



STANDARD MULTI-TENANT OFFICE LEASE - GROSS

1. Basic Provisions ("Basic Provisions").

1.1 **Parties.** This Lease ("**Lease**"), dated for reference purposes only _____, 2020, is made by and between 751 DAILY, L.P., a Delaware limited partnership ("**Lessor**") and VENTURA COUNTY TRANSPORTATION COMMISSION ("**Lessee**"), (collectively the "**Parties**", or individually a "**Party**").

1.2(a) **Premises:** That certain Portion of the Project (as defined below), commonly known as (street address, suite, city, state): 751 E. Daily Drive, Suite 410, Camarillo, California ("**Premises**"). The Premises are located in the County of Ventura, and consist of approximately 6,514 rentable square feet and approximately 5,677 useable square feet. In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to the Common Areas (as defined in Paragraph 2.7 below) as hereinafter specified, but shall not have any rights to the roof, the exterior walls, the area above the dropped ceilings, or the utility raceways of the building containing the Premises ("**Building**") or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "**Project**." The Project consists of approximately 91,400 rentable square feet. (See also Paragraph 2)

1.2(b) **Parking:** twenty-six (26) unreserved and N/A reserved vehicle parking spaces at a monthly cost of N/A per unreserved space and N/A per reserved space. (See Paragraph 2.6)

1.3 **Term:** five (5) years and four (4) months ("**Original Term**") commencing thirty (30) calendar days after substantial completion of the Tenant Improvements by Lessor and delivery of possession of the Premises to Lessee. Such delivery date is referred to herein as the Delivery Date and the date thirty (30) days thereafter is referred to herein as the ("**Commencement Date**,"~~)~~ and The original Term shall endending five (5) years and four (4) months after the Commencement Date ("**Expiration Date**"). (See also Paragraph 3)

1.4 **Early Possession Beneficial Occupancy:** ~~If the Premises are available Lessee shall may have non-exclusive possession of the Premises commencing~~ on the Delivery Date ("**Delivery Early Possession Date**"). (See also Paragraphs 3.2 and 3.3)

1.5 **Base Rent:** \$14,656.50 per month ("**Base Rent**"), payable on the first (1st) day of each month commencing on the Commencement Date. (See also Paragraph 4)

If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph 50.

1.6 **Lessee's Share of Operating Expense Increase:** seven and 13/100 percent (7.13 %) ("**Lessee's Share**"). Lessee shall not be responsible for increases in Controllable Expenses in excess of six percent (6%) per year over the Base Year on a cumulative and compounded basis. Controllable Expenses shall consist of Operating Expenses other than Real Property Taxes, insurance policies maintained by Lessor and utilities. In the event that that size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.

1.7 Base Rent and Other Monies Paid Upon Execution:

(a) **Base Rent:** \$14,656.50 for the period first (1st) full month of the Term.

(b) **Security Deposit:** \$16,990.90 ("**Security Deposit**"). (See also Paragraph 5)

(c) **Parking:** _____ for the period _____.

(d) **Other:** _____ for _____.

(e) **Total Due Upon Execution of this Lease:** \$31,647.40.

1.8 **Agreed Use:** General office use including parking. (See also Paragraph 6)

1.9 **Base Year; Insuring Party.** The Base Year is 2020. Lessor is the "**Insuring Party**". (See also Paragraphs 4.2 and 8)

1.10 **Real Estate Brokers.** (See also Paragraph 15 and 25)

INITIALS

INITIALS

(a) **Representation:** The following real estate brokers (the "**Brokers**") and brokerage relationships exist in this transaction (check applicable boxes):

- CBRE, Inc. (William Clark) represents Lessor exclusively ("**Lessor's Broker**");
- CBRE, Inc. (Michael Slater / Tom Dwyer) represents Lessee exclusively ("**Lessee's Broker**"); or
- N/A represents both Lessor and Lessee ("**Dual Agency**").

(b) **Payment to Brokers.** Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement ~~(or if there is no such agreement, the sum of _____ or _____ % of the total Base Rent)~~ for the brokerage services rendered by the Brokers.

1.11 **Guarantor.** The obligations of the Lessee under this Lease are to be guaranteed by _____ ("**Guarantor**"). (See also Paragraph 37)

1.12 **Business Hours for the Building; HVAC:** 6:00 a.m. to 7:00 p.m., Mondays through Fridays (except Building Holidays) and 8:00 a.m. to 1:00 p.m. on Saturdays (except Building Holidays). "**Building Holidays**" shall mean the dates of observation of New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and N/A. After-hours HVAC is charged at \$55.00 per hour flat for the Initial Term.

1.13 **Lessor Supplied Services.** Notwithstanding the provisions of Paragraph 11.1, Lessor is NOT obligated to provide the following within the Premises if the box is checked:

- Janitorial services
- Electricity
- Other (specify): _____

1.14 **Attachments.** Attached hereto are the following, all of which constitute a part of this Lease:

- an Addendum consisting of Paragraphs 50 through 65 ;
- a plot plan depicting the Premises;
- a current set of the Rules and Regulations;
- a Work Letter;
- a janitorial schedule (see Exhibit G);
- other (specify): Exhibits A (Location of Premises), B (Work Letter), C (Confirmation Letter), D (Rules and Regulations), E (Exclusions from Operating Expenses) & F (Signage) .

2. Premises.

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

2.2 **Condition.** Lessor shall deliver the Premises to Lessee in a clean condition on the ~~Commencement Date~~ Delivery Date or the Early Possession Date, whichever first occurs ("**Start Date Delivery Date**"), and warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("**HVAC**"), and all other items which the Lessor is obligated to construct pursuant to the Work Letter attached hereto, if any, other than those constructed by Lessee, shall be in good operating condition on said date, that ~~the structural elements of the roof,~~ bearing walls and foundation of the ~~Unit~~ Project shall be free of material defects, and that the Premises do not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 **Compliance.** Lessor warrants that to the best of its knowledge the improvements on the Premises and the Common Areas comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances ("**Applicable Requirements**") that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to ~~the use to which Lessee will put the Premises,~~ modifications which may be

INITIALS

INITIALS

required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee.

Notwithstanding anything to the contrary contained herein, Lessor shall be responsible, at Lessor's sole cost and expense, for any compliance work, including ADA required in Common areas of the Building or Project which is triggered by Lessee's initial improvements and/or Agreed Use. Lessor's obligation for such compliance work shall apply to the Common Areas only, and Lessee shall be responsible for such compliance within the Premises. **NOTE: Lessee is responsible for determining whether or not the zoning and other Applicable Requirements are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Premises, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Premises ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however, that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay Interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with Interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not have any right to terminate this Lease.

2.4 Acknowledgements. Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) Lessee has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) ~~Intentionally omitted. the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein,~~ and (f) neither Lessor, Lessor's agents, nor

Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

~~2.5 Lessee as Prior Owner/Occupant. Intentionally omitted. The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date, Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.~~

~~2.6 Vehicle Parking. So long as Lessee is not in default, and subject to the Rules and Regulations attached hereto as Exhibit D, and as established by Lessor from time to time, Lessee shall be entitled to rent and use the number of parking spaces specified in Paragraph 1.2(b) at the rental rate applicable from time to time for monthly parking as set by Lessor and/or its licensee.~~

(a) If Lessee commits, permits or allows any of the prohibited activities described in the Lease or the rules then in effect, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

~~(b) The monthly rent per parking space specified in Paragraph 1.2(b) is subject to change upon 30 days prior written notice to Lessee. The rent for the parking is payable one month in advance prior to the first day of each calendar month.~~

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

2.8 Common Areas - Lessee's Rights. Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 Common Areas - Rules and Regulations. Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to adopt, modify, amend and enforce reasonable rules and regulations ("**Rules and Regulations**") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. The Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the noncompliance with said Rules and Regulations by other tenants of the Project. *See attached Rules and Regulations for the Property in Exhibit D to the Lease.*

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

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of the lobbies, windows, stairways, air shafts, elevators, escalators, restrooms, driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

- (c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;
- (d) To add additional buildings and improvements to the Common Areas;
- (e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and
- (f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

3. Term.

3.1 **Term.** The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 ~~Early Possession~~ **Beneficial Occupancy.** Lessee, along with any of its vendors, contractors, agents, etc., shall be permitted to enter the Premises thirty (30) days prior to the Lease Commencement Date, with no obligation to pay Base Rent, for the purpose of installing furniture, fixtures, and equipment. Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of the Operating Expense Increase) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 **Delay In Possession.** Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the ~~Commencement Date~~ **Delivery Date**. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the ~~date of delivery of possession~~ **Commencement Date** and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within ~~60~~ **210** days ~~after the Commencement Date~~ following the fully executed Lease, as the same may be extended under the terms of ~~any~~ the attached Work Letter ~~executed by Parties~~, Lessee may, at its option, by notice in writing within 10 days after the end of such ~~60~~ **210** day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. ~~If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.~~

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

4. Rent.

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

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

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

Year; provided, however, Lessee shall have no obligation to pay a share of the Operating Expense Increase applicable to the first 12 months of the Lease Term (other than such as are mandated by a governmental authority, as to which government mandated expenses Lessee shall pay Lessee's Share, notwithstanding they occur during the first twelve (12) months). Lessee's Share of the Operating Expense Increase for the first and last Comparison Years of the Lease Term shall be prorated according to that portion of such Comparison Year as to which Lessee is responsible for a share of such increase. Lessee shall not be charged for Lessee's pro-rata share of Operating Expenses increase for the first twelve (12) months of the Original Term.

(c) The following costs relating to the ownership and operation of the Project, calculated as if the Project was at least 100-95% occupied, are defined as "**Operating Expenses**":

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

(aa) The Common Areas, including their surfaces, coverings, decorative items, carpets, drapes and window coverings, and including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, stairways, parkways, driveways, landscaped areas, striping, bumpers, irrigation systems, Common Area lighting facilities, building exteriors and roofs, fences and gates;

(bb) All heating, air conditioning, plumbing, electrical systems, life safety equipment, communication systems and other equipment used in common by, or for the benefit of, tenants or occupants of the Project, including elevators and escalators, tenant directories, fire detection systems including sprinkler system maintenance and repair.

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

(ii) The cost of trash disposal, janitorial and security services, pest control services, and the costs of any environmental inspections;

(iii) The cost of any other service to be provided by Lessor that is elsewhere in this Lease stated to be an "Operating Expense";

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

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

(vi) The cost of water, sewer, gas, electricity, and other publicly mandated services not separately metered;

(vii) Labor, salaries, and applicable fringe benefits and costs, materials, supplies and tools, used in maintaining and/or cleaning the Project and accounting and management fees, which shall not exceed 4% of gross rent collected on an annual basis, attributable to the operation of the Project;

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

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

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

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

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

(f) Lessee's Share of Operating Expense Increase is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the Operating Expense Expenses.

Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses for the preceding year. If Lessee's payments during such Year exceed Lessee's Share, Lessee shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such Year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of said statement. Lessor and Lessee shall forthwith adjust between them by cash payment any balance determined to exist with respect to that portion of the last Comparison Year for which Lessee is responsible as to Operating Expense Increases, notwithstanding that the Lease term may have terminated before the end of such Comparison Year.

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

(h) Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or by insurance proceeds (see Exhibit E for additional exclusions).

4.3 Payment. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States on or before the day on which it is due, without offset or deduction (except as specifically permitted in this Lease). All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of \$25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent and Common Area Operating Expenses, and any remaining amount to any other outstanding charges or costs.

4.4 Audit Rights. Upon Lessee's written request given not more often than annually, and provided that Lessee is not then in default under this Lease beyond the applicable cure period provided in this Lease, Lessor shall make available to Lessee at Lessor's office such reasonable supporting documentation in connection with said Operating Expenses as Lessee may reasonably request ("Audit Notice"). Lessor shall provide said information to Lessee within forty five (45) days after Lessee's Audit Notice. Only after Lessee and Lessor reasonably attempt to informally resolve any dispute over the amount of Operating Expenses, within one hundred eighty (180) days after receipt of the Audit Notice (the "Review Period"), if Lessee disputes the amount of Operating Expenses, an independent certified public accountant (which accountant is not working on a contingency fee basis), designated and paid for by Lessee, may, after reasonable notice to Lessor and at reasonable times, inspect Lessor's records with respect to the Operating Expenses at Lessor's offices, provided that Lessee is not then in default under this Lease (beyond any applicable notice and cure periods). In connection with such inspection, Lessee shall execute a commercially reasonable confidentiality agreement regarding such inspection. If after such inspection, Lessee still disputes such Operating Expenses, a determination as to the proper amount shall be made, at Lessee's expense, by an independent certified public accountant (the "Accountant") selected jointly by Lessor and Lessee; provided that if such binding determination by the Accountant proves that Operating Expenses were overstated by more than six percent (6%), then the cost of the Accountant and the cost of such determination shall be paid for by Lessor.

5. Security Deposit. Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under

this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. ~~If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent.~~ Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. Lessor shall upon written request provide Lessee with an accounting showing how that portion of the Security Deposit that was not returned was applied. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease. THE SECURITY DEPOSIT SHALL NOT BE USED BY LESSEE IN LIEU OF PAYMENT OF THE LAST MONTH'S RENT.

6. Use.

6.1 **Use.** Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements of the Building, will not adversely affect the mechanical, electrical, HVAC, and other systems of the Building, and/or will not affect the exterior appearance of the Building. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 Hazardous Substances.

(a) **Reportable Uses Require Consent.** The term "**Hazardous Substance**" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, byproducts or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "**Reportable Use**" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use such as ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises

or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

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

(c) **Lessee Remediation.** Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party. Notwithstanding the foregoing, Lessee shall not be responsible for the cost of said investigation, compliance, remediation unless the need for same was caused by Lessee.

(d) **Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Project not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) **Lessor Indemnification.** Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises prior to Lessee's occupancy or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. Lessor shall indemnify, defend and hold Lessee, its agents, employees, lenders, if any, harmless from and against any and all damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessor, or any third party not affiliated with or working on behalf of Lessee.

(f) **Investigations and Remediations.** Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee's occupancy, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option.** If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and

remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 Lessee's Compliance with Applicable Requirements. Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said Applicable Requirements are now in effect or become effective after the ~~Start Date~~ Delivery Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

6.4 Inspection; Compliance. Lessor and Lessor's "Lender" (as defined in Paragraph 30) and consultants authorized by Lessor shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times, after reasonable notice, for the purpose of inspecting and/or testing the condition of the Premises and/or for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see Paragraph 9.1e) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (**MSDS**) to Lessor within 10 days of the receipt of written request therefor. Lessee acknowledges that any failure on its part to allow such inspections or testing will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to allow such inspections and/or testing in a timely fashion the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for the remainder to the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to allow such inspection and/or testing. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to such failure nor prevent the exercise of any of the other rights and remedies granted hereunder. Notwithstanding the foregoing, Lessee shall not be responsible for the cost of said investigation, compliance, remediation unless the need for same was caused by Lessee.

7. Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations.

7.1 Lessee's Obligations. Notwithstanding Lessor's obligation to keep the Premises in good condition and repair, Lessee shall be responsible for payment of the cost thereof to Lessor as additional rent for that portion of the cost of any maintenance and repair of the Premises, or any equipment (wherever located) that serves only Lessee or the Premises,

to the extent such cost is attributable to abuse or misuse. In addition, Lessee rather than the Lessor shall be responsible for the cost of painting, repairing or replacing wall coverings, and to repair or replace any similar improvements within the Premises following the Delivery Date. Lessor may, at its option, upon reasonable notice, elect to have Lessee perform any particular such maintenance or repairs the cost of which is otherwise Lessee's responsibility hereunder."

7.2 Lessor's Obligations. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, fire alarm and/or smoke detection systems, fire hydrants, and the Common Areas and all systems servicing the Premises and Building.

7.3 Utility Installations; Trade Fixtures; Alterations.

(a) **Definitions.** The term "**Utility Installations**" refers to all floor and window coverings, air lines, vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, and plumbing in or on the Premises. The term "**Trade Fixtures**" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "**Alterations**" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "**Lessee Owned Alterations and/or Utility Installations**" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent which shall not be unreasonably withheld, conditioned or delayed. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof, ceilings, floors or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, do not trigger the requirement for additional modifications and/or improvements to the Premises resulting from Applicable Requirements, such as compliance with Title 24, and the cumulative cost thereof during this Lease during a 12-month period as extended does not exceed ~~\$200,000~~ \$25,000. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of ~~one~~ ~~month's Base Rent~~ \$25,000, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 Ownership; Removal; Surrender; and Restoration.

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all

Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if the Lessee occupies the Premises for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the ~~Start Date~~ **Delivery Date** with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. Insurance; Indemnity.

8.1 **Insurance Premiums.** The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 are included as Operating Expenses (see paragraph 4.2 (c)(iv)). Said costs shall include increases in the premiums resulting from additional coverage related to requirements of the holder of a mortgage or deed of trust covering the Premises, Building and/or Project, increased valuation of the Premises, Building and/or Project, and/or a general premium rate increase. Said costs shall not, however, include any premium increases resulting from the nature of the occupancy of any other tenant of the Building. If the Project was not insured for the entirety of the Base Year, then the base premium shall be the lowest annual premium reasonably obtainable for the required insurance as of the Start Date, assuming the most nominal use possible of the Building and/or Project. In no event, however, shall Lessee be responsible for any portion of the premium cost attributable to liability insurance coverage in excess of \$1,000,000 ~~2,000,000~~ procured under Paragraph 8.2(b).

8.2 Liability Insurance.

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$1,000,000 ~~2,000,000~~. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement and coverage shall also be extended to include damage caused by heat, smoke or fumes from a hostile fire. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with

any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

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

8.3 Property Insurance - Building, Improvements and Rental Value.

(a) **Building and Improvements.** Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Building and/or Project. The amount of such insurance shall be equal to the full insurable replacement cost of the Building and/or Project, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$5,000 per occurrence.

(b) **Rental Value.** Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period.

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

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

8.4 Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a 'Waiver of Subrogation' endorsement. Lessee shall reasonably attempt to obtain such waiver from Lessee's respective carriers. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

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

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

8.5 Insurance Policies.

Insurance required herein shall be by companies maintaining during the policy term a

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

8.6 Waiver of Subrogation. Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 Indemnity. Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, a Breach of the Lease by Lessee and/or the use and/or occupancy of the Premises and/or Project by Lessee and/or by Lessee's employees, contractors or invitees. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 Exemption of Lessor and its Agents from Liability. Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 Failure to Provide Insurance. Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9. Damage or Destruction.

INITIALS

INITIALS

9.1 Definitions.

(a) "**Premises Partial Damage**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) "**Premises Total Destruction**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) "**Insured Loss**" shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) "**Replacement Cost**" shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

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

9.2 Partial Damage - Insured Loss. If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$5,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party. See Paragraph 52.

9.3 Partial Damage - Uninsured Loss. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense (subject to reimbursement pursuant to Paragraph 4.2), in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall

terminate as of the date specified in the termination notice.

9.4 Total Destruction. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 Damage Near End of Term. If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 Abatement of Rent; Lessee's Remedies.

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

(b) **Remedies.** If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 Termination; Advance Payments. Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. Real Property Taxes.

10.1 Definitions. As used herein, the term "**Real Property Taxes**" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address. "**Real Property Taxes**" shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project, (ii) a change in the improvements thereon, and/or (iii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

10.2 Payment of Taxes. Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Project, and said payments shall be included in the calculation of Operating Expenses in accordance

with the provisions of Paragraph 4.2. In the event Real Property Taxes have been reduced as a result of a Proposition 8 appeal during the Base Year, the Base Year Real Property Tax component shall be calculated ignoring the Proposition 8 deduction.

10.3 **Additional Improvements.** Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Project by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

10.4 **Joint Assessment.** If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 **Personal Property Taxes.** Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. Utilities and Services.

11.1 **Services Provided by Lessor.** Lessor shall provide heating, ventilation, air conditioning, reasonable amounts of electricity for normal lighting and office machines, water for reasonable and normal drinking and lavatory use in connection with an office, and replacement light bulbs and/or ~~fluorescent tubes~~ LED lighting and ballasts for standard overhead fixtures. Lessor shall also provide janitorial services to the Premises and Common Areas 5 times per week, excluding Building Holidays, or pursuant to the attached janitorial schedule, if any. Lessor shall not, however, be required to provide janitorial services to ~~kitchens~~ for cleaning of dishes and glassware in the kitchen or storage areas included within the Premises.

11.2 **Services Exclusive to Lessee.** Notwithstanding the provisions of paragraph 11.1, Lessee shall pay for all water, gas, light, power, telephone and other utilities and services specially or exclusively supplied and/or metered exclusively to the Premises or to Lessee, together with any taxes thereon. Notwithstanding the provisions of Paragraph 4.2(vi), if a service is deleted by Paragraph 1.13 and such service is not separately metered to the Premises, Lessee shall pay at Lessor's option, either Lessee's Share or a reasonable proportion to be determined by Lessor of all charges for such jointly metered service.

11.3 **Hours of Service.** Said services and utilities shall be provided during times set forth in Paragraph 1.12. Utilities and services required at other times shall be subject to advance request and reimbursement by Lessee to Lessor of the cost thereof.

11.4 **Excess Usage by Lessee.** Lessee shall not make connection to the utilities except by or through existing outlets and shall not install or use machinery or equipment in or about the Premises that uses excess water, lighting or power, or suffer or permit any act that causes extra burden upon the utilities or services, including but not limited to security and trash services, over standard office usage for the Project. Lessor shall require Lessee to reimburse Lessor for ~~any excess~~ the actual excess expenses or costs that may arise out of a breach of this subparagraph by Lessee. Lessor may, in its sole discretion, install at Lessee's expense supplemental equipment and/or separate metering applicable to Lessee's excess usage or loading.

11.5 **Interruptions.** There shall be no abatement of rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental

request or directions.

12. Assignment and Subletting.

12.1 Lessor's Consent Required.

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent which shall not be unreasonably withheld or delayed and Lessor shall respond within ten (10) business days to Lessee..

~~(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.~~

~~(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.~~

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(d), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, ie. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting. See Paragraph 53.

12.2 Terms and Conditions Applicable to Assignment and Subletting.

(a) Regardless of Lessor's consent, no assignment or subletting shall : (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information

relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 Additional Terms and Conditions Applicable to Subletting. The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

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

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

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

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

13. Default; Breach; Remedies.

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

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S

RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 41, (viii) material safety data sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b) or (c), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

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

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

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

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

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) 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; (iii) 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 the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost

of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 Inducement Recapture. Any agreement for free or abated rent or other charges, the cost of tenant improvements for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor 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 upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or \$100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 Interest. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest ("**Interest**") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 Breach by Lessor.

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished to Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided, however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to seek reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "Condemnation"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the rentable floor area of the Premises, or more than 25% of Lessee's Reserved Parking Spaces, if any, are taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Brokerage Fees.

15.1 **Additional Commission.** In addition to the payments owed pursuant to Paragraph 1.10 above, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises or other premises owned by Lessor and located within the Project, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed.

15.2 **Assumption of Obligations.** Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.10, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue Interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

15.3 **Representations and Indemnities of Broker Relationships.** Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers, if any) in connection

with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. Estoppel Certificates.

(a) Each Party (as "**Responding Party**") shall within 10 business days after written notice from the other Party (the "**Requesting Party**") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "**Estoppel Certificate**" form published BY AIR CRE, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 business day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. Definition of Lessor. The term "**Lessor**" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. Days. Unless otherwise specifically indicated to the contrary, the word "**days**" as used in this Lease shall mean and refer to calendar days.

20. Limitation on Liability. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, or its partners, members, directors, officers or shareholders, and Lessee shall look to the Project, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

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

INITIALS

INITIALS

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

23. Notices.

23.1 **Notice Requirements.** All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by email, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 **Date of Notice.** Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices delivered by hand, or transmitted by facsimile transmission or by email shall be deemed delivered upon actual receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. Waivers.

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

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of monies or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. Disclosures Regarding The Nature of a Real Estate Agency Relationship.

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) Lessor's Agent. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: To the Lessor: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. To the Lessee and the Lessor: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set

forth above.

(ii) Lessee's Agent. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. To the Lessee: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. To the Lessee and the Lessor: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) Agent Representing Both Lessor and Lessee. A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. (b) Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not without the express permission of the respective Party, disclose to the other Party that the Lessor will accept rent in an amount less than that indicated in the listing or that the Lessee is willing to pay a higher rent than that offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

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

26. No Right To Holdover. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 150% of the Base Rent applicable immediately preceding the expiration or termination. Holdover Base Rent shall be calculated on a monthly basis. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee. See Paragraph 54.

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

28. Covenants and Conditions; Construction of Agreement. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. Binding Effect; Choice of Law. This Lease shall be binding upon the parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. Subordination; Attornment; Non-Disturbance.

30.1 **Subordination.** This Lease and any Option granted hereby shall be subject and subordinate to any ground

INITIALS

INITIALS

lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "**Security Device**"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "**Lender**") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 Attornment. In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

30.3 Non-Disturbance. With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "**Non-Disturbance Agreement**") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 Self-Executing. The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. Attorneys' Fees. If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "**Prevailing Party**" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach (\$200 is a reasonable minimum per occurrence for such services and consultation).

32. Lessor's Access; Showing Premises; Repairs. Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants (within six (6) months of the Lease Expiration Date), and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect on Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

INITIALS

INITIALS

33. Auctions. Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. Signs. Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Lessor may not place any sign on the exterior of the Building that covers any of the windows of the Premises. Except for ordinary "For Sublease" signs which may be placed only on the Premises, Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. Termination; Merger. Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. Consents. All requests for consent shall be in writing. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

~~37. Guarantor.~~ Intentionally Omitted.

~~37.1 Execution. The Guarantors, if any, shall each execute a guaranty in the form most recently published BY AIR-CRE.~~

~~37.2 Default. It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.~~

38. Quiet Possession. Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. Options. If Lessee is granted any option, as defined below, then the following provisions shall apply.

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

39.2 Options Personal To Original Lessee. Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of

thereafter assigning or subletting.

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

39.4 Effect of Default on Options.

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. Security Measures. Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties. In the event, however, that Lessor should elect to provide security services, then the cost thereof shall be an Operating Expense.

41. Reservations.

(a) Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessor may also: change the name, address or title of the Building or Project upon at least 90 days prior written notice; provide and install, at Lessee's expense, Building standard graphics on the door of the Premises and such portions of the Common Areas as Lessor shall reasonably deem appropriate; grant to any lessee the exclusive right to conduct any business as long as such exclusive right does not conflict with any rights expressly given herein; and to place such signs, notices or displays as Lessor reasonably deems necessary or advisable upon the roof, exterior of the Building or the Project or on signs in the Common Areas. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights. The obstruction of Lessee's view, air, or light by any structure erected in the vicinity of the Building, whether by Lessor or third parties, shall in no way affect this Lease or impose any liability upon Lessor.

~~(b) Lessor also reserves the right to move Lessee to other space of comparable size in the Building or Project. Lessor must provide at least 45 days prior written notice of such move, and the new space must contain improvements of comparable quality to those contained within the Premises. Lessor shall pay the reasonable out of pocket costs that Lessee incurs with regard to such relocation, including the expenses of moving and necessary stationary revision costs. In no event, however, shall Lessor be required to pay an amount in excess of two months Base Rent. Lessee may not be relocated more than once during the term of this Lease.~~

(c) Lessee shall not: (i) use a representation (photographic or otherwise) of the Building or Project or their name(s) in connection with Lessee's business unless previously approved in writing from the Landlord; or (ii) suffer or permit anyone, except in emergency, to go upon the roof of the Building.

42. Performance Under Protest. If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the

recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

43. Authority; Multiple Parties; Execution.

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

44. Conflict. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

45. Offer. Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

46. Amendments. This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

47. Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

48. Arbitration of Disputes. An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease is is not attached to this Lease. See Addendum - Paragraph 60.

49. Accessibility; Americans with Disabilities Act.

(a) The Premises:

have not undergone an inspection by a Certified Access Specialist (CASp). Note: A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential.

have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential except as necessary to complete repairs and corrections of violations of construction related accessibility standards.

In the event that the Premises have been issued an inspection report by a CASp the Lessor shall provide a copy of the

INITIALS

INITIALS

disability access inspection certificate to Lessee within 7 days of the execution of this Lease.

(b) Since compliance with the Americans with Disabilities Act (ADA) and other state and local accessibility statutes are dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in compliance with ADA or other accessibility statutes, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY AIR CRE OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

- 1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.**
- 2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING AND SIZE OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.**

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: _____
On: _____, 2020

By LESSOR:
751 DAILY, L.P., a Delaware limited partnership

BY: 751 Daily, LLC, a Delaware limited liability company, its general partner

By: _____
Name Printed: Robert Korda
Title: Manager
Phone: (310) 842-4600
Fax: (310) 558-8899
Email: korda.bob@gmail.com

By: _____
Name Printed: _____
Title: _____
Phone: _____
Fax: _____
Email: _____

Address: 2566 Overland Ave. #700
Los Angeles CA 90064

INITIALS

Executed at: _____
On: _____, 2020

By LESSEE:
VENTURA COUNTY TRANSPORTATION COMMISSION

By: _____
Name Printed: _____
Title: _____
Phone: _____
Fax: _____
Email: _____

By: _____
Name Printed: _____
Title: _____
Phone: _____
Fax: _____
Email: _____

Address: _____
Federal ID No.: _____

INITIALS

Federal ID No.: _____

BROKER

CBRE, Inc.

