

FACILITY LEASE

This Lease (this "Lease") is made this 18th day of April, 2018, by and among **PROPERTY 2021 LLC**, a Washington limited liability company ("Landlord"), and each of the entities listed in the Tenant Signature Page attached hereto (collectively, "Tenant"), who agree as follows:

1. **Fundamental Terms.** As used in this Lease, the following capitalized terms shall have the following meanings:

(a) "Land" means the land on which the Building is located, situated in the City of Pasco, County of Franklin, State of Washington, which is described on Exhibit A.

(b) "Building" means the building in which the Premises are located, the street address of which is 2021 Commercial Avenue, Pasco, Washington.

(c) "Premises" means an unallocated space within the entire Building.

(d) "Tenant's Share" means the respective share of the individual Tenants as set forth in Schedule 1 attached hereto.

(e) The "Commencement Date" shall be the Effective Date.

(f) "Expiration Date" means, if the Commencement Date is the first day of a calendar month, the date which is immediately preceding the day the first (1st) anniversary of the Commencement Date; or if the Commencement Date shall be a day other than the first day of a calendar month, then the date which is the last day of the calendar month in which occurs the first (1st) anniversary of the Commencement Date, or the last day of any extended term, if the Lease Term of this Lease is extended in accordance with the provisions of Section 1(g) hereof.

(g) "Term" means the period of time commencing on the Commencement Date and ending on the Expiration Date, provided however, that after the expiration of the initial Term, the Term shall continue as a year-to-year periodic tenancy, provided further however, that Tenant may terminate the periodic tenancy with thirty (30) days prior written notice but Landlord may only terminate the month-to-month periodic tenancy with at least nine (9) months prior written notice.

(h) "Minimum Monthly Rent" means the amounts set forth in Schedule for each Tenant.

(i) "Permitted Use" means use for purposes of general office use.

(j) "Landlord's Address for Notice" means 2021 Commercial Avenue, Pasco, Washington.

(k) "Landlord's Address for Payment of Rent" means 2021 Commercial Avenue, Pasco, Washington.

(l) "Tenant's Address for Notice" means 2021 Commercial Avenue, Pasco, Washington.

2. **Consent and Notices.** Except as otherwise expressly provided in this Lease, whenever the consent of either Landlord or Tenant is required under this Lease, such consent shall not be effective unless given in writing. Landlord's consent may be withheld or conditioned in Landlord's sole discretion unless expressly provided otherwise in this Lease. All notices or requests required or permitted under this Lease shall be in writing as provided in Section 39f).

3. **Premises and Appurtenances.** Landlord leases to Tenant and Tenant leases from Landlord the Premises for the Term. Each Tenant, and its authorized representatives, shall have the right to use, in common with the other Tenants, the entire Building and the Land. Landlord shall have the right, in Landlord's sole discretion, from time to time to make changes to the Building interior and exterior and the Land.

4. **Term.** This Lease shall become legally binding as of the earlier of the date Landlord and Tenant execute this Lease or the date Tenant enters onto the Premises with Landlord's consent, and shall remain in full force and effect thereafter until the expiration of the Term, unless sooner terminated pursuant to this Lease. The Term shall commence on the Commencement Date and expire on the Expiration Date, unless sooner terminated pursuant to this Lease.

5. **Minimum Monthly Rent; Late Charge.**

(a) **Minimum Monthly Rent.** Tenant shall pay to Landlord the Minimum Monthly Rent without deduction, offset, prior notice or demand, in advance on the first day of each month during the Term. Minimum Monthly Rent for any partial month shall be prorated at the rate of 1/30th of the Minimum Monthly Rent per day. Minimum Monthly Rent is exclusive of any sales, franchise, business or occupation or other tax based on rents (other than Landlord's general income taxes) and should such taxes apply during the Term, the Minimum Monthly Rent shall be increased by the amount of such taxes. All Rent shall be paid to Landlord at Landlord's Address for Payment of Rent or at such other address as Landlord may specify by notice to Tenant.

(b) **Late and NSF Charges.** If any Rent is not received by Landlord from Tenant by the fifth (5th) calendar day after such Rent is due, Tenant shall immediately pay to Landlord a late charge equal to five percent (5%) of the amount of such Rent or Seventy-five and No/100th Dollars (\$75.00), whichever is greater. Should Tenant pay said late charge but fail to pay contemporaneously therewith all unpaid amounts of Rent, Landlord's acceptance of this late charge shall not constitute a waiver of Tenant's default with respect to Tenant's nonpayment nor prevent Landlord from exercising all other rights and remedies available to Landlord under this Lease or under law.

6. **Real Property Taxes.** Tenant shall pay to Landlord, as Additional Rent, monthly, in advance on the first day of each month during the Term, an amount equal to one-twelfth (1/12th) of Tenant's Share of Real Property Taxes that are or will be levied or assessed against the Property during each calendar year during the Term as reasonably estimated by Landlord. Such Additional Rent is exclusive of any sales, franchise, business or occupation or other tax based on rents and should such taxes apply during the Term, such Additional Rent shall be increased by the amount of such taxes. Within one hundred twenty (120) days after the end of each calendar year during the Term or within such longer period of time as may be reasonably necessary, Landlord shall furnish to Tenant a statement of the Real Property Taxes for the preceding calendar year and Tenant's Share of the Real Property Taxes. If Tenant's Share of the Real Property Taxes for that calendar year exceeds the monthly payments made by Tenant, then Tenant shall pay Landlord the deficiency within thirty (30) days after receipt of the statement. If Tenant's payments made during that calendar year exceed Tenant's Share of such Real Property Taxes for that calendar year, then, at Landlord's option, either Landlord shall pay Tenant the excess at the time Landlord furnishes the statement to Tenant, or Tenant shall be entitled to offset the excess against the next installment(s) of Minimum Monthly Rent and Additional Rent, provided, however, that at the end of the Term Landlord shall pay Tenant the excess at the time Landlord furnishes the statement to Tenant.

7. **Personal Property Taxes.** Tenant shall pay prior to delinquency all personal property taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Tenant contained in the Premises or elsewhere. If possible, Tenant shall cause such trade fixtures, furnishings, equipment and all other personal property of Tenant to be assessed and billed separately from the Property.

8. **Operating Costs.** Tenant shall pay to Landlord, as Additional Rent, monthly, in advance on the first day of each month during the Term, an amount equal to one-twelfth (1/12th) of Tenant's Share of the Operating Costs of the Property for each calendar year during the Term as reasonably estimated by Landlord. Landlord may, in accordance with sound accounting and management principles, both reasonably estimate, and finally determine, the Operating Costs for each calendar year during the Term. Such Additional Rent is exclusive of any sales, franchise, business or occupation or other tax based on rents and should such taxes apply during the Term, such Additional Rent shall be increased by the amount of such taxes. Within one hundred twenty (120) days after the end of each calendar year during the Term or within such longer period of time as may be reasonably necessary, Landlord shall furnish to Tenant a statement of the Operating Costs for the preceding calendar year and Tenant's Share of the Operating Costs. If Tenant's Share of the Operating Costs for that calendar year exceeds the monthly payments made by Tenant, then Tenant shall pay Landlord the deficiency within thirty (30) days after receipt of the statement. If Tenant's payments made during that calendar year exceed Tenant's Share of the Operating Costs for that calendar year, then, at Landlord's option, either Landlord shall pay Tenant the excess at the time Landlord furnishes the statement to Tenant, or Tenant shall be entitled to offset the excess against the next installment(s) of Minimum Monthly Rent and Additional Rent, provided, however, that at the end of the Term Landlord shall pay Tenant the excess at the time Landlord furnishes the statement to Tenant.

