LEASE

DATED

December 22, 2018

BY AND BETWEEN

LAKESIDE OFFICES, LLC

as Landlord

and

STANDAV CORP

as Tenant

AFFECTING PREMISES COMMONLY KNOWN AS

LAKESIDE OFFICE PLAZA 1285 Oakmead Parkway Sunnyvale, CA 94086

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SUMMARY OF BASIC LEASE TERMS

SECTION (LEASE REFERENCE)		TERMS		
A. (Cover)	Lease Reference Date:	December 22, 2018		
B. (Cover)	<u>Landlord:</u>	LAKESIDE OFFICI	ES, LLC	
C. (Cover)	Tenant:	STANDAV CORP		
D. (¶1.20)	<u>Premises:</u>		2 rentable square feet Sunnyvale, CA 94085	located at 1285
E. (¶1.21)	Project:	LAKESIDE OFFICI	E PLAZA	
F. (¶1.7)	Building:	Building 2		
G. (¶1.29)	Tenant's Share:	10.90%		
H. (¶4.6)	Tenant's Allocated Parking Stalls:		alls in the parking gara arking spaces within the	
I.	Commencement Date	The date of sub Improvements	ostantial completion	of the Tenant
J. (¶1.25)	Scheduled Commencement Date:	March 15, 2015		
K. (¶1.8)	Lease Term:	Sixty-two (62) mont	hs	
L. (¶3.1)	Base Monthly Rent:	Base Monthly Rent following schedule:	shall be paid in acco	ordance with the
		MONTHS OF	BASE	
		TERM	RENT/MONTH	
		1 – 2	\$0.00/month	
		3 – 12	\$14,000.00/month	
		13 - 24	\$16,000.00/month	
		25 - 36	\$20,000.00/month	
		37 - 48	\$21,000.00/month	
		49 - 60	\$22,000.00/month	
		61 -62	\$23,000.00/month	

M. (¶3.3)	Prepaid Rent:	Tenant shall pay Landlord the third month's rent upon execution of the Lease Agreement
N. (¶3.5)	Security Deposit:	\$23,000 Security Deposit to be paid to Landlord by Tenant upon execution of the Lease Agreement
O. (¶4.1)	Permitted Use:	General office and administrative use.
P.	Guaranty	N/A
Q. (¶8.1)	Common Operating Expense Base Amount:	The actual Common Operating Expenses paid or incurred by Landlord in the calendar year of 2019

R. (¶9.1)	Tenant's Liability Insurance Minimum:	\$2,000,000
S. (¶1.3)	Landlord's Address:	LAKESIDE OFFICES, LLC c/o GS Management Company 5674 Sonoma Drive Pleasanton, CA 94566
T. (¶1.3)	Tenant's Address:	STANDAV CORP 1285 Oakmead Parkway Sunnyvale, CA 94085
		Attn: Harsha Pamulaparthi, CEO Email: harsha@standav.com
		Prior to the Commencement Date: STANDAV CORP 3350 Scott Blvd Santa Clara, CA 95054 Attn: Harsha Pamulaparthi, CEO Email: harsha@standav.com
U. (¶15.13)	Retained Real Estate Brokers:	Cushman & Wakefield USA, Inc.
V. (¶1.17)	<u>Lease:</u>	This Lease includes the summary of the Basic Lease Terms, the Lease, and the following exhibits and addenda: Exhibit A (Floor Plan of the Premises), Exhibit A-1 (Site Plan of the Project), Exhibit B (Tenant Improvements), Exhibit C (Commencement Date Memorandum), Exhibit D (Landlord Services), Exhibit E (Sign Criteria), Exhibit F (Rules and Regulations)

The foregoing Summary is hereby incorporated into and made a part of this Lease. Each reference in this Lease to any term of the Summary shall mean the respective information set forth above and shall be construed to incorporate all of the terms provided under the particular paragraph pertaining to such information. In the event of any conflict between the Summary and the Lease, the Summary shall control.

LAKI	DLORD: ESIDE OFFICE, LLC, fornia limited liability company	TENANT: STANDAV COR a Texas corporat	
By:	40-	By:	
27.	Charles Yoneda	•	Harsha Pamulaparthi
By:	Robert S Yoneda	Title: Cl	hief Executive Officer
27.	Robert Yoneda		

This Lease is dated as of the lease reference date specified in $\underline{Section\ A}$ of the Summary and is made by and between the party identified as Landlord in $\underline{Section\ B}$ of the Summary and the party identified as Tenant in $\underline{Section\ C}$ of the Summary.

Date:

Dec 24, 2018

Date:

Dec 24, 2018

ARTICLE 1

DEFINITIONS

1.1 General

Any initially capitalized term that is given a special meaning by this Article 1, the Summary, or by any other provision of this Lease (including the exhibits attached hereto) shall have such meaning when used in this Lease or any addendum or amendment hereto unless otherwise clearly indicated by the context.

1.2 <u>Additional Rent</u>:

The term "Additional Rent" is defined in ¶3.2.

1.3 <u>Address for Notices</u>:

The term "Address for Notices" shall mean the addresses set forth in <u>Sections S and T</u> of the Summary; provided, however, that after the Commencement Date, Tenant's Address for Notices shall be the address of the Premises.

1.4 Agents:

The term "Agents" shall mean the following: (i) with respect to Landlord or Tenant, the agents, employees, contractors, and invitees of such party; and (ii) in addition with respect to Tenant, Tenant's permitted subtenants and their respective agents, employees, contractors, and invitees.

1.5 <u>Agreed Interest Rate:</u>

The term "Agreed Interest Rate" shall mean that interest rate which is the lessor of eight percent (8%) per annum or the maximum rate permitted by Law.

1.6 <u>Base Monthly Rent</u>:

The term "Base Monthly Rent" shall mean the fixed monthly rent payable by Tenant pursuant to $\P 3.1$, which is specified in <u>Section L</u> of the Summary.

1.7 <u>Building</u>:

The term "Building" shall mean the building in which the Premises are located which Building is identified in Section F of the Summary, the rentable area of which is referred to herein as the "Building Rentable Area."

1.8 <u>Commencement Date</u>:

The term "Commencement Date" is the date the Lease Term commences; which term is defined in $\P 2.2$.

1.9 <u>Common Area</u>:

The term "Common Area" shall mean all areas and facilities within the Project that are not designated by Landlord for the exclusive use of Tenant or any other lessee or other occupant of the Project, including the parking areas, access and perimeter roads, pedestrian sidewalks, landscaped areas, trash enclosures, recreation areas and the like.

1.10 <u>Common Operating Expenses</u>:

The term "Common Operating Expenses" is defined in ¶8.2.

1.11 <u>Effective Date</u>:

The term "Effective Date" shall mean the date the last signatory to this Lease whose execution is required to make it binding on the parties hereto shall have executed this Lease.

1.12 Event of Tenant's Default:

The term "Event of Tenant's Default" is defined in ¶13.1.

1.13 <u>Hazardous Materials</u>:

The terms "Hazardous Materials" and "Hazardous Materials Laws" are defined in $\P 7.2E$.

1.14 <u>Insured and Uninsured Peril</u>:

The terms "Insured Peril" and "Uninsured Peril" are defined in ¶11.2E.

1.15 <u>Law</u>:

The term "Law" shall mean any judicial decision, statute, constitution, ordinance, resolution, regulation, rule, administrative order, or other requirement of any municipal, county, state, federal or other government agency or authority having jurisdiction over the parties to this Lease or the Premises, or both, in effect either at the Effective Date or any time during the Lease Term.

1.16 Lease:

The term "Lease" shall mean the Summary and all elements of this Lease identified in $\underline{\text{Section V}}$ of the Summary, all of which are attached hereto and incorporated herein by this reference.

1.17 Lease Term:

The term "Lease Term" shall mean the term of this Lease, which shall commence on the Commencement Date and continue for the period specified in <u>Section J</u> of the Summary.

1.18 <u>Lender</u>:

The term "Lender" shall mean any beneficiary, mortgagee, secured party, lessor, or other holder of any Security Instrument.

1.19 <u>Permitted Use</u>:

The term "Permitted Use" shall mean the use specified in <u>Section O</u> of the Summary.

1.20 Premises:

The term "Premises" shall mean that building area described in $\underline{\text{Section D}}$ of the Summary that is within the Building.

1.21 <u>Project</u>:

The term "Project" shall mean that real property and the improvements thereon which are specified in $\underline{\text{Section E}}$ of the Summary, consisting of four (4) buildings with an aggregate area of 52,695 rentable square feet, which is referred to herein as the "Project Rentable Area."

1.22 Private Restrictions:

The term "Private Restrictions" shall mean all recorded covenants, conditions and restrictions, private agreements, reciprocal easement agreements, and any other recorded instruments affecting the use of the Premises, which (i) exist as of the Effective Date, or (ii) are recorded after the Effective Date.

1.23 <u>Real Property Taxes</u>:

The term "Real Property Taxes" is defined in ¶8.3.

1.24 Rentable Area:

The term "Rentable Area" as used in the Lease shall mean:

- A. The usable area as determined by Landlord's architect, multiplied by a load factor of 1.1566 to approximate Tenant's share of common areas which may include, without limitation, corridors, lobbies, restrooms, mechanical rooms, electrical rooms, and telephone closets, and certain other areas designated by Landlord, which are maintained by the Landlord for the common benefit of all tenants of the building.
- B. Landlord and Tenant agree that (i) each has had an opportunity to determine to its satisfaction the actual area of the Project and the Premises, (ii) all measurements of area contained in this Lease are conclusively agreed to be correct and binding upon the parties, even if a subsequent measurement of any one of these areas determines that it is more or less than the amount of area reflected in this Lease, and (iii) any such subsequent determination that the area is more or less than shown in this Lease shall not result in a change in any way of the computations of rent, improvement allowances, or other matters described in this Lease where area is a factor.

1.25 <u>Scheduled Commencement Date</u>:

The term "Scheduled Commencement Date" shall mean the date specified in Section J of the Summary.

1.26 <u>Security Instrument</u>:

The term "Security Instrument" shall mean any underlying lease, mortgage or deed of trust, which now or hereafter affects the Project, and any renewal, modification, consolidation, replacement or extension thereof.

1.27 <u>Summary</u>:

The term "Summary" shall mean the Summary of Basic Lease Terms executed by Landlord and Tenant that is part of this Lease.

1.28 <u>Tenant's Alterations</u>:

The term "Tenant's Alterations" shall mean all improvements, additions, alterations, and fixtures installed in the Premises by Tenant at its expense, which are not Trade Fixtures.

1.29 <u>Tenant's Share</u>:

The term "Tenant's Share" shall mean the percentage obtained by dividing Tenant's Rentable Area by the Project Rentable Area, which as of the Effective Date is the percentage identified in Section G of the Summary. In the event Landlord constructs other buildings on the Project Landlord may, in Landlord's sole discretion, reformulate Tenant's Share, as to any or all of the items which comprise Common Operating Expenses, to reflect the rentable square footage of the Project. In the event Tenant's Share is reformulated in accordance with this Paragraph 1.29, Landlord shall promptly provide Tenant notice of such reformulation, together with a written statement showing in reasonable detail the manner in which Tenant's Share was reformulated and a list of all items of Common Operating Expenses, which will be accounted for using the reformulated percentage. Any items of Operating Expenses to which the reformulated share is not applied shall be accounted for using the Tenant's Share set forth in Section G of the Summary.

1.30 Trade Fixtures:

The term "Trade Fixtures" shall mean (i) Tenant's inventory, furniture, signs, and business equipment, and (ii) anything affixed to the Premises by Tenant at its expense for purposes of trade, manufacture, ornament or domestic use (except replacement of similar work or material originally installed by Landlord) which can be removed without material injury to the Premises unless such thing has, by the manner in which it is affixed, become an integral part of the Premises.

ARTICLE 2

DEMISE, CONSTRUCTION, AND ACCEPTANCE

2.1 <u>Demise of Premises</u>:

Landlord hereby leases to Tenant, and Tenant leases from Landlord, for the Lease Term upon the terms and conditions of this Lease, the Premises for Tenant's own use in the conduct of Tenant's business together with (i) the non-exclusive right to use the number of Tenant's Allocated Parking Stalls within the Common Area (subject to the limitations set forth in ¶4.6), and (ii) the non-exclusive right to use the Common Area for ingress to and egress from the Premises. Landlord reserves the use of the exterior walls, the roof and the area beneath and above the Premises, together with the right to install, maintain, use, and replace ducts, wires, conduits and pipes leading through the Premises in locations, which will not materially interfere with Tenant's use of the Premises.

2.2 <u>Commencement Date</u>:

The Scheduled Commencement Date of March 15, 2019 is only an estimate, and the term of this Lease shall begin on the date Landlord delivers possession of the Premises to Tenant following substantial completion of all improvements to be constructed by Landlord pursuant to ¶2.3 except for punch list type items which do not prevent Tenant from using the Premises for the Permitted Use (the "Commencement Date"). Landlord shall complete all punch list items within thirty (30) days of the date such items are identified by Tenant and Landlord.

2.3 <u>Construction of Improvements</u>:

Prior to the Commencement Date, Landlord shall, at Landlord's sole cost, construct those improvements set forth on Exhibit B (the "Tenant Improvements").

2.4 Tenant Delays

If the Commencement Date is delayed due to the fault of Tenant, then the "date of substantial completion of the Tenant Improvements" shall be advanced one (1) day for each day of delay caused by Tenant. Delays "caused by Tenant" shall mean those caused by: (i) Tenant's failure to furnish information to Landlord for the preparation of plans and drawings for the Tenant Improvements, if applicable, within a reasonable time after Landlord's request; (ii) Tenant's request for special materials, finishes or installations which are not readily available; (iii) Tenant's failure to reasonably approve plans and working drawings; (iv) Tenant's changes in plans and/or working drawings after their approval by Landlord; (v) Tenant's failure to complete any of its own improvement work to the extent Tenant delays completion by the City of Sunnyvale of its final inspection and approval of the Tenant Improvements; or (iv) interference with Landlord's work caused by Tenant or Tenant's contractors or subcontractors. Notwithstanding the foregoing, a delay "due to the fault" of Tenant shall not have occurred unless Landlord shall have given Tenant written notice of the delay and at least one (1) business day in which to cure such failure.

2.5 <u>Landlord Delays:</u>

If Landlord is unable for any reason whatsoever to deliver possession of the Premises to Tenant, in the condition required by this Lease, on or before the Scheduled Commencement Date (as identified in Section I of the Summary), such failure shall not affect the validity of this Lease nor the obligations of Tenant hereunder, nor shall this Lease be void or voidable, and Landlord shall not be subject to any liability for its failure to deliver possession of the Premises to Tenant. The preceding to the contrary notwithstanding, (i) if Landlord has not delivered possession of the Premises to Tenant with the Tenant Improvements substantially completed by the date that is fifteen (15) days following the Scheduled Commencement Date for any reason other than delays caused by Tenant, then Tenant shall receive a day-for-day abatement of Base Monthly Rent for each day the Commencement Date exceeds the Scheduled Commencement Date, and (ii) if Landlord has not delivered possession of the Premises to Tenant with the Tenant Improvements substantially completed by the date that is thirty (30) days following the Scheduled Commencement Date for any reason other than delays caused by Tenant, Tenant then may terminate this Lease by delivering written notice to Landlord not later than thirty-five (35) days following the Scheduled Commencement Date. Time is of the essence. If Tenant fails to timely deliver such termination notice to Landlord as provided in the immediately preceding sentence, then Tenant shall be deemed to have waived its right to terminate this Lease under this ¶ 2.5 above. If Tenant timely delivers such termination notice to Landlord as provided above, then this Lease shall terminate, all rights and obligations (other than those that expressly survive such termination) of the parties under this Lease shall cease, and Landlord shall return the prepaid Base Monthly Rent and Security Deposit to Tenant within five (5) business days.

2.6 <u>Delivery and Acceptance of Possession:</u>

Landlord shall deliver the Premises, at Landlord's sole cost and expense, with all building systems and components in good condition and good working order and repair including all electrical, plumbing, fire sprinkler, security, lighting, water and gas systems, ceiling system, heating; ventilating; and air conditioning systems (HVAC, including balancing), doors, and all other such elements in the Premises, and with the Tenant Improvements substantially completed by Landlord. Landlord, at Landlord's sole cost and expense, shall deliver the Project,

Building, Common Areas, and Premises, including all Tenant Improvements constructed by Landlord, in compliance with all Laws, including but not limited to the Americans with Disabilities Act (ADA).

Tenant acknowledges that it has had an opportunity to conduct, and has conducted, such inspections of the Premises as it deems necessary to evaluate its condition. Tenant has determined that, upon Landlord's substantial completion of the Tenant Improvements, the Premises will be acceptable for Tenant's Permitted Use. Except as otherwise specifically provided herein, Tenant agrees to accept possession of the Premises in its then existing condition, "asis", "where is" and with all faults, including all patent and latent defects. Tenant's taking possession of any part of the Premises shall be deemed to be an acceptance by Tenant of any work of improvement done by Landlord in such part as complete and in accordance with the terms of this Lease except for defects and punch list items, which Tenant provides Landlord with written notice of. Tenant acknowledges that neither Landlord nor any agent or employee of Landlord has made any representations or warranties with respect to the Premises or the Project or the physical condition thereof or the suitability of either for the conduct of Tenant's business. Tenant hereby waives and releases its right to make repairs at Landlord's expense pursuant to Sections 1941 and 1942 of the Civil Code of California or under any similar law, statute or ordinance now or hereafter in effect.

2.7 <u>Commencement Date Memorandum</u>:

If the actual Commencement Date differs from the Scheduled Commencement Date, at the time Landlord delivers possession of the Premises to Tenant, Landlord and Tenant shall together execute a commencement date memorandum confirming the actual Commencement Date, in the form attached as Exhibit C, appropriately completed.

2.8 <u>Early Occupancy</u>:

Tenant shall have fifteen (15) days early access to the Premises for the purpose of fitting out the Premises and installing furniture, fixtures, or other equipment (FF&E), provided that Tenant's early access doesn't interfere with Landlord's completion of the Tenant Improvements. Such early access shall be upon all of the terms of this Lease (including Tenant's obligations regarding indemnity and insurance) except those regarding the obligation to pay any monetary amounts to Landlord. If Tenant's early access interferes with Landlord's completion of the Tenant Improvements, Landlord may designate the dates and times such early access is permitted.

2.9 (Omitted)

ARTICLE 3

RENT

3.1 <u>Base Monthly Rent</u>:

Commencing on the Commencement Date and continuing throughout the Lease Term, Tenant shall pay to Landlord the Base Monthly Rent set forth in Section L of the Summary. Base Monthly Rent shall be abated for the first two (2) full calendar months of the Term.