Attn: William Clark

Title: First Vice President

Address: 2761 Park View Court, Oxnard, CA
93036

Phone: (805) 288-4677

Fax: (805) 288-4750

Email: bill.clark@cbre.com

Federal ID No.: _____

Broker/Agent BRE License #: 01315127

BROKER

CBRE, Inc.

Attn: Tom Dwyer

Title: Senior Vice President

Address: 2761 Park View Court, Oxnard, CA
93036

Phone: (805) 288-4711

Fax: (805) 288-4750

Email: tom.dwyer@cbre.com

Federal ID No.: _____

Broker/Agent BRE License #: 01050876 / 01197938

AIR CRE. 500 North Brand Blvd, Suite 900, Glendale, CA 91203, Tel 213-687-8777, Email contracts@aircre.com

NOTICE: No part of these works may be reproduced in any form without permission in writing.

INITIALS

INITIALS

ADDENDUM TO STANDARD MULTI-TENANT OFFICE LEASE GROSS
AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION

Date: _____, 2020

By and Between: 751 DAILY, L.P., a Delaware limited partnership ("Lessor") and Ventura County Transportation Commission ("Lessee")

Premises: 751 E. Daily Drive, Suite 410, Camarillo, California

Project: Camarillo Business Center

This Addendum ("Addendum") to Standard Multi-Tenant Office Lease -- Gross (the "Lease") shall modify and amend the Lease as set forth below. Except as expressly amended herein, the Lease remains in full force and effect. In the event of any conflict or inconsistency between the terms of the Lease and this Addendum, this Addendum shall prevail. The defined terms set forth in this Addendum shall have the same meanings as the defined terms set forth in the Lease.

50. Base Rent; Rental Abatement. The Base Rent described in Paragraph 1.5 of the Lease shall be as follows:

<u>Months</u>	<u>Base Rent Per Month</u>
1 - 12	\$14,656.50
13 - 24	\$15,096.20
25 - 36	\$15,549.08
37 - 48	\$16,015.55
49 - 60	\$16,496.02
61 - 64	\$16,990.90

Rent for any partial month shall be prorated based upon the actual number of days of the month involved.

Base Rent for months two (2), three (3), four (4) and five (5) of the Original Term shall be abated in full.

51. Option to Extend Lease Term. Lessee shall have the right, at its option, to extend the Term of the Lease for one (1) period of five (5) years (the "Option Term") immediately following the Expiration Date. Lessee shall exercise its right to extend the Term by delivery of written notice to Lessor no less than six (6) months and no more than nine (9) months prior to the then scheduled Expiration Date. All of the terms, covenants and conditions (including without limitation defined terms) contained in this Lease shall be applicable to the Option Term in the event of exercise by Lessee; provided, however, that the Term and the Base Rent shall be modified as provided herein and Lessee shall not be entitled to any further option to extend this Lease.

Subject to adjustment as hereafter provided, the Base Rent for the Option Term shall be adjusted to the Prevailing Market Rent, as described below, and shall not be less than the Base Rent in effect at the end of the then current Term.

The "Prevailing Market Rent" shall be equal to the rental per square foot of rentable area

of the Premises per month as of the date which is twelve (12) months prior to the expiration of the Term of the Lease prevailing for comparable space in comparable buildings in the same area where the Premises are located. In determining the Prevailing Market Rent, the particular configuration, frontage along a public thoroughfare, parking facilities, and general level of quality of improvements (and existing leasehold improvements and other tenant improvements, alterations and additions at the Premises at such time) and location of each comparison building shall be taken into account.

If Lessee has timely exercised the Option, Lessor shall notify Lessee in writing of the proposed new Base Rent determined by Lessor for the Option Term at least five (5) months prior to the commencement date of the Option Term. Unless Lessee objects to the amount determined by Lessor within fifteen (15) days after receipt of such notice, the amount stated in such notice shall be the new Base Rent. If Lessee objects to Lessor's proposal, then the new Base Rent shall be determined by a California licensed real estate broker with at least ten (10) years' experience leasing comparable properties in Camarillo, California chosen by Lessor and approved by Lessee. If Lessee does not disapprove Lessor's choice of such broker by delivery of written notice of disapproval within five (5) business days of written notice of such choice by Lessor, then Lessor's broker shall be deemed to be approved by Lessee. If Lessee does not approve Lessor's choice of such broker (by delivery of timely written notice), then Lessee's notice of disapproval shall name another California licensed real estate broker with at least ten (10) years' experience leasing comparable properties in Camarillo, California, designated by Lessee, and each of Lessor's broker and Lessee's broker shall appoint a third California licensed real estate broker with at least ten (10) years' experience leasing comparable properties in Camarillo, California and each broker shall determine the Prevailing Market Rent. The two amounts which are closest shall be averaged, and such average shall be the Prevailing Market Rent for purposes of this Option. The cost of any common broker shall be split equally by Lessor and Lessee, and if three brokers are utilized, Lessor and Lessee shall each be responsible for the fees and costs of the broker which it appoints. If the Base Rent shall not have been determined by the commencement date of the Option Term, then until it is determined, Lessee shall pay Base Rent when due during the Option Term determined using Lessor's proposed Base Rent, and when the actual adjusted Base Rent is determined, either Lessee shall pay to Lessor any additional rent due for the months which have elapsed in the Option Term, or Lessor shall credit any excess payment for the elapsed months to the next Base Rent becoming due.

The Base Rent during the Option Term shall be subject to annual increases of three percent (3%), commencing on the one (1) year anniversary of the commencement of the Option Term. Lessee's Share of Operating Expenses shall continue to be payable during the Option Term, with a base year of 2025 for the Option Term.

Notwithstanding the above, any purported exercise by Lessee of an Option shall, at Lessor's option, not be effective if Lessee is in Breach under the Lease at the time of giving notice of exercise of the Option.

52. Partial Damage; Insured Loss. The following language is added at the end of Paragraph 9.2 of the Lease:

"Notwithstanding the foregoing, Lessor may, at Lessor's option, either (i) repair such damage as soon as reasonably possible as described above, in which event this Lease shall continue in full force and effect, or (ii) give written notice to Lessee within thirty (30) days after the occurrence of such damage of Lessor's intention to cancel and terminate this Lease as of the date of the occurrence of such damage, in which event this Lease shall terminate as of the date of the occurrence of such damage. Lessor shall be entitled to retain an insurance proceeds emanating from insurance policies purchased by Lessor or issued in Lessor's name."

53. Assignment and Subletting. The following language is added at the end of Paragraph 12.2(g) of the Lease:

"In connection with a proposed assignment or sublease, Lessor may consider all factors relating to the proposed new lessee and the Premises, including, without limitation, the financial capacity and economic condition of the proposed new lessee, wear and tear on facilities, comparable type and quality of business, conformity to the use provision in the Lease, hours of operation, business plan and qualified business reputation, credit, rent payment history and experience of the proposed new lessee. In addition, Lessor's consent shall be subject to and conditioned upon compliance with reasonable standards and conditions required by Lessor, including, without limitation:

(1) Lessor's receipt from Lessee, not less than twenty (20) days prior to any proposed transfer, of a written request for Lessor's consent (not to be unreasonably withheld or delayed) which request shall set forth (i) the name of the proposed assignee or sublessee, (ii) the financial details and other terms of any proposed transfer, (iii) the type and history of the performance of the business of any proposed transferee and (iv) such bank, credit, tax returns, financial and other reasonable information concerning any proposed transferee as Lessor may require.

(2) Use of an assignment of lease and consent form of document approved by Lessor.

(3) Payment to Lessor of fifty percent (50%) of any amount by which the rent paid or to be paid to Lessee as a result of any transfer under Paragraph 12 exceeds the rent then payable by Lessee under the Lease, plus all other consideration paid or to be paid as consideration for or otherwise in connection with the proposed transfer, after deduction for Lessee's actual out of pocket costs paid for any such transfer for brokerage commissions, reasonable advertising and marketing costs, legal fees, concessions and any new tenant improvement allowance granted by Lessee to an assignee or subtenant."

Lessor may in its sole and absolute discretion, within ten (10) days after submission of Lessee's written request for Lessor's consent to an assignment or subletting, cancel this Lease as to the portion of the Premises proposed to be assigned or sublet as of the date such proposed transfer is scheduled to be effective and, thereafter, Lessor may lease such portion of the Premises to the prospective transferee (or to any other person or entity or not at all) without liability to Lessee.

54. Holdover. The terms of Paragraph 26 of the Lease shall continue to apply, however holdover rent for the first two (2) months of any Lessee holdover shall be one hundred and twenty-five percent (125%) of Lessee's then current Base Rent. In the event that Lessee and Lessor are in negotiations for a lease renewal, then any portion of the Base Rent increase attributable to holding over and paid by Lessee will be credited to Lessee if Lessee and Lessor sign a renewal or extension of the lease.

55. Americans With Disabilities Act. Except for the initial Tenant Improvements, the following terms shall apply: Notwithstanding anything to the contrary in the Lease, Lessee acknowledges that it will be wholly responsible for any accommodations or alterations which need to be made to the Premises to accommodate disabled employees and customers of Lessee, including requirements under the Americans with Disabilities Act and any equivalent California law. Any alterations made to the Premises in order to comply with either statute must be made solely at Lessee's expense and in compliance with all terms and requirements of the Lease. Any alterations necessitated by Lessee's permit, construction or use of the Premises shall be paid for by Lessee.

56. Signage. Lessee shall have the right to install, at Lessee's expense, exterior Building signage, "south" facing sign Type C, in the location depicted in Exhibit "F", subject to the City of Camarillo's approval and the CCR's, for Lessee's use free of charge for the Initial Term and any Option periods. Lessee shall have twelve (12) months to place said Building signage on the Building. In the event said Building signage is not installed during the first twelve (12) months, Lessee shall lose its Building signage rights. Upon Lessee's termination or vacating of the Premises, Lessee shall remove said signage and restore the Building in the condition received. Lessor, at its sole cost and expense, shall

install and maintain its Building standard suite signage at the entrance to Lessee's Premises and directory signage in the Building.

57. Permits and Business Licenses; Computer Cabling. Lessee shall, at its sole cost and expense, obtain all necessary permits and licenses to operate its business at the Premises and shall comply with all local, state and federal laws relating to the operation of its business. In addition, Lessee shall keep all such licenses and permits in effect and shall pay all fees relating thereto during the Term of the Lease. Lessee shall independently verify the availability of high speed internet access and existing cables and lines, with no representation from Lessor or Brokers.

58. Mold. Lessee agrees to maintain the Premises in a manner that prevents the occurrence of an infestation of mold, mildew, microbial growths, and any associated mycotoxin ("Mold") in the Premises. Lessor agrees, upon Lessor's receipt of timely written notice from Lessee specifying the water intrusion issue, to immediately fix or abate any water intrusions, such as plumbing leaks, drips, or sweating pipes, use all reasonable care to close all windows and other openings in the Premises to prevent outdoor water from penetrating the interior unit and maintain regular air flow and circulation throughout the Premises. Notwithstanding anything to the contrary in Paragraph 58, Lessee shall not be responsible for any Mold that existed in or about the Premises or the Building prior to the Commencement Date.

To the maximum extent permitted by law, Lessee agrees to indemnify, defend, and hold harmless Lessor from and against any and all claims, demands, liabilities, judgments, actions, damages, costs and expenses (including but not limited to reasonable attorney fees), causes of action, or otherwise, in any manner related to the presence in the Premises or the Building of Mold that was caused or contributed to by Lessee in any manner whatsoever.

59. SNDA. Lessor shall make commercially reasonable efforts to assist Lessee in securing a subordination, non-disturbance and attornment agreement.

60. Arbitration; Venue. The parties hereby submit all controversies, claims and matters of difference, other than unlawful detainer actions, to binding arbitration in Los Angeles, California according to the rules and practices of the American Arbitration Association from time to time in force. This submission and agreement to arbitrate shall be specifically enforceable. Without limiting the generality of the foregoing, the following shall be considered controversies for this purpose:

(a) All questions relating to adequacy of performance, the breach of any obligation, warranty, representation, covenant or agreement hereunder or under any Exhibit hereto and all questions relating to the construction and interpretation thereof;

(b) All questions relating to representations, negotiations and other proceedings leading to the execution hereof and all modifications of this Lease of every nature and description;

(c) Failure of any party to deny or reject a claim or demand of another party;

(d) All questions as to whether the right to arbitrate any questions exists or as to the existence or an agreement to arbitrate; and

(e) All issues raised by any subsequent alleged amendment hereto, whether written or oral, unless such amendment expressly cancels this arbitration provision in writing signed by all affected parties hereto.

Arbitration may proceed in the absence of either party if fifteen (15) days prior written notice of the proceedings has been given to such party. The parties shall agree on an alternative dispute

resolution lawyer or retired judge as sole arbitrator and the right to appeal.

The parties agree to abide by all awards rendered in such proceedings. Any award shall include costs and reasonable attorneys' fees to the successful party. Such awards shall be final and binding on all parties. There shall be no appeal therefrom other than for fraud or misconduct. All awards may be filed with the clerk of one or more courts, state or federal, having jurisdiction over the party against whom such award is rendered or its property as a basis of judgment and of the issuance of execution for its collection.

Nothing in this Lease and/or the Exhibits hereto shall be deemed to prevent the arbitration panel from exercising authority to permit exercise by a party of its legal and/or equitable remedies including the right of offset and injunctive relief.

IN WITNESS WHEREOF, the parties have executed this Addendum on the date set forth above.