9. **Use; Compliance with Insurance Requirements, Laws and Rules and Regulations.** Tenant shall use the Premises for the Permitted Use and for no other use without Landlord's prior consent. Tenant agrees that it has determined to its satisfaction that the Premises can be used for the Permitted Use. Tenant shall not do, bring, or keep anything in or about the Premises or the Property that will cause a cancellation of any insurance covering the Property. Tenant shall not do anything in, on or about the Premises that will cause damage to the Property, and Tenant shall comply with all laws and encumbrances of record concerning the Premises, the Property and Tenant's use of the Premises. Tenant shall not use the Premises in any manner that will constitute waste, nuisance or unreasonable annoyance to other tenants in the Building.

10. **Hazardous Substances.** Tenant shall not dispose of or otherwise allow the release of any Hazardous Substances in, on or under the Premises, or the Property, or in any tenant improvements or alterations placed on the Premises by Tenant, except for products normally used in general business offices which constitute Hazardous Substances, provided that such products are used, stored and disposed of in accordance with applicable laws and manufacturer's and supplier's guidelines. Tenant shall promptly comply with all laws and with all orders, decrees or judgments of governmental authorities or courts having jurisdiction, relating to the use, collection, treatment, disposal, storage, control, removal or cleanup of Hazardous Substances, on or under the Premises or the Property, or incorporated in any tenant improvements or alterations, at Tenant's expense. Tenant shall reimburse Landlord for the full amount of all costs and expenses incurred by Landlord in connection with such compliance activities, and such obligation shall continue even after expiration or termination of the Term. Tenant shall notify Landlord immediately of any release of any Hazardous Substances on the Premises or the Property. Tenant agrees to hold Landlord harmless from and against any and all damages, charges, cleanup costs, remedial actions, costs and expenses, which may be imposed on, incurred or paid by, or asserted against Landlord, the Premises or the Property by reason of, or in connection with (1) any misrepresentation, breach of warranty or other default by Tenant under this Lease, or (2) the acts or omissions of Tenant, its authorized representatives, or any subtenant or other person for whom Tenant would otherwise be liable, resulting in the release of any Hazardous Substances on the Premises or the Property. The provisions of this Section shall survive the expiration or sooner termination of the Term.

Tenant acknowledges that the Premises may contain Hazardous Substances, and Tenant accepts the Premises and the Building notwithstanding such Hazardous Substances. If Landlord is required by any law to take any action to remove or abate any Hazardous Substances, or if Landlord deems it necessary to conduct special maintenance or testing procedures with regard to any Hazardous Substances, or to remove or abate any

Hazardous Substances, Landlord may take such action or conduct such procedures at times and in a manner that Landlord deems appropriate under the circumstances, and Tenant shall permit the same.

11. Landlord's Maintenance; Inclusion in Operating Costs. Except as provided in Section 12 captioned "Tenant's Maintenance; Remedies", Section 23 captioned "Destruction" and Section 24 captioned "Condemnation" and except for damage caused by any negligent or intentional act or omission of Tenant or its authorized representatives, Landlord shall maintain in good condition and repair the following: (i) the structural parts of the Building, which structural parts include only the foundations, bearing and exterior walls, exterior glass, glass entrance doors (excluding interior glass and interior glass doors), subflooring and roof, (ii) the building standard lighting fixtures, window coverings and ceiling tiles and the unexposed electrical, plumbing and sewage systems, including without limitation, those portions lying outside the Premises, (iii) the heating, ventilating and air-conditioning system, if any, servicing the Building, (iv) the lobbies, corridors, elevators, public or common restrooms and other common areas of the Building, and (v) the sidewalks, grounds, landscaping, parking and loading areas, if any, and other common areas of the Property. The cost of maintaining, repairing, replacing or servicing the portions of the Building that Landlord is required to maintain pursuant to this Section shall be included in Operating Costs to the extent provided in Section 9 captioned "Operating Costs".

12. Tenant's Maintenance; Remedies. Except as provided in Section 11 captioned "Landlord's Maintenance; Inclusion in Operating Costs", Section 22 captioned "Destruction" and Section 23 captioned "Condemnation" and except for damage caused by any grossly negligent or intentional act or omission of Landlord or its authorized representatives, Tenant, at its cost, shall maintain in good condition and repair the Premises, including without limitation, all of the Tenant Improvements, Tenant's alterations, Tenant's trade fixtures, Tenant's personal property, signs, walls, interior partitions, wall coverings, windows, non-building standard window coverings, glass within the Premises, doors, carpeting and resilient flooring, non-building standard ceiling tiles, plumbing fixtures and non-building standard lighting fixtures. Tenant shall be liable for any damage to the Premises and the Building resulting from the acts or omissions of Tenant or its authorized representatives. If Tenant fails to maintain the Premises in good condition and repair as required by Subsection 13(a) and if such failure is not cured within thirty (30) days after notice of such failure is given by Landlord to Tenant, then Landlord may, at its option, cause the Premises to be maintained in good condition and repair and Tenant shall promptly reimburse Landlord for all reasonable costs incurred by Landlord in performance of Tenant's obligation to maintain the Premises.

13. Tenant Improvements; Alterations. Tenant accepts the Premises in their "AS IS" condition without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements or to provide any allowances. Tenant shall not make any improvements or alterations to the Premises without Landlord's prior consent. Any improvements and alterations made by either party shall remain on and be surrendered with the Premises on expiration or termination of the Term, except that Landlord can elect by giving notice to Tenant within thirty (30) days before the expiration of the Term, or within thirty (30) days after termination of the Term, to require Tenant to remove any improvements and alterations that Tenant has made to the Premises. If Landlord so elects, Tenant, at its cost, shall restore the Premises to the condition designated by Landlord in its election, before the last day of the Term, or within thirty (30) days after notice of election is given, whichever is later. Any improvements and alterations that remain on the Premises on expiration or termination of the Term shall automatically become the property of Landlord and title to such improvements and alterations shall automatically pass to Landlord at such time without any payment therefor by Landlord to Tenant. If Tenant or its authorized representatives make any improvements or alterations to the Premises as provided in this Section, then such improvements and alterations shall be made in conformity with Landlord's conditions and then applicable laws, including without limitation, building codes.

14. Mechanics' Liens. Tenant shall pay, or cause to be paid, all costs of labor, services and/or materials supplied in connection with any Work. Tenant shall keep the Property free and clear of all mechanics' liens

and other liens resulting from any Work. Tenant shall have the right to contest the correctness or validity of any such lien if, within ten (10) days after demand by Landlord, it procures and records a lien release bond issued by a responsible corporate surety in an amount sufficient to satisfy statutory requirements therefor in the State of Washington. If Tenant shall be in default under this Section, by failing to provide security for or satisfaction of any mechanic's or other liens, then Landlord may (but shall not be obligated to), in addition to any other rights or remedies it may have, discharge said lien by (i) paying the claimant an amount sufficient to settle and discharge the claim, (ii) procuring and recording a lien release bond, or (iii) taking such other action as Landlord shall deem necessary or advisable, and, in any such event, Tenant shall pay as Additional Rent, on Landlord's demand, all reasonable costs (including reasonable attorney fees) incurred by Landlord in settling and discharging such lien together with interest thereon in accordance with Section 37 captioned "Interest on Unpaid Rent" from the date of Landlord's payment of said costs. Landlord's payment of such costs shall not waive any default of Tenant under this Section.