3.2 Additional Rent:

Commencing on the Commencement Date and continuing throughout the Lease Term, Tenant shall pay the following as additional rent (the "Additional Rent"): (i) any late charges or interest due Landlord pursuant to ¶3.4; (ii) Tenant's Share of Common Operating Expenses as provided in ¶8.1; (iii) Landlord's share of any Subrent received by Tenant upon certain assignments and sublettings as required by ¶14.1; (iv) any legal fees and costs due Landlord pursuant to ¶15.9; (v) all damages, costs and expenses which Landlord may incur by reason of any default by Tenant hereunder, and (vi) any other charges due Landlord (other than Base Monthly Rent) pursuant to this Lease. Upon Tenant's non-payment of any Additional Rent, Landlord shall have all the rights and remedies with respect thereto as Landlord has for the non-payment of Base Monthly Rent.

3.3 <u>Payment of Rent</u>:

Concurrently with the execution of this Lease by both parties, Tenant shall pay to Landlord the amount set forth in Section L of the Summary as prepayment of rent for credit against the first installment(s) of Base Monthly Rent payable. All rent required to be paid in monthly installments shall be paid in advance on the first day of each calendar month during the Lease Term. If Section L of the Summary provides that the Base Monthly Rent is to be increased during the Lease Term and if the date of such increase does not fall on the first day of a calendar month, such increase shall become effective on the first day of the next calendar month. All rent shall be paid in lawful money of the United States, without any abatement, deduction or offset whatsoever (except as specifically provided in $\P11.4$ and $\P12.3$), and without any prior demand therefor. Rent shall be paid to Landlord at its address set forth in Section S of the Summary, or at such other place as Landlord may designate from time to time. Tenant's obligation to pay Base Monthly Rent and Tenant's Share of Common Operating Expenses shall be prorated at the commencement and expiration of the Lease Term.

3.4 <u>Late Charge and Interest on Rent in Default:</u>

Tenant hereby acknowledges that late payment by Tenant to Landlord of Base Monthly Rent or Additional Rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges,

which may be imposed, on Landlord by the terms of any mortgage or deed of trust covering the Premises. Accordingly, if any Base Monthly Rent or Additional Rent is not received by Landlord from Tenant within three (3) business days following the date such payment is due, then Tenant shall immediately pay to Landlord a late charge equal to 5% of such delinquent amount for Tenant's failure to make timely payment. The parties hereto agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. In no event shall this provision for a late charge be deemed to grant to Tenant a grace period or extension of time within which to pay any rent or prevent Landlord from exercising any right or remedy available to Landlord upon Tenant's failure to pay any rent due under this Lease in a timely fashion, including any right to terminate this Lease pursuant to ¶13.2C. If any rent or other amount due Landlord hereunder remains delinquent for a period in excess of 30 days then, in addition to such late charge, Tenant shall pay to Landlord interest on such amount not paid when due at the Agreed Interest Rate following the date such amount became due until paid.

3.5 <u>Security Deposit</u>:

On the Effective Date, Tenant shall deposit with Landlord the amount set forth in Section M of the Summary as security for the performance by Tenant of its obligations under this Lease, and not as prepayment of rent (the "Security Deposit"). Landlord may from time to time apply such portion of the Security Deposit as is reasonably necessary for the following purposes: (i) to remedy any default by Tenant in the payment of rent; (ii) to repair damage to the Premises caused by Tenant; (iii) to clean the Premises upon termination of the Lease; and (iv) to remedy any other default of Tenant to the extent permitted by Law and, in this regard, Tenant hereby waives any restriction on the uses to which the Security Deposit may be put contained in California Civil Code Section 1950.7. In the event the Security Deposit or any portion thereof is so used, Tenant agrees to pay to Landlord promptly upon demand an amount in cash sufficient to restore the Security Deposit to the full original amount. Landlord shall not be deemed a trustee of the Security Deposit, may use the Security Deposit in business or for any purpose, and shall not be required to segregate it from its general accounts. Tenant shall not be entitled to any interest on the Security Deposit. If Landlord transfers the Premises during the Lease Term, Landlord may pay the Security Deposit to any transferee of Landlord's interest in conformity with the provisions of California Civil Code Section 1950.7 and/or any successor statute, in which event the transferring Landlord will be released from all liability for the return of the Security Deposit. Landlord shall return the Security Deposit, or whatever portion thereof that is held by Landlord, to Tenant within thirty (30) days of expiration or earlier termination of this Lease.

ARTICLE 4

USE OF PREMISES

4.1 <u>Limitation on Use</u>:

Tenant shall use the Premises solely for the Permitted Use specified in Section O of the Summary. Tenant agrees that it will use the Premises in such a manner so as not to interfere with or infringe the rights of other tenants of the Project. Tenant shall not do anything in or about the Premises which will (i) cause structural injury to the Building, or (ii) cause damage to any part of the Building except to the extent reasonably necessary for the installation of Tenant's Trade Fixtures and Tenant's Alterations, and then only in a manner which has been first approved by Landlord in writing. Tenant shall not operate any equipment within the Premises which will (i) materially damage the Building or the Common Area, (ii) overload existing electrical systems or other mechanical equipment servicing the Building, (iii) impair the efficient operation of the sprinkler system or the heating, ventilating or air conditioning ("HVAC") equipment within or servicing the Building, or (iv) damage, overload or corrode the sanitary sewer system. Tenant shall not attach, hang or suspend anything from the ceiling, roof, walls or columns of the Building or set any load on the floor in excess of the load limits for which such items are designed nor operate hard wheel forklifts within the Premises. Any dust, fumes, or waste products generated by Tenant's use of the Premises shall be contained and disposed so that they do not (i) create an unreasonable fire or health hazard, (ii) damage the Premises, or (iii) result in the violation of any Law. Except as approved by Landlord (which approval may be given or withheld in Landlord's sole discretion), Tenant shall not change the exterior of the Building or install any equipment or antennas on or make any penetrations of the exterior or roof of the Building. Tenant shall not commit any waste in or about the Premises, and Tenant shall keep the Premises in a neat, clean, attractive and orderly condition, free of any nuisances. 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. Tenant shall not conduct on any portion of the Premises or the Project any sale of any kind, including any public or private auction, fire sale, going-out-of-business sale, distress sale or other liquidation sale.

4.2 <u>Compliance with Regulations</u>:

Tenant shall not use the Premises in any manner, which violates any Laws or Private Restrictions, which affect the Premises. Landlord shall cause the Premises and the Project to comply with all Laws and Private Restrictions (including, without limitation, the Americans with Disabilities Act) now in force or which may hereafter be in force relating to the condition, use or occupancy of the Premises or the Project, provided, however, that any compliance requirements that arise from Tenant's Alterations to the Premises from and after the Commencement Date shall be at Tenant's cost. Tenant shall not use the Premises in any manner which will cause a cancellation of or increase the cost of any insurance policy covering the Project or any improvements installed by Landlord at its expense or which poses an unreasonable risk of damage or injury to the Premises. Tenant shall not sell, or permit to be kept, used, or sold in or about the Premises any article, which may be prohibited, by the standard form of fire insurance policy. Tenant shall comply with all reasonable requirements of any insurance company, insurance underwriter, or Board of Fire Underwriters, which are necessary to maintain the insurance coverage carried by Landlord pursuant to this Lease.

4.3

No materials, supplies, tanks or containers, equipment, finished products or semi-finished products, raw materials, inoperable vehicles or articles of any nature shall be stored upon or permitted to remain outside of the Premises except in fully fenced and screened areas outside the Building which have been designed for such purpose and have been approved in writing by Landlord for such use by Tenant.

4.4

Tenant shall not place on any portion of the Premises, the Building or the Project any sign, placard, lettering in or on windows, banner, displays or other advertising or communicative material, which is visible from the exterior of the Building without the prior written approval of Landlord. All such approved signs shall strictly conform to all Laws, Private Restrictions, and Landlord's sign criteria attached as Exhibit E, and shall be installed at the expense of Tenant. Landlord shall maintain such signs in good condition and repair.

No Light, Air or View Easement:

Any diminution or shutting off of light, air or view by any structure which may be erected on lands adjacent to the Building shall in no way affect this Lease or impose any liability on Landlord.

Tenant is allocated and shall have the non-exclusive right to use not more than the number of Tenant's Allocated Parking Stalls contained within the Project for its use and the use of Tenant's Agents. Tenant shall not at any time use more parking spaces than the number so allocated to Tenant or park its vehicles or the vehicles of others in any portion of the Project not designated by Landlord as a non-exclusive parking area. Tenant shall not have the exclusive right to use any specific parking space. If Landlord grants to any other tenant the exclusive right to use any particular parking space(s), Tenant shall not use such spaces. Landlord reserves the right, after having given Tenant reasonable notice, to have any vehicles owned by Tenant or Tenant's Agents utilizing parking spaces in excess of the parking spaces allowed for Tenant's use to be towed away at Tenant's or the vehicle owner's cost. All trucks and delivery vehicles shall be (i) parked at the rear of the Building, (ii) loaded and unloaded in a manner which does not interfere with the businesses of other occupants of the Project, and (iii) permitted to remain on the Project only so long as is reasonably necessary to complete loading and unloading. In the event Landlord elects or is required by any Law to limit or control parking in the Project, whether by validation of parking tickets or any other method of assessment, Tenant agrees to participate in such validation or assessment program under such reasonable rules and regulations as are from time to time established by Landlord.

Rules and Regulations:

Landlord may from time to time promulgate reasonable rules and regulations applicable to all occupants of the Building or Project for the care and orderly management of the Building or Project and the safety of its tenants and invitees, including, without limitation, those set forth on Exhibit F hereto. Such rules and regulations shall be binding upon Tenant upon delivery of a copy thereof to Tenant, and Tenant agrees to abide by such rules and regulations. If there is a conflict between the rules and regulations and any of the provisions of this Lease, the provisions of this Lease shall prevail. Landlord shall not be responsible for the violation by any other tenant of the Project of any such rules and regulations, or for the breach of any covenant or condition in any lease by any other tenant in the Project. A waiver by Landlord of any rule or regulation for any other tenant shall not constitute nor be deemed a waiver of the rule or regulation for this Tenant.

ARTICLE 5

TRADE FIXTURES AND ALTERATIONS

5.1

Throughout the Lease Term, Tenant may provide and install, and shall maintain in good condition, any Trade Fixtures required in the conduct of its business in the Premises. All Trade Fixtures shall remain Tenant's property.

5.2 Tenant's Alterations:

Construction by Tenant of Tenant's Alterations shall be governed by the following:

- A. Tenant shall not construct any Tenant's Alterations or otherwise alter the Premises without Landlord's prior written approval, which shall not be unreasonably withheld, conditioned or delayed. In the event Landlord's approval for any Tenant's Alterations is required, Tenant shall not construct Tenant's Alterations until Landlord has approved in writing the plans and specifications therefor, and such Tenant's Alterations shall be constructed substantially in compliance with such approved plans and specifications by a licensed contractor first approved by Landlord. All Tenant's Alterations constructed by Tenant shall be constructed by a licensed contractor in accordance with all Laws using new materials of good quality.
- B. Tenant shall not commence construction of any Tenant's Alterations until (i) all required governmental approvals and permits have been obtained, if required (ii) all requirements regarding insurance imposed by this Lease have been satisfied, (iii) Tenant has given Landlord at least ten days' prior written notice of its intention to commence such construction, and (iv) if reasonably requested by Landlord, Tenant has obtained contingent liability

and broad form builders' risk insurance in an amount reasonably satisfactory to Landlord if there are any perils relating to the proposed construction not covered by insurance carried pursuant to Article 9.

- C. All Tenant's Alterations shall remain the property of Tenant during the Lease Term but shall not be altered or removed from the Premises. At the expiration or sooner termination of the Lease Term, all Tenant's Alterations shall be surrendered to Landlord as part of the realty and shall then become Landlord's property, and Landlord shall have no obligation to reimburse Tenant for all or any portion of the value or cost thereof; provided, however, that if Landlord requires Tenant to remove any Tenant's Alterations, Landlord shall so inform Tenant at the time it grants approval of such Alterations, and Tenant shall remove Tenant's Alterations prior to the expiration or sooner termination of the Lease Term. Notwithstanding the foregoing, Tenant shall not be obligated to remove any Tenant's Alterations with respect to which all of the following are true: (i) Tenant was required, or elected, to obtain the approval of Landlord to the installation of such Tenant's Alterations; (ii) at the time Tennant requested Landlord's approval, Tenant requested that Landlord inform Tenant whether Landlord would require Tenant to remove such Tenant's Alterations at the expiration of the Lease Term, and (iii) at the time Landlord granted its approval, Landlord did not inform Tenant that Landlord would require Tenant to remove such Tenant's Alterations at the expiration of the Lease Term.
- D. Tenant shall require all contractors and subcontractors performing construction or alterations to the Premises to, prior to commencing any such work, furnish Landlord with original certificates of insurance evidencing that such contractors and subcontractors carry (i) workers compensation insurance in such amounts as may be required by law; (ii) employers liability insurance with limits of at least \$1,000,000; and (iii) commercial general liability insurance (including owned and non-owned automobile liability), on an occurrence basis, with limits of no less than Two Million Dollars (\$2,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the annual aggregate. Tenant shall cause such contractors and subcontractors to furnish to Landlord or cause the insurance company (ies) to furnish to Landlord certificates of such coverage. All such liability policies shall (x) name Landlord and its managing agent as additional insureds; and (y) be primary to and non-contributory with any insurance policies carried by Landlord or such managing agent.

5.3 <u>Alterations Required by Law:</u>

Tenant shall make, at Tenant's sole cost, any alteration, addition or change of any sort to the Premises and/or the common areas that is required by any Law because of, due to or triggered by Tenant's construction or installation of any Tenant's Alterations or Trade Fixtures. Any other alteration, addition, or change required by Law, which is not the responsibility of Tenant pursuant to the foregoing, shall be made by Landlord (subject to Landlord's right to reimbursement from Tenant specified in ¶5.4). The preceding to the contrary notwithstanding, if any of the alterations, additions or changes required by Law are structural in nature, Landlord shall undertake such changes itself, at Tenant's sole cost, and Tenant shall reimburse Landlord for the costs it reasonably incurs in undertaking the same within fifteen (15) days following written demand therefore and presentment of backup documentation evidencing such costs so incurred by Landlord.

5.4 Intentionally omitted.

5.5 Mechanic's Liens:

Tenant shall keep the Premises, Building and the Project free from any mechanic's liens, vendor's liens or any other liens arising out of any work performed, materials furnished or obligations incurred by Tenant, and Tenant shall defend, indemnify and hold harmless Landlord from and against any such lien, claim, liability or action thereon, together with costs of suit and reasonable attorneys' fees incurred by Landlord in connection with any such lien, claim, liability or action. Tenant shall pay when due all bills arising out of any work performed, materials furnished, or obligations incurred by Tenant or Tenant's Agents relating to the Project. Before commencing any work of alteration, addition or improvement to the Premises, or any portion thereof, Tenant shall give Landlord at least ten (10) days' written notice of the proposed commencement of such work (to afford Landlord an opportunity to post appropriate notices of non-responsibility) and, if the cost of such work is expected to exceed One Hundred Thousand Dollars (\$100,000), shall secure, at Tenant's own cost and expense, a completion and lien indemnity bond, satisfactory to Landlord, for said work. If any claim of lien is recorded against the Premises, Building or Project arising out of any such work performed, materials furnished, or obligations incurred by Tenant, Tenant shall bond against or discharge the same within ten (10) days after the same has been recorded against the Premises, Building and/or Project. If Tenant does not bond against or discharge such claim of lien within such ten (10) day period, then Landlord shall have the right but not the obligation to pay and discharge said lien without regard to whether such lien shall be lawful or correct or to require that Tenant deposit with Landlord in cash, lawful money of the United State, one hundred fifty percent (150%) of the amount of such claim, which sum may be retained by Landlord until such claim shall have been removed of record or until judgment shall have been rendered on such claim and such judgment shall have become final, at which time Landlord shall have the right to apply such deposit in discharge of the judgment on said claim and any costs, including attorneys' fees incurred by Landlord, and shall remit the balance thereof to Tenant. If Landlord pays and discharges said lien, then Tenant shall reimburse Landlord for all costs and expenses incurred by Landlord in discharging such lien, including attorneys' fees, within fifteen (15) days after the date of receipt of Landlord's invoice therefor. Should any lien be filed against the Premises, Building or Project or any action be commenced affecting title to the Premises, Building, or Project, arising out of any work performed, materials furnished, or obligations incurred by Tenant, Tenant shall immediately give Landlord written notice thereof.

5.6 <u>Taxes on Tenant's Property</u>:

Tenant shall pay before delinquency any and all taxes, assessments, license fees and public charges levied, assessed or imposed against Tenant or Tenant's estate in this Lease or the personal property of Tenant situated within the Premises, which become due during the Lease Term. If any tax or other charge is assessed by any governmental agency because of the execution of this Lease, such tax shall be paid by Tenant. On demand by Landlord, Tenant shall furnish Landlord with satisfactory evidence of these payments.

ARTICLE 6

REPAIR AND MAINTENANCE

6.1 <u>Tenant's Obligation to Maintain</u>:

All damage or injury to the Premises, Building, or Project caused by the act or negligence of Tenant or any of Tenant's Agents shall be promptly repaired by Tenant, at its sole cost, to the reasonable satisfaction of Landlord. Landlord may make any repairs, which are not promptly made by Tenant and charge Tenant for the cost thereof, together with an administrative fee equal to fifteen percent (15%) of the cost of such repairs incurred by Landlord, which costs and fee shall be paid by Tenant within fifteen (15) days from receipt of invoice from Landlord.

6.2 <u>Landlord's Obligation to Maintain:</u>

Landlord shall repair and maintain, in reasonably good condition except as provided in ¶11.2 and ¶12.1 all aspects of the Premises, Building, Project and Common Areas. It is an express condition precedent to Landlord's obligations to repair and maintain the interior portions of the Premises that Tenant shall have first notified Landlord in writing of the need for such repairs and maintenance. Upon any such notice from Tenant, Landlord shall use diligent efforts to commence and complete such repairs and/or maintenance as soon as reasonably possible. So long as no replacement of any major equipment or components is required to complete any necessary repairs, Landlord shall commence such repairs within seven (7) business days after written notice from Tenant. Tenant waives all rights to make repairs at the expense of Landlord, or to deduct the cost thereof from the Base Monthly Rent or Additional Rent.