"Lessor"

"Lessee"

751 DAILY, L.P., a Delaware limited partnership

Ventura County Transportation Commission

By: 751 Daily, LLC, a Delaware limited liability company, its general partner

By: _____
Name: _____
Title: _____

By: _____
Robert Korda, Manager

By: _____
Name: _____
Title: _____

EXHIBIT "A"

Location of Premises

751 DAILY DRIVE
SUITE 410

AVAILABLE LEASED

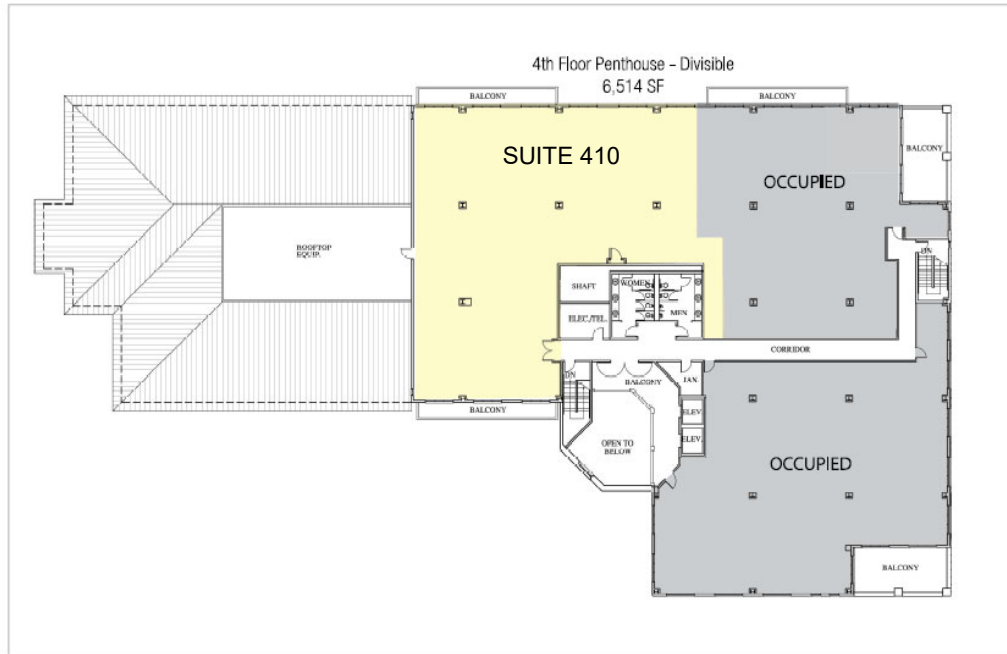


EXHIBIT B

WORK LETTER

This Work Letter (the “Work Letter”) shall modify and supplement the Standard Multi-Tenant Office Lease – Gross and Addendum between Ventura County Transportation Commission (“Lessee”) and 751 Daily, L.P., a Delaware limited partnership (“Lessor”) dated as of _____, 2020 (the “Lease”) for the premises located at 751 E. Daily Drive, Suite 410, Camarillo, California (the “Premises”). The terms and conditions of this Work Letter are hereby incorporated into and are made a part of the Lease. Capitalized terms used, but not otherwise defined, in this Work Letter have the meanings ascribed to such terms in the Lease.

Lessor shall retain the general contractor, utilizing prevailing wage labor, and shall supervise the Tenant Improvements at the Premises without charging Lessee a supervision fee. Lessee shall approve the final working drawings and budget for the Tenant Improvements. Lessee shall be responsible for all such costs in excess of the Lessor’s Allowance, to be paid to Lessor prior to commencement of construction, based on the final budget, with any extra costs or change order amounts (based on actual costs) payable as the additional costs are incurred.

1. **Work Schedule.** Prior to commencing construction, Lessor will deliver to Lessee, for Lessee’s review and approval (within 3 days of delivery to Lessee), a schedule (“**Work Schedule**”), which will set forth the timetable for the planning and completion of the installation of the Tenant Improvements. Lessor and Lessee agree that immediately upon Lessee’s approval of the Construction Plans for Tenant Improvements, Lessor may commence the Tenant Improvements.

2. **Construction Representatives.** Lessor hereby appoints the following person(s) as Lessor’s representative (“**Lessor’s Representative**”) to act for Lessor in all matters covered by this Work Letter: _____ (tele: _____ / email: _____).

Lessee hereby appoints the following person(s) as Lessee’s representative (“**Lessee’s Representative**”) to act for Lessee in all matters covered by this Work Letter: _____; (tele: _____ /email: _____).

All communications with respect to the matters covered by this Work Letter are to be made to Lessor’s Representative or Lessee’s Representative, as the case may be, in writing in compliance with the notice provisions of the Lease or by email. Either party may change its representative under this Work Letter at any time by written notice to the other party in compliance with the notice provisions of the Lease.

3. **Construction of the Tenant Improvements.** Lessor shall construct the Tenant Improvements in accordance with this Work Letter, the Lease (including, without limitation, the terms as stated herein) and the construction contract utilizing the prevailing wage labor to be executed by Lessor and its contractor(s).

4. **Construction Plans.** Lessor shall cause the Construction Plans to be prepared as required for the construction of the Tenant Improvements and deliver the same to Lessee as soon as reasonably possible. Based on the Pricing Plans, and in accordance with the Work Schedule, Subic & Associates will prepare complete architectural plans, drawings and specifications and complete engineered mechanical, structural and electrical working drawings for all of the Tenant Improvements for the Premises (collectively, the “**Construction Plans**”). The Construction Plans will show (a) the subdivision (including partitions and walls), layout, lighting, finish and decoration work (including carpeting and other floor coverings) for the Premises; (b) all internal and external communications and utility facilities which will require conduiting or other improvements from the base Building shell work and/or within common areas; and (c) all other specifications for the Tenant Improvements. The Construction Plans will be submitted to Lessee for approval (within 3 days of submittal to Lessee) to confirm that they are consistent with the Pricing Plans. If Lessee reasonably disapproves any aspect of the Construction Plans based on any inconsistency with the Pricing Plans, Lessee agrees to advise Lessor in writing of such disapproval and the reasons therefor within 3 days of submittal of the Construction Plans to Lessee. Lessor will then cause Subic & Associates to redesign the Construction Plans incorporating the revisions reasonably requested by Lessee so as to make the Construction Plans consistent with the Pricing Plans. The failure of Lessee to provide such written notice of disapproval within said three (3) day period shall be deemed approval by Lessee of such Construction Plans.

(a) **Requirements of Construction Plans.** Construction Plans will include locations and complete dimensions, and the Tenant Improvements, as shown on the Construction Plans, will: (i) be compatible with the Building shell and with the design, construction and equipment of the Building; (ii) if not comprised of the Building standards set forth in the written description thereof (the “**Standards**”), then compatible with and of at least equal quality as the Standards and approved by Lessor; (iii) comply with all applicable laws, ordinances, rules and regulations of all governmental authorities having jurisdiction, and all applicable insurance regulations; (iv) not require Building service beyond the level normally provided to other tenants in the Building and will not overload the Building floors; and (v) be of a nature and quality consistent with the overall commercially reasonable objectives of Lessor for the Building, as determined by Lessor in its reasonable discretion.

(b) **Submittal of Construction Plans.** Once approved by Lessor and Lessee, Subic & Associates will submit the Construction Plans to the appropriate governmental agencies for plan checking and the issuance of a building permit. Subic & Associates, with Lessor’s cooperation, will make any changes to the Construction Plans which are requested by the applicable governmental authorities to obtain the building permit. After approval of the Construction Plans no further changes may be made without the prior written approval of both Lessor and Lessee, and then only after agreement by Lessee to pay any excess costs resulting from the design and/or construction of such changes.

(c) **Work Cost Estimate and Statement.** Prior to the commencement of construction of any of the Tenant Improvements shown on the Construction Plans, Lessor will submit to Lessee a written estimate of the cost to complete the Tenant Improvements, which

written estimate will be based on the Construction Plans taking into account any modifications which may be required to reflect changes in the Construction Plans required by the City or County in which the Premises are located (the “**Work Cost Estimate**”). Lessor shall competitively bid the Tenant Improvements with reputable General Contractors (Parker Brown, CDA and Apex Construction) who are licensed, bonded, and insured. Lessor and Lessee shall mutually agree upon the selection of the General Contractor to perform the Tenant Improvements. Lessee will either approve the Work Cost Estimate or disapprove specific items and submit to Lessor revisions to the Construction Plans to reflect deletions of and/or substitutions for such disapproved items. Submission and approval of the Work Cost Estimate will proceed in accordance with the Work Schedule but in no event shall approval or disapproval exceed 3 days after submission of such Work Cost Estimate to Lessee. Upon Lessee’s approval of the Work Cost Estimate (such approved Work Cost Estimate to be hereinafter known as the “**Work Cost Statement**”).

5. **Payment.** Lessor shall pay for the Construction Costs for the Tenant Improvements, not to exceed the amount of Lessor's Allowance. Lessee acknowledges and agrees that it shall be responsible for payment of all Construction Costs in excess of Lessor's Allowance. Upon request by Lessor, Lessee shall pay to Lessor, within five (5) days after such request, the amount of the Construction Budget in excess of Lessor’s Allowance (the “Over-Allowance Amount”). However, if Lessor obtains the benefit of any cost savings such that the Over-Allowance Amount plus the Lessor’s Allowance exceed the actual final Construction Costs, then Lessor shall reimburse any such unused portion of the Over-Allowance Amount actually delivered to Lessor following final completion of the Tenant Improvements.

6. **Lessor’s Improvements.** Lessor shall be responsible, at its sole cost and expense, separate from Lessor’s Allowance, for any ADA upgrades outside of Lessee’s Premises triggered by Lessee’s permit for the Tenant Improvements. Lessor shall be responsible, at its sole cost and expense, separate from Lessor’s Allowance, for the cost to repair or replace currently existing or physically missing VAV boxes within the Premises, which shall be determined by the General Contractor. The cost of additional VAV boxes which are triggered by Lessee’s use shall be applied against Lessor’s Allowance.

7. **Changes.** Any changes in the Construction Plans, Work Schedule, or Work Cost Statement , including, without limitation, any changes required by any applicable law, rule, regulation or ordinance, shall require the prior written consent of Lessor in its sole and absolute discretion. Any changes requested by Lessee and approved by Lessor shall be prepared by Lessor's architect, engineer or contractor. The cost of such changes, including the cost to revise the Construction Plans, obtain any additional permits and construct any additional improvements required as a result thereof, and the cost for materials and labor, and all other additional costs incurred by Lessor from resulting delays in completing the Tenant Improvements, shall be paid out of Lessor's Allowance (only to the extent funds are available and not committed for payment of other Construction Costs). If such costs for changes exceed the Lessor's Allowance, such excess costs shall be paid by Lessee, at its sole cost and expense, to Lessor within five (5) days after Lessee's receipt of notice from Lessor. If Lessor does not receive such payment within said five (5) day period, Lessor shall have the right, in addition to any other rights or remedies available under the Lease, at law or in equity, to (i) discontinue all or any portion of the work

until it receives said payment; (ii) proceed with the other work not affected by such change until such payment is received; (iii) proceed with the work contemplated with such change; or (iv) proceed with the work without making such change; in which case the commencement or completion of such work shall not be deemed a waiver of Lessee's obligation to pay for same or any additional costs or expenses incurred as a result thereof. Any delay caused as a result of such a change or request for a change shall constitute a Lessee Delay, then the Commencement Date pursuant to the Lease shall be the earlier of (i) thirty (30) calendar days after Substantial Completion of the Tenant Improvements by Lessor and delivery of the Premises to Lessee, or (ii) the date that the Tenant Improvements would have been substantially completed if not for the Lessee Delay, plus the thirty (30) calendar days after Substantial Completion. The cost of a change order and any resulting delay in completion and additional cost incurred as a result thereof shall be determined by Subic & Associates in a reasonable manner, which determination shall be binding upon the parties.

8. **Lessee's Lease Default.** Notwithstanding any provision to the contrary contained in the Lease or this Work Letter, if an event of default by Lessee under the Lease, or a default by Lessee under this Work Letter, has occurred at any time on or before the Substantial Completion of the Tenant Improvements, then (i) in addition to all other rights and remedies granted to Lessor pursuant to the Lease and/or this Work Letter, Lessor shall have the right to cease the construction of the Tenant Improvements (in which case, Lessee shall be responsible for any delay in the Substantial Completion of the Tenant Improvements caused by such work stoppage), and (ii) all other obligations of Lessor under the terms of this Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of the Lease.

9. **Additional Definitions.** Each of the following terms shall have the following meaning:

“Work Cost Estimate and Statement”- An estimate of the construction costs for the Tenant Improvements prepared by Lessor after or in connection with the preparation of the Construction Plans.

“Construction Costs”- All costs and expenses approved by Lessor and Lessee to construct the Tenant Improvements, including all fees and expenses for:

(a) architectural/space planning services utilized by Lessor;

(b) architects, engineers and consultants in the preparation of the Construction Plans, including mechanical, electrical, plumbing and structural drawings and of all other aspects of the Construction Plans, and for processing governmental applications and applications for payment, observing construction of the work, and other customary engineering, architectural, interior design and space planning services;

(c) surveys, reports, environmental and other tests and investigations of the site and any improvements thereon;

(d) prevailing wage labor, materials, equipment and fixtures supplied by

the general contractor, its subcontractors and/or materialmen;

(e) the furnishing and installation of all heating, ventilation and air conditioning duct work, terminal boxes, distributing defusers and accessories required for completing the heating, ventilation and air-conditioning system in the Premises, including costs of submeter and key control for after-hour usage, if required by Lessor;

(f) all electrical circuits, wiring, lighting fixtures, and tube outlets furnished and installed throughout the Premises, including costs of submeter and key control for after-hour electrical power usage;

(g) all window and floor coverings in the Premises;

(h) all fire and life safety control systems, such as fire walls, sprinklers and fire alarms, including piping, wiring and accessories installed within the Premises;

(i) all plumbing, fixtures, pipes and accessories installed within the Premises;

(j) fees charged by the city and/or county where the Building is located (including, without limitation, fees for building permits and plan checks) required for the Lessee improvement work in the Premises;

(k) all taxes, fees, charges and levies by governmental and quasi-governmental agencies for authorization, approvals, licenses and permits; and all sales, use and excise taxes for the materials supplied and services rendered in connection with the installation and construction of the Tenant Improvements; and

(l) all costs and expenses incurred to comply with all laws, rules, regulations or ordinances of any governmental authority for any work at the Building or Complex in order to construct the Tenant Improvements.

“Construction Plans” - The complete plans and specifications for the construction of the Tenant Improvements, to the extent required to obtain all building permits, licenses and certificates from the applicable governmental authority(ies) for the construction of the Tenant Improvements. The Construction Plans shall be prepared by Subic & Associates.

“Lessor's Allowance” - The amount equal to Three Hundred Twenty-Five Thousand Seven Hundred Dollars (\$325,700.00) to be paid by Lessor for the Construction Costs for the Tenant Improvements, Lessee project management fees, security system, telephone wiring and cabling, which sum shall be paid directly to the contracting parties entitled to payment. Any unused portion of Lessor's Allowance for the Tenant Improvements shall remain the property of Lessor, and Lessee shall have no interest in said funds.

“Plans and Specifications”- Those certain preliminary plans and specifications attached hereto as *Exhibit B-1*. The depiction of any cubicles, modules, furniture and equipment in the Plans and Specifications is for illustrative purposes only, and Lessor is not required to

provide, install or construct any such items. Lessee and Lessor hereby approve of the Plans and Specifications.

“Substantial Completion,” “Substantially Complete,” “Substantially Completed” - The terms Substantial Completion, Substantially Completed and Substantially Complete shall mean when Lessor has delivered to Lessee a written notice from Subic & Associates certifying that the Tenant Improvements have been Substantially Completed in accordance with the Construction Plans and the final permit has been received, except “punch list” items which may be completed without materially impairing Lessee's use of the Premises or a material portion thereof or when the foregoing would have occurred but for Lessee Delays. Within ten (10) days after such substantial completion, Lessee shall conduct a walk-through inspection of the Premises with Lessor and Lessee shall provide a written punch-list specifying those decoration and other punch-list items which require completion, which items Lessor shall thereafter diligently complete; provided, however, that Lessee shall be responsible, at Lessee’s sole cost and expense, for the remediation of any items on the punch-list caused by Lessee’s acts or omissions. Within five (5) days following the walk-through, Lessor shall provide Lessee, in a form similar to Exhibit C, a Confirmation Letter memorializing the Commencement Date and the Expiration Date of the Lease.