15. **Utilities and Services.** Landlord shall furnish the Premises with (i) electricity for lighting and power suitable for the use of the Premises for ordinary general office purposes; (ii) subject to the reasonable limitations of the existing building systems, heating, ventilating and air-conditioning (in the case of air conditioning, only if the Building has an existing air-conditioning system that services the Premises), to maintain a temperature range in the Premises which is customary for similar office space in the Pasco, Washington area (but in compliance with any applicable governmental regulations with respect thereto during the Building's normal business hours; (iii) water for restroom and drinking purposes and access to restroom facilities; (iv) relamping of building-standard light fixtures; (v) washing of interior and exterior surfaces of exterior windows with reasonable frequency; and (vi) janitorial service. All services and utilities for the Premises not required to be furnished by Landlord pursuant to this Section shall be paid for by Tenant.

Landlord shall not be in default under this Lease or liable for any damages resulting from, or incidental to, any of the following, nor shall any of the following be an actual or constructive eviction of Tenant, nor shall the Rent be abated by reason of: (i) failure to furnish or delay in furnishing any of the services described in this Section when such failure or delay is caused by accident or any condition beyond the reasonable control of Landlord, including the making of necessary repairs or improvements to the Premises or to the Building, (ii) any electrical surges or spikes, or (iii) failure to make any repair or to perform any maintenance. Landlord shall use reasonable efforts to remedy any interruption in the furnishing of such services.

16. **Indemnity.** Tenant shall hold Landlord harmless from and against any and all damages arising out of any damage to any persons or property (i) occurring in, on or about the Premises and resulting from any cause whatsoever, except to the extent resulting from the acts or omissions of Landlord or its authorized representatives, (ii) occurring in, on or about the Premises or the Property and resulting from the acts or omissions of Tenant, or its authorized representatives, or (iii) arising out of or resulting from any breach or default under this Lease by Tenant. Landlord shall hold Tenant harmless from and against any and all damages arising out of any damage to any persons or property occurring in, on or about the Premises or the Property resulting from the acts or omissions of Landlord or its authorized representatives. In the event of concurrent negligence of Tenant, or its authorized representatives, on the one hand, and that of Landlord, or its authorized representatives, on the other hand, which concurrent negligence results in damage to any persons or property occurring in, on or about the Premises or the Property, either party's obligation to indemnify the other party as set forth in this Section shall be limited to the extent of the negligence of the indemnifying party, or its authorized representatives, including the indemnifying party's proportional share of costs and attorneys' fees incurred in connection with any claims, actions or proceedings brought with respect to such damage. The indemnification obligations contained in this Section shall not be limited by any worker's compensation, benefit or disability laws, and each indemnifying party hereby waives (solely for the benefit of the indemnified party) any immunity that said indemnifying party may have under the Industrial Insurance Act, Title 51 RCW and similar worker's compensation, benefit or disability laws.

17. **Exemption of Landlord from Liability.** Landlord and Landlord's Agent shall not be liable for injury to Tenant's business or loss of income therefrom or for damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its authorized representatives, or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures of the same, whether the said damage or injury resulting from conditions arising upon the Premises or upon other portions of the Building or the Property unless such injury or damage is caused by the gross negligence or willful misconduct of Landlord or its authorized representatives.

18. **Commercial General Liability and Property Damage Insurance.** Tenant, at its cost, shall maintain comprehensive liability insurance policy(ies) in standard form, on an occurrence basis, against claims for bodily injury, personal injury and property damage occurring on, in or about the Building, including the Premises with a per occurrence/per offense limit of at least \$2,000,000.00 Dollars. Such policy(ies) shall not contain any deductible or self-insured retention greater than \$10,000.00 unless specifically approved by Landlord. Such policy(ies) shall include contractual liability coverage insuring the indemnity provisions in this Lease and shall include an endorsement naming Landlord, Landlord's managing agent, the directors, officers, shareholders, members, and employees of each of them, and any ground lessor and mortgagee(s), and any other party as designated by Landlord as additional insureds on a primary and non-contributory basis with respect to liability, claims, costs, and expenses arising out of or resulting from operation, maintenance, use, tenancy, and/or control of the Premises or the Building and/or bodily injury, personal injury, and property damage occurring on, in or about the Premises or the Building. This insurance may be effected by a combination of a primary general liability policy and an excess liability policy provided the limit of the primary general liability policy is no less than \$1,000,000 per occurrence and the excess liability policy follows form. Any aggregate under the policy(ies) shall apply separately to this location.

19. **Tenant's Fire Insurance and Worker's Compensation.**

(a) Tenant, at its cost, shall maintain on all of Tenant's Alterations, Trade Fixtures and Personal Property in, on or about the Building, a policy of standard Special Causes of Loss or Special Form property insurance, in an amount equal to at least their full replacement cost with a deductible not exceeding \$10,000. The proceeds of any such policy shall be used by Tenant for the restoration of Tenant's Alterations and Trade Fixtures and the replacement of its Personal Property. Any portion of such proceeds not used for such restoration shall belong to Tenant. Coverage shall also be included for interruption of Tenant's business as a result of loss or damage to the Building, the Premises, and/or Tenant's personal property.

(b) Workers Compensation insurance in Statutory amounts.

20. **Waiver of Claims; Waiver of Subrogation** Landlord and Tenant release each other, and their respective authorized representatives, from, and waive their entire claim of recovery for, any claims for damage to the Premises and the Building and to Tenant's alterations, trade fixtures and personal property that are caused by or result from fire, lightning or any other perils normally included in an "Special Causes of Loss" or "Special Form" property insurance policy whether or not such loss or damage is due to the negligence of Landlord, or its authorized representatives, or of Tenant, or its authorized representatives, and will look only to their respective insurance coverages (regardless whether they maintain any such coverages as required hereunder). Landlord and Tenant shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against either party in connection with any damage covered by such insurance policy.

21. **Other Insurance Matters.** All insurance required to be carried by Tenant under this Lease shall: (i) be issued by insurance companies authorized to do business in the State of Washington with a rating of at least A-/VIII or better as rated in the most recent edition of Best's Insurance Reports (except Workers

Compensation coverage while such coverage is obtained and maintained through the State); (ii) be in a form and with terms and conditions acceptable to Landlord (iii) be issued as a primary policy, (iv) contain an endorsement requiring thirty (30) days' prior written notice from the insurance company to both parties, to Landlord's Agent, and, if requested by Landlord, to Landlord's lender, before cancellation or change in the coverage, scope, or amount of any policy. Each policy or a certificate of the policy, together with evidence of payment of premiums, shall be deposited with Landlord on or before the Commencement Date, and on renewal of the policy not less than ten (10) days before expiration of the term of the policy. Acceptance by Landlord of any certificate of insurance does not constitute approval or agreement by Landlord that the insurance requirements as required in this Lease have been met, and failure of Landlord to demand such evidence of full compliance with these insurance requirements or failure of Landlord to identify a deficiency from evidence provided will not be construed as a waiver of Tenant's obligation to maintain such insurance. All Tenant's insurance policies shall include a waiver of subrogation in favor of Landlord, Landlord's managing agent, the directors, officers, shareholders, members, and employees of each of them, and any ground lessor and mortgagee(s), and any other party as designated by Landlord.