6.3 <u>Control of Common Area</u>:

Landlord shall at all times have exclusive control of the Common Area. Landlord shall have the right, without the same constituting an actual or constructive eviction and without entitling Tenant to any abatement of rent, to: (i) close any part of the Common Area to whatever extent required in the opinion of Landlord's counsel to prevent a dedication thereof or the accrual of any prescriptive rights therein; (ii) temporarily close the Common Area to perform maintenance or for any other reason deemed sufficient by Landlord; (iii) change the shape, size, location and extent of the Common Area; (iv) eliminate from or add to the Project any land or improvement, including multideck parking structures; (v) make changes to the Common Area including, without limitation, changes in the location of driveways, entrances, passageways, doors and doorways, elevators, stairs, restrooms, exits, parking spaces, parking areas, sidewalks or the direction of the flow of traffic and the site of the Common Area; (vi) remove unauthorized persons from the Project; and/or (vii) change the name or address of the Building or Project. Tenant shall keep the Common Area clear of all obstructions created or permitted by Tenant. If in the opinion of Landlord unauthorized persons are using any of the Common Area by reason of the presence of Tenant in the Building, Tenant, upon demand of Landlord, shall restrain such unauthorized use by appropriate proceedings. In exercising any such rights regarding the Common Area, (i) Landlord shall make a reasonable effort to minimize any disruption to Tenant's business, (ii) Landlord shall not materially impair Tenant's access to the Premises, and (iii) Landlord shall not exercise its rights to control the Common Area in a manner that would materially interfere with Tenant's use of the Premises without first obtaining Tenant's consent.

ARTICLE 7

WASTE DISPOSAL AND UTILITIES

7.1 <u>Waste Disposal</u>:

Tenant shall store its waste either inside the Premises or within outside trash enclosures that are fully fenced and screened in compliance with all Private Restrictions and designed for such purpose. All entrances to such outside trash enclosures shall be kept closed, and waste shall be stored in such manner as not to be visible from the exterior of such outside enclosures. Tenant shall keep all fire corridors and mechanical equipment rooms in the Premises free and clear of all obstructions at all times.

7.2 <u>Hazardous Materials</u>:

Landlord and Tenant agree as follows with respect to the existence or use of Hazardous Materials on the Project:

A. Any handling, transportation, storage, treatment, disposal or use of Hazardous Materials by Tenant and Tenant's Agents after the Effective Date in or about the Project shall strictly comply with all applicable Hazardous Materials Laws. Tenant shall save, protect, indemnify, defend upon demand with counsel reasonably acceptable to Landlord, and hold harmless Landlord from and against any liabilities, losses, claims, damages, lost profits, consequential damages, interest, penalties, fines, monetary sanctions, attorneys' fees, experts' fees, court costs, remediation costs, investigation costs, and other expenses which result from or arise in any manner whatsoever out of

the use, storage, treatment, transportation, release, or disposal of Hazardous Materials on or about the Project, or any portion thereof, by Tenant or Tenant's Agents after the Effective Date.

- B. If the presence of Hazardous Materials on the Project, or any portion thereof, caused or permitted by Tenant or Tenant's Agents after the Effective Date results in contamination or deterioration of water or soil resulting in a level of contamination greater than the levels established as acceptable by any governmental agency having jurisdiction over such contamination, then Tenant shall promptly take any and all action necessary to investigate and remediate such contamination if required by Law or as a condition to the issuance or continuing effectiveness of any governmental approval which relates to the use of the Project or any part thereof. Tenant shall further be solely responsible for, and shall save, protect, defend, indemnify and hold Landlord and its agents harmless from and against, all claims, costs and liabilities, including attorneys' fees, experts' fees, and costs, arising out of or in connection with any investigation and remediation of any Hazardous Materials used, stored or disposed of in, on or under the Premises or the Project by Tenant or Tenant's Agents.
- C. Landlord and Tenant shall each give written notice to the other as soon as reasonably practicable of (i) any communication received from any governmental authority concerning Hazardous Materials which relates to the Project, or any portion thereof, and (ii) any contamination of the Project, or any portion thereof, by Hazardous Materials which constitutes a violation of any Hazardous Materials Law. Tenant may use small quantities of Hazardous Materials commonly used in connection with general office use, such as "white out", toner for printer cartridges, and cleaning fluids in order to conduct its business at the Premises so long as such use is undertaken in compliance with all applicable Hazardous Materials Laws. Tenant may also use such other Hazardous Materials as are necessary for the operation of Tenant's business of which Landlord receives notice prior to such Hazardous Materials being brought onto the Premises and which Landlord consents in writing may be brought onto the Premises so long as the same are used in compliance with all applicable Hazardous Materials Laws. At any time during the Lease Term, Tenant shall, within five days after written request therefor received from Landlord, disclose in writing all Hazardous Materials that are being used by Tenant on the Project, the nature of such use, and the manner of storage and disposal.
- D. Landlord may cause testing wells to be installed on the Project and may cause the ground water to be tested to detect the presence of Hazardous Material by the use of such tests as are then customarily used for such purposes. If Tenant so requests, Landlord shall supply Tenant with copies of such test results. The cost of such tests and of the installation, maintenance, repair and replacement of such wells shall be paid by Tenant if such tests disclose the existence of facts which give rise to liability of Tenant pursuant to its indemnity given in ¶7.2A and/or ¶7.2B.
- E. As used herein, the term "Hazardous Material," means any hazardous or toxic substance, material or waste, which is or becomes regulated by any local governmental authority, the State of California or the United States Government. The term "Hazardous Material," includes, without limitation, petroleum or petroleum products, asbestos, PCB's, urea formaldehyde foam insulation, radon gas and any material or substance which is (i) listed under Article 9 or defined as hazardous or extremely hazardous pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (ii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq. (42 U.S.C. 6903), (iii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response; Compensation and Liability Act, 42 U.S.C. 9601 et seq. (42 U.S.C. 9601), or (iv) defined as a "hazardous substance", "hazardous waste", "hazardous material", "toxic substance", "extremely hazardous waste", "restricted hazardous waste", "toxic pollutant", "contaminant" or "pollutant", or words of similar import, under any applicable Hazardous Material Law. As used herein, the term "Hazardous Material Law" shall mean any statute, law, ordinance, code, policy or regulation of any governmental body or agency (including the U.S. Environmental Protection Agency, the California Regional Water Quality Control Board, and the California Department of Health Services) which regulates the use, storage, release or disposal of any Hazardous Material.
- F. The obligations of Landlord and Tenant under this $\P7.2$ shall survive the expiration or earlier termination of the Lease Term. The rights and obligations of Landlord and Tenant with respect to issues relating to Hazardous Materials are exclusively established by this $\P7.2$. In the event of any inconsistency between any other part of this Lease and this $\P7.2$, the terms of this $\P7.2$ shall control.
- G. To the best of Landlord's knowledge, there are no Hazardous Materials on the Premises, the Building or the Project in violation of applicable Hazardous Material Law, and Landlord has received no written notice of violation of any Hazardous Material Law.

7.3 <u>Utilities and Services</u>:

Provided that there are no uncured Events of Tenant's Default, Landlord agrees to furnish or cause to be furnished to the Premises the utilities and services described on Exhibit D attached hereto, including daily janitorial to the interior of the Premises and regular janitorial to the Common Areas of the Building and the Project (collectively, "Building Services"). Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall rent be abated by reason of failure to furnish any of the foregoing items as a result of: (a) accident, breakage, or repairs; (b) strikes, lockouts or other labor disturbance or labor dispute of any character; (c) governmental regulation, moratorium or other governmental action; (d) inability, despite the exercise of reasonable diligence, to obtain electricity, water or fuel; (e) interruptions of reasonable duration necessary to install or repair facilities in the Building; or (f) any other causes beyond Landlord's reasonable control. In the event

of any failure, stoppage or interruption of Building Services, Landlord shall diligently attempt to resume service promptly. Notwithstanding the foregoing, if any failure or interruption of Building Services is caused by the negligence or willful misconduct of Landlord or Landlord's Agents and such failure or interruption continues for more than 48 consecutive hours, then Tenant shall be entitled to a proportionate abatement of monthly Base Rent for the time and to the extent that such failure or interruption interferes with Tenant's use of the Premises.

7.4 Utilities:

The parties hereto acknowledge that water; gas, electricity, sewer service, trash pickup, and other utility services are not separately metered or billed to the Premises. Accordingly, the cost thereof shall be a Common Operating Expense and Tenant shall pay, as Additional Rent, Tenant's Share of such costs to Landlord as provided in ¶8.1 below. If Landlord determines that Tenant is using a disproportionate amount of any utility service not separately metered, then Landlord at its election may charge Tenant, as Additional Rent, a sum equal to the cost of Tenant's excess use of such utility service. Tenant agrees not to overburden the lighting or HVAC system or any other building systems within the Building or Project. If Tenant overburdens such lighting or HVAC system or any other building systems within the Building or Project, then Landlord may elect, in its sole discretion, to require Tenant to downsize its use of such overburden system(s) so that the same is (are) not overburdened. Tenant's telephone equipment shall be located solely in the Premises, and no part of such telephone equipment shall exist in the Common Areas or other portions of the Project. Tenant shall be responsible for its own telephone board in the Premises. Landlord shall have the right, but not the obligation, in its sole discretion, to require Tenant to remove from the Premises and the Project at the expiration or earlier termination of the Lease, at Tenant's sole cost, all telephone wiring and data cabling installed by Tenant.

7.5 <u>Compliance with Governmental Regulations:</u>

Landlord and Tenant shall comply with all rules, regulations and requirements promulgated by national, state or local governmental agencies or utility suppliers concerning the use of utility services, including any rationing, limitation or other control. Tenant shall not be entitled to terminate this Lease nor to any abatement in rent by reason of such compliance.

ARTICLE 8

COMMON OPERATING EXPENSES

8.1 <u>Tenant's Obligation to Reimburse</u>:

Tenant shall pay to Landlord, as Additional Rent, Tenant's Share (as set forth in $\underline{Section\ G}$ of the Summary) of the amount (if any) by which Common Operating Expenses paid or incurred in any calendar year during the Lease Term exceeds the Common Operating Expense Base Amount as set forth in Paragraph P of the Summary of Basic Lease Terms above ("Excess Expenses") for any annual period or portion thereof. The following provisions shall apply to the foregoing obligation of Tenant:

- A. Prior to or during December of each calendar year during the Lease Term or as soon as practicable thereafter, Landlord shall give Tenant written notice of Landlord's estimate of the amount by which the Common Operating Expenses for the next succeeding calendar year will exceed the Common Operating Expense Base Amount. Commencing January 1, 2020, Tenant shall pay an amount equal to one-twelfth (1/12th) of Tenant's Share of any such estimated increase monthly together with each installment of Base Monthly Rent, subject to further adjustments following receipt of any notice of increase from Landlord given pursuant to this subparagraph B or subparagraph C below. Within one hundred twenty (120) days after the end of such calendar year, Landlord shall furnish to Tenant a statement in reasonable detail of the actual Excess Expenses paid or incurred by Landlord for such calendar year, and thereupon there shall be an adjustment between Landlord and Tenant, with payment to or repayment by Landlord, as the case may require, within five (5) days after delivery by Landlord to Tenant of such statement, to the end that Landlord shall receive the entire amount of Tenant's Share of all the Excess Expenses for such calendar year and no more.
- B. Landlord may at any time during the calendar year of the Lease Term adjust its estimate of Excess Expenses to reflect current expenditures and following written notice to Tenant of such revised estimate, and subsequent payments by Tenant shall be based upon such revised estimate.
- C. If the Commencement Date is on a date other than the first day of a calendar year, the amount of increases in Excess Expenses payable by Tenant in such calendar year shall be prorated on the basis, which the number of days from the Commencement Date falls bears to 365. If the termination of the Lease shall be on a day other than the last day of a calendar year, the amount of any adjustment pursuant to subparagraph A above for the calendar year in which the Lease terminates shall be prorated on the basis which the number of days from the commencement of such calendar year to and including such termination date bears to 365. The termination of the Lease shall not affect the obligations of Landlord and Tenant pursuant to clause (iii) of subparagraph A above or the immediately preceding sentence.
- D. Notwithstanding any statement of Common Operating Expenses furnished by Landlord, if after any taxing authority or other governmental agency notifies Landlord of the levy, assessment or imposition of any Real Property Taxes which constitute a Common Operating Expense applicable to the Lease Term (whether such notice is received during the Lease Term or after termination of the Lease) for which Landlord has not yet been charged and

has not yet passed through to Tenant, Tenant shall pay, within thirty (30) days after written notice from Landlord, Tenant's Share of the sum of such Real Property Taxes in excess of the Common Operating Expense Base Amount.

F. Intentionally omitted.

Tenant shall have the right, exercisable upon not less than two (2) weeks prior written notice to Landlord, to review Landlord's books and records relating to Common Operating Expenses within ninety (90) days of receipt of any annual statement of Common Operating Expenses to verify the charges contained in such statement. Such review shall take place at Landlord's office during regular business hours and Tenant shall be responsible for all costs and related expenses of the review. In no event shall Tenant have the right to conduct such review if Tenant is then in default of this Lease with respect to any monetary obligations, including, without limitation, the payment by Tenant of all Additional Rent amounts that are the subject of Tenant's review. Tenant may not withhold payment pending completion of such inspection of Landlord's books and records. If Tenant fails to timely exercise its inspection rights in accordance with the terms above, the failure shall be conclusively deemed to constitute Tenant's approval of Landlord's reconciliation statement for the calendar year in question. Tenant shall keep any information gained from the inspection of Landlord's books and records confidential and shall not disclose it to any other party, except as required by law. If requested by Landlord, Tenant shall require its employees or agents inspecting Landlord's books and records to sign a confidentiality agreement as a condition of Landlord making Landlord's books and records available to them. Tenant covenants and agrees that any accounting or auditing firm or company retained by Tenant to review or inspect Landlord's books and records relating to Common Operating Expenses shall not be compensated on a contingency fee basis. If following any such examination, inspection or audit by Tenant, its employees, authorized representatives or accountants, Tenant disputes any of the Common Operating Expenses reflected in the statement, Tenant shall notify Landlord in writing of Tenant's objections specifying in reasonable detail the Common Operating Expenses in dispute and the reasons for such dispute ("Tenant's Dispute Notice"). Thereafter, Landlord and Tenant shall meet and/or confer and attempt in good faith to reach agreement with respect to the disputed Common Operating Expenses stated in Tenant's Dispute Notice. If Landlord and Tenant fail to reach agreement on such disputed Common Operating Expenses within thirty (30) days after Landlord's receipt of Tenant's Dispute Notice, then Tenant shall engage an independent certified public accountant reasonably approved by Landlord to complete an audit of the records of Landlord which relate to the disputed Common Operating Expenses set forth in Tenant's Dispute Notice. Any such audit shall be completed by the certified public accountant no later than forty-five (45) days after the expiration of the immediately prior 30-day period. Tenant shall instruct the certified public accountant to provide a copy of the audit results to both Landlord and Tenant upon completion. The results of any such audit shall be binding upon Landlord and Tenant. Tenant shall bear all fees and costs of the audit, unless the audit discloses that the Common Operating Expenses for the calendar year in question were overstated by more than five percent (5%). In that event, Landlord shall pay for the reasonable costs of the audit. If the audit discloses that any Common Operating Expenses were overstated for such calendar year, then the amount of any over payment of such Common Operating Expenses by Tenant shall be deducted from the next payments of Rent coming due under this Lease (or, if after the end of the Lease Term, paid by Landlord within thirty (30) days after the completion of such audit) following the completion of the audit and each month thereafter until Tenant has been fully reimbursed for any overpayment of Common Operating Expenses by Tenant.

8.2 Common Operating Expenses Defined:

The term "Common Operating Expenses" shall mean the following:

A. All costs and expenses paid or incurred by Landlord in doing the following (including payments to independent contractors providing services related to the performance of the following): (i) maintaining, cleaning, repairing and resurfacing the roof (including repair of leaks) and the exterior surfaces (including painting) of all buildings located on the Project; (ii) maintenance of liability, property or casualty insurance (including, without limitation, earthquake insurance if maintained by Landlord in its sole discretion) rental loss insurance and any other insurance maintained by Landlord covering the Project, or applicable portion thereof (including the prepayment of premiums for coverage of up to one year); (iii) maintaining, repairing, operating and replacing when necessary HVAC equipment, utility facilities and other building service equipment; (iv) providing utilities to the Common Area (including lighting, trash removal and water for landscaping irrigation); (v) window washing; (vi) maintenance, repair and replacement of HVAC and elevators; (vii) fire monitoring and fire system maintenance; (v) complying with all applicable Laws and Private Restrictions; (vi) operating, maintaining, repairing, cleaning, painting, restriping and resurfacing the Common Area; (vii) replacement or installation of lighting fixtures, directional or other signs and signals, irrigation systems, trees, shrubs, ground cover and other plant materials, and all landscaping in the Common Area; (viii) providing security; and, (ix) the amortized portion of the cost of any capital improvements to the Project which are made to (A) modify existing or construct additional capital improvements or building service equipment for the purpose of reducing the consumption of utility services or Common Operating Expenses of the Project; (B) replace capital improvements or building service equipment existing as of the Effective Date when required because of normal wear and tear; (C) comply with Laws first enacted or applicable to the Project after the Commencement Date, including any modifications to the ADA; (iii) restore any part of the Project that has been damaged by any peril to the extent the cost thereof is not covered by insurance proceeds actually recovered by Landlord up to a maximum amount per occurrence of 10% of the then replacement cost of the Project (collectively "Permitted Capital Improvements"). The cost of any Permitted Capital Improvements shall be amortized over the useful life of such improvement (as reasonably determined by Landlord in accordance with generally accepted accounting principles) with interest on the unamortized balance at the then prevailing market rate Landlord would pay if it borrowed funds to construct such improvements from an institutional lender (or 8% per annum if Landlord does not borrow funds to finance the cost of such improvements).

- B. The following costs: (i) Real Property Taxes as defined in ¶8.3; (ii) the amount of any "deductible" not to exceed \$10,000 paid by Landlord with respect to damage caused by any Insured Peril, except for deductibles owing for earthquake insurance, which shall be Landlord's cost; and (ii) that portion of all compensation (including, without limitation, salaries, wages, benefits and premiums for workers' compensation and other insurance) paid to or on behalf of employees of Landlord or other persons who perform duties connected with the operation, protection, maintenance, repair and replacement of the Project, or applicable portion thereof, but only to the extent they are involved in the performance of the work described by ¶8.2A and ¶8.2D that is fairly allocable to the Project;
- C. Fees for management services rendered by either Landlord or a third-party manager engaged by Landlord (which may be a party affiliated with Landlord), in an amount not to exceed 3% of the gross rents from the Project.
- D. All additional costs and expenses incurred by Landlord with respect to the operation, protection, maintenance, repair and replacement of the Project, or applicable portion thereof, which would be considered a current expense (and not a capital expenditure) pursuant to generally accepted accounting principles (including, without limitation, salaries, wages, medical, surgical and general welfare benefits and pension payments, payroll taxes, fringe benefits, employment taxes, and workers' compensation for all persons who perform duties connected with the operation, maintenance and repair of the Project, its equipment and the adjacent walks and landscaped areas, including janitorial, gardening, security, parking, operating engineer, elevator, painting, plumbing, electrical, carpentry, heating, ventilation, air conditioning, window washing, hired services (but excluding persons performing services not uniformly available to or performed for the benefit of substantially all Building tenants), legal fees, real estate tax consulting fees, personal property taxes on property used in the maintenance and operation of the Project, the cost of all charges for electricity, gas, water and other utilities furnished to the Project, including any taxes thereon, the cost of all building, janitorial and cleaning supplies and materials, the cost of all charges for cleaning, maintenance and service contracts and other services with independent contractors, landscaping and plant service, trash removal, fountain maintenance and repair, pest control, and license, permit and inspection fees relating to the Project (but not relating to the construction of tenant improvements by Landlord pursuant to Exhibit B attached hereto)).