“Lessee Delay” - Any delay in the completion of the Tenant Improvements due to (i) a delay by Lessee, or by any person employed or engaged by Lessee, in approving or delivering to Lessor any plans, schedules or information, including, without limitation, the Preliminary Plans, the Construction Plans and the Work Cost Estimate beyond the applicable time period set forth in this Work Letter; (ii) a delay in the performance of work in the Premises by Lessee or any person employed by Lessee; (iii) any changes requested by Lessee in or to previously approved work or in the Construction Plans; (iv) requests for materials and finishes which are not readily available, and/or delays in delivery of any materials specified by Lessee through change orders; (v) the failure of Lessee to pay as and when due under this TI Work Letter all Construction Costs and other costs and expenses to construct the Tenant Improvements in excess of Lessor's Allowance; or (vi) interference with the construction of the Tenant Improvements.

“Tenant Improvements” - The improvements to be installed by Lessor in the Premises substantially in accordance with the Construction Plans and Specifications. In no event shall the Tenant Improvements include any “alternates” that may be identified in the Construction Plans and Specifications, unless the same are elected by Lessee as a “change”, which election shall be pursuant, and subject to, the terms of Section 6 above.

10. **Miscellaneous Construction Covenants.**

- (a) **No Liens.** Lessor shall not allow the Tenant Improvements or the Building or any portion thereof to be subjected to any mechanic’s, materialmen’s or other liens or encumbrances arising out of the construction of the Tenant Improvements.
- (b) **Diligent Construction.** Lessor will promptly, diligently and continuously pursue construction of the Tenant Improvements to successful completion in full compliance with the Construction Plans, the Work Schedule and this Work Letter.

Lessor and Lessee shall cooperate with one another during the performance of the Tenant Improvements to effectuate such work in a timely and compatible manner.

(c) **Compliance with Laws.** Lessor will construct the Tenant Improvements in a safe and lawful manner. Lessor shall, at its sole cost and expense, comply with all applicable laws and all regulations and requirements of, and all licenses and permits issued by, all municipal or other governmental bodies with jurisdiction (for purposes of this section collectively referred to herein as “Laws”) which pertain to the installation of the Tenant Improvements. Such compliance with Laws shall only apply to those Laws in effect at the time of completing the Tenant Improvements. Copies of all filed documents and all permits and licenses shall be provided to Lessee. Any portion of the Tenant Improvements which is not in compliance with Laws in effect at the time of completing the Tenant Improvements or not reasonably satisfactory to Lessee, shall be promptly repaired or replaced by Lessor at Lessor’s expense. Notwithstanding any failure by Lessee to object to any such Tenant Improvements, Lessee shall have no responsibility therefor.

(d) **Indemnification.** Subject to the terms of the Lease regarding insurance and waiver of subrogation by the parties, Lessor hereby indemnifies and agrees to defend and hold Lessee harmless from and against any and all suits, claims, actions, losses, costs or expenses of any nature whatsoever, together with reasonable attorneys’ fees for counsel of Lessee’s choice, arising out of or in connection with the performance of the Tenant Improvements (including, but not limited to, claims for breach of warranty, worker’s compensation, personal injury or property damage, and any materialmen’s and mechanic’s liens) until the date of Substantial Completion and delivery of the Premises to Tenant and the sunset date for Construction Defects shall be the first twelve (12) months of the Original Term.

(e) **Construction Defects.** Lessee shall have no responsibility for the Tenant Improvements and Lessor will remedy, at Lessor’s own expense, and be responsible for any and all defects in the Tenant Improvements that may appear during or within the first twelve (12) months of the Original Term after the completion thereof whether the same shall affect the Tenant Improvements in particular or any parts of the Premises in general. Lessor shall first look to the General Contractor to remedy any defects in the Tenant Improvements based on General Contractor’s warranty. Lessor shall indemnify, hold harmless and reimburse Lessee for any costs or expenses incurred by Lessee by reason of any defect in any portion of the Tenant Improvements constructed by Lessor or contractor or subcontractors, or by reason of inadequate cleanup following completion of the Tenant Improvements and only during the Term.

(f) **Coordination of Labor.** All of Lessor’s contractors, subcontractors, employees, servants and agents must work in harmony with and shall not interfere with any labor employed by Lessee, or Lessee’s contractors or by any other tenant or its contractors with respect to the any portion of the Property. Lessor is required to use union labor.

(g) **HVAC Systems.** Lessor agrees to be responsible for the balancing of any heating, ventilating or air conditioning system.

(h) **Qualification of Contractors.** Once the Construction Plans have been proposed and approved, Lessor and Lessee shall select and retain a contractor, subcontractors and vendors (such as HVAC engineers), each of which shall be subject to Lessor and Lessee’s prior approval, not to be unreasonably withheld, conditioned or delayed. All contractors, subcontractors and vendors engaged by Lessor shall be bondable and licensed, possessing good labor relations, capable of performing quality workmanship.

(i) **Warranties.** Lessor shall cause its contractor to provide warranties for not less than one (1) year (or such shorter time as may be customary and available without additional expense to Lessor) against defects in workmanship, materials and equipment, which warranties shall run to the benefit of Lessee or shall be assignable to Lessee to the extent that Lessee is obligated to maintain any of the improvements covered by such warranties.

11. **FORCE MAJEURE DELAYS.** For purposes of this Work Letter, “**Force Majeure Delays**” shall mean any actual delay beyond the reasonable control of Lessor in the construction of the Tenant Improvements, which is not a Lessee Delay.

Lessee and Lessor hereby enter into this Work Letter as of the date first written above.

"Lessor"

“Lessee”

751 DAILY, L.P., a Delaware limited partnership

Ventura County Transportation Commission

By: 751 Daily, LLC, a Delaware limited liability company, its general partner

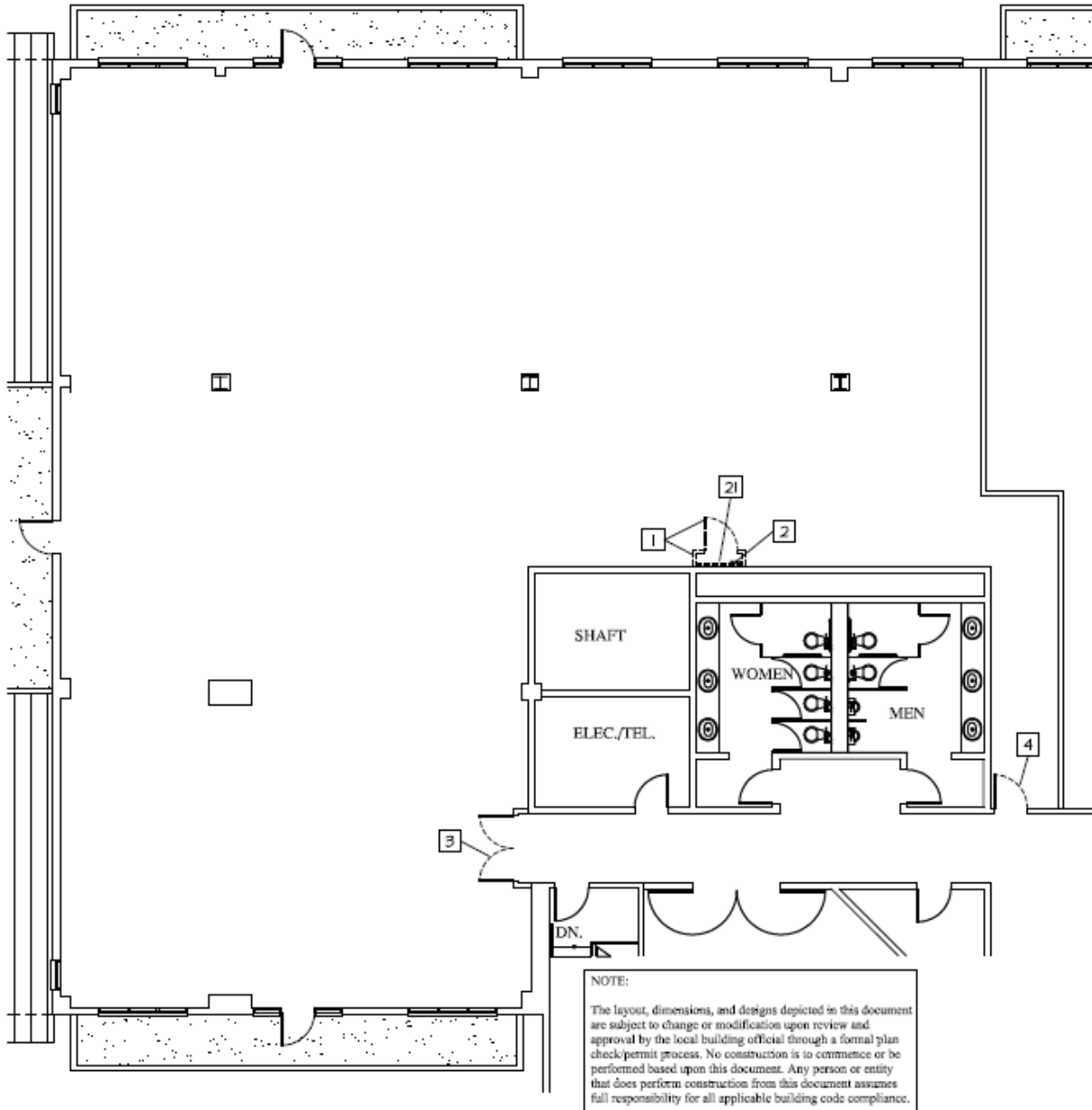
By: _____
Name: _____
Title: _____

By: _____
Robert Korda, Manager

By: _____
Name: _____
Title: _____

Exhibit B-1

Work Letter – Pricing Plans

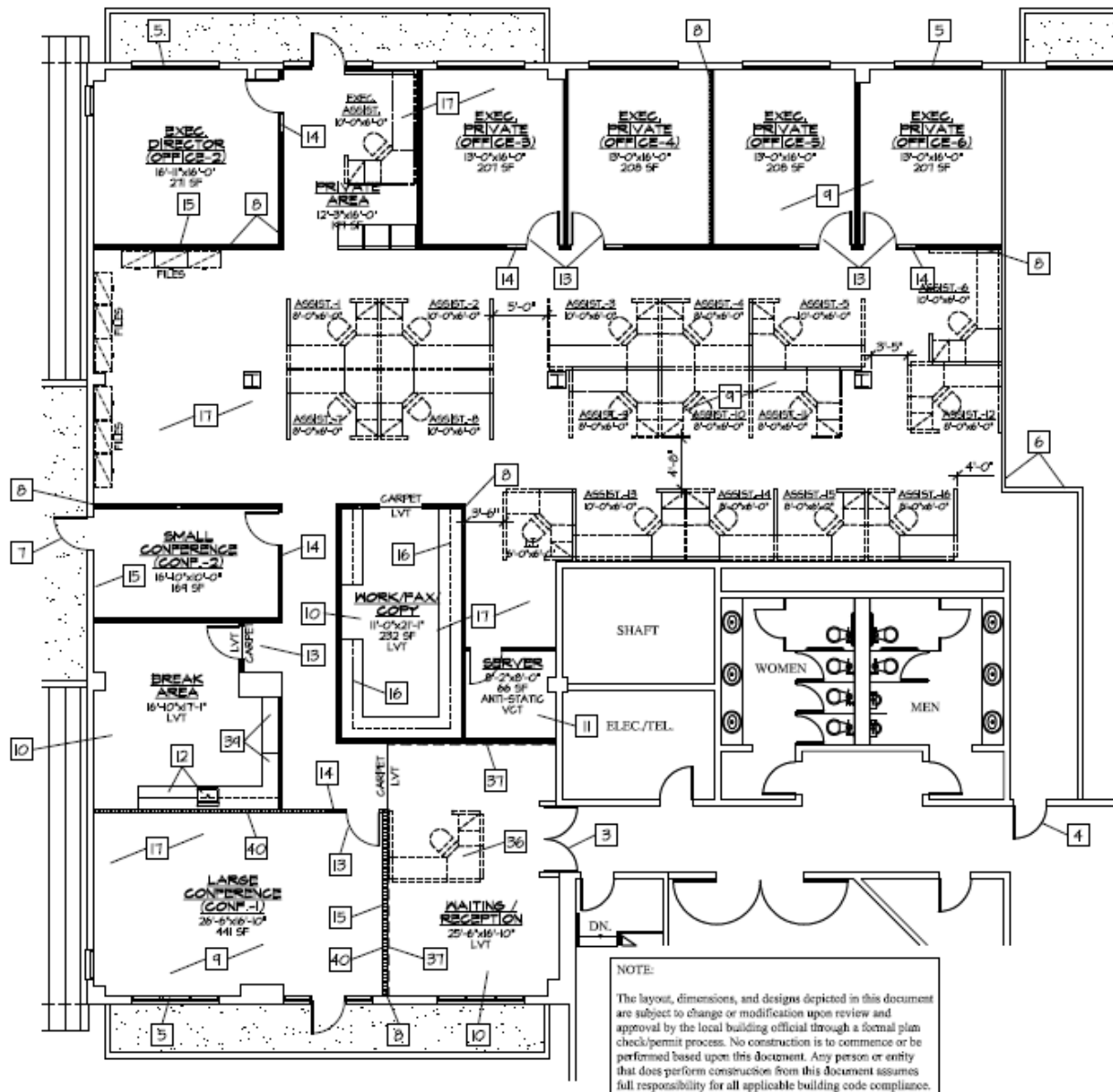


NOTE:
The layout, dimensions, and designs depicted in this document are subject to change or modification upon review and approval by the local building official through a formal plan check/permit process. No construction is to commence or be performed based upon this document. Any person or entity that does perform construction from this document assumes full responsibility for all applicable building code compliance.