22. **Destruction.** If during the Term the Premises or the Building are partially or totally destroyed by any casualty that is covered by any insurance carried by Landlord covering the Building, rendering the Premises partially or totally inaccessible or unusable, Landlord shall restore the Premises or the Building to substantially the same condition as they were in immediately before such destruction, if (i) the mortgagee permits the insurance proceeds to be used toward the restoration of the Premises or the Building; (ii) the insurance proceeds available to Landlord equal or exceed the cost of such restoration, (iii) in the opinion of a registered architect or engineer appointed by Landlord such restoration can be completed within two hundred seventy (270) days after the date on which Landlord obtains all permits necessary for such restoration, and (iv) such restoration is permitted under then existing laws to be done in such a manner as to return the Premises, or the Building, as the case may be, to substantially the same condition as they were in immediately before such destruction. If Landlord is not obligated to restore the Premises or the Building as provided above, then Landlord may, at its election, either (i) restore the Premises or the Building to substantially the same condition as they were in immediately before such destruction, or (ii) terminate this Lease effective as of the date of such destruction. If Landlord does not give Tenant notice within sixty (60) days after the date of such destruction of its election to restore the Premises or the Building, as the case may be, Landlord shall be deemed to have elected to terminate this Lease. If Landlord elects to restore the Premises or the Building, as the case may be, Landlord shall use commercially reasonable efforts to complete such restoration within two hundred seventy (270) days after the date on which Landlord obtains all permits necessary for such restoration, provided, however, that such two hundred seventy (270) day period shall be extended by a period equal to any delays caused by Force Majeure. If Landlord is required or elects to restore the Premises as provided in this Section, Landlord shall not be required to restore alterations made by Tenant, Tenant's trade fixtures and Tenant's personal property, such excluded items being the sole responsibility of Tenant to restore. The Minimum Monthly Rent shall be abated or reduced, between the date of destruction and the date of completion of restoration, by an amount that is in the same ratio to the Minimum Monthly Rent as the total number of square feet of the Premises that are so damaged or destroyed bears to the total number of square feet in the Premises.

Notwithstanding anything contained herein to the contrary, if during the Term the Building is partially destroyed by any casualty and if in the opinion of Landlord the Building should be restored in such a way as to materially alter the Premises, then Landlord may, at Landlord's election, terminate this Lease by giving notice to Tenant of Landlord's election to do so within sixty (60) days after the date of such destruction. In the event of partial or total destruction of the Premises or the Building during the last year of the Term, then Landlord and Tenant shall each have the right, at its election, to terminate this Lease by giving notice to the other party of such party's election to do so within sixty (60) days after the date of such destruction. For purposes of this Section, the term "partial destruction" shall mean destruction to an extent of at least thirty three and one third percent (33 1/3%) of the full replacement cost of the Premises or the Building, as the case may be, as of the date of destruction.

23. **Condemnation.** If during the Term there is any taking of part or all of the Premises or the Building by condemnation, (i) such taking is of ten percent (10%) or more of the Premises and if the remaining portion of the Premises is of such size or configuration that Tenant in Tenant's reasonable judgment is unable to conduct its business in the Premises, then the Term shall terminate as of the date of taking, or (ii) such taking is of less than ten percent (10%) of the Premises, this Lease shall remain in full force and effect. If there is a taking of a part of the Building other than the Premises and if in the opinion of Landlord the Building should be restored in such a way as to materially alter the Premises, then Landlord may terminate this Lease by giving notice to such effect to Tenant within sixty (60) days after the date of vesting of title in the condemnor and this Lease shall terminate as of the date specified in such notice, which date shall not be less than sixty (60) days after the giving of such notice. The entire award for the Premises, the Building and the Property, shall belong to and be paid to Landlord, Tenant hereby assigning to Landlord Tenant's interest therein, if any, provided, however, that Tenant shall have the right to recover from the condemnor compensation for Tenant's trade fixtures, Tenant's personal property and moving expenses, provided, however, that such compensation is awarded separately in the condemnation and does not reduce Landlord's award. If any part of the Premises is taken by condemnation and this Lease remains in full force and effect, on the date of taking the Minimum Monthly Rent shall be reduced by an amount that is in the same ratio to the Minimum Monthly Rent as the total number of square feet in the Premises taken bears to the total number of square feet in the Premises immediately before the date of taking.

24. **Assignment and Subletting.**

(a) **Landlord's Consent.** Tenant shall not voluntarily assign or encumber its interest in this Lease or in the Premises, or sublease any part or all of the Premises, without Landlord's prior written consent. No consent to any assignment, encumbrance or sublease shall constitute a waiver of the provisions of this Section and no other or subsequent assignment, encumbrance or sublease shall be made without Landlord's prior written consent. Neither an assignment or subletting nor the collection of Rent by Landlord from any person other than Tenant, nor the application of any such Rent as provided in this Section shall be deemed a waiver of any of the provisions of this Section or release Tenant from its obligation to comply with the terms and provisions of this Lease and Tenant shall remain fully and primarily liable for all of Tenant's obligations under this Lease, including the obligation to pay Rent under this Lease.

(b) **Events Constituting an Assignment or Sublease.** For purposes of this Section, the following events shall be deemed an assignment or sublease, as appropriate: (i) the issuance of equity interests (whether stock, partnership interests or otherwise) in Tenant, or any assignee or subtenant, if applicable, or any entity controlling any of them, to any person or group of related persons, in a single transaction or a series of related or unrelated transactions, such that, following such issuance, such person or group shall have Control (as defined below) of Tenant, or any assignee or subtenant, if applicable; or (ii) a transfer of Control of Tenant, or any assignee or subtenant, if applicable, or any entity controlling any of them, in a single transaction or a series of related or unrelated transactions (including, without limitation, by consolidation, merger, acquisition or reorganization). "Control" shall mean direct or indirect ownership of fifty percent (50%) or more of all the legal and equitable interest in any business entity.

25. **Default.** The occurrence of any of the following shall constitute a default by Tenant under this Lease:

(a) **Failure to Pay Rent.** Failure to pay Rent on or before the due date as required under this Lease.

(b) **Other Defaults.** Failure to perform any other provision of this Lease, if the failure to perform is not cured within thirty (30) days after notice of such default has been given by Landlord to Tenant. If the default cannot reasonably be cured within thirty (30) days, then Tenant shall not be in default under this Lease if Tenant commences to cure the default within thirty (30) days and diligently and in good faith

continues to cure the default, provided, however, that in no event shall such default continue for more than ninety (90) days.

(c) **Appointment of Trustee or Receiver.** The appointment of a trustee or receiver to take possession of substantially all of the Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within sixty (60) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within sixty (60) days.