Notwithstanding anything in this ¶8.2, to the contrary, Common Operating Expenses shall not include the following: (a) capital expenditures other than Permitted Capital Expenditures; (b) depreciation; (c) principal payments of mortgage or other non-operating debts of Landlord; (d) costs of repairs to the extent Landlord is reimbursed by insurance or condemnation proceeds or otherwise by any third-party, or to the extent covered by warranty; (e) costs of leasing space in the Building or Project, including brokerage commissions, lease concessions, legal fees, rental abatements, tenant improvement work and construction allowances granted to specific tenants; (f) costs of selling, financing or refinancing the Building or the Project, or any portion thereof; (g) fines, penalties or interest resulting from late payment of Taxes, Insurance, Utilities or Operating Expenses; (h) organizational expenses of creating or operating the entity that constitutes Landlord; (i) damages paid to Tenant hereunder or to other tenants of the Building or Project under their respective leases; (j) management fees in excess of three percent (3%) of the gross receipts from the Project; (k) any costs wholly attributable to other properties owned by Landlord; (l) the cost of performing work for or furnishing a service to any tenant other than Tenant, at Landlord's expense, to the extent such work or service is in excess of any work or service Landlord is obligated to provide, or is otherwise available, to Tenant or generally to other tenants in the Building at Landlord's expense; (m) insurance deductibles exceeding \$10,000 or any deductible associated with policies of earthquake insurance; (n) legal and professional fees incurred by Landlord in connection with disputes or transactions with tenants or prospective tenants of the Building; (o) legal and professional fees incurred by Landlord outside of the normal course of Landlord's operation and maintenance of Property; (p) the cost of remediation and removal of any Hazardous Material in the Building or on the Property or the Project as required by Hazardous Material Laws; (q) the cost of any repairs or replacements necessitated by the gross negligence or willful misconduct of Landlord or its agents, employees or contractors; (r) costs incurred as a result of a violation of Law or any other lease affecting the Property by Landlord or any other tenant; (s) costs incurred in connection with any non-governmentally mandated transportation management program; (u) any cost to the extent reimbursed to Landlord by tenants of the Project (other than as a reimbursement of operating expenses), including any costs directly reimbursed to Landlord by Tenant pursuant to the terms of this Lease.

8.3 <u>Real Property Taxes Defined</u>:

The term "Real Property Taxes" shall mean all taxes, assessments, levies, and other charges of any kind or nature whatsoever, general and special, foreseen and unforeseen (including all installments of principal and interest required to pay any existing or future general or special assessments for public improvements, services or benefits, and any increases resulting from reassessments resulting from a change in ownership, new construction, or any other cause), now or hereafter imposed by any governmental or quasi-governmental authority or special district having the direct or indirect power to tax or levy assessments, which are levied or assessed against, or with respect to the value, occupancy or use of all or any portion of the Project (as now constructed or as may at any time hereafter be constructed, altered, or otherwise changed) or Landlord's interest therein, the fixtures, equipment and other property of Landlord, real or personal, that are an integral part of and located on the Project, the gross receipts, income, or rentals from the Project, or the use of parking areas, public utilities, or energy within the Project, or Landlord's business of leasing the Project. If at any time during the Lease Term the method of taxation or assessment of the Project prevailing as of the Commencement Date shall be altered so that in lieu of or in addition to any Real Property Tax described above there shall be levied, assessed or imposed (whether by reason of a change in the method of taxation or assessment, creation of a new tax or charge, or any other cause) an alternate or additional tax or charge (i)

on the value, use or occupancy of the Project or Landlord's interest therein, or (ii) on or measured by the gross receipts, income or rentals from the Project, on Landlord's business of leasing the Project, or computed in any manner with respect to the operation of the Project, then any such tax or charge, however designated, shall be included within the meaning of the term "Real Property Taxes" for purposes of this Lease. If any Real Property Tax is based upon property or rents unrelated to the Project, then only that part of such Real Property Tax that is fairly allocable to the Project shall be included within the meaning of the term "Real Property Taxes". Notwithstanding the foregoing, the term "Real Property Taxes" shall not include estate, inheritance, transfer, gift or franchise taxes of Landlord or the federal or state net income tax imposed on Landlord's income from all sources. acknowledges that the "assessments" referred to in this ¶8.3 may include assessment districts or other funding mechanisms, including but not limited to, improvement districts, maintenance districts, special services zones or districts, or any combination thereof (collectively hereafter called "Assessment Districts") for the construction, alteration, expansion, improvement, completion, repair, operation, or maintenance, as the case may be, of on-site or off-site improvements, or services, or any combination thereof as required by the City in which the Premises is located (the "City"), as a condition of approving or modifying the development of which the Premises are a part. These Assessment Districts may provide, among other things, the following improvements or services: streets, curbs, interchanges, highways, traffic noise studies and mitigation measures, traffic control systems and expansion of city facilities to operate same, landscaping and lighting maintenance services, maintenance of flood control facilities, water storage and distribution facilities, fire apparatus, manpower, and other fire safety facilities, and sports facilities. Tenant hereby consents to the formation of any and all existing and future Assessment Districts and waives any and all rights of notice and any and all rights of protest in connection with formation of any Assessment Districts and agrees to execute all documents, including, but not limited to, formal waivers of notice and protest, evidencing such consent and waiver upon request of Landlord or the City.

ARTICLE 9

INSURANCE

9.1 <u>Tenant's Insurance</u>:

Tenant shall maintain insurance complying with all of the following:

- A. Tenant shall procure, pay for and keep in full force and affect the following:
- (1) Commercial general liability insurance, including property damage, against liability for personal injury, bodily injury, death and damage to property occurring in or about, or resulting from an occurrence in or about, the Premises with combined single limit coverage of not less than the amount of Tenant's Liability Insurance Minimum specified in Section R of the Summary, which insurance shall contain a "contractual liability" endorsement insuring Tenant's performance of Tenant's obligation to indemnify Landlord contained in $\P10.3$;
- (2) Fire and property damage insurance in so-called "special" form insuring Tenant's Trade Fixtures and Tenant's Alterations for the full actual replacement cost thereof.
- B. Where applicable and required by Landlord, each policy of insurance required to be carried by Tenant pursuant to this ¶9.1: (i) shall name Landlord and such other parties in interest as Landlord reasonably designates as additional insured; (ii) shall be primary insurance which provides that the insurer shall be liable for the full amount of the loss up to and including the total amount of liability set forth in the declarations without the right of contribution from any other insurance coverage of Landlord; (iii) shall be in a form satisfactory to Landlord; (iv) shall be carried with companies having a rating of not less than A-VIII in Best's Insurance Guide (or otherwise be reasonably acceptable to Landlord); (v) shall provide that such policy shall not be subject to cancellation, lapse or change except after at least 30 days prior written notice to Landlord so long as such provision of 30 days notice is reasonably obtainable, but in any event not less than 10 days prior written notice; (vi) shall not have a "deductible" in excess of Five Thousand Dollars (\$5,000); (vii) shall contain a cross liability endorsement; and (viii) shall contain a "severability" clause. If Tenant has in full force and effect a blanket policy of liability insurance with the same coverage for the Premises as described above, as well as other coverage of other premises and properties of Tenant, or in which Tenant has some interest, such blanket insurance shall satisfy the requirements of this ¶9.1.
- C. A copy of each paid-up policy evidencing the insurance required to be carried by Tenant pursuant to this ¶9.1 (appropriately authenticated by the insurer) or a certificate of the insurer, certifying that such policy has been issued, providing the coverage required by this ¶9.1, and containing the provisions specified herein, shall be delivered to Landlord prior to the time Tenant or any of its Agents enters the Premises and upon renewal of such policies, but not less than five (5) days prior to the expiration of the term of such coverage. Landlord may, at any time, and from time to time, inspect and/or copy any and all insurance policies required to be procured by Tenant pursuant to this ¶9.1. If any Lender or insurance advisor reasonably determines at any time that the amount of coverage required for any policy of insurance Tenant is to obtain pursuant to this ¶9.1 is not adequate, then Tenant shall increase such coverage for such insurance to such amount as such Lender or insurance advisor reasonably deems adequate, not to exceed the level of coverage for such insurance commonly carried by comparable businesses similarly situated.

9.2 <u>Landlord's Insurance</u>:

Landlord shall have the following obligations and options regarding insurance:

A. Landlord shall maintain a policy or policies of fire and property damage insurance in so-called "special" form insuring Landlord (and such others as Landlord may designate) against loss of rents for a period of not less than twelve (12) months and from physical damage to the Project with coverage of not less than the full replacement cost thereof. Landlord may so insure the Project separately or may insure the Project with other property owned by Landlord, which Landlord elects to insure together under the same policy or policies. Such fire and property damage insurance (i) may be endorsed to cover loss caused by such additional perils against which Landlord may elect to insure, including earthquake and/or flood, and to provide such additional coverage as Landlord reasonably requires, and (ii) shall contain reasonable "deductibles" which, in the case of earthquake and flood insurance, may be up to fifteen (15%) of the replacement value of the property insured or such higher amount as is then commercially reasonable. Landlord shall not be required to cause such insurance to cover any Trade Fixtures or Tenant's Alterations of Tenant.

B. Landlord may maintain a policy or policies of commercial general liability insurance insuring Landlord (and such others as are designated by Landlord) against liability for personal injury, bodily injury, death and damage to property occurring or resulting from an occurrence in, on or about the Project, with combined single limit coverage in such amount as Landlord from time to time determines is reasonably necessary for its protection.

9.3 <u>Tenant's Obligation to Reimburse</u>:

If Landlord's insurance rates for the Building are increased at any time during the Lease Term as a result of Tenant's specific use of the Premises, as opposed to general office use, Tenant shall reimburse Landlord for the full amount of such increase immediately upon receipt of a bill from Landlord therefor.

9.4 <u>Mutual Waiver of Subrogation</u>:

Landlord hereby releases Tenant, and Tenant hereby releases Landlord, and their respective officers, directors, members, partners, agents, employees and servants, from any and all claims or demands of damages, loss, expense or injury to the Property or the Premises, or to the furnishings, fixtures, equipment, inventory or other property of either Landlord or Tenant in, about or upon the Project or Premises, which is caused by or results from perils, events or happenings which are the subject of insurance required to be carried by the respective parties pursuant to this Article 9 and in force at the time of any such loss, whether due to the negligence of the other party or its agents and regardless of cause or origin.

ARTICLE 10

LIMITATION ON LANDLORD'S LIABILITY AND INDEMNITY

10.1 <u>Limitation on Landlord's Liability</u>:

Landlord shall not be liable to Tenant, nor shall Tenant be entitled to terminate this Lease or to any abatement of rent (except as expressly provided otherwise herein), for any injury to Tenant or Tenant's Agents, damage to the property of Tenant or Tenant's Agents, or loss to Tenant's business resulting from any cause, including without limitation any: (i) failure, interruption or installation of any HVAC or other utility system or service; (ii) failure to furnish or delay in furnishing any utilities or services when such failure or delay is caused by fire or other peril, the elements, labor disturbances of any character, or any other accidents or other conditions beyond the reasonable control of Landlord; (iii) limitation, curtailment, rationing or restriction on the use of water or electricity, gas or any other form of energy or any services or utility serving the Project; (iv) vandalism or forcible entry by unauthorized persons or the criminal act of any person; (v) penetration of water, gas or rain into or onto any portion of the Premises or the Building through roof leaks or otherwise; or (vi) breakage, leakage, obstruction, or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning, light fixtures, or mechanical or electrical systems, whether such damage or injury results from conditions arising upon the Premises or upon others portions of the Building or Project or from other sources or places. Notwithstanding the foregoing but subject to ¶9.4, Landlord shall be liable for any such injury, damage or loss, which is proximately caused by Landlord's breach of this Lease, willful misconduct or negligence. The preceding notwithstanding, in no event shall Landlord be liable to Tenant under any circumstances for any claims of lost profits, loss of business or lost income.

Tenant acknowledges that Landlord's election to provide mechanical surveillance or to post security personnel in the Building is solely within Landlord's discretion; Landlord shall have no liability in connection with the decision whether or not to provide such services and Tenant hereby waives all claims based thereon. Landlord shall not be liable for losses due to theft, vandalism, or like causes. Tenant shall defend, indemnify, and hold Landlord harmless from any such claims made by any employee, licensee, invitee, contractor, agent, or other person whose presence in, on or about the Premises or the Building is attendant to the business of Tenant.

10.2 Limitation on Tenant's Recourse:

If Landlord is a corporation, trust, partnership, joint venture, unincorporated association or other form of business entity: (i) the obligations of Landlord shall not constitute personal obligations of the officers, directors, trustees, partners, joint venturers, members, owners, stockholders, or other principals or representatives of such business entity; and (ii) Tenant shall not have recourse to the assets of such officers, directors, trustees, partners, joint venturers, members, owners, stockholders, or principals or representatives. Tenant shall have recourse only to the interest of Landlord in the Project for the satisfaction of the obligations of Landlord and shall not have recourse to any other assets of Landlord for the satisfaction of such obligations.

10.3 <u>Indemnification of Landlord</u>:

Tenant shall save, protect, hold harmless, indemnify and defend Landlord, its employees, and agents, with competent counsel reasonably satisfactory to Landlord, from all liability, penalties, losses, damages, costs, expenses, causes of action, claims and/or judgments arising by reason of any death, bodily injury, personal injury or property damage resulting from (i) any cause or causes whatsoever (other than the breach of this Lease, willful misconduct or negligence of Landlord) occurring in or about or resulting from an occurrence in or about the Premises during the Lease Term, (ii) the negligence or willful misconduct of Tenant or its agents, employees and contractors, wherever the same may occur, or (iii) an Event of Tenant's Default. The provisions of this ¶10.3 shall survive the expiration or sooner termination of this Lease.

10.4 <u>Indemnification of Tenant</u>:

Landlord shall save, protect, hold harmless, indemnify and defend Tenant, its employees and agents, with competent counsel reasonably satisfactory to Tenant, from all liability, penalties, losses, damages, costs, expenses, causes of action, claims and/or judgments arising by reason of any death, bodily injury, personal injury or property damage resulting from the negligence or willful misconduct of Landlord or its agents, employees and contractors, wherever the same may occur, or Landlord's breach of this Lease. The provisions of this ¶10.4 shall survive the expiration or sooner termination of this Lease.

ARTICLE 11

DAMAGE TO PREMISES

11.1 <u>Landlord's Duty to Restore</u>:

If the Premises are damaged by any peril after the Effective Date, Landlord shall restore the Premises unless the Lease is terminated by Landlord pursuant to ¶11.2 or by Tenant pursuant to ¶11.3. All insurance proceeds available from the fire and property damage insurance carried by Landlord pursuant to ¶9.2 shall be paid to and become the property of Landlord. If this Lease is terminated pursuant to either ¶11.2 or ¶11.3, then all insurance proceeds available from insurance carried by Tenant which covers loss to property that is Landlord's property or would become Landlord's property on termination of this Lease shall be paid to and become the property of Landlord. If this Lease is not so terminated, then upon receipt of the insurance proceeds (if the loss is covered by insurance) and the issuance of all necessary governmental permits, Landlord shall commence and diligently prosecute to completion the restoration of the Premises, to the extent then allowed by Law, to substantially the same condition in which the Premises were immediately prior to such damage. Landlord's obligation to restore shall be limited to the Premises and interior improvements constructed by Landlord as they existed as of the Commencement Date, excluding any Tenant's Alterations, Trade Fixtures and/or personal property constructed or installed by Tenant in the Premises. Tenant shall forthwith replace or fully repair all Tenant's Alterations and Trade Fixtures installed by Tenant and existing at the time of such damage or destruction, and all insurance proceeds received by Tenant from the insurance carried by it pursuant to ¶9.1A (2) shall be used for such purpose.

11.2 <u>Landlord's Right to Terminate</u>:

Landlord shall have the right to terminate this Lease in the event any of the following occurs, which right may be exercised only by delivery to Tenant of a written notice of election to terminate within sixty (60) days after the date of such damage:

- A. The Building or Premises is damaged by an Insured Peril to such an extent that the estimated cost to restore exceeds 33% of the then actual replacement cost thereof;
- B. The Building or Premises is damaged by an Uninsured Peril to such an extent that the estimated cost to restore exceeds 2% of the then actual replacement cost thereof; provided, however, that Landlord may not terminate this Lease pursuant to this ¶11.2B if one or more tenants of the Project agree in writing to pay the amount by which the cost to restore the damage exceeds such amount and subsequently deposit such amount with Landlord within fifteen (15) days after Landlord has notified Tenant of its election to terminate this Lease;
- C. The Premises are damaged by any peril within twelve (12) months of the last day of the Lease Term to such an extent that the estimated cost to restore equals or exceeds an amount equal to six times the Base Monthly Rent then due; provided, however, that Landlord may not terminate this Lease pursuant to this ¶11.2C if Tenant, at the time of such damage, has a then valid express written option to extend the Lease Term and Tenant exercises such option to extend the Lease Term within fifteen (15) days following the date of such damage; or
- D. The Building or Premises is damaged by any peril and, because of the Laws then in force, (i) cannot be restored at reasonable cost to substantially the same condition in which it was prior to such damage, or (ii) cannot be used for the same use being made thereof before such damage if restored as required by this Article.
- E. As used herein, the following terms shall have the following meanings: (i) the term "Insured Peril" shall mean a peril actually insured against for which the insurance proceeds actually received by Landlord are sufficient (except for any "deductible" amount specified by such insurance) to restore the Project under then existing building codes to the condition existing immediately prior to the damage; and (ii) the term "Uninsured Peril" shall mean any peril which is not an Insured Peril. Notwithstanding the foregoing, if the "deductible" for earthquake or flood

insurance exceeds 2% of the replacement cost of the improvements insured, such peril shall be deemed an "Uninsured Peril".

11.3 Tenant's Right to Terminate:

If the Premises are damaged by any peril and Landlord does not elect to terminate this Lease or is not entitled to terminate this Lease pursuant to ¶11.2, then as soon as reasonably practicable, Landlord shall furnish Tenant with the written opinion of Landlord's architect or construction consultant as to when the restoration work required of Landlord may be completed. Tenant shall have the right to terminate this Lease in the event any of the following occurs, which right may be exercised only by delivery to Landlord of a written notice of election to terminate within seven (7) business days after Tenant receives from Landlord the estimate of the time needed to complete such restoration.

