any environmental contamination or violation related to the Premises.

10. MISCELLANEOUS

10.1 Governing Law: This Lease shall be governed by California law.

10.2 Notices: All notices shall be in writing and delivered personally, by certified mail, or by overnight courier to the addresses specified herein.

10.3 Force Majeure: Neither party shall be liable for delays caused by events beyond reasonable control, including natural disasters, pandemics, government orders, or labor disputes.

10.4 ADA Compliance: Landlord represents that the Building common areas comply with the Americans with Disabilities Act. Tenant shall be responsible for ADA compliance within the Premises.

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first set forth above.

LANDLORD: Meridian Properties LLC

By: _____ Date: _____

Name: Robert Williams

Title: Managing Member

TENANT: CloudScale Solutions Inc.

By: _____ Date: _____

Name: Lisa Park

Title: Chief Operating Officer