26. **Remedies.** If Tenant commits a default, Landlord shall have the following alternative remedies, which are in addition to any remedies now or later allowed by law:

(a) **Maintain Lease in Force.** Maintain this Lease in full force and effect and recover the Rent and other monetary charges as they become due, without terminating Tenant's right to possession, irrespective of whether Tenant shall have abandoned the Premises. If Landlord elects to not terminate the Lease, Landlord shall have the right to attempt to re-let the Premises at such rent and upon such conditions and for such a term, and to do all acts necessary to maintain or preserve the Premises as Landlord deems reasonable and necessary without being deemed to have elected to terminate the Lease including removal of all persons and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. In the event any such re-letting occurs, this Lease shall terminate automatically upon the new Tenant taking possession of the Premises. Notwithstanding that Landlord fails to elect to terminate the Lease initially, Landlord at any time during the term of this Lease may elect to terminate this Lease by virtue of such previous default of Tenant.

(b) **Terminate Lease.** Terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including without limitation thereto, the following: (i) The worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus (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 Tenant proves could have been reasonably avoided; plus (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 is proved could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including without limitation, any costs or expenses incurred by Landlord in (A) retaking possession of the Premises, including reasonable attorney fees therefor, (B) maintaining or preserving the Premises after such default, (C) preparing the Premises for reletting to a new tenant, including repairs or necessary alterations to the Premises for such reletting, (D) leasing commissions incident to reletting to a new tenant, and (E) any other costs necessary or appropriate to relet the Premises; plus (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable state law. The amounts described in clauses (C) and (D) shall be amortized over the term of the new tenant's lease, and Tenant shall only be liable to Landlord for the portion of such amounts attributable to the period prior to the Expiration Date of this Lease set forth in Section 1. Upon any such re-entry Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which Landlord in its sole discretion deems reasonable and necessary. As used in Subsection 26(b)(i) the "worth at the time of award" is computed by allowing interest at the rate of fifteen percent (15%) per year from the date of default. As used in Subsections 26(b)(ii) and 27(b)(iii) the "worth at the time of award" is computed by discounting such amounts at the discount rate of eight percent (8%) per year.

27. **Signs.** Tenant shall not have the right to place, construct or maintain any sign, advertisement, awning, banner or other exterior decoration without Landlord's consent. Any sign that Tenant has Landlord's consent

to place, construct and maintain shall comply with all laws, and Tenant shall obtain any approval required by such laws. Landlord makes no representation with respect to Tenant's ability to obtain such approval.

28. Subordination. This Lease shall automatically be subordinate to any mortgage, ground lease, encumbrance or deed of trust, and to all renewals, replacements, and extensions of such instruments, now in place or hereafter placed upon the Property by Landlord. Tenant agrees at any time and from time to time, within ten (10) business days after notice from Landlord, to execute, acknowledge and deliver to Landlord any instruments, releases or other documents that may be reasonably requested by Landlord's lender for the purpose of confirming the subordination. In the event of foreclosure of such a mortgage or deed of trust, or exercise of the power of sale under such instruments, or exercise of rights under a ground lease, Tenant shall, at the option of any purchaser at any foreclosure sale, any grantee or transferee designated in any deed given in lieu of foreclosure, or ground lessor, either (a) attorn to it and will perform for its benefit all the terms, covenants and conditions of this Lease on the Tenant's part to be performed with the same force and effect as if said ground lessor, mortgagee or such purchaser, assignee or lessee, were the landlord originally named in this Lease, or (b) enter into a new Lease with said ground lessor, mortgagee or such purchaser, assignee or lessee, as landlord, for the remaining term of this Lease and otherwise on the same terms, conditions and rentals as herein provided. Upon such attornment, this Lease shall continue in full force and effect as a direct Lease between such successor landlord and Tenant upon all of the then executory terms of this Lease except that such successor landlord shall not be: (a) liable for any previous act or omission or negligence of any prior landlord under this Lease (including, without limitation, Landlord); (b) subject to any counterclaim, demand, defense, deficiency, credit or offset which Tenant might have against any prior landlord under this Lease (including, without limitation, Landlord); (c) bound by any modification, amendment, cancellation or surrender of this Lease or by any prepayment of more than one month's rent or additional rent, unless such modification, cancellation, surrender or prepayment shall have been approved in writing by the successor landlord; (d) bound by any security deposit, cleaning deposit or other prepaid charge which Tenant might have paid in advance to any prior landlord under this Lease (including, without limitation, Landlord), unless such payments have been received by the successor landlord; or (e) bound by any agreement of any landlord under the Lease (including, without limitation, Landlord) with respect to the completion of any improvements affecting the Premises, the Building, the land or any part thereof or for the payment or reimbursement to Tenant of any contribution to the cost of the completion of any such improvements.

29. Right to Estoppel Certificates. Tenant, within ten (10) business days after notice from Landlord, shall execute and deliver to Landlord, in recordable form, a certificate stating that this Lease is unmodified and in full force and effect, or in full force and effect as modified and stating the modifications. The certificate shall also state the amount of Minimum Monthly Rent, the dates to which Rent has been paid in advance, and the amount of any Prepaid Rent or Security Deposit and such other matters as Landlord may reasonably request. If Tenant fails to deliver the certificate within such ten (10) business day period, then (a) Tenant shall be in default under this Lease, (b) Tenant shall be liable for, shall indemnify Landlord against and shall hold Landlord harmless from all damages resulting from Tenant's failure to deliver the certificate within such ten (10) business day period, and (c) such failure shall be conclusive upon Tenant for the benefit of Landlord, any prospective purchaser or lender, and any successor to Landlord, that this Lease is in full force and effect and has not been modified except as may be represented by Landlord in such certificate.

30. Transfer of Landlord's Interest. If Landlord sells or transfers the Property, Landlord, on consummation of the sale or transfer, shall be released from any liability thereafter accruing under this Lease if Landlord's successor has assumed in writing, for the benefit of Tenant, Landlord's obligations under this Lease. If any Security Deposit or Prepaid Rent has been paid by Tenant, Landlord shall transfer such Security Deposit or Prepaid Rent to Landlord's successor and on such transfer Landlord shall be discharged from any further liability with respect to such Security Deposit or Prepaid Rent.

31. Attorneys' and Other Fees. If either party shall bring any action or proceeding for relief against the other party, declaratory or otherwise, arising out of this Lease by reason of default or alleged default by the

other party, including any action by Landlord for the recovery of Rent or possession of the Premises, the losing party shall pay the successful party any expenses, including but not limited to reasonable attorneys' fees and all other necessary litigation and out-of-pocket expenses, incurred in obtaining relief accrued since the commencement of such action and such expenses shall be paid whether or not such action is prosecuted to judgment and shall include post-judgment attorneys' fees and related expenses incurred in the enforcement of any judgment. Notwithstanding the foregoing, in the event Landlord shall file any legal action for collection of Rent or any eviction proceedings, whether summary or otherwise, for the non-payment of Rent, and Tenant shall make payment of such Rent due and payable prior to the rendering of any judgment, Landlord shall be entitled to collect, and Tenant shall be obligated to pay, all court filing fees and the reasonable fees of Landlord's attorneys. It is the parties' further intent that the remedy of an award of attorney's fees and litigation expenses is to be liberally construed so that the aggrieved party is put in as good a position as if the other party had fully performed.