- A. The Premises are damaged by any peril and, in the reasonable opinion of Landlord's architect or construction consultant, the restoration of the Premises cannot be substantially completed within one hundred eighty (180) days after the date of such damage.
- B. The Premises are damaged by any peril (other than as a result of the acts or omissions of Tenant or any of Tenant's Agents) within twelve (12) months of the last day of the Lease Term and, in the reasonable opinion of Landlord's architect or construction consultant, the restoration of the Premises cannot be substantially completed within sixty (60) days after the date of such damage and such damage renders the Premises unusable.

11.4 <u>Abatement of Rent</u>:

In the event of damage to the Premises, which does not result in the termination of this Lease, the Base Monthly Rent shall be temporarily abated during the period of restoration in proportion to the degree to which Tenant's use of the Premises is impaired by such damage. Tenant shall not be entitled to any compensation or damages from Landlord for loss of Tenant's business or property or for any inconvenience or annoyance caused by such damage or restoration. Tenant hereby waives the provisions of California Civil Code Sections 1932(2) and 1933(4) and the provisions of any similar law hereinafter enacted.

ARTICLE 12

CONDEMNATION

12.1 <u>Landlord's Termination Right</u>:

Landlord shall have the right to terminate this Lease if, as a result of a taking by means of the exercise of the power of eminent domain (including a voluntary sale or transfer by Landlord to a condemnor under threat of condemnation), (i) all or any part of the Premises is so taken, (ii) more than 10% of the Building Rentable Area is so taken, or (iii) more than 50% of the Common Area is so taken. Any such right to terminate by Landlord must be exercised within a reasonable period of time, to be effective as of the date possession is taken by the condemnor.

12.2 <u>Tenant's Termination Right</u>:

Tenant shall have the right to terminate this Lease if, as a result of any taking by means of the exercise of the power of eminent domain (including any voluntary sale or transfer by Landlord to any condemnor under threat of condemnation), (i) 10% or more of the Premises is so taken and that part of the Premises that remains cannot be restored within a reasonable period of time and thereby made reasonably suitable for the continued operation of the Tenant's business, or (ii) there is a taking affecting the Common Area and, as a result of such taking, Landlord cannot provide parking spaces within reasonable walking distance of the Premises or by valet parking equal in number to the number of spaces allocated to Tenant by ¶2.1, whether by rearrangement of the remaining parking areas in the Common Area (including construction of multi-deck parking structures or restriping for compact cars where permitted by Law) or by alternative parking facilities on other land. If Landlord so provides valet parking, then the costs of providing such valet parking shall be borne by Landlord. If Tenant elects to exercise its right to terminate this Lease as provided in this ¶12.2, then Tenant must exercise such right within a reasonable period of time, to be effective on the date that possession of that portion of the Premises or Common Area that is condemned is taken by the condemnor.

12.3 <u>Restoration and Abatement of Rent:</u>

If any part of the Premises or the Common Area is taken by condemnation and this Lease is not terminated, then Landlord shall restore the remaining portion of the Premises and Common Area and interior improvements constructed by Landlord substantially as they existed as of the Commencement Date, excluding any Tenant's Alterations, Trade Fixtures and/or personal property constructed or installed by Tenant. Thereafter, except in the case of a temporary taking, as of the date possession is taken, the Base Monthly Rent shall be reduced in the same proportion that the floor area of that part of the Premises so taken (less any addition thereto by reason of any reconstruction) bears to the original floor area of the Premises.

12.4 <u>Temporary Taking</u>:

If any portion of the Premises is temporarily taken for one year or less, this Lease shall remain in effect and Tenant shall be entitled to that portion of the condemnation award, if any, allocable to the temporary taking of the Premises. If any portion of the Premises is temporarily taken by condemnation for a period which exceeds one year or which extends beyond the natural expiration of the Lease Term, and such taking materially and adversely affects

Tenant's ability to use the Premises for the Permitted Use, then Tenant shall have the right to terminate this Lease, effective on the date possession is taken by the condemnor.

12.5 Division of Condemnation Award:

Any award made as a result of any condemnation of the Premises or the Common Area shall belong to and be paid to Landlord, and Tenant hereby assigns to Landlord all of its right, title and interest in any such award; provided, however, that Tenant shall be entitled to receive any condemnation award that is made directly to Tenant for the following so long as the award made to Landlord is not thereby reduced: (i) for the taking of personal property or Trade Fixtures belonging to Tenant, (ii) for the interruption of Tenant's business or its moving costs, (iii) for loss of Tenant's goodwill; or (iv) for any temporary taking where this Lease is not terminated as a result of such taking. The rights of Landlord and Tenant regarding any condemnation shall be determined as provided in this Article, and each party hereby waives the provisions of California Code of Civil Procedure Section 1265.130 and the provisions of any similar law hereinafter enacted allowing either party to petition the Superior Court to terminate this Lease in the event of a partial taking of the Premises. Any award other than for a temporary taking shall be solely for the benefit of Landlord, and Tenant hereby waives any right thereto (including, without limitation, any award based upon any "bonus value" of this Lease). Tenant hereby waives the provisions of any Law governing a lessee's right to terminate a leasehold or share in any award therefor to the extent inconsistent with this Article 12.

ARTICLE 13

DEFAULT AND REMEDIES

13.1 <u>Events of Tenant's Default</u>:

Tenant shall be in default of its obligations under this Lease if any of the following events occurs (an "Event of Tenant's Default"):

- A. Tenant shall have failed to pay Base Monthly Rent or Additional Rent or any other amount provided hereunder when due, and such failure is not cured within three (3) days after delivery of written notice from Landlord specifying such failure to pay; or
- B. Tenant shall have failed to perform any term, covenant, or condition of this Lease except those requiring the payment of Base Monthly Rent or Additional Rent, and Tenant shall have failed to cure such breach within thirty (30) days after written notice from Landlord specifying the nature of such breach where such breach could reasonably be cured within said thirty (30) day period, or if such breach could not be reasonably cured within said 30 day period, Tenant shall have failed to commence such cure within said thirty (30) day period or thereafter continue with due diligence to prosecute such cure to completion within such time period as is reasonably needed but not to exceed ninety (90) days from the date of Landlord's notice; or
- C. Tenant shall have sublet the Premises or assigned its interest in the Lease in violation of the provisions contained in Article 14; or
 - D. Tenant shall have abandoned the Premises; or
- E. The occurrence of the following: (i) the making by Tenant or any guarantor of Tenant's obligations under this Lease of any general arrangements or assignments for the benefit of creditors; (ii) Tenant or any guarantor of Tenant's obligations under this Lease becomes a "debtor" as defined in 11 USC ¶101 or any successor statute thereto (unless, in the case of a petition filed against Tenant or such guarantor, the same is dismissed within sixty (60) days of filing); (iii) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; (iv) the appointment of a trustee or a receiver for any guarantor of Tenant's obligations under this Lease, or of any property of such guarantor, where possession is not restored to such guarantor within thirty (30) days; or (v) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days; provided, however, in the event that any provision of this Paragraph 13.1E is contrary to any applicable Law, such provision shall be of no force or effect; or
- F. Tenant shall have failed to deliver documents required of it pursuant to ¶15.4 or ¶15.6 within the time periods specified therein; or
- G. Tenant's failure to cause to be released any mechanic's liens filed against the Premises or the Project within ten (10) days after the date the same shall have been filed or recorded.

13.2 <u>Landlord's Remedies</u>:

If an Event of Tenant's Default occurs, Landlord shall have the following remedies, in addition to all other rights and remedies provided by any Law or otherwise provided in this Lease, to which Landlord may resort cumulatively or in the alternative:

A. Landlord may keep this Lease in effect and enforce by an action at law or in equity all of its rights and remedies under this Lease, including (i) the right to recover the rent and other sums as they become due by appropriate legal action, (ii) the right (but not the obligation) to make payments required of Tenant or perform Tenant's obligations and be reimbursed by Tenant for the cost thereof with interest at the Agreed Interest Rate from

the date the sum is paid by Landlord until Landlord is reimbursed by Tenant, and (iii) the remedies of injunctive relief and specific performance to compel Tenant to perform its obligations under this Lease. Notwithstanding anything contained in this Lease, in the event of a breach of an obligation by Tenant which results in a condition which poses an imminent danger to safety of persons or damage to property, an unsightly condition visible from the exterior of the Building, or a threat to insurance coverage, then if Tenant does not cure such breach within three (3) days after delivery to it of written notice from Landlord identifying the breach, Landlord may cure the breach of Tenant and be reimbursed by Tenant for the cost thereof with interest at the Agreed Interest Rate from the date the sum is paid by Landlord until Landlord is reimbursed by Tenant.

- B. Landlord may enter the Premises and re-lease them to third parties for Tenant's account for any period, whether shorter or longer than the remaining Lease Term. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in re-leasing the Premises, including brokers' commissions, expenses of altering and preparing the Premises required by the re-leasing. Tenant shall pay to Landlord the rent and other sums due under this Lease on the date the rent is due, less the rent and other sums Landlord received from any re-leasing. No act by Landlord allowed by this subparagraph shall terminate this Lease unless Landlord notifies Tenant in writing that Landlord elects to terminate this Lease. Notwithstanding any re-leasing without termination, Landlord may later elect to terminate this Lease because of the default by Tenant.
- C. Landlord may terminate this Lease by giving Tenant written notice of termination, in which event this Lease shall terminate on the date set forth for termination in such notice. Any termination under this ¶13.2C shall not relieve Tenant from its obligation to pay sums then due Landlord or from any claim against Tenant for damages or rent previously accrued or then accruing. In no event shall any one or more of the following actions by Landlord, in the absence of a written election by Landlord to terminate this Lease, constitute a termination of this Lease: (i) appointment of a receiver or keeper in order to protect Landlord's interest hereunder; (ii) consent to any subletting of the Premises or assignment of this Lease by Tenant, whether pursuant to the provisions hereof or otherwise; or (iii) any other action by Landlord or Landlord's Agents intended to mitigate the adverse effects of any breach of this Lease by Tenant, including without limitation any action taken to maintain and preserve the Premises or any action taken to relet the Premises or any portions thereof to the extent such actions do not affect a termination of Tenant's right to possession of the Premises.
- D. In the event Tenant breaches this Lease and abandons the Premises, this Lease shall not terminate unless Landlord gives Tenant written notice of its election to so terminate this Lease. No act by or on behalf of Landlord intended to mitigate the adverse effect of such breach, including those described by ¶13.2C, shall constitute a termination of Tenant's right to possession unless Landlord gives Tenant written notice of termination. Should Landlord not terminate this Lease by giving Tenant written notice, Landlord may enforce all its rights and remedies under this Lease, including the right to recover the rent as it becomes due under the Lease as provided in California Civil Code Section 1951.4.
- E. In the event Landlord terminates this Lease, Landlord shall be entitled, at Landlord's election, to damages in an amount as set forth in California Civil Code Section 1951.2 as in effect on the Effective Date. For purposes of computing damages pursuant to California Civil Code Section 1951.2, (i) an interest rate equal to the Agreed Interest Rate shall be used where permitted, and (ii) the term "rent" includes Base Monthly Rent and Additional Rent. Such damages shall include:
- (1) The worth at the time of award of the unpaid rent, which had been earned at the time of termination;
- (2) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the lessee proves could have been reasonably avoided;
- (3) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided, computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%); and
- (4) Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease, or which in the ordinary course of things would be likely to result therefrom.
- F. Nothing in this ¶13.2 shall limit Landlord's right to indemnification from Tenant as provided in ¶7.2 and ¶10.3 or elsewhere in this Lease. Any notice given by Landlord in order to satisfy the requirements of ¶13.1A or ¶13.1B above shall also satisfy the notice requirements of California Code of Civil Procedure Section 1161 regarding unlawful detainer proceedings.
- G. All rights, powers and remedies of Landlord hereunder and under any other agreement now or hereafter in force between Landlord and Tenant shall be in addition to all rights, powers and remedies given to Landlord by law, and the exercise of one or more rights or remedies shall not impair Landlord's right to exercise any other right or remedy.

13.3 Waiver:

One party's consent to or approval of any act by the other party requiring the first party's consent or approval shall not be deemed to waive or render unnecessary the first party's consent to or approval of any subsequent similar act by the other party. The receipt by Landlord of any rent or payment with or without knowledge of the breach of any other provision hereof shall not be deemed a waiver of any such breach unless such waiver is in writing and signed by Landlord. No delay or omission in the exercise of any right or remedy accruing to either party upon any breach by the other party under this Lease shall impair such right or remedy or be construed as a waiver of any such breach theretofore or thereafter occurring. The waiver by either party of any breach of any provision of this Lease shall not be deemed to be a waiver of any subsequent breach of the same or of any other provisions herein contained.

13.4 <u>Limitation on Exercise of Rights:</u>

At any time that an Event of Tenant's Default has occurred and remains uncured, (i) it shall not be unreasonable for Landlord to deny or withhold any consent or approval requested of it by Tenant which Landlord would otherwise be obligated to give, and (ii) Tenant may not exercise any option to extend, right to terminate this Lease, or other right granted to it by this Lease which would otherwise be available to it.

13.5 Waiver by Tenant of Certain Remedies:

Tenant waives the provisions of Sections 1932(1), 1941 and 1942 of the California Civil Code and any similar or successor law regarding Tenant's right to terminate this Lease or to make repairs and deduct the expenses of such repairs from the rent due under this Lease. Tenant hereby waives any right of redemption or relief from forfeiture under the laws of the State of California, or under any other present or future law, including the provisions of Sections 1174 and 1179 of the California Code of Civil Procedure.

ARTICLE 14

ASSIGNMENT AND SUBLETTING

14.1 <u>Transfer by Tenant</u>:

The following provisions shall apply to any assignment, subletting or other transfer by Tenant or any subtenant or assignee or other successor in interest of the original Tenant (collectively referred to in this $\P14.1$ as "Tenant"):

A. Tenant shall not do any of the following (collectively referred to herein as a "Transfer"), whether voluntarily, involuntarily or by operation of law, without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed: (i) sublet all or any part of the Premises or allow it to be sublet, occupied or used by any person or entity other than Tenant; (ii) assign its interest in this Lease; (iii) mortgage or encumber the Lease (or otherwise use the Lease as a security device) in any manner; or (iv) materially amend or modify an assignment, sublease or other transfer that has been previously approved by Landlord. Tenant shall reimburse Landlord for all reasonable costs and attorneys' fees incurred by Landlord in connection with the evaluation, processing, and/or documentation of any requested Transfer, whether or not Landlord's consent is granted, in an amount not to exceed Two Thousand Dollars (\$2,000.00) per Transfer. Landlord's reasonable costs shall include, without limitation, the cost of any review or investigation performed by Landlord or consultant acting on Landlord's behalf of (i) Hazardous Materials (as defined in Paragraph 7.2E of this Lease) used, stored, released, or disposed of by the potential Subtenant or Assignee, and/or (ii) violations of Hazardous Materials Law (as defined in Paragraph 7.2E of this Lease) by the Tenant or the proposed Subtenant or Assignee. Any Transfer so approved by Landlord shall not be effective until Tenant has delivered to Landlord an executed counterpart of the document evidencing the Transfer which (i) is in a form reasonably approved by Landlord, (ii) contains the same terms and conditions as stated in Tenant's notice given to Landlord pursuant to ¶14.1B, and (iii) in the case of an assignment of the Lease, contains the agreement of the proposed transferee to assume all obligations of Tenant under this Lease arising after the effective date of such Transfer and to remain jointly and severally liable therefore with Tenant. Any attempted Transfer without Landlord's consent shall constitute an Event of Tenant's Default and shall be voidable at Landlord's option. Landlord's consent to any one Transfer shall not constitute a waiver of the provisions of this ¶14.1 as to any subsequent Transfer or a consent to any subsequent Transfer. No Transfer, even with the consent of Landlord, shall relieve Tenant of its personal and primary obligation to pay the rent and to perform all of the other obligations to be performed by Tenant hereunder. The acceptance of rent by Landlord from any person shall not be deemed to be a waiver by Landlord of any provision of this Lease nor to be a consent to any Transfer.

B. At least thirty (30) days before a proposed Transfer is to become effective, Tenant shall give Landlord written notice of the proposed terms of such Transfer and request Landlord's approval, which notice shall include the following: (i) the name and legal composition of the proposed transferee; (ii) a current financial statement of the transferee, financial statements of the transferee covering the preceding three years if the same exist, and (if available) an audited financial statement of the transferee for a period ending not more than one year prior to the proposed effective date of the Transfer, all of which statements are prepared in accordance with generally accepted accounting principles; (iii) the nature of the proposed transferee's business to be carried on in the Premises; (iv) all consideration to be given on account of and/or in connection with the Transfer (including, without limitation, any consideration paid or payable in connection with such transferee's assignment, subletting or use of any of Tenant's Alterations or Trade Fixtures); (v) a current financial statement of Tenant; and (vi) an accurately filled out response to Landlord's standard Hazardous Materials Questionnaire. Tenant shall provide to Landlord such other information as may be reasonably requested by Landlord within seven days after Landlord's receipt of such notice from Tenant.

Landlord shall respond in writing to Tenant's request for Landlord's consent to a Transfer within the later of (i) fifteen (15) days of receipt of such request together with the required accompanying documentation, or (ii) seven days after Landlord's receipt of all information which Landlord reasonably requests within seven days after it receives Tenant's first notice regarding the Transfer in question. If Landlord fails to respond in writing within said period, Landlord will be deemed to have withheld consent to such Transfer. Tenant shall immediately notify Landlord of any material modification to the proposed terms of such Transfer.