NORTH 5,677 U.S.F.
751 DAILY DRIVE - SUITE #410
REV. PRICING - DEMOLITION PLAN
SCALE: 1/8" = 1'-0" NOVEMBER 25, 2014



APPROVED:	_____
TENANT	_____
SIGNATURE	_____
DATE	_____



NORTH 5,677 U.S.F.
751 DAILY DRIVE - SUITE #410
REV. PRICING - CONSTRUCTION PLAN

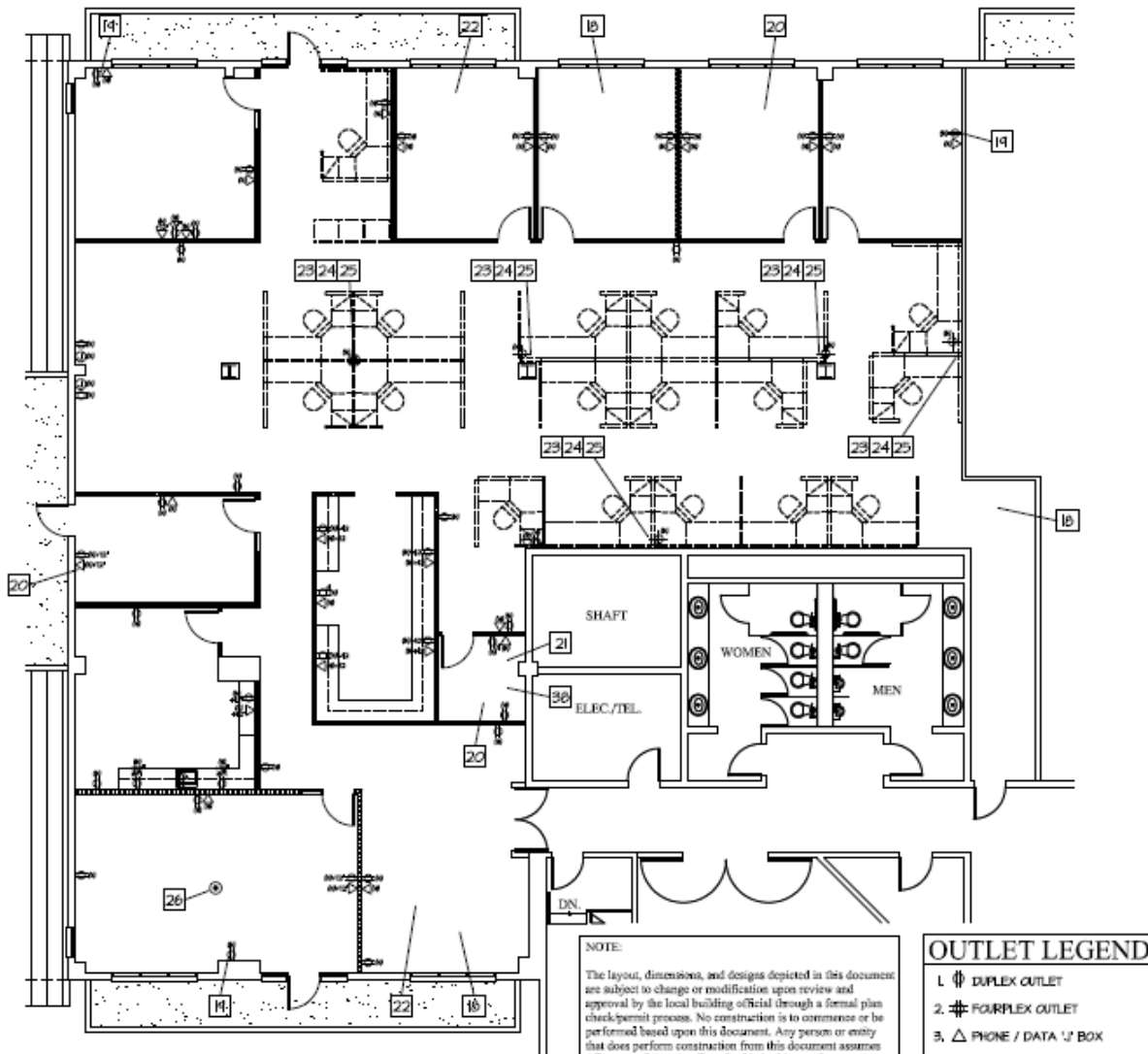


SCALE: 1/8" = 1'-0"

NOVEMBER 25, 2014



APPROVED-TENANT	_____
SIGNATURE	_____
DATE	_____

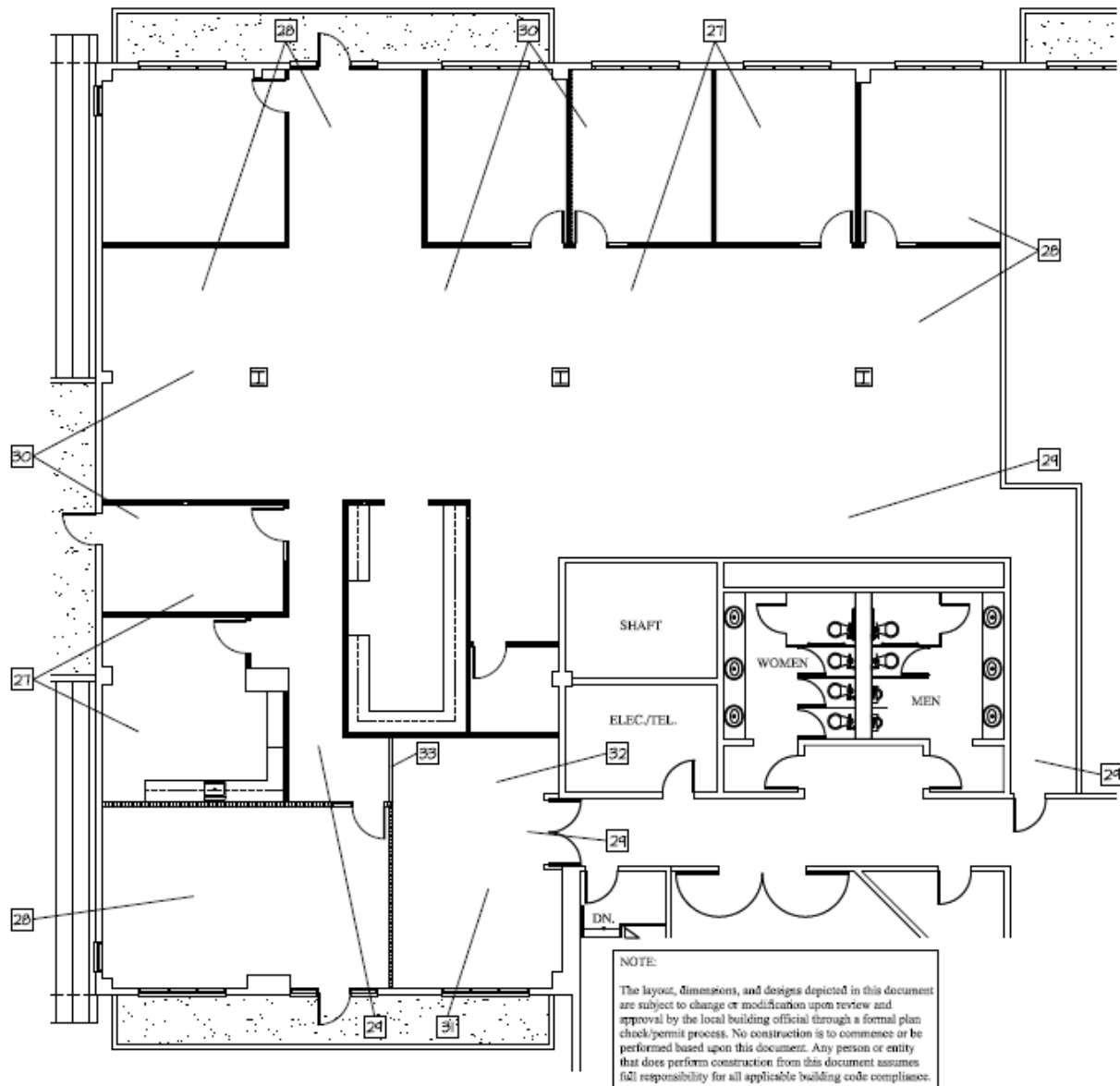


NORTH 5,677 U.S.F.
 751 DAILY DRIVE - SUITE #410
 REV. PRICING - OUTLET LAYOUT PLAN
 SCALE: 1/8" = 1'-0" NOVEMBER 25, 2011

NOTE:
 The layout, dimensions, and designs depicted in this document are subject to change or modification upon review and approval by the local building official through a formal plan check/permit process. No construction is to commence or be performed based upon this document. Any person or entity that does perform construction from this document assumes full responsibility for all applicable building code compliance.

APPROVED:
 TENANT _____
 SIGNATURE _____
 DATE _____

OUTLET LEGEND	
1	⊕ DUPLEX OUTLET
2	⊕ FOURPLEX OUTLET
3	△ PHONE / DATA 'J' BOX
4	○ EMPTY J BOX
5	⊙ RECESSED FLOOR MONUMENT WITH PHONE / DATA AND HDHJ CONDUIT
7	● RECESSED FLOOR CORE SYSTEMS FURNITURE FEED - SEE ELECTRICAL
8	⊕ WALL WHIP SYSTEMS FURNITURE FEED - SEE ELECTRICAL



NORTH 5,677 U.S.F.
 751 DAILY DRIVE - SUITE #410
REV. PRICING - CEILING REFERENCE PLAN
 SCALE: 1/8" = 1'-0" NOVEMBER 25, 2011

APPROVED:	_____
TENANT	_____
SIGNATURE	_____
DATE	_____

NOTE: ALL WORK MUST BE COMPLETED USING PREVAILING WAGE LABOR.

KEY NOTES:

NOVEMBER 25, 2014

THE GENERAL CONTRACTOR IS TO REFER TO THE BUILDING STANDARDS FOR MATERIALS, FINISHES, MECHANICAL, AND ELECTRICAL FOR THIS OFFICE PARK FOR ALL MATERIALS AND FINISHES TO BE INCORPORATED INTO THIS TENANT IMPROVEMENT. LANDLORD WILL USE ITS BEST EFFORTS TO MATCH EXISTING FINISHES.

- 1 DASHED WALLS AND DOORS ARE EXIST. TO BE DEMOLISHED.
- 2 REMOVE EXISTING CONDUIT SLEAVE FROM THE EXISTING SUITE. PATCH AND REPAIR EXISTING FLOORING / CEILING AS NECESSARY.
- 3 REMOVE EXISTING DOUBLE DOORS AND REVERSE EXISTING SWING TO BE IN THE DIRECTION OF EGRESS. S.C. TO REMOVE AND RE-USE EXISTING DOUBLE DOOR AND FRAME, TO SWING IN OPPOSITE DIRECTION.
- 4 REMOVE EXISTING SINGLE ENTRY DOOR AND FRAME AND INSTALL A NEW BLDG. STD. DOOR AND FRAME AS INDICATED. NEW DOOR, FRAME AND HARDWARE TO MATCH BLDG. STD. PROVIDE LEVER TYPE LOCKING HARDWARE AT THIS DOOR.
- 5 REPLACE EXISTING, DAMAGED EXTERIOR WINDOW BLINDS WITH BLDG. STD. WINDOW BLINDS, THROUGHOUT THE SUITE, S.C. TO PROVIDE AN ALTERNATE TO PROVIDE AND INSTALL ROLLER SHADES THROUGHOUT.
- 6 EXISTING DEMISING / COMMON AREA WALLS TO REMAIN. PATCH AND REPAIR DAMAGED WALLS, AS NEEDED. PRIME AND PREP TO RECEIVE NEW PAINT.
- 7 EXISTING ROOF ACCESS DOOR (USED BY BUILDING ENGINEER FOR MAINTENANCE ONLY) TO REMAIN. PATCH, REPAIR AND PAINT DOOR AND FRAME.
- 8 NEW 3-5/8" METAL STUD PARTITIONS TO EXTEND TO THE NEW CEILING GRID. COVER BOTH SIDES OF THE NEW WALLS WITH 5/8" GYP. BD. PROVIDE SOUND BATT INSULATION IN EACH STUD-BAY. PRIME AND PREP TO RECEIVE NEW PAINT.
- 9 INSTALL NEW BLDG. STD. CARPET TILES AND 4" RUBBER BASE THROUGHOUT THE SUITE, UNLESS NOTED OTHERWISE. COLOR AND STYLE TO BE SELECTED BY TENANT. PRICE CARPET AT \$22.00 PER YARD INSTALLED.
- 10 INSTALL NEW LVT FLOORING AND 4" RUBBER BASE IN THE RECEPTION, COPY AND BREAK ROOMS. COLOR AND STYLE TO BE SELECTED BY TENANT. SPEC. TBD.
- 11 INSTALL NEW ANTI-STATIC ARMSTRONGS, EXCELON 12"x12" VCT FLOORING AND 4" RUBBER BASE IN THE SERVER ROOM, UNLESS NOTED OTHERWISE. COLOR AND STYLE TO BE SELECTED BY TENANT FROM BLDG. STD. SELECTIONS.
- 12 INSTALL A 24" DEEP x 48"-0" LONG, LAMINATE COUNTERTOP WITH SINGLE COMPARTMENT S.S. SINK WITH HOT / COLD WATER. COUNTERTOP TO FINISH AT 34" A.F.F. INSTALL 24" DEEP LOWER CABINETS WITH ONE ADJ. SHELF AND DRAWERS, AND 12" DEEP UPPER CABINETS WITH A 16" DEEP LAMINATE MICROWAVE SHELF, AND TWO ADJUST. SHELVES. PROVIDE (2) WATER LINES: (1) FOR TENANT'S ICE MAKER AND (1) FOR TENANT'S COFFEE MAKER. LAMINATE TO BE A BLDG. STD. COLOR AS SELECTED BY TENANT.
A. INSTALL ELECTRONIC WATER SHUT OFF DEVICE ON WATER LINE. DEVICE TO SHUT OFF ALL WATER TO SINK AND APPLIANCES.
B. ALL APPLIANCES AND DEVICES THAT USE WATER SHALL HAVE WATER SUPPLY LINES INSTALLED IN COPPER TUBING. NO PLASTIC PIPING IS ALLOWED.
- 13 INSTALL A NEW 3'-0" BLDG. STD. DOORS AND FRAMES THROUGHOUT. PROVIDE MATCHING BLDG. STD. LEVER TYPE HARDWARE. DOORS ARE TO BE IN GOOD OPERABLE CONDITION, AND HAVE LEVER TYPE HARDWARE.
- 14 INSTALL NEW 24" WIDE, TEMPERED GLASS SIDELIGHT WINDOWS IN MATCHING BLDG. STD. FRAMES AS SHOWN. ALIGN FRAME WITH NEW DOOR HEADER AND SET SILL AT FLOOR.
- 15 PROVIDE BACKSPLASH AT 60" A.F.F. FOR TENANT'S WALL MOUNTED TELEVISION. S.C. TO PROVIDE AND INSTALL NEW MOUNTING BRACKET. TENANT TO INSTALL TELEVISION.
- 16 INSTALL A 24" DEEP, LAMINATE COUNTERTOP TO FINISH AT 34" A.F.F. INSTALL 24" DEEP LOWER CABINETS WITH ONE ADJ. SHELF WITH DOORS, AND 12" DEEP UPPER CABINETS WITH TWO ADJUST. LAMINATE SHELVES AND DOORS. LAMINATE TO BE A BLDG. STD. COLOR AS SELECTED BY TENANT.
- 17 PAINT THE ENTIRE SUITE THROUGHOUT A BLDG. STD. COLOR AS SELECTED BY TENANT, S.C. TO ALLOW FOR (5) ACCENT COLORS. LOCATIONS OF ACCENT COLORS TBD. NEW PAINT TO BE DUNN-EDWARDS OR EQUAL.
- 18 ALL EXISTING ELECTRICAL OUTLETS AND VOICE / DATA J-BOXES SHOWN ARE TO REMAIN WHERE POSSIBLE FOR RE-USE BY THE TENANT. CONTRACTOR TO VERIFY THAT ALL EXIST. ELECTRICAL OUTLETS ARE PROPERLY ENERGIZED. S.C. TO INSTALL COVER PLATES WHERE MISSING ON EXISTING OUTLETS TO BE WHITE.
- 19 INSTALL NEW ELECTRICAL OUTLETS IN LOCATIONS SHOWN. NEW COVER PLATES COLOR IS TO BE BLDG. STD. NEW OUTLETS IDENTIFIED WITH (N), DEDICATED OUTLETS IDENTIFIED WITH A (d).
- 20 TENANT IS RESPONSIBLE FOR INSTALLING VOICE AND DATA CABLING, JACKS, PHONE / SERVER EQUIP AND VOICE / DATA COVER PLATES. S.C. TO PROVIDE CONDUIT TO CEILING SPACE ABOVE WITH PULL STRINGS. S.C. TO COORDINATE WITH TENANT'S VENDOR.