32. Surrender; Holding Over. On expiration or sooner termination of the Term, Tenant shall surrender the Premises and all Tenant's improvements and alterations to Landlord broom clean and in good condition. Tenant shall remove all of its trade fixtures and personal property, which personal property specifically includes all cabling installed in the Premises by Tenant (unless Tenant has received consent from Landlord that such cabling may be surrendered with and remain in the Premises), within the time period stated in this Section. Tenant, at its cost, shall perform all restoration made necessary by, and repair any damage to the Premises, Building or Property caused by, the removal of its trade fixtures, personal property and signs to Landlord's reasonable satisfaction within the time period stated in this Section. Landlord may, at its election, retain or dispose of in any manner any of Tenant's trade fixtures or personal property that Tenant does not remove from the Premises on expiration or sooner termination of the Term as allowed or required by the provisions of this Lease by giving ten (10) days' notice to Tenant. Title to any such trade fixtures and personal property that Landlord elects to retain or dispose of on expiration of such ten (10) day period shall vest in Landlord. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any such trade fixtures and personal property. Tenant shall be liable to Landlord for Landlord's reasonable costs for storing, removing and disposing of Tenant's trade fixtures and personal property.

If Tenant fails to surrender the Premises to Landlord on expiration or sooner termination of the Term as required by this Section, Tenant shall pay Landlord Rent in an amount equal to 200% of the Minimum Monthly Rent applicable for the month immediately prior to the expiration or termination of the Term for the balance of the time Tenant remains in possession as such holdover will be without the consent of Landlord. Tenant shall be liable for, shall indemnify Landlord against and shall hold Landlord harmless from all damages resulting from Tenant's failure to timely surrender the Premises, including without limitation, (i) any Rent payable by, or any damages claimed by, any prospective tenant of any part or all of the Premises, and (ii) Landlord's damages resulting from such prospective tenant rescinding or refusing to enter into the prospective lease of part or all of the Premises by reason of Tenant's failure to timely surrender the Premises. If Tenant, without Landlord's prior written consent, remains in possession of the Premises after expiration or termination of the Term, or after the date in any notice given by Landlord to Tenant terminating this Lease, such possession by Tenant shall be deemed to be a tenancy at sufferance terminable at any time by either party. All provisions of this Lease, except those pertaining to term and Rent, shall apply to the holdover period. Notwithstanding anything in this Lease to the contrary, Landlord shall work with Tenant in good faith to minimize the amount of Tenant Improvements and alterations to be removed, and Tenant's obligation to restore the Premises as provided herein, at the expiration or sooner termination of the Lease. Tenant acknowledges that Landlord hereby reserves the right to require Tenant to comply with the terms and conditions of this Section and Section 13 so that Landlord does not incur additional costs in the demolition of the Building.

33. Broker. Landlord and Tenant each represent to the other that neither is represented by any broker, agent or finder with respect to this Lease in any manner. Each party agrees to indemnify and hold the other party

harmless from and against any and all liability, costs, damages, causes of action or other proceedings instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the indemnifying party in any manner whatsoever in connection with this Lease.

34. Interest on Unpaid Rent. In addition to the Late Charge as provided in Section 5(b), Rent not paid when due shall bear interest from the date due until paid at the rate of fifteen percent (15%) per year, or the maximum legal rate of interest, whichever is less.

35. Definitions. As used in this Lease, the following words and phrases, whether or not capitalized, shall have the following meanings:

(a) "Additional Rent" means all other payment obligations under this Lease in addition to the Minimum Monthly Rent, including without limitation, the pass-throughs of increases in Operating Costs and Taxes, as defined in this Lease, and other monetary sums to be paid by Tenant to Landlord under the provisions of this Lease.

(b) "Alteration" means any addition or change to, or modification of, the Premises made by Tenant, including without limitation, fixtures, but excluding trade fixtures as defined in this Section.

(c) "Authorized representatives" means any officer, agent, employee, independent contractor or invitee of either party.

(i)

(d) "Damage" means any injury, deterioration, or loss to a person, property, the Premises or the Building caused by another person's acts or omissions or by Acts of God. Damage includes death.

(e) "Damages" means a monetary compensation or indemnity that can be recovered in the courts by any person who has suffered damage to his person, property or rights through another's acts or omissions.

(f) "Encumbrance" means any mortgage, deed of trust or other written security device or agreement affecting the Premises, and the note or other obligation secured by it, that constitutes security for the payment of a debt or performance of an obligation.

(g) "Force majeure" means strikes, lockouts, labor disputes, shortages of labor or materials, fire or other casualty, Acts of God or any other cause beyond the reasonable control of a party.

(h) "Good condition" means the good physical condition of the Premises and each portion of the Premises, including without limitation, all of the Tenant Improvements, Tenant's alterations, Tenant's trade fixtures, Tenant's Personal Property, all as defined in this Section, signs, walls, interior partitions, windows, window coverings, glass, doors, carpeting and resilient flooring, ceiling tiles, plumbing fixtures and lighting fixtures, all of which shall be in conformity with building standard finishes, ordinary wear and tear, damage by fire or other casualty and taking by condemnation excepted.

(i) "Hazardous substances" means any industrial waste, toxic waste, chemical contaminant or other substance considered hazardous, toxic or lethal to persons or property or designated as hazardous, toxic or lethal to persons or property under any laws, including without limitation, asbestos material or materials containing asbestos.

(j) "Hold harmless" means to defend and indemnify from all liability, losses, penalties, damages as defined in this Section, costs, expenses (including without limitation, attorneys' fees), causes of action, claims or judgments arising out of or related to any damage, as defined in this Section, to any person or property.

(k) "Law" means any constitution, statute, ordinance, regulation, rule, resolution, judicial decision, administrative order or other requirement of any federal, state, county, municipal or other governmental agency or authority having jurisdiction over the parties or the Property, or both, in effect either at the time of execution of this Lease or at any time during the Term, including without limitation, any regulation or order of a quasi-official entity or body (e.g., board of fire examiners or public utilities) and any legally effective conditions, covenants or restrictions affecting the Property.

(l) "Lien" means a charge imposed on the Premises by someone other than Landlord, by which the Premises are made security for the performance of an act.

(m) "Maintenance" means repairs, replacement, repainting and cleaning.

(n) "Mortgage" means any deed of trust, mortgage or other written security device or agreement affecting the Premises, and the note or other obligation secured by it, that constitutes security for the payment of a debt or performance of an obligation.