- C. In the event that Tenant seeks to make any Transfer of the entirety of the Premises for substantially the remainder of the Lease Term, Landlord shall, prior to addressing the issue of whether or not it will consent to the proposed Transfer, have the right to terminate this Lease either (i) on the condition that the proposed transferee immediately enter into a direct lease of the Premises with Landlord on the same terms and conditions contained in Tenant's notice, or (ii) so that Landlord is thereafter free to lease the Premises to whomever it pleases on whatever terms are acceptable to Landlord. Under no circumstances shall Tenant be entitled to share in any proceeds of any such new lease, nor shall it be entitled to receive any amounts from Landlord as a result of any such termination. In the event Landlord elects to so terminate this Lease, then (i) if such termination is conditioned upon the execution of a lease between Landlord and the proposed transferee, Tenant's obligations under this Lease shall not be terminated until such transferee executes a new lease with Landlord, enters into possession and commences the payment of rent, and (ii) if Landlord elects simply to terminate this Lease, the Lease shall so terminate in its entirety on the date specified in Tenant's notice. Upon such termination, Tenant shall be released from any further obligation under this Lease.
- D. If Landlord consents to a Transfer proposed by Tenant, Tenant may enter into such Transfer, and if Tenant does so, the following shall apply:
- (1) Tenant shall not be released of its liability for the performance of all of its obligations under the Lease.
- (2) If Tenant assigns its interest in this Lease, then Tenant shall pay to Landlord 50% of all Subrent (as defined in ¶14.1D (5)) received by Tenant over and above (i) the assignee's agreement to assume the obligations of Tenant under this Lease, and (ii) all Permitted Transfer Costs related to such assignment. In the case of assignment, the amount of Subrent owed to Landlord shall be paid to Landlord on the same basis, whether periodic or in lump sum, that such Subrent is paid to Tenant by the assignee.
- (3) If Tenant sublets any part of the Premises, then with respect to the space so subleased, Tenant shall pay to Landlord 50% of the positive difference, if any, between (i) all Subrent paid by the subtenant to Tenant, less (ii) the sum of (x) all Base Monthly Rent and Additional Rent allocable to the space sublet and (y) all Permitted Transfer Costs related to such sublease amortized on a straight line basis over the applicable sublease term. Such amount shall be paid to Landlord on the same basis, whether periodic or in lump sum, that such Subrent is paid to Tenant by its subtenant.
- (4) Tenant's obligations under this ¶14.1D shall survive any Transfer, and Tenant's failure to perform its obligations hereunder shall be an Event of Tenant's Default. At the time Tenant makes any payment to Landlord required by this ¶14.1D, Tenant shall deliver an itemized statement of the method by which the amount to which Landlord is entitled was calculated, certified by Tenant as true and correct. Landlord shall have the right at reasonable intervals to inspect Tenant's books and records relating to the payments due hereunder. Upon request therefor, Tenant shall deliver to Landlord copies of all bills, invoices or other documents upon which its calculations are based. Landlord may condition its approval of any Transfer upon obtaining a certification from both Tenant and the proposed transferee of all Subrent and other amounts that are to be paid to Tenant in connection with such Transfer.
- (5) As used in this ¶14.1D, the term "Subrent" shall mean any consideration of any kind received, or to be received, by Tenant as a result of or in connection with the Transfer, if such sums are related to Tenant's interest in this Lease or in the Premises (including, without limitation, a premium rental for a sublease or lump sum payment for an assignment and/or any money or other consideration paid or payable in consideration of or for any of Tenant's Alterations or Trade Fixtures, stock options or stock warrants, and payments from or on behalf of the transferee (in excess of the book value thereof) for Tenant's assets, fixtures, leasehold improvements, inventory, accounts, goodwill, equipment, furniture, and general intangibles). As used in this ¶14.1D, the term "Permitted Transfer Costs" shall mean (i) all reasonable leasing commissions paid to third parties not affiliated with Tenant in order to obtain the Transfer in question, and (ii) all reasonable attorneys' fees incurred by Tenant with respect to the Transfer in question.
- E. If Tenant is a corporation, the following shall be deemed a voluntary assignment of Tenant's interest in this Lease: (i) any dissolution, merger, consolidation, or other reorganization of or affecting Tenant, whether or not Tenant is the surviving corporation; and (ii) if the capital stock of Tenant is not publicly traded, the sale or transfer to one person or entity (or to any group of related persons or entities) of stock possessing more than 50% of the total combined voting power of all classes of Tenant's capital stock issued, outstanding and entitled to vote for the election of directors. If Tenant is a partnership, any withdrawal or substitution (whether voluntary, involuntary or by operation of law, and whether occurring at one time or over a period of time) of any partner owning 25% or more (cumulatively) of any interest in the capital or profits of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment of Tenant's interest in this Lease.

- F. Notwithstanding anything contained in ¶14.1, so long as Tenant otherwise complies with the provisions of ¶14.1 Tenant may enter into any of the following transfers (a "Permitted Transfer") without Landlord's prior written consent, and Landlord shall not be entitled to terminate the Lease pursuant to ¶14.1C or to receive any part of any Subrent resulting therefrom that would otherwise be due it pursuant to ¶14.1D:
- (1) Tenant may sublease all or part of the Premises or assign its interest in this Lease to any corporation which controls, is controlled by, or is under common control with the original Tenant to this Lease by means of an ownership interest of more than 50%;
- (2) Tenant may assign its interest in the Lease to a corporation which results from a merger, consolidation or other reorganization in which Tenant is not the surviving corporation, so long as the surviving corporation has a net worth at the time of such assignment that is equal to or greater than the net worth of Tenant immediately prior to such transaction or at the Commencement Date of the Lease, whichever is greater; and
- (3) Tenant may assign this Lease to a corporation which purchases or otherwise acquires all or substantially all of the assets of Tenant, so long as such acquiring corporation has a net worth at the time of such assignment that is equal to or greater than the net worth of Tenant immediately prior to such transaction or at the Commencement Date of the Lease, whichever is greater.
- G. Tenant hereby irrevocably gives to and confers upon Landlord, as security for Tenant's obligations under this Lease, the right, power and authority to collect all rents (including, without limitation, additional rent) from any assignee or subtenant of all or any part of the Premises as permitted by this ¶14.1, or otherwise, and Landlord, as assignee of Tenant, or a receiver for Tenant appointed on Landlord's application, may collect such rent (including, without limitation, additional rent) and apply it toward Tenant's obligations under this Lease; provided, however, that until the occurrence of any Event of Tenant's Default or except as otherwise provided by the provisions of ¶14.1D(2) or ¶14.1D(3) above, Tenant shall have the right to collect such rent and additional rent. Upon the occurrence of any Event of Tenant's Default, Landlord may at any time without notice in Landlord's name sue for or otherwise collect such rent (including, without limitation, additional rent), and rent past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, toward Tenant's obligations under this Lease. Landlord's collection of such rents shall not constitute an acceptance by Landlord of attornment by such subtenants; in the event of an Event of Tenant's Default, Landlord shall have all rights provided by this Lease and by law, and Landlord may, upon re-entry and taking possession of the Premises, eject all parties in possession or eject some and not others, or eject none, as Landlord shall determine in its sole discretion.

14.2 <u>Transfer By Landlord</u>:

Landlord and its successors in interest shall have the right to transfer their interest in this Lease and the Project at any time and to any person or entity. In the event of any such transfer, the Security Deposit shall be transferred to the new owner or landlord, the Landlord originally named herein (and, in the case of any subsequent transfer, the transferor) from the date of such transfer, shall be automatically relieved, without any further act by any person or entity, of all liability for the performance of the obligations of the Landlord hereunder which may accrue after the date of such transfer. After the date of any such transfer, the term "Landlord" as used herein shall mean the transferee of such interest in the Premises.

ARTICLE 15

GENERAL PROVISIONS

15.1 <u>Landlord's Right to Enter</u>:

Landlord and its agents may enter the Premises at any reasonable time after giving at least twenty-four (24) hours' prior notice to Tenant (and immediately, without prior notice, in the case of emergency) for the purpose of: (i) inspecting the same; (ii) posting notices of non-responsibility; (iii) supplying any service to be provided by Landlord to Tenant; (iv) showing the Premises to prospective purchasers, mortgagees or tenants; (v) making necessary alterations, additions or repairs; (vi) performing Tenant's obligations when Tenant has failed to do so after written notice from Landlord; (vii) placing upon the Premises ordinary "for lease" signs or "for sale" signs in the last six (6) months of the Lease Term; and (viii) responding to an emergency. Landlord shall have the right to use any and all means Landlord may deem necessary and proper to enter the Premises in an emergency. Any entry into the Premises obtained by Landlord in accordance with this ¶15.1 shall not be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction, actual or constructive, of Tenant from the Premises. Tenant hereby waives any claims for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby.

15.2 <u>Surrender of the Premises</u>:

Upon the expiration or sooner termination of this Lease, Tenant shall vacate and surrender the Premises to Landlord in the same condition as existed at the Commencement Date, as improved by Landlord, except for (i) reasonable wear and tear, (ii) damage caused by any peril or condemnation, (iii) contamination by Hazardous Materials for which Tenant is not responsible pursuant to ¶7.2A or ¶7.2B, and (iv) Landlord's repair and maintenance obligations. In this regard, normal wear and tear shall be construed to mean wear and tear caused to the Premises by the natural aging process, which occurs in spite of prudent application of the best standards for

maintenance, repair and janitorial practices. If Landlord so requests, Tenant shall, prior to the expiration or sooner termination of this Lease, (i) remove any Tenant's Alterations, which Tenant is required to remove pursuant to ¶5.2 and repair all damage caused by such removal, and (ii) return the Premises or any part thereof to its original configuration existing as of the time the Premises were delivered to Tenant. Tenant also shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, all furniture, Trade Fixtures, moveable partitioning and other articles of personal property owned by Tenant or installed or placed by Tenant at its own expense in the Premises, and all similar articles of any other persons claiming under Tenant unless Landlord exercises its option to have any subleases or subtenancies assigned to it, and Tenant shall repair all damage to the Premises resulting from the installation and removal of such items to be removed and restore such areas to the condition that existed prior to the installation thereof in accordance with all applicable Laws in effect as of the date of such repair and restoration. If the Premises are not so surrendered at the termination of this Lease, Tenant shall be liable to Landlord for all costs incurred by Landlord in returning the Premises to the required condition, plus interest on all costs incurred at the Agreed Interest Rate.

Whenever Landlord shall reenter the Premises as provided in ¶15.1 above, or as otherwise provided in this Lease, any property of Tenant not removed by Tenant upon the expiration of the Lease Term (or within forty-eight (48) hours after a termination by reason of Tenant's default), as provided in this Lease, shall be considered abandoned and Landlord may remove any or all of such items and dispose of the same in any manner or store the same in a public warehouse or elsewhere for the account and at the expense and risk of Tenant, and if Tenant shall fail to pay the cost of storing any such property after it has been stored for a period of ninety (90) days or more, Landlord may sell any or all of such property at public or private sale, in such manner and at such times and places as Landlord, in its sole discretion, may deem proper, without notice or to demand upon Tenant, for the payment of all or any part of such charges or the removal of any such property, and shall apply the proceeds of such sale: first, to the cost and expense of such sale, including reasonable attorneys' fees for services rendered; second, to the payment of the cost of or charges for storing any such property; third, to the payment of any other sums of money which may then or thereafter be due to Landlord from Tenant under any of the terms hereof; and fourth, the balance, if any, to Tenant.

15.3 <u>Holding Over:</u>

This Lease shall terminate without further notice at the expiration of the Lease Term. Any holding over by Tenant after expiration of the Lease Term shall not constitute a renewal or extension of the Lease or give Tenant any rights in or to the Premises except as expressly provided in this Lease. Any holding over after such expiration with the written consent of Landlord shall be construed to be a tenancy from month to month on the same terms and conditions herein specified insofar as applicable except that Base Monthly Rent shall be increased to an amount equal to one hundred and fifty percent (150%) of the Base Monthly Rent payable during the last full calendar month of the Lease Term. If Tenant holds over after termination of this Lease without the express written consent of Landlord, Tenant shall become a tenant at sufferance only. Acceptance by Landlord of rent after such termination shall not constitute a hold over hereunder or result in a renewal. If Tenant fails to surrender the Premises upon the expiration or termination of this Lease, Tenant shall indemnify, defend and hold Landlord harmless from all costs, losses, expenses or liabilities, including without limitation, costs and attorney fees. The obligations of Tenant under this ¶15.3 shall survive the expiration or earlier termination of this Lease.

15.4 Subordination:

The following provisions shall govern the relationship of this Lease to any Security Instrument:

This Lease is subject and subordinate to all Security Instruments existing as of the Effective Date. However, if any Lender so requires, this Lease shall become prior and superior to any such Security Instrument. Within thirty (30) days from the Effective Date, Landlord shall provide Tenant with a commercially reasonable non-disturbance agreement from the Lender under any Security Instrument, which is a lien against the Project as of the Effective Date. Tenant will agree to subordinate the Lease to any Security Instruments executed during the Lease Term if the Lender will provide Tenant with a commercially reasonable non-disturbance agreement.

15.5 <u>Mortgagee Protection and Attornment</u>:

In the event of any default on the part of the Landlord, Tenant will use reasonable efforts to give notice by registered mail to any Lender whose name has been provided to Tenant and shall offer such Lender a reasonable opportunity to cure the default, including time to obtain possession of the Premises by power of sale or judicial foreclosure or other appropriate legal proceedings, if such should prove necessary to effect a cure. Tenant shall attorn to any purchaser of the Premises at any foreclosure sale or private sale conducted pursuant to any Security Instrument encumbering the Premises, or to any grantee or transferee designated in any deed given in lieu of foreclosure.

15.6 <u>Estoppel Certificates and Financial Statements</u>:

At all times during the Lease Term, each party agrees, following any request by the other party, promptly to execute and deliver to the requesting party within fifteen (15) days following delivery of such request an estoppel certificate: (i) certifying that this Lease is unmodified and in full force and effect or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect, (ii) stating the date to which the rent and other charges are paid in advance, if any, (iii) acknowledging that there are not, to the certifying party's knowledge, any uncured defaults on the part of any party hereunder or, if there are uncured defaults, specifying the nature of such defaults, and (iv) certifying such other information about the Lease as may be reasonably required by the requesting party. A failure to deliver an estoppel certificate within fifteen (15) days after

delivery of a request therefor shall be a conclusive admission that, as of the date of the request for such statement: (i) this Lease is unmodified except as may be represented by the requesting party in said request and is in full force and effect, (ii) there are no uncured defaults in the requesting party's performance, and (iii) no rent has been paid more than thirty (30) days in advance. If required in connection with a prospective sale of the Project or the refinancing of any loan secured by the Project, Tenant shall, within fifteen (15) days after Landlord's written request, provide Landlord with Tenant's most recent financial statement and financial statements covering the 24-month period prior to the date of such most recent financial statement, if available. Such financial statements shall be prepared in accordance with generally accepted accounting principles and certified by an officer of Tenant.

15.7 Reasonable Consent:

Except where a different standard for approval or consent is expressly set forth in this Lease, whenever any party's approval or consent is required by this Lease before an action may be taken by the other party, such approval or consent shall not be unreasonably withheld or delayed.

15.8 <u>Notices</u>:

Any notice required or desired to be given regarding this Lease shall be in writing and may be given by personal delivery, by facsimile telecopy, by courier service, or by mail. A notice shall be deemed to have been given (i) on the third business day after mailing if such notice was deposited in the United States mail, certified or registered, postage prepaid, addressed to the party to be served at its Address for Notices specified in Section R or Section S of the Summary (as applicable), (ii) when delivered if given by personal delivery, and (iii) in all other cases when actually received at the party's Address for Notices. Either party may change its address by giving notice of the same in accordance with this \$15.8, provided, however, that any address to which notices may be sent must be a California address.

15.9 <u>Attorneys' Fees</u>:

In the event either Landlord or Tenant shall bring any action or legal proceeding for an alleged breach of any provision of this Lease, to recover rent, to terminate this Lease or otherwise to enforce, protect or establish any term or covenant of this Lease, the prevailing party shall be entitled to recover as a part of such action or proceeding, or in a separate action brought for that purpose, reasonable attorneys' fees, court costs, and experts' fees as may be fixed by the court.

15.10 Corporate Authority:

If Tenant is a corporation (or partnership), each individual executing this Lease on behalf of Tenant represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of such corporation in accordance with the by-laws of such corporation (or partnership in accordance with the partnership agreement of such partnership) and that this Lease is binding upon such corporation (or partnership) in accordance with its terms. Each of the persons executing this Lease on behalf of a corporation does hereby covenant and warrant that the party for whom it is executing this Lease is a duly authorized and existing corporation, that it is qualified to do business in California, and that the corporation has full right and authority to enter into this Lease.

15.11 <u>Miscellaneous</u>

Should any provision of this Lease prove to be invalid or illegal, such invalidity or illegality shall in no way affect, impair or invalidate any other provision hereof, and such remaining provisions shall remain in full force and effect. Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor. The captions used in this Lease are for convenience only and shall not be considered in the construction or interpretation of any provision hereof. Any executed copy of this Lease shall be deemed an original for all purposes. This Lease shall, subject to the provisions regarding assignment, apply to and bind the respective heirs, successors, executors, administrators and assigns of Landlord and Tenant. "Party" shall mean Landlord or Tenant, as the context implies. If Tenant consists of more than one person or entity, then all members of Tenant shall be jointly and severally liable hereunder. This Lease shall be construed and enforced in accordance with the laws of the State of California. The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning, and not strictly for or against either Landlord or Tenant. When the context of this Lease requires, the neuter gender includes the masculine, the feminine, a partnership or corporation or joint venture, and the singular includes the plural. The terms "shall", "will" and "agree" are mandatory. The term "may" is permissive. When a party is required to do something by this Lease, it shall do so at its sole cost and expense without right of reimbursement from the other party unless a provision of this Lease expressly requires reimbursement. Landlord and Tenant agree that (i) the gross leasable area of the Premises includes any atriums, depressed loading docks, covered entrances or egresses, and covered loading areas, (ii) each has had an opportunity to determine to its satisfaction the actual area of the Project and the Premises, (iii) all measurements of area contained in this Lease are conclusively agreed to be correct and binding upon the parties, even if a subsequent measurement of any one of these areas determines that it is more or less than the amount of area reflected in this Lease, determination that the area is more or less than shown in this Lease shall not result in a change in any of the computations of rent, improvement allowances, or other matters described in this Lease where area is a factor. Where a party hereto is obligated not to perform any act, such party is also obligated to restrain any others within its control from performing said act, including the Agents of such party. Landlord shall not become or be deemed a partner or a joint venturer with Tenant by reason of the provisions of this Lease.

15.12 <u>Termination by Exercise of Right</u>:

If this Lease is terminated pursuant to its terms by the proper exercise of a right to terminate specifically granted to Landlord or Tenant by this Lease, then this Lease shall terminate thirty (30) days after the date the right to

terminate is properly exercised (unless another date is specified in that part of the Lease creating the right, in which event the date so specified for termination shall prevail, or agreed to by the Parties), the rent and all other charges due hereunder shall be prorated as of the date of termination, the Security Deposit returned in accordance with ¶3.5, and neither Landlord nor Tenant shall have any further rights or obligations under this Lease except for those that have accrued prior to the date of termination or those obligations which this Lease specifically provides are to survive termination. This ¶15.12 does not apply to a termination of this Lease by Landlord as a result of an Event of Tenant's Default.