APPROVED
TENANT _____
SIGNATURE _____
DATE _____

NOTE:
The layout, dimensions, and designs depicted in this document are subject to change or modification upon review and approval by the local building official through a formal plan check/permit process. No construction is to commence or be performed based upon this document. Any person or entity that does perform construction from this document assumes full responsibility for all applicable building code compliance.

- 21 REMOVE EXISTING PHONE BOARD AND INSTALL A NEW PHONE BOARD IN THE SERVER ROOM, PHONE BOARD TO BE PAINTED (LEAVE FIRE RATED SEAL EXPOSED FOR INSPECTION) 3/4" PLYWOOD. S.G. TO CONFIRM EXACT LOCATION WITH TENANT PRIOR TO CONSTRUCTION.
- 22 CONTRACTOR TO INSTALL BLANK COVER PLATES ON ALL EMPTY U-BOXES OR PLASTER RINGS.
- 23 PROVIDE A ELECTRICAL FLOOR CORE / WALL WHIP FOR CONNECTION TO THE TENANT'S SYSTEMS FURNITURE. VERIFY THE EXACT SIZE CIRCUIT AND EXACT LOCATION WITH THE TENANT'S FURNITURE VENDOR PRIOR TO INSTALLATION. REFER TO DESIGN-BUILD ELECTRICAL PLANS FOR ELECTRICAL DESIGN.
- 24 AT THE SAME LOCATION AS THE SYSTEMS FURNITURE FEED (FLOOR CORE / WALL WHIP), PROVIDE A TWO GANG J-BOX WITH A 1" DIA. (S.G. TO CONFIRM CONDUIT SIZE WITH FURNITURE VENDOR / TENANT) CONDUIT FEED INTO THE CEILING SPACE FOR THE TENANT'S VOICE AND DATA CABLING.
- 25 THE ELECTRICAL SUBCONTRACTOR IS TO MAKE THE FINAL CONNECTION OF THE SYSTEMS FURNITURE AND IS TO COORDINATE WITH THE VENDORS AS NECESSARY FOR POWER, VOICE, DATA, AND CONNECTION OF THE FURNITURE.
- 26 TYPICAL - PROVIDE A NEW ELECTRICAL FLOOR MONUMENTS AS SHOWN. PROVIDE A DEDICATED 20 AMP ELECTRICAL CIRCUIT TERMINATING IN THE BOX, VERIFY THE EXACT SIZE CIRCUIT AND LOCATION WITH TENANT PRIOR TO INSTALLATION. AT THE SAME LOCATION AS THIS FLOOR MONUMENT, PROVIDE A TWO GANG J-BOX WITH A 1-1/2" DIA. CONDUIT FEED OVER TO THE ADJACENT HALL WHERE THE TENANT WILL BE INSTALLING THEIR HALL MOUNTED TELEVISION, CONTRACTOR TO COORDINATE WITH TENANT PRIOR TO INSTALLATION.
- 27 REMOVE ALL EXIST. 2x4 PARABOLIC LIGHT FIXTURES THROUGHOUT THE ENTIRE SUITE AND PROVIDE NEW BLDG. STD. 2x4 LED LIGHT FIXTURES THROUGHOUT. ALL LIGHT BULB COLORS AND LIGHT LENSES ARE TO MATCH IN COLOR AND STYLE AND ARE TO BE CLEAN. PROVIDE NEW SWITCHING THROUGHOUT AS NECESSARY.
- 28 HALL EXISTING HVAC SUPPLY AND RETURN AIR, ZONES AND DUCTS TO REMAIN AS POSSIBLE. RELOCATE AND ADD NEW REGISTERS AS NECESSARY SO ALL OCCUPIED ROOMS HAVE SUPPLY AND RETURNS. RECONFIGURE HVAC DUCTING THROUGHOUT THE ENTIRE SUITE, AS NECESSARY FOR NEW SUITE CONFIGURATION. ALL REGISTERS ARE TO BE CLEAN AND MATCH BLDG. STD. REPLACE AS NECESSARY. BALANCE THE SYSTEM FOR ITS NEW CONFIGURATION. CONTRACTOR TO LOCATE, AND EVALUATE THE STATUS OF EXIST. VAV BOXES). * ALL NEW MODIFIED AND EXISTING HVAC COMPONENTS ARE TO BE SEPARATED FROM ADJACENT SUITES AND MUST COMPLY WITH NEW CALIFORNIA ENERGY REQUIREMENTS, IMPLEMENTED ON JULY 1, 2014.
- 29 INSTALL NEW ILLUMINATED EXIT SIGNS, AS REQUIRED BY CODE, AND AS REQUIRED BY THE BUILDING DEPT. / FIRE DEPT.
- 30 S.G. TO MODIFY THE EXISTING FIRE SPRINKLER / LIFE SAFETY SYSTEM FOR THE NEW SUITE CONFIGURATION. ALL FIRE LIFE SAFETY / FIRE SPRINKLER WORK TO BE UNDER A SEPARATE PERMIT.
- 31 S.G. TO PROVIDE COST AS AN ALTERNATE TO REMOVE EXISTING CEILING TILES, GRID AND ASSOCIATED COMPONENTS IN THE WAITING AREA TO PROVIDE AN OPEN CEILING. PROVIDE NEW SPIRAL DUCT / REGISTER AT OPEN CEILING. PAINT EXISTING STRUCTURE AND ALL EXPOSED ITEMS A FLAT BLACK.
- 32 S.G. TO PROVIDE COST AS AN ALTERNATE TO PROVIDE NEW LED PENDANT LIGHT FIXTURES IN THE WAITING AREA.
- 33 S.G. TO PROVIDE COST AS AN ALTERNATE TO CONSTRUCT A NEW HARD LID 6YF. BD. HEADER FOR CEILING TRANSITION AT THIS LOCATION. NEW HEADER TO ALIGN WITH EXISTING ACOUSTICAL CEILING GRID. PAINT NEW HEADER AS SELECTED BY TENANT.
- 34 NOT USED
- 35 NOT USED
- 36 S.G. TO PROVIDE COST AS AN ALTERNATE TO RECEPTION: BUILD NEW 3-3/4" METAL STUD WALL WITH 3/4" 6YF. BD. ON BOTH SIDES AND A BUILT-IN RECEPTION DESK TO HAVE LAMINATE FINISH. PROVIDE 24" DEEP MORK COUNTER TO FINISH AT 30" A.F.F., AND A 12" WIDE TRANSACTION COUNTER TO FINISH AT 42" A.F.F. THE MORK COUNTER AND TRANSACTION COUNTER SURFACES ARE TO BE LAMINATE. PROVIDE A 36" WIDE SECTION TO FINISH AT 34" A.F.F. (34" A.F.F. MAX) FOR ADA / T-24 ACCESSIBILITY REQUIREMENTS. PROVIDE CORBELS AS NECESSARY FOR SUPPORT. PROVIDE GROMMET HOLES AS NEEDED. PAINT NEW WALL AS SELECTED BY TENANT AND PROVIDE MATCHING BASE @ NEW WALLS. LAMINATE AS SELECTED BY TENANT.
- 37 S.G. TO PROVIDE COST AS AN ALTERNATE TO CONSTRUCT A NEW 3-3/4" METAL STUD FULL HEIGHT WALL TO EXTEND TO THE STRUCTURE ABOVE AT THE WAITING AREA. FULL HEIGHT WALLS INDICATED WITH DASHED LINE. COVER BOTH SIDES OF THE NEW WALLS WITH 3/4" 6YF. BD. PROVIDE SOUND BATT INSULATION IN EACH STUD-BAY. PRIME AND PREP TO RECEIVE NEW PAINT.
- 38 S.G. TO PROVIDE COST AS AN ALTERNATE TO INSTALL A NEW 24/1 SUPPLEMENTAL A/C UNIT FOR TENANT'S SERVER ROOM. PROVIDE AN ENHANCED METER TO TRACK AFTER-HOURS ELECTRICAL CONSUMPTION. S.G. TO PROVIDE A BID / COST FOR A 1 TON UNIT. TENANT'S IT MANAGER TO PROVIDE HEAT LOADS TO S.G. PRIOR TO CONSTRUCTION.
- 39 CONSTRUCT A NEW 18" DEEP LAMINATE COUNTER TOP (BAR) WITH LAMINATE CORBELS FOR SUPPORT TO FINISH AT 42" A.F.F. PROVIDE A 36" SECTION OF NEW BAR AT 34" A.F.F. FOR ACCESSIBILITY REQUIREMENTS. LAMINATE AS SELECTED BY TENANT.
- 40 S.G. TO PROVIDE COST AS AN ALTERNATE TO AT LARGE CONFERENCE ROOM - NEW 3-3/4" METAL STUD FULL-HEIGHT WALLS TO EXTEND TO THE STRUCTURE ABOVE. COVER BOTH SIDES OF THE NEW WALLS WITH 3/4" 6YF. BD. PROVIDE SOUND BATT INSULATION IN EACH STUD-BAY. PRIME AND PREP TO RECEIVE NEW PAINT. PROVIDE TOP TRACK AT STRUCTURE. PROVIDE OPENINGS ABOVE CEILING GRID AS NECESSARY FOR AIR FLOW.

APPROVED:
TENANT _____
SIGNATURE _____
DATE _____

NOTE:

The layout, dimensions, and designs depicted in this document are subject to change or modification upon review and approval by the local building official through a formal plan check/permit process. No construction is to commence or be performed based upon this document. Any person or entity that does perform construction from this document assumes full responsibility for all applicable building code compliance.

EXHIBIT C

CAMARILLO BUSINESS CENTER-

CONFIRMATION LETTER

_____, 2020

Ventura County Transportation Commission

751 E. Daily Drive
Suite 410
Camarillo, California

Re: Standard Multi-Tenant Office Lease – Gross (the "Lease") dated _____, 2020, between 751 Daily, L.P., a Delaware limited partnership ("Lessor"), and VENTURA COUNTY TRANSPORTATION COMMISSION ("Lessee"), concerning Suite 410 on the fourth (4th floor of the building located at 751 E. Daily Drive, Camarillo, California (the "Premises").

Dear _____

In accordance with the Lease, Lessee accepts possession of the Premises and confirms the following:

1. The Commencement Date is _____ and the Expiration Date is _____
2. The exact number of deemed rentable square feet within the Premises is 6,514 square feet.
3. Tenant's Share, based upon the exact number of deemed rentable square feet within the Premises, is 7.13%.

Please acknowledge the foregoing by signing all three (3) counterparts of this letter in the space provided below and returning two (2) fully executed counterparts to my attention. If Lessee fails to execute and return (or, by notice to Lessor, reasonably object to) this letter within five (5) days after receiving it, Lessee shall be deemed to have executed and returned it without exception.

Agreed and Accepted as of _____ , _____ 2020

LESSEE:
Ventura County Transportation Commission

LESSOR:
751 DAILY, L.P., a Delaware limited partnership

By: 751 Daily, LLC, a Delaware limited liability company, it's general partner

By: _____

By:

Name: _____

Name: Robert _____ Korda

Title: _____

Title: Manager

By: _____

Name: _____

Title: _____

EXHIBIT D

CAMARILLO BUSINESS CENTER

RULES AND REGULATIONS

Lessee shall comply with the following rules and regulations (as modified or supplemented from time to time, the "**Rules and Regulations**"). Lessor shall not be responsible for the nonperformance of any of the Rules and Regulations by any other tenants or occupants of the Project. In the event of any conflict between the Rules and Regulations and the other provisions of this Lease, the latter shall control.

1. Lessee shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Lessor's prior consent. Lessee shall bear the cost of any lock changes or repairs required by Tenant. Two (2) keys will be furnished by Lessor for the Premises and four (4) card keys or keys will be furnished by Lessor for after-hours access to the Building, and any additional keys required by Lessee must be obtained from Lessor at a reasonable cost to be established by Landlord. Upon the termination of this Lease, Lessee shall restore to Lessor all keys of stores, offices and toilet rooms furnished to or otherwise procured by Tenant, and if any such keys are lost, Lessee shall pay Lessor the cost of replacing them or of changing the applicable locks if Lessor deems such changes necessary.

2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises.

3. Lessor may close and keep locked all entrance and exit doors of the Building during such hours as are customary for comparable buildings in the vicinity of the Building. Lessee shall cause its employees, agents, contractors, invitees and licensees who use Building doors during such hours to securely close and lock them after such use. Any person entering or leaving the Building during such hours, or when the Building doors are otherwise locked, may be required to sign the Building register, and access to the Building may be refused unless such person has proper identification or has a previously arranged access pass. Lessor will furnish passes to persons for whom Lessee requests them. Lessee shall be responsible for all persons for whom Lessee requests passes and shall be liable to Lessor for all acts of such persons. Lessor and its agents shall not be liable for damages for any error with regard to the admission or exclusion of any person to or from the Building. In case of invasion, mob, riot, public excitement or other commotion, Lessor may prevent access to the Building or the Project during the continuance thereof by any means it deems appropriate for the safety and protection of life and property.