(o) "Operating Costs" means all costs of any kind incurred by Landlord in operating, cleaning, equipping, protecting, lighting, repairing, replacing, heating, air-conditioning, maintaining and insuring the Property. Operating Costs shall include, without limitation, the following costs: (i) salaries, wages, bonuses and other compensation (including hospitalization, medical, surgical, retirement plan, pension plan, union dues, life insurance, including group life insurance, welfare and other fringe benefits, and vacation, holidays and other paid absence benefits) relating to employees of Landlord or its agents directly engaged in the management, operation, repair, or maintenance of the Property; (ii) payroll, social security, workers' compensation, unemployment and similar taxes with respect to such employees of Landlord or its authorized representatives, and the cost of providing disability or other benefits imposed by law or otherwise, with respect to such employees; (iii) uniforms (including the cleaning, replacement and pressing thereof) provided to such employees; (iv) premiums and other charges incurred by Landlord with respect to fire, earthquake, other casualty, all risk, rent loss and liability insurance, any other insurance as is deemed necessary or advisable in the reasonable judgment of Landlord and, after the Base Year, costs of repairing an insured casualty to the extent of the deductible amount under the applicable insurance policy; (v) water charges and sewer rents or fees; (vi) license, permit and inspection fees; (vii) sales, use and excise taxes on goods and services purchased by Landlord in connection with the operation, maintenance or repair of the Property and Building systems and equipment; (viii) telephone, facsimile, messenger, express delivery service, postage, stationery supplies and other expenses incurred in connection with the operation, management, maintenance, or repair of the Property; (ix) property management fees and expenses; (x) repairs to and physical maintenance of the Property, including building systems and appurtenances thereto and normal repair and replacement of worn-out equipment, facilities and installations, but excluding the replacement of major building systems (except to the extent provided in (xvi) and (xvii) below); (xi) janitorial, window cleaning, security, extermination, water treatment, rubbish removal, plumbing and other services and inspection or service contracts for elevator, electrical, HVAC, mechanical and other building equipment and systems or as may otherwise be necessary or proper for the operation or maintenance of the Property; (xii) supplies, tools, materials, and equipment used in connection with the operation, maintenance or repair of the Property; (xiii) accounting, legal and other professional fees and expenses; (xiv) painting the exterior or the public or common areas of the Building and the cost of maintaining the sidewalks, landscaping and other common areas of the Property; (xv) all costs and expenses for electricity, chilled water, air conditioning, water for heating, gas, fuel, steam, heat, lights, power and other energy related utilities required in connection with the operation, maintenance and repair of the Property; (xvi) the cost of any improvements which Landlord elects to capitalize made by Landlord to the Property during the Term in compliance with the requirements of any laws or regulation or insurance requirement with which the Property was not required to comply during the Base Year, as reasonably amortized by Landlord, with interest on the unamortized balance at the rate of twelve percent (12%) per year, or the maximum legal rate of interest, whichever is less; (xvii) the cost of any improvements which Landlord elects to capitalize made by Landlord to the Property during the term of this

Lease for the protection of the health and safety of the occupants of the Property or that are intended to reduce other Operating Costs, amortized over the useful life of such improvements as reasonably determined by Landlord, with interest on the unamortized balance at the rate of twelve percent (12%) per year, or the maximum legal rate of interest, whichever is less; (xviii) a reasonable reserve for repair or replacement of equipment used in the maintenance or operation of the Property; (xix) the cost of furniture, draperies, carpeting, landscaping and other customary and ordinary items of personal property (excluding paintings, sculptures and other works of art) provided by Landlord for use in common areas of the Building or in the Building office (to the extent that such Building office is dedicated to the operation and management of the Property), such costs to be amortized over the useful life thereof; (xx) Building office rent or rental value; and (xxi) all other costs which, in accordance with generally sound accounting and management principles used by Landlord, as applied to the maintenance and operation of office and/or retail buildings, are properly chargeable to the operation and maintenance of the Property.

Operating Costs shall not include the following: (i) depreciation on the Building; (ii) debt service; (iii) capital improvements, except as otherwise provided in clauses (xvi) and (xvii) above, (iv) rental under any ground or underlying leases; (v) Real Property Taxes, (vi) attorneys' fees and expenses incurred in connection with lease negotiations with prospective tenants, or default or enforcement proceedings with respect to defaulting tenants; (vii) the cost of tenant improvements; (viii) advertising expenses; or (ix) real estate broker's or other leasing commissions.

(p) "Parties" means Landlord and Tenant.

(q) "Party" means Landlord or Tenant.

(r) "Person" means one or more human beings, or legal entities or other artificial persons, including without limitation, partnerships, corporations, trusts, estates, associations and any combination of human beings and legal entities.

(s) "Property" means the Premises, Building and Land.

(t) "Real Property Taxes" means any form of tax, assessment, general assessment, special assessment, lien, levy, bond obligation, license fee, license tax, tax or excise on rent, or any other levy, charge or expense, together with any statutory interest thereon, (individually and collectively, the "Impositions"), now or hereafter imposed or required by any authority having the direct or indirect power to tax, including any federal, state, county or city government or any school, agricultural, lighting, drainage or other improvement or special assessment district thereof, (individually and collectively, the "Governmental Agencies") on any interest of Landlord or Tenant or both (including any legal or equitable interest of Landlord or its mortgagee, if any) in the Premises or the Property, including without limitation:

(i) any Impositions upon, allocable to or measured by the area of the Premises or the Property, or the rental payable hereunder, including without limitation, any gross income tax or excise tax levied by any Governmental Agencies with respect to the receipt of such rental; or

(ii) any Impositions upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair or use or occupancy by Tenant of the Premises or any portion thereof; or

(iii) any Impositions upon or with respect to the building equipment and personal property used in connection with the operation and maintenance of the Property or upon or with respect to the furniture, fixtures and decorations in the common areas of the Property.

(iv) any Impositions upon this Lease or this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises; or

(v) any Impositions by Governmental Agencies (whether or not such Impositions constitute tax receipts) in substitution, partially or totally, of any impositions now or previously included within the definition of real property taxes, including those calculated to increase tax increments to Governmental Agencies and to pay for such services as fire protection, water drainage, street, sidewalk and road maintenance, refuse removal or other governmental services formerly provided without charge to property owners or occupants; or

(vi) any and all costs, including without limitation, the fees of attorneys, tax consultants and experts, incurred by Landlord should Landlord elect to negotiate or contest the amount of such real property taxes in formal or informal proceedings before the Governmental Agency imposing such real property taxes; provided, however, that real property taxes shall in no event include Landlord's general income, inheritance, estate, gift or franchise taxes.

(u) "Rent" means Minimum Monthly Rent, as adjusted from time to time under this Lease, Additional Rent, Prepaid Rent, Security Deposit, all as defined in this Section, payments of Tenant's Share of increases in Real Property Taxes and Operating Costs, insurance, utilities and other charges payable by Tenant to Landlord.

(v) "Successor" means assignee, transferee, personal representative, heir, or other person or entity succeeding lawfully, and pursuant to the provisions of this Lease, to the rights or obligations of either party.

(w) "Tenant Improvements" means any improvements and alterations of the Premises made by or for Tenant at any time during the Term.

(x) "Tenant's personal property" means Tenant's equipment, furniture, and movable property (including cabling) placed in the Premises by Tenant.

(y) "Tenant's trade fixtures" means any property attached to the Premises by Tenant.

(z) "Work" means the construction of any improvements or alterations or the performance of any repairs done by Tenant or caused to be done by Tenant on the Premises as permitted by this Lease.

36. Miscellaneous Provisions.

(a) **Entire Agreement.** This Lease sets forth the entire agreement of the parties as to the subject matter hereof and supersedes all prior discussions and understandings between them. This Lease may not be amended or rescinded in any manner except by an instrument in writing signed by a duly authorized officer or representative of each party hereto.

(b) **Governing Law.** This Lease shall be governed by, and construed and enforced in accordance with, the laws of the State of Washington.

(c) **Severability.** Should any of the provisions of this Lease be found to be invalid, illegal or unenforceable by any court of competent jurisdiction, such provision shall be stricken and the remainder of this Lease shall nonetheless remain in full force and effect unless striking such provision shall materially alter the intention of the parties.

(d) **Jurisdiction.** In the event any action is brought to enforce any of the provisions of this Lease, the parties agree to be subject to exclusive *in personam* jurisdiction in the Superior Court of the State of Washington in and for the County of King or in the United States District Court for the Western District of Washington and agree that in any such action venue shall lie exclusively at Seattle, Washington.