15.13 <u>Brokerage Commissions</u>:

Each party hereto (i) represents and warrants to the other that it has not had any dealings with any real estate brokers, leasing agents or salesmen, or incurred any obligations for the payment of real estate brokerage commissions or finder's fees which would be earned or due and payable by reason of the execution of this Lease, other than to the Retained Real Estate Brokers described in Section T of the Summary, and (ii) agrees to save, protect, indemnify, defend, and hold harmless the other party from any claim for any such commission or fees which result from the actions of the indemnifying party. Landlord shall be responsible for the payment of any commission owed to the Retained Real Estate Brokers pursuant to a separate written commission agreement between Landlord and the Retained Real Estate Brokers for the payment of a commission as a result of the execution of this Lease.

15.14 <u>Force Majeure</u>:

Any prevention, delay or stoppage due to strikes, lock-outs, inclement weather, labor disputes, inability to obtain labor, materials, fuels or reasonable substitutes therefor, governmental restrictions, regulations, controls, action or inaction, civil commotion, fire or other acts of God, and other causes beyond the reasonable control of the party obligated to perform (except financial inability) shall excuse the performance, for a period equal to the period of any said prevention, delay or stoppage, of any obligation hereunder except the obligation of Tenant to pay rent or any other sums due hereunder.

15.15 <u>Private Restrictions</u>:

Landlord reserves to itself the right, from time to time, to grant such Private Restrictions that Landlord deems necessary or desirable, and to cause the recordation of parcel, tentative and final maps and other Private Restrictions, so long as such Private Restrictions do not unreasonably interfere with the use of the Premises and the Common Areas by Tenant. Tenant shall sign any documents reasonably necessary or appropriate to effect or evidence any of such Private Restrictions upon request of Landlord, and failure to do so shall constitute a material breach of this Lease.

15.16 Entire Agreement:

This Lease constitutes the entire agreement between the parties, and there are no binding agreements or representations between the parties except as expressed herein. Tenant acknowledges that neither Landlord nor Landlord's Agents has made any legally binding representation or warranty as to any matter except those expressly set forth herein, including any warranty as to (i) whether the Premises may be used for Tenant's intended use under existing Law, (ii) the suitability of the Premises or the Project for the conduct of Tenant's business, or (iii) the condition of any improvements. There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between Landlord and Tenant or displayed by Landlord to Tenant with respect to the subject matter of this Lease. This instrument shall not be legally binding until it is executed by both Landlord and Tenant. No subsequent change or addition to this Lease shall be binding unless in writing and signed by Landlord and Tenant.

15.17 Omitted.

15.18 Recording:

Tenant shall not record this Lease or a short form memorandum thereof without the written consent of Landlord, which may be given or withheld in Landlord's sole discretion.

15.19 Reserved Area:

Tenant hereby acknowledges and agrees that the exterior walls of the Premises and the area between the finished ceiling of the Premises and the slab of the floor of the Building there above have not been demised hereby and the use thereof together with the right to install, maintain, use, repair and replace pipes, ducts, conduits and wires leading through, under or above the Premises in locations which will not materially interfere with Tenant's use of the Premises and serving other parts of the Project are hereby excepted and reserved unto Landlord (so long as such installation, maintenance, use, repair and replacement does not materially interfere with Tenant's use of the Premises).

15.20 No Option:

The submission of this Lease by Landlord, its agent or representative for examination or execution by Tenant does not constitute an option or offer to lease the Premises upon the terms and conditions contained herein or a reservation of the Premises in favor of Tenant, it being intended hereby that this lease shall only become effective upon the execution hereof by Landlord and delivery of a fully executed counterpart hereof to Tenant.

15.21 <u>Successors and Assigns</u>:

Subject to the provisions of Article 14 hereof, all of the covenants, conditions and provisions of this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

15.22 Right of Landlord to Perform:

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of rent (unless otherwise expressly provided in this Lease). If Tenant shall fail to pay any sum of money, other than rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue beyond any applicable period of notice set forth in this Lease, Landlord may, but shall not be obligated so to do, and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such other act on Tenant's part to be made or performed as is in this Lease provided. All sums so paid by Landlord and all reasonable incidental costs, together with interest thereon at the Agreed Interest Rate from the date of such payment by Landlord, shall be payable to Landlord on demand and Tenant covenants to pay any such sums, and Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the nonpayment thereof by Tenant as in the case of default by Tenant in the payment of the rent.

15.23 <u>Access, Changes in Project, Facilities, Name</u>:

- A. Every part of the Project except the inside surfaces of all walls, windows and doors bounding the Premises (including exterior building walls, core corridor walls and doors and any core corridor entrance), and any space in or adjacent to the Premises used for shafts, stacks, pipes, conduits, fan rooms, ducts, electric or other utilities, sinks or other building facilities, and the use thereof, as well as access thereto through the Premises for the purposes of operation, maintenance, decoration and repair, are reserved to Landlord.
- B. Tenant shall permit Landlord to install, use and maintain pipes, ducts and conduits within the walls, bearing columns and ceilings of the Premises, provided the same does not unreasonably and materially interfere with Tenant's use of or access to the Premises.
- C. Landlord reserves the right, without incurring any liability to Tenant therefor (provided the same does not unreasonably and materially interfere with Tenant's use of or access to the Premises), to make such changes in or to the Building and the fixtures and equipment thereof, as well as in or to the street entrances, halls, passages, elevators, stairways and other improvements thereof, as it may deemed necessary or desirable.
- D. Landlord may adopt any name for the Project and Landlord reserves the right to change the name or address of the Building at any time.

15.24 <u>Waiver of Jury Trial</u>:

LANDLORD AND TENANT HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LEASE OR ANY DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF EITHER PARTIES ARISING OUT OF OR RELATED IN ANY MANNER WITH THE PREMISES (INCLUDING WITHOUT LIMITATION, ANY ACTION TO RESCIND OR CANCEL THIS LEASE OR ANY CLAIMS OR DEFENSES ASSERTING THAT THIS LEASE WAS FRAUDULENTLY INDUCED OR OTHERWISE VOIDABLE). THIS WAIVER IS A MATERIAL INDUCEMENT FOR LANDLORD TO ENTER INTO AND TO ACCEPT THIS LEASE.

15.25 Quiet Enjoyment:

Landlord agrees with Tenant that upon Tenant paying all Base Monthly Rent and Additional Rent and performing and complying with its covenants, conditions and agreements under this Lease, Tenant shall and may quietly have, hold and enjoy the Premises for the Lease Term, subject, however, to the terms of this Lease (and the Exhibits attached hereto) and of any ground or underlying leases, mortgages, deeds of trust affecting the Premises, and the rights reserved by Landlord under this Lease (and the Exhibits attached hereto).

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease with the intent to be legally bound thereby, to be effective as of the Effective Date.

	DLORD: ESIDE OFFICES, LLC	TENANT STANDA	= '
a limi By:	ted liability corporation company	By:	
2).	Charles Yoneda	23	Harsha Pamulaparthi
By:	Robert S Yoneda	Title:	Chief Executive Officer
Бу:	Robert Yoneda	Date: D	ec 24, 2018
Date:	Dec 24, 2018		

EXHIBIT A SITE PLAN

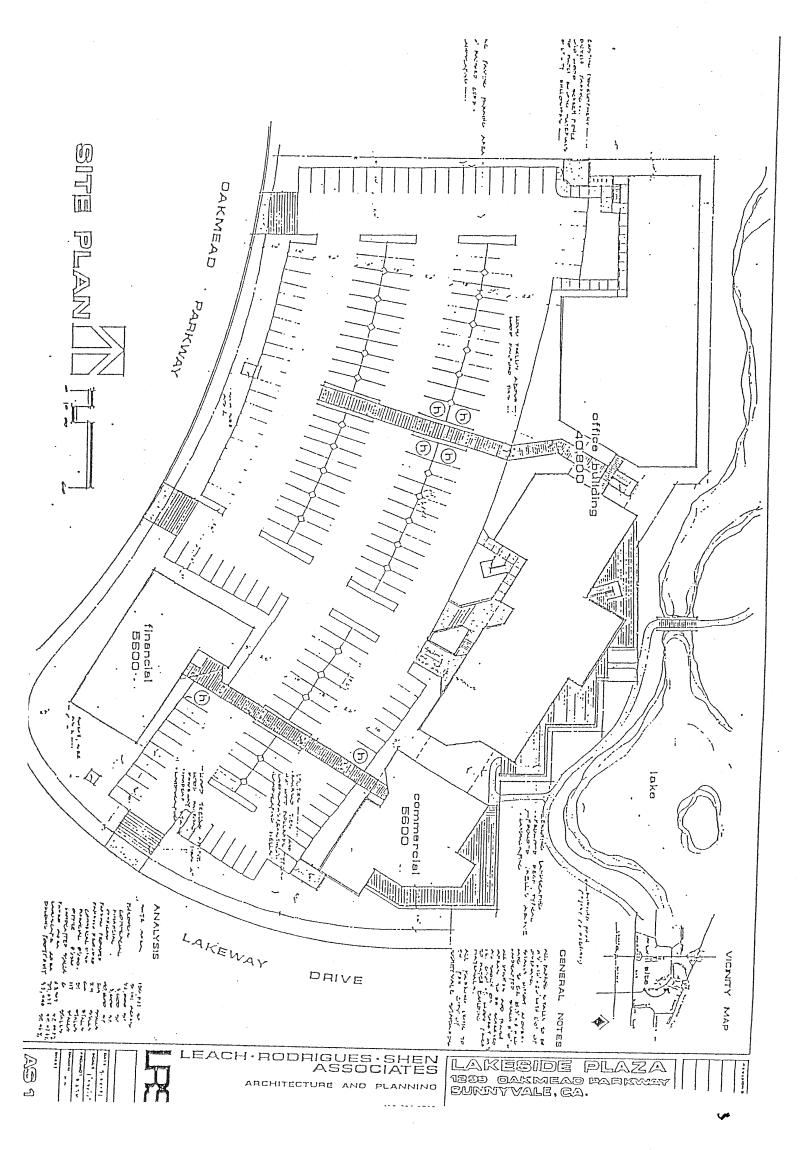


Exhibit "A-1"

Space Plan

(To Be Attached)

oy RSV

EXHIBIT C

COMMENCEMENT DATE MEMORANDUM

(To Be Completed when Commencement Date is established)

LANDLORD:		
TENANT:		
LEASE DATE:		
DATE OF MEMORANDUM		
PREMISES:		
	Pursuant to Paragraph 3.2of the above referenced	Lease
TENANT:		
By:		
Its		
Date:		
LANDLORD:		
Ву:		
Title:		
Date:		
Ву:		
Title:		
Date:		$\sigma_{\!$
		Y <i>RSY</i> Landlord:
		Tenant: 🕡

Exhibit "B"

Scope of Tenant Improvements



JML - 18 - 046

ROM Budget

Proposal

November 2, 2018

Clark Steele Associate Cushman & Wakefield 300 Santana Row, Fifth Floor San Jose, CA 95128

> Market Ready - Budget 02R3 1285 Oakmead Parkway Sunnyvale, CA

Dear Clark Steele

Pacific Ridge Builders is pleased to submit our Proposal for the modifications and improvements at 1285 Oakmead Parkway.

We have based the scope of work and cost described below from:

Job Walk and Exhibit A; "PRB 09/25/2018"

We expect this project to take 6 weeks and have allotted 40 hours of onsite supervision per week.

Scope of Work:

General Requirements

Provide adequate protection around area of work for finishes to remain.

Provide protection in the path of travel out of the building.

Protect the existing hardwood flooring in the space to remain.

Provide dumpsters for all demolition and material scraping as required from scope of work; recycle where possible.

Final Cleaning

Provide a general cleaning of the existing space.

Vacuum all carpet areas, mop all flooring, dust blinds, etc.

Provide a general cleaning through the path of travel of construction.

Clean the existing ceramic tile flooring and walls in restrooms.

Clean existing HVAC grilles only.

EXCLUDED: Excludes replacement or painting of grilles.

EXCLUDED: Price does NOT include wax or sealers.

Demolition

Demo and remove walls and door assemblies as noted on the plans.

Demo and remove built in casework at the entry area; noted on the plans.

Demo and remove carpet flooring in the middle of the space once walls are removed.

Leave existing carpet in all offices alone and as is.

Demo and remove all acoustical ceiling and hard lid ceiling in the open areas; shown on the plans.

Remove all lighting as noted on the plans in the open area; shown on the plans.

Demo wall tile in (2) restrooms only.

Demo and remove fabric wall panels in the one Conf. room.

Provide misc. labor to removed items that are discovered above the ceiling and in walls; assumes minimal work.

Carpentry

Provide carpentry work and supports as needed after demolition and new construction.

Architectural Casework

Provide upper/lower cabinets with countertop and backsplash in the Break room.

Provide floating shelving in the break room above the millwork.

Cabinets to be plastic laminate to be from standard stocking materials.

Provide Quartz countertop in the Break room due to the new sink. Hardware to be standard material with standard pulls. Furnish and install new laminate countertops in restrooms.

EXCLUDED: light rail under the upper cabinets.

Doors/Frames/Hardware

Provide an allowance to fix/repair the existing sliding doors facing the deck.

Does NOT include replacing the sliding doors.

Ordering to proceed after submittals are approved by responsible party.

** Accordion Door

Provide a new accordion folding door in the Conf. room as noted

Assumes \$5,000 for the door and \$2,500 for any supports above the ceiling as needed.

Glazing

Provide three [3] areas of new windows in Conf. rooms as noted; to be installed above wainscot; 4' AFF. Install new glass vision-lites in six [6] existing doors.

Frames to match the existing as close as possible.

Ordering to proceed after frames are installed and field measurement are taken.

Metal Stud Framing

Patch the existing walls and ceilings/soffits after demolition.

Frames for new window openings in 3x locations.

Install new drywall on restroom walls after tile is removed.

Leave the soffit and headers in the middle of the space; retain and resupport as needed.

Leave the existing office walls as is; no work has been accounted for at the office walls to the open area.

Float conference room walls after fabric removal. Walls to be level 5 finish. Client to paint with Idea Paint.

No new walls have been figured; only patch work.

Provide all wall finish to match the existing, textured walls.

Acoustical Ceiling

Remove and stack the existing ceiling tiles throughout the area of work as needed.

Provide new grid and tile in the Open ceiling area as noted on the plans.

To be lay-in ceiling tile with 15/16" grid.

Provide wall angle for new full height and above grid walls as noted.

Provide safety wires for relocated lighting and other registers.

Provide seismic compression posts as required per code; NEW grid only.

All other acoustical ceilings are to remain as is.

Flooring

Provide new carpet flooring in the Open office area as noted and all perimeter offices as noted. Flooring to be \$10/sf material cost.

Provide new VCT flooring in the Break room; color tbd.

Provide transition strips at flooring material changes as noted

Existing hardwood flooring to remain and be protected during construction.

Includes hardwood flooring Infill where walls are to be removed and misc. wood floor patching. Includes hardwood floor re-staining. Color TBD.

Tile

EXCLUDED: NIC

Painting

Mask and protect the existing finishes as required for the new paint.

Paint areas of improvement only.

Assume one [1] general color to match the existing as close as possible.

Provide necessary coats as needed for new and existing walls.

Includes 12K allowance to paint existing restroom tile in three restrooms.

EXCLUDED: Idea Paint NIC

EXCLUDED: No deep tone colors have been figured.

Specialties

Provide all necessary code compliant signage as needed for fire/building final inspections.

Provide fire extinguishers to match the existing as required by code.

Remove, salvage and reinstall restrooms partitions. Excludes painting the partitions.

Rectrooms Scope of Work, 2x

Demo and remove ceramic tile to 4! AFF and sheetrock removed areas.

Clean the existing ceramic tile flooring and walls.

Domo and ropiaco plumbing features, countertop and sinks from both restrooms.

Remove and salvage toilet partitions for reinstallation.

Domo and romove the cabinets

All material and manufacturer to be as noted on the plans.

Appliances

Provide one [1] new dishwasher; standard ADA height. EXCLUDED: no other appliances have been figured at this time.

Window Coverings

See alternates; NIC.

Fire/Life and Safety

NIC; No scope of work figured.

Fire Protection

Add, relocate, and modify the existing sprinkler heads as needed for the new layout.

Provide upright sprinklers for all full height walls as required per code.

EXCLUDED: Seismic bracing upgrades to any existing branch or main lines.

EXCLUDED: Design build drawings, engineering and permit.

Plumbing

Provide one [1] new sink and faucet in the Break room.

Cost assumes we will need to core into the slab to find a sewer line and connections.

Scan the existing slab area due to the parking structure below.

Provide water connections to the new dishwasher.

Repair plumbing leaks and rusted piping in the janiter's closes

Remove (1) Janitors sinks and cap plumbing.

Replace existing restrooms toilets and sinks with new.

EXCLUDED: Design build drawings, engineering and permit.

HVAC

Cut and drop the existing duct as needed for the new layout, drop duct for demolition crew to dispose of.

Add, relocate, and modify the existing duct work and registers as needed for the new layout.

Reuse existing material where applicable; provide new if required.

Provide and/or relocate supply and return registers for the layout.

Relocate existing thermostats as needed for the new layout.

Clean registers in the space where possible.

EXCLUDED: Design build drawings, engineering and permit.

Electrical

Safe-off all electrical as needed for demolition.

Provide power poles for new owner furnished cubicles; 5x dedicated circuits.

Provide four [4] outlets in the in the break room as shown. One of the four outlets is dedicated.

Allowance to finish and install (12) new 2x2 light fixtures in the new open ceiling grid.

Provide two [2] floor cores in the Conf. rooms as noted; assumes 6" core with scanning slat

Provide nine [9] new light fixtures in the Conf. rooms as noted on the ceiling plan.

 $\textbf{\textit{EXCLUDED:}} \ \ \textit{New light lenses for existing fixtures and updating existing light fixtures.}$

EXCLUDED: Design build drawings, engineering and permit.

Security & Data Communication

Data to be completed by the owner - NIC; only cuts in boxes with ring/string.

Total Project Budget:

Two Hundred Sixteen Thousand, Four Hundred and Eighteen Dollars

- \$216,418.00

Pacific Ridge Builders is grateful for the opportunity to present this detailed scope and cost break down for your review. We are eager to work with you and your personnel to complete this project and to meet the desired and noted schedule, budget and quality expectations. If you have any questions or need additional information on this budget please do not hesitate to call. I can be reached on my cell phone at (408) 761-8949.