4. No furniture, freight or equipment shall be brought into the Building without prior notice to Landlord. All moving activity into or out of the Building shall be scheduled with Lessor and done only at such time and in such manner as Lessor designates. Lessor may prescribe the weight, size and position of all safes and other heavy property brought into the Building and also the times and manner of moving the same in and out of the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Lessor will not be responsible for loss of or damage to any such safe or property. Any damage to the Building, its contents, occupants or invitees resulting from Tenant's moving or maintaining any such safe or other heavy property shall be the sole responsibility and expense of Lessee (notwithstanding Section 7 of this Lease).

5. No furniture, packages, supplies, equipment or merchandise will be received in the Building or carried up or down in the elevators, except between such hours, in such specific elevator and by such personnel as shall be designated by Landlord.

6. Employees of Lessor shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord.

7. No sign, advertisement, notice or handbill shall be exhibited, distributed, painted or affixed by Lessee on any part of the Premises or the Building without Lessor's prior consent. Lessee shall not disturb, solicit, peddle or canvass any occupant of the Project.

8. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance shall be thrown therein. Notwithstanding Section 7 of this Lease, Lessee shall bear the expense of any breakage, stoppage or damage resulting from any violation of this rule by Lessee or any of its employees, agents, contractors, invitees or licensees.

9. Lessee shall not overload the floor of the Premises, or mark, drive nails or screws or drill into the partitions, woodwork or drywall of the Premises, or otherwise deface the Premises, without Lessor's prior consent. Lessee shall not purchase bottled water, ice, towel, linen, maintenance or other like services from any person not approved by Landlord.

10. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines other than fractional horsepower office machines shall be installed, maintained or operated in the Premises without Lessor's prior consent.

11. Lessee shall not, without Lessor's prior consent, use, store, install, disturb, spill, remove, release or dispose of, within or about the Premises or any other portion of the Project, any asbestos-containing materials, any solid, liquid or gaseous material now or subsequently considered toxic or hazardous under the provisions of 42 U.S.C. Section 9601 et seq. or any other applicable environmental Law, or any inflammable, explosive or dangerous fluid or substance; provided, however, that Lessee may use, store and dispose of such substances in such amounts as are typically found in similar premises used for general office purposes provided that such use, storage and disposal does not damage any part of the Premises, Building or Project and is performed in a safe manner and in accordance with all Laws. Lessee shall comply with all Laws pertaining to and governing the use of such materials by Lessee and shall remain solely liable for the costs of abatement and removal. No burning candle or other open flame shall be ignited or kept by Lessee in or about the Premises, Building or Project.

12. Lessee shall not, without Lessor's prior consent, use any method of heating or air conditioning other than that supplied by Landlord.

13. Lessee shall not use or keep any foul or noxious gas or substance in or on the Premises, or occupy or use the Premises in a manner offensive or objectionable to Lessor or other occupants of the Project by reason of noise, odors or vibrations, or interfere with other occupants or those having business therein, whether by the use of any musical instrument, radio, CD player or otherwise. Lessee shall not throw anything out of doors, windows or skylights or down passageways.

14. Lessee shall not bring into or keep within the Project, the Building or the Premises any

animals (other than service animals), birds, aquariums, or, except in areas designated by Lessor, bicycles or other vehicles.

15. No cooking shall be done in the Premises, nor shall the Premises be used for lodging, for living quarters or sleeping apartments, or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' laboratory-approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages for employees and invitees, provided that such use complies with all Laws.

16. The Premises shall not be used for manufacturing or for the storage of merchandise except to the extent such storage may be incidental to the Permitted Use. Lessee shall not occupy the Premises as an office for a messenger-type operation or dispatch office, public stenographer or typist, or for the manufacture or sale of liquor, narcotics or tobacco, or as a medical office, a barber or manicure shop, or an employment bureau, without prior consent. Lessee shall not engage or pay any employees in the Premises except those actually working for Lessee in the Premises, nor advertise for laborers giving an address at the Premises.

17. Lessor may exclude from the Project any person who, in Lessor's judgment, is intoxicated or under the influence of liquor or drugs, or who violates any of these Rules and Regulations.

18. Lessee shall not loiter in or on the entrances, corridors, sidewalks, lobbies, courts, halls, stairways, elevators, vestibules or any Common Areas for the purpose of smoking tobacco products or for any other purpose, nor in any way obstruct such areas, and shall use them only as a means of ingress and egress for the Premises.

19. Lessee shall not waste electricity, water or air conditioning, shall cooperate with Lessor to ensure the most effective operation of the Building's heating and air conditioning system, and shall not attempt to adjust any controls. Lessee shall install and use in the Premises only ENERGY STAR rated equipment, where available. Lessee shall use recycled paper in the Premises to the extent consistent with its business requirements.

20. Lessee shall store all its trash and garbage inside the Premises. No material shall be placed in the trash or garbage receptacles if, under Law, it may not be disposed of in the ordinary and customary manner of disposing of trash and garbage in the vicinity of the Building. All trash, garbage, and refuse disposal shall be made only through entryways and elevators provided for such purposes at such times as Lessor shall designate. Lessee shall comply with Lessor's recycling program, if any.

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

22. Any persons employed by Lessee to do janitorial work shall be subject to Lessor's prior consent and, while in the Building and outside of the Premises, shall be subject to the control and direction of the Building manager (but not as an agent or employee of such manager or Landlord), and Lessee shall be responsible for all acts of such persons.

23. No awning or other projection shall be attached to the outside walls of the Building without Lessor's prior consent. Other than Lessor's Building-standard window coverings, no curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises. All electrical ceiling fixtures hung in the

Premises or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and a warm white bulb color approved in advance by Landlord. Neither the interior nor exterior of any windows shall be coated or otherwise sunscreensed without Lessor's prior consent. Lessee shall abide by Lessor's regulations concerning the opening and closing of window coverings.

24. Lessee shall not obstruct any sashes, sash doors, skylights, windows or doors that reflect or admit light or air into the halls, passageways or other public places in the Building, nor shall Lessee place any bottles, parcels or other articles on the windowsills.

25. Lessee must comply with requests by Lessor concerning the informing of their employees of items of importance to the Landlord.

26. Lessee must comply with the State of California "No-Smoking" law set forth in California Labor Code Section 6404.5 and with any local "No-Smoking" ordinance that is not superseded by such law.

27. Lessee shall cooperate with any reasonable safety or security program developed by Lessor or required by Law.

28. All office equipment of an electrical or mechanical nature shall be placed by Lessee in the Premises in settings approved by Lessor, to absorb or prevent any vibration, noise or annoyance.

29. Lessee shall not use any hand trucks except those equipped with rubber tires and rubber side guards.

30. No auction, liquidation, fire sale, going-out-of-business or bankruptcy sale shall be conducted in the Premises without Lessor's prior consent.

31. Without Lessor's prior consent, Lessee shall not use the name of the Project or Building or use pictures or illustrations of the Project or Building in advertising or other publicity or for any purpose other than as the address of the business to be conducted by Lessee in the Premises.

Lessor may from time to time modify or supplement these Rules and Regulations in a manner that, in Lessor's reasonable judgment, is appropriate for the management, safety, care and cleanliness of the Premises, the Building, the Common Areas and the Project, for the preservation of good order therein, and for the convenience of other occupants and tenants thereof. Lessor may waive any of these Rules and Regulations for the benefit of any tenant, but no such waiver shall be construed as a waiver of such Rule and Regulation in favor of any other Lessee nor prevent Lessor from thereafter enforcing such Rule and Regulation against any tenant.

EXHIBIT E
EXCLUSIONS FROM OPERATING EXPENSES

The following items shall be excluded from the operating expenses:

- (a) costs incurred in connection with the original construction of the Buildings;
- (b) costs incurred in connection with repairs, alterations, additions, improvements, or replacements made to rectify or correct any defect in the design, materials, or workmanship of the Building or common areas ; or to comply with laws, regulations and/or any requirements of any governmental authority in effect as of the Commencement Date, including but not limited to laws and regulations relating to handicap access;
- (c) costs of selling, syndicating, financing, mortgaging, or hypothecating any of Lessor's interest in the Building;
- (d) depreciation, interest and principal payments on mortgages and other debt costs, if any, and amounts paid as ground rental or as rental for the Building by Lessor;
- (e) marketing costs, legal fees, space planners' fees, advertising and promotional expenses, and brokerage fees incurred in connection with the original development, subsequent improvement, or original or future leasing of the Building;
- (f) costs for which any tenant directly contracts with local providers, costs for which Lessor is entitled to be reimbursed by any tenant or occupant of the Building or by insurance by its carrier or any tenant's carrier or by anyone else, and expenses in connection with services or other benefits which are not offered to Lessee or for which Lessee is charged directly but which are provided to another tenant or occupant of the Building without a separate charge;
- (g) any bad debt loss, rent loss, or reserves for bad debts or rent loss;
- (h) Lessor's general corporate overhead and general and administrative expenses and other costs associated with the operation of the business of the entity which constitutes Lessor, as the same are distinguished from the costs of operation of the Building, including partnership or corporate accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of Lessee may be in issue);
- (i) costs incurred in connection with any disputes, including, but not limited to, any disputes between Lessor and its employees, between Lessor and Building management, or between Lessor and other tenants or prospective tenants or occupants;
- (j) the wages and benefits of any employee who does not devote substantially all of his or her employed time to the Building unless such salary, wages and benefits are prorated to reflect time spent on operating and managing the Building vis-à-vis time spent on matters unrelated to operating and managing the Building; provided, that in no event shall the operating expenses include wages and/or benefits attributable to personnel above the level of on-site Project Manager, Commercial Property Supervisor or on-site Project Engineer or any compensation paid to clerks, attendants or other persons in commercial concessions operated by Lessor;

(k) costs, including permit, license and inspection costs, incurred with respect to the installation of tenant improvements in the Premises or the premises of new tenants in the Building or incurred in renovating or otherwise improving, decorating, painting, or redecorating rentable space for tenants or other occupants of the Building or vacant rentable space;

(l) overhead and profit increment paid to Lessor or to subsidiaries or affiliates of Lessor (other than the Property management company) for services in the Building to the extent the same exceeds the costs of such services rendered by qualified, first-class unaffiliated third parties on a competitive basis, which parties render services in comparable buildings;

(m) costs, other than those incurred in ordinary maintenance and repair, for sculpture, paintings, fountains or other objects of art;

(n) fees and reimbursements payable to Lessor (including its affiliates) for management of the Building which would ordinarily be included in a management fee, in excess of the lesser of 4% of the rent or the management fee that a landlord would have been required to pay to comparable independent established management companies operating other comparable buildings in comparable locations;

(o) costs to repair or rebuild after casualty loss (excluding deductibles under insurance policies carried by Lessor, which deductibles shall be included in the operating expenses and which deductibles shall not exceed \$50,000 in any one Lease Year);

(p) rent for any office space occupied by Building management personnel to the extent the size or rental rate of such office space exceeds the size or fair market rental value of office space occupied by management personnel of comparable buildings in the vicinity of the Building, with adjustment where appropriate for the size of the applicable project;

(q) all assessments and premiums which are not specifically charged to Lessee because of what Lessee has done, which can be paid by Lessor in installments, shall be paid by Lessor in the maximum number of installments permitted by law (except to the extent inconsistent with the general practice of comparable buildings in the vicinity of the Building) and shall be included as operating expenses in the year in which the assessment or premium installment is actually paid (or would have been paid in installments if Lessor chooses to pay in a lump sum);

(r) costs arising from the gross negligence or willful misconduct of Lessor or its agents, employees, vendors, contractors, or providers of materials or services;

(s) costs incurred due to violation by Lessor, or any other tenant, of any law or regulation, or of the terms and conditions of any lease of space in the Building;

(t) intentionally omitted.

(u) costs arising from Lessor's charitable or political contributions;

(v) costs relating to the Building which are in a category of expense which was not included in operating expenses during the Base Year or any material revision to any items included in the Base Year;

(w) interests, fines, late fees, collection costs, legal fees, or penalties assessed as a result of Lessor's failure to make payments in a timely manner or to comply with applicable laws, including regarding the payment of taxes, or to comply with the terms of any lease, mortgage, deed of trust, ground lease, private restriction, or other agreement;

(x) costs incurred in installing, operating and maintaining any specialty improvement not normally installed, operated and maintained in buildings comparable to the Building, including, without limitation, any observatory, luncheon club, or athletic or recreational facilities;

(y) legal fees, accountants' fees and other expenses incurred in connection with defense of Lessor's title to or interest in the Building or any part thereof;

(z) interest, penalties or other costs arising out of Lessor's failure to make timely payment of (or to fulfill) its obligations;

(aa) depreciation or amortization of the Building;

(bb) any costs expressly excluded from operating costs elsewhere in the Lease.

EXHIBIT F

Signage



EXHIBIT G

Janitorial Schedule

General duties for Camarillo:

Five days a week:

Common areas (lobby, hallways, elevators, facade)

- sweep and mop all floors
- vacuum all carpeted areas
- empty any trash receptacle, replace liner as needed
- elevator landing in parking levels vacuumed
- elevators cleaned
- vending machines cleaned
- water fountains cleaned

Restrooms

- all bathrooms cleaned and sanitized
- mirrors cleaned
- chrome work polished
- stock bathrooms supplies as needed
- empty any trash receptacle, replace liner as needed

Offices

- sweep and mop all floors
- vacuum all carpeted areas
- empty any trash receptacle, replace liner as needed
- general dusting up to 6' on a weekly rotational basis
- kitchenettes / lunch room cleaned and organized
- glass partitions cleaned

Weekly:

- control web cobs
- detail restrooms as needed (floor scrubbing, partitions, etc.)

Bi-yearly:

- high dusting

Please note that the terms “Seller” and “Buyer” are defined by the CA Civil Code to include a lessor and lessee, respectively.

This form must be delivered before or concurrently with the signing of the purchase and sale contract (or lease). In lieu of this form, such confirmation may also be set forth in the purchase and sale contract (or lease).

REPRESENTATION CONFIRMATION

Date: _____
Seller/Lessor: _____
Buyer/Lessee: _____
Property Name: _____
Street Address, City, State: _____
Further described as: _____

SELLER’S AGENT

_____ (Seller’s brokerage firm and license number) is the broker of (check one):
 the seller.
 both the buyer and seller (dual agent).

_____ (individual agent and license number) is (check one):
 the Seller’s Agent (salesperson or broker associate).
 both the Buyer’s and Seller’s Agent (dual agent).

BUYER’S AGENT

_____ (Buyer’s brokerage firm and license number) is the broker of (check one):
 the buyer.
 both the buyer and seller (dual agent).

_____ (individual agent and license number) is (check one):
 the Buyer’s Agent (salesperson or broker associate).
 both the Buyer’s and Seller’s Agent (dual agent).

CBRE, INC.

Agent

Buyer/Seller

Salesperson or Broker Associate, if any (Signature) (Date)

Buyer/Seller (Signature) (Date)

Salesperson or Broker Associate, if any (Printed Name)

Buyer/Seller (Printed Name)