Sincerely,

Jacon Livingstone

Jason Livingstone
Vice President | Estimating
Pacific Ridge Builders
JasonL@PacificRidgeBuilders.com

(Approval Signature)	(Date)
(Print Name)	(Title)



November 2, 2018 Market Ready - Budget 02R3

			Total	5	,742	SF
01000 - General Requirements		\$	5,370	\$	0.94	/st
01742 - Final Cleaning		\$	4,658	\$	0.81	/st
02220 - Demolition		\$	16,140	\$	2.81	/st
06000 - Woods and Plastics		\$	17,765	\$	3.09	/st
Rough Carpentry / Wood Framing			\$6,505			
Architectural Woodwork			\$11,260			_
07000 - Thermal & Moisture Protection		\$	3,955	\$	0.69	/st
Thermal Protection / Insulation			\$2,500			
Roofing			\$1,455			
08000 - Doors and Windows		\$	10,575	\$	1.84	/5
Door, Frames, Hardware			\$1,700			
Glazing, Window Film			\$8,875			_
09000 - Finishes		\$	70,059	\$	12	/s
Metal Stud Framing & Drywall			\$26,080	\$	4.54	/s
Ceramic Tile			\$0	\$	-	/s
Acoustical Ceilings			\$8,763	\$	1.53	/5
Floor Coverings			\$30,869	\$	5.38	/s
Paint & Wall Covering			\$4,348	\$	0.76	/5
10000 - Specialties		\$	2,375	\$	0	/s
Interior & Exterior Signage			\$690			_
Fire Extinguishers			\$125			
Restroom Scope: Plumbing, Ceramic Tile, Etc			\$1,360			_
11000 - Equipment		\$	1,500	\$	0	/5
Kitchen Appliances (Dishwasher, Fridge, Etc.)			\$1,500			_
12000 - Window Coverings		\$	-	\$	-	/s
13000 - Fire Systems		\$	4,910	\$	-	/s
Wet-Pipe Fire Suppression Sprinkler			\$4,910	\$	0.86	/s
15000 - Mechanical - HVAC & Plumbing		\$	25,390			_
Plumbing Fixtures & Equipment			\$17,250	\$	3.00	/5
Air Distribution, Testing & Air Balancing			\$8,140	\$	1.42	/s
16000 - Electrical		\$	19,575			
Electrical Power &/or Lighting			\$19,575	\$	3.41	/s
Data Communication			\$0	\$	-	/5
Subtotal Construction Cost	t	\$	182,272.10	\$	31.74	/s
01-307 Field Supervision		\$	17,760.00	\$	3.09	/s
18-750 General Liability Insurance	1.00%	\$	2,000.32	\$	0.35	/5
01-130 Building Permit (Allowance)	0.00%	\$	-	\$	-	/5
19-900 Contingency (Direct Costs Only)	0.00%	\$	-	\$	-	/5
20-110 Contractor Overhead	4.00%	\$	8,081.30	\$	1.41	
20-120 Contractor Fee	3.00%	Š	6,303.49	Ś	1.10	
Total Project Cost with GC/Fe		\$	216,418.00	\$	37.69	

Window Blinds ADD: \$ 6,720.00

Provide new window coverings along the perimeter of the office.

Assumes standard Levelour 1" blinds.



November 2, 2018

CLARIFICATIONS AND EXCLUSIONS

RE: Market Ready - Budget 02R3

Clarifications

- 1 Project is based on standard labor hours; demolition to be completed on off hours.
- 2 We have accounted for two [2] hours to obtain project Permit.
- 3 Invoicing: Projects less than \$50,000, invoicing will be net fourteen [14] days, no retention.
- 4 Reimbursable invoices, including permits, are to be net seven [7].
- 5 All change orders will be priced with same fee percentages as proposal and necessary OH. OH&P will not be credited back on deductive change orders.
- 6 Owner to provide a non-obstructed access to work areas during construction.
- 7 We assume that the building meets all ADA current code requirements.
- 8 Project area to be free and clear of owner equipment and furniture prior to start of work.
- 9 We assume there is adequate electrical circuits available to meet the project design, new panels are not figured.
- 10 We assume the existing HVAC system is adequate to meet the project design intent.
- 11 Price includes minimal floor preparations for new finishes unless otherwise noted.
- 12 If lead times affect the critical path of the schedule, project will be delayed to work concurrently schedule.
- 13 Any demolition is figured for G.C. and associated recycling costs to keep demolition budget down.
- 14 Proposal is valid for 30 calendar days only due to labor and material increases.

Exclusions

- Permit or plan check fees; to be a direct reimbursable expense.
- 2 Contingency.
- 3 Unknown or unforeseen conditions.
- 4 Furniture / cubicles / power poles.
- 5 Security or data communication.
- 6 Evacuation signage.
- 7 Hazardous testing and/or hazmat material testing or air clearances.
- 8 Special inspections and/or inspections.
- 9 Storm Water Pollution Protection Plan (SWPPP) or any containment.
- 10 Re-routing of utilities and/or electrical systems.
- Dismantling and/or removal of the existing equipment and/or furniture to perform the work.
 Seismic bracing unless noted in the base scope.
- 13 Draft stops, fire dampers, fire ratings, etc. not noted in the base price.
- 13 Draft stops, fire dampers, fire ratings, etc. not noted in the base price
- 14 Master keying or keying of any doors.
- 15 Any provisions including liquidated damages.
 - LD's will only be discussed with the intent of an early completion bonus.
- 16 X-raying or scanning of the existing slab.
- 17 Refrigerators, dishwashers, microwaves, and/or other appliances.
- 18 ADA corrections to the existing conditions.
- 19 Any 2016 Green Building Codes.
- 20 EV Charging Stations and any infrastructure for this scope of work.

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Exhibit "D"

Landlord Services

Subject to Article 7 of this Lease, the following Standards for Utilities and Services are in effect. Landlord reserves the right to adopt nondiscriminatory modifications and additions hereto:

As long as Tenant is not in default under any of the terms, covenants, conditions, provisions or agreements of this Lease, Landlord shall:

- (a) Ventilate the Premises and furnish air conditioning or heating for the comfortable occupancy of the Premises. The air conditioning system achieves maximum cooling when the window coverings are closed. Landlord shall not be responsible for room temperatures if Tenant does not keep all window coverings in the Premises closed whenever the system is in operation. Tenant agrees to cooperate fully at all times with Landlord and to abide by all regulations and requirements which Landlord may prescribe for the proper functioning and protection of said air conditioning system. Tenant agrees not to connect any apparatus, device, conduit or pipe to the Building chilled and hot water air conditioning supply lines. Tenant further agrees that neither Tenant nor its servants, employees, agents, visitors, licensees or contractors shall at any time enter mechanical installations or facilities of the Building or adjust, tamper with, touch or otherwise in any manner affect said installations or facilities.
 - (b) Water will be available for domestic lavatory purposes and if applicable, for kitchen purposes only.
- (c) Landlord reserves the right to stop service of the, plumbing, ventilation, air conditioning and electric systems, when necessary, by reason of accident or emergency or for repairs, alterations or improvements in the judgment of Landlord desirable or necessary to be made, until said repairs, alterations or improvements shall have been completed, and shall further have no responsibility or liability (nor shall there be any rent abatement) for failure to supply elevator facilities, plumbing, ventilating, air conditioning or electric service, when prevented from so doing by strike or accident or by any cause beyond Landlord's reasonable control or by laws, rules, orders, ordinances, directions, regulations or requirements of any federal, state, county or municipal authority or failure of gas, oil, or other suitable fuel supply or inability by exercise of reasonable diligence to obtain gas, oil or other suitable fuel. It is expressly understood and agreed that any agreements of this Lease or to perform any act or thing for the benefit of Tenant, shall not be deemed breached if Landlord is unable to furnish or perform the same by virtue of a strike or labor trouble or any other cause whatsoever beyond Landlord's control.

In the event of any conflict or inconsistency between the terms of the Lease and the terms of this Exhibit "E", the terms of the Lease shall control.

Electricity Janitorial Trash/Recycling Sewer

Exhibit "E"

Rules and Regulations

- 1. No sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside or inside of the Building without the prior written consent of Landlord. Landlord shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Tenant by a person chosen by Landlord.
- 2. If Landlord objects in writing to any curtains, blinds, shades, screens, hanging plants or other similar objects attached to or used in connection with any window or door of the Premises, Tenant shall immediately discontinue such use. No awning shall be permitted on any part of the Premises. Tenant shall not place anything against or near glass partitions, doors, or windows, which may appear unsightly from outside the Premises.
- 3. Tenant shall not obstruct any sidewalks, halls, passages, exits, entrances, elevators, escalators, or stairways of the Building. The halls, passages, exits, entrances, shopping malls, elevators, escalators and stairways are not open to the public. Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation and interest of the Building and its tenants; provided that nothing herein contained shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities. No tenant and no employee or invitee of any tenant shall go upon the roof of the Building.
- 4. The directory of the Building will be provided exclusively for the display of the name and location of tenants only, and Landlord reserves the right to exclude any other names therefrom.
- 5. All cleaning and janitorial services for the Building and the Premises shall be provided exclusively through Landlord, and except with the written consent of Landlord, no person or persons other than those approved by Landlord shall be permitted to enter the Building for cleaning the same. Tenant shall not cause any unnecessary labor by carelessness or indifference to the good order and cleanliness of the Premises. Landlord shall not in any way be responsible to any Tenant for any loss of property on the Premises, however occurring, or for any damage to any Tenant's property by the janitor or any other employee or any other person.
- 6. Landlord will furnish Tenant, at Tenant's cost (unless such cost is paid from any tenant improvement allowance, if applicable, available to Tenant by Landlord), with two keys to each door lock in the Premises. Landlord may make a reasonable charge for any additional keys. Tenant shall not make or have made additional keys, and Tenant shall not alter any lock, install a new additional lock, or bolt on any door of its Premises. Tenant, upon the termination of its tenancy, shall deliver to Landlord the keys of all doors, which have been furnished to Tenant, and in the event of loss of any keys so furnished, shall pay Landlord therefor.
- 7. If Tenant requires telegraphic, telephonic, burglar alarm or similar services, it shall first obtain, and comply with, Landlord's instructions in their installation.
- 8. Any freight elevator shall be available for use by all tenants in the Building, subject to such reasonable scheduling as Landlord in its discretion shall deem appropriate. No equipment, materials, furniture, packages, supplies, merchandise or other property will be received in the Building or carried in the elevators except between such hours and in such elevators as may be designated by Landlord.
- 9. Tenant shall not place a load upon any floor of the Premises, which exceeds the load per square foot, which such floor was designed to carry and which is allowed by law. Landlord shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects shall, if considered necessary by landlord, stand on such platforms as determined by Landlord to be necessary to properly distribute the weight. Business machines and mechanical equipment belonging to Tenant, which cause noise or vibration that may be transmitted to the structure of the Building or to any space therein to such a degree as to be objectionable to Landlord or to any tenants in the Building, shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. The persons employed to move such equipment in or out of the Building must be acceptable to Landlord. Landlord will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant. Tenant shall require all persons employed by Tenant to move equipment or other articles in or out of the Building or Premises (collectively, "movers") to, prior to commencing any moving, furnish Landlord with original certificates of insurance evidencing that such movers carry (i) workers compensation insurance in such amounts as may be required by law; (ii) commercial general liability insurance (including owned and non-owned automobile liability), on an occurrence basis, with limits of no less than \$2,000,000 per occurrence and no less than \$3,000,000 in the annual aggregate; and (iii) employers liability insurance with limits of at lease \$1,000,000. All such liability policies shall (i) name Landlord and its managing agent as additional insureds; (ii) be primary to and non-contributory with any insurance policies carried by Landlord or such managing agent; and (iii) contain contractual liability and cross-liability endorsements in favor of Landlord and such managing agent.
- 10. Tenant shall not use or keep in the Premises any kerosene, gasoline or other inflammable or combustible fluid or material other than those limited quantities necessary for the operation or maintenance of office equipment. Tenant shall not use or permit to be used in the Premises any foul or noxious gas or substance, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors or vibrations, nor shall Tenant bring into or keep in or about the Premises any birds or animals.

- 11. Tenant shall not use any method of heating or air-conditioning other than that supplied by Landlord.
- 12. Tenant shall not waste electricity, water or air-conditioning and agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and air-conditioning and to comply with any governmental energy-saving rules, laws or regulations of which Tenant has actual notice, and shall refrain from adjusting controls. Tenant shall keep corridor doors closed, and shall close window coverings at the end of each business day.
- 13. Landlord reserves the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building.
- 14. Landlord reserves the right to exclude from the Building between the hours of 6 P.M. and 7 A.M. the following day, or such other hours as may be established from time to time by Landlord, and on Sundays and legal holidays, any person unless that person is known to the person or employee in charge of the Building and has a pass or is properly identified. Tenant shall be responsible for all persons for whom it requests passes and shall be liable to Landlord for all acts of such persons. Landlord shall not be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. Landlord reserves the right to prevent access to the Building in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.
- 15. Tenant shall close and lock the doors of its Premises and entirely shut off all water faucets or other water apparatus, and electricity, gas or air outlets before tenant and its employees leave the Premises. Tenant shall be responsible for any damage or injuries sustained by other tenants or occupants of the Building or by Landlord for noncompliance with this rule.
- 16. Tenant shall not obtain for use on the Premises food, beverage, towel, car washing or detailing or other similar services, accept barbering, boot blacking or car washing, or detailing service upon the Premises, except at such hours and under such regulations as may be fixed by Landlord.
- 17. The toilet rooms, toilets, urinals, washbowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees or invitees, shall have caused it.
- 18. Tenant shall not sell, or permit the sale at retail, of newspapers, magazines, periodicals, theater tickets or any other goods or merchandise to the public in or on the Premises. Tenant shall not make any room-to-room solicitation of business or activity other than that specifically provided for in the Tenants Lease.
- 19. Tenant shall not install any radio or television antenna, loudspeaker or other device on the roof or exterior walls of the Building. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere.
- 20. Tenant shall not mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof. Landlord reserves the right to direct electricians as to where and how telephone and telegraph wires are to be introduced to the Premises. Tenant shall not cut or bore holes for wires. Tenant shall not affix any floor covering to the floor of the Premises in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.
- 21. Tenant shall not install, maintain or operate upon the Premises any vending machine without the written consent of Landlord.
- 22. Canvassing, soliciting and distribution of handbills or any other written material, and peddling in the Building are prohibited, and each tenant shall cooperate to prevent same.
- 23. Landlord reserves the right to exclude or expel from the Building any person who, in Landlord's judgment, is intoxicated or under the influence of liquor or drugs or who is in violation of any of the Rules and Regulations of the Building.
- 24. Tenant shall store all its trash and garbage within its Premises. Tenant shall not place in any trash box or receptacle any material, which cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage disposal shall be made in accordance with the directions issued from time to time by Landlord.
- 25. The Premises shall not be used for the storage of merchandise held for sale to the general public, or for lodging or for manufacturing of any kind, nor shall the Premises be used for any improper, immoral or objectionable purpose. No cooking shall be done or permitted by any tenant on the premises except that use by Tenant of Underwriters' Laboratory-approved equipment for brewing coffee, tea, hot chocolate, and similar beverages shall be permitted, provided that such equipment and use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules and regulations.
- 26. Tenant shall not use in any space or in the public halls of the Building any hand trucks except those equipped with rubber tires and side guards or such other material-handling equipment as Landlord may approve. Tenant shall not bring vehicles or bicycles of any kind into the Building.
- 27. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.
- Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any other governmental agency.
- 29. Tenant assumes any and all responsibility for protecting its Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premise closed.
- 30. The requirements of Tenant will be attended to only upon appropriate application to the office of the Building by an authorized individual: Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under specific instruction by Landlord.

- 31. Tenant shall not park its vehicles in any parking areas designated by the Landlord as areas for parking by visitors to the Building. Tenant shall not leave vehicles in the Building parking areas overnight nor park any vehicles in the Building parking areas other than automobiles, motorcycles, motor driven or non-motor driven bicycles or four wheeled trucks.
- 32. Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or any other tenant, but no such waiver by Landlord shall be construed as a continuous waiver of such Rules and Regulations in favor of Tenant or any other tenant, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Building.
- 33. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of premises in the Building.
- 34. Landlord reserves the right to make such other reasonable Rules and Regulations as, in its judgment, may from time to time be needed for safety and security, for care and cleanliness of the Building and for the preservation of good order therein. Tenant agrees to abide by all such Rules and Regulations hereinabove stated and for any additional rules and regulations, which are adopted.
- 35. Tenant shall be responsible for the observance of all foregoing rules by Tenant's employees, agents, clients, customers, invitees and guests.

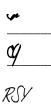


Exhibit "F"

Sign Criteria

SIGN CRITERIA

These criteria establish the uniform policies for all Tenant signage for leased space at Lakeside Office Plaza. These criteria have been established for the purpose of maintaining the overall appearance of the project. Conformance will be strictly enforced. Any sign installed which does not conform to the sign criteria will be brought into conformity at the expense of the Tenant.

General Specifications

- 1. Tenant shall be allowed two (2) signs on the building to the right of the Premises entrance, in the same size and configuration of all other tenants of the Project.
- 2. Said Sign shall be subject to Landlord's approval.
- 3. Costs of lettering and installation of all signage referred to above shall be borne solely by Tenant.
- 4. No electrical or audible signs will be allowed.
- 5. Except as provided herein, no company logos, advertising placards, banners, pennants, names, insignias, trademarks, or other descriptive material shall be affixed or maintained upon any automated machine, glass panes of the building, building exterior, landscaped areas, streets, or parking or other common areas of the project.
- 6. Sign criteria are subject to change as may be determined at Landlord's sole discretion.
- 7. Letter measurements, spacing and color are per the specifications on the existing sign.



STANDAV CORP LEASE AGREEMENT

Adobe Sign Document History

12/24/2018

Created: 12/22/2018

By: Phyllis Osaki (posaki@gsmanagement.com)

Status: Signed

Transaction ID: CBJCHBCAABAA0mB0qtv2q8yENnDrU1ITLkOI7ssSHJWA

"STANDAV CORP LEASE AGREEMENT" History

- Document created by Phyllis Osaki (posaki@gsmanagement.com)
 12/22/2018 5:25:41 PM PST- IP address: 66.220.18.134
- Document emailed to Harsha pamulaparthi (harsha@standav.com) for signature 12/22/2018 5:33:58 PM PST
- Document viewed by Harsha pamulaparthi (harsha@standav.com)
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- Document e-signed by Harsha pamulaparthi (harsha@standav.com)

 Signature Date: 12/24/2018 11:27:15 AM PST Time Source: server- IP address: 174.222.128.13
- Document emailed to Charles Yoneda (yoneda@slac.stanford.edu) for signature 12/24/2018 11:27:16 AM PST
- Document viewed by Charles Yoneda (yoneda@slac.stanford.edu)
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- Document e-signed by Charles Yoneda (yoneda@slac.stanford.edu)

 Signature Date: 12/24/2018 12:27:33 PM PST Time Source: server- IP address: 75.32.233.108
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Document e-signed by Robert S Yoneda (ryoneda@comcast.net)

Signature Date: 12/24/2018 - 12:35:19 PM PST - Time Source: server- IP address: 73.70.19.105

Signed document emailed to Phyllis Osaki (posaki@gsmanagement.com), nancy brandt (nancy.brandt@berliner.com), Harsha pamulaparthi (harsha@standav.com), sludwick@situslaw.com, and 7 more

12/24/2018 - 12:35:19 PM PST