(e) **Waiver.** No waiver of any right under this Lease shall be effective unless contained in a writing signed by a duly authorized officer or representative of the party sought to be charged with the waiver and no waiver of any right arising from any breach or failure to perform shall be deemed to be a waiver of any future right or of any other right arising under this Lease.

(f) **Notices.** All notices or requests required or permitted under this Lease shall be in writing; shall be personally delivered, delivered by a reputable express delivery service such as Federal Express or UPS, or sent by certified mail, return receipt requested, postage prepaid, and shall be deemed given upon receipt or refusal. All notices or requests to Landlord shall be sent to Landlord at Landlord's Address for Notice and all notices or requests to Tenant shall be sent to Tenant at Tenant's Address for Notice. Either party may change the address to which notices shall be sent by notice to the other party.

(g) **Binding Effect.** Subject to the provisions of Section 24 captioned "Assignment and Subletting", this Lease shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. No permitted assignment of this Lease or Tenant's rights hereunder shall be effective against Landlord unless and until an executed counterpart of the instrument of assignment shall have been delivered to Landlord and Landlord shall have been furnished with the name and address of the assignee. The term "Tenant" shall be deemed to include the assignee under any such permitted assignment.

(h) **Time of the Essence.** Time is of the essence in the performance of all covenants and conditions in this Lease for which time is a factor.

(i) **No Recordation Without Consent of Landlord.** Tenant shall not record this Lease or any memorandum of this Lease without Landlord's prior written consent. If Landlord or any lender elect to record a memorandum of this Lease, then Tenant shall promptly execute, acknowledge and deliver the same on a form prepared by Landlord or such lender.

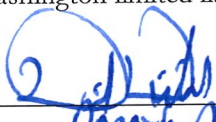
(j) **Co-Tenancy.** Notwithstanding that each of the tenants has co-signed this Lease, the liability of each Tenant that is signatory hereto shall be limited to: (i) the Minimum Monthly Rent set forth in Rent Schedule 1 attached hereto, and (ii) Tenant's Share of any other obligations and liability for which Tenant is liable under this Lease. For purposes of clarity, each Tenant is not jointly and severally liable for all of the obligations of Tenant under this Lease, but such Tenant's liability is limited as provided in the first sentence of this Section.

[Signature page follows]

Dated the date first above written.

Landlord:

PROPERTY 2021 LLC,
a Washington limited liability company

By: 
Name: Joseph Dieterich
Its: Manager

[Tenant Signature Page]

Basin Disposal, Inc.,
a Washington corporation

By: [Signature]
Name: Jarvis Dietrich
Its: President

Ed's Disposal, Inc.,
a Washington corporation

By: [Signature]
Name: Jarvis Dietrich
Its: President

[Blueroom],
a Washington corporation

By: [Signature]
Name: Jarvis Dietrich
Its: Manager

STATE OF WASHINGTON)
) ss.
COUNTY OF FRANKLIN)

On this 19th day of April, 2018, before me personally appeared Darrick Dietrich, to me known to be the Manager of PROPERTY 2021 LLC, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute the same instrument.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.



[Signature]
Notary Public in and for the State of WA,
residing at Franklin County
My appointment expires 12-18-19
Francisco A. Alcala
Print Name

STATE OF WASHINGTON)
) ss.
COUNTY OF FRANKLIN)

On this 19th day of April, 2018, before me personally appeared Darrick Dietrich, to me known to be the President of BASIN DISPOSAL, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute the same instrument.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.



[Signature]
Notary Public in and for the State of WA,
residing at Franklin County
My appointment expires 12-18-19
Francisco A. Alcala
Print Name

STATE OF WASHINGTON)
) ss.
COUNTY OF FRANKLIN)

On this 19th day of April, 2018, before me personally appeared Darrick Dietrich, to me known to be the President of ED'S DISPOSAL, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute the same instrument.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.



[Signature]
Notary Public in and for the State of WA,
residing at Franklin County
My appointment expires 12-18-19
Francisco A. Alcala
Print Name

STATE OF WASHINGTON)
) ss.
COUNTY OF FRANKLIN)

On this 19th day of April, 2018, before me personally appeared Darrick Dietrich, to me known to be the President of [BLUEROOM], the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute the same instrument.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.



[Signature]
Notary Public in and for the State of WA,
residing at Franklin County
My appointment expires 12-18-19
Francisco A. Alcala
Print Name

EXHIBIT A

LEGAL DESCRIPTION OF LAND AND OUTLINE DRAWING OF THE PREMISES

Full Legal Description for Parcel #113520271

THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 9 NORTH, RANGE 30 EAST, W.M., RECORDS OF FRANKLIN COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 21; THENCE SOUTH 89°29'38" EAST, ALONG THE NORTH LINE OF SAID SECTION 21, A DISTANCE OF 2,307.00 FEET; THENCE SOUTH 00°30'05" WEST, A DISTANCE OF 1,334.38 FEET, TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 00°30'05" WEST, 722.66 FEET; THENCE SOUTH 44°59'26" WEST, 300.00 FEET, TO THE NORTHERLY MARGIN OF COMMERCIAL AVENUE RIGHT OF WAY, AND A POINT ON A CURVE, THE RADIAL CENTER OF WHICH BEARS SOUTH 44°59'28" WEST, 2,507.51 FEET; THENCE NORTHWESTERLY ALONG SAID RIGHT OF WAY, AND ARC OF A CURVE TO THE LEFT, 45.64 FEET THROUGH A CENTRAL ANGLE OF 01°02'34" TO A POINT OF TANGENT; THENCE 46°03'06" WEST, 4,990.00 FEET; THENCE NORTHWESTERLY ALONG SAID RIGHT OF WAY, AND ARC OF A CURVE TO THE LEFT, 443.95 FEET, THROUGH A CENTRAL ANGLE 05°05'51" THENCE NORTH 38°46'55" EAST, 547.56 FEET; THENCE NORTH 83°31'25" EAST, 387.40 FEET TO THE POINT OF BEGINNING.

Full Legal Description for Parcel #113520347

LOT 2, BINDING SITE PLAN 99-05, RECORDED OCTOBER 25, 1999 UNDER FRANKLIN COUNTY AUDITOR'S FILE NO. 1571504, DESCRIBED AS FOLLOWS:

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 9 NORTH, RANGE 30 EAST, W.M., FRANKLIN COUNTY, WASHINGTON. BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 21; THENCE SOUTH 89°29'38" EAST ALONG THE NORTH LINE OF SAID SECTION 21 A DISTANCE OF 2,307.00 FEET; THENCE SOUTH 00°30'05" WEST A DISTANCE OF 1,334.38 FEET; THENCE SOUTH 83°31'26" WEST 387.42 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 64°01'56" WEST 262.85 FEET; THENCE SOUTH 37°07'33" WEST 495.04 FEET TO A POINT OF CURVE, THE RADIAL CENTER OF WHICH BEARS SOUTH 36°04'16" WEST 4,990.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE TO THE RIGHT 242.08 FEET THROUGH A CENTRAL ANGLE OF 02°28'41"; THENCE NORTH 38°46'55" EAST 547.56 FEET TO THE TRUE POINT OF BEGINNING.

Schedule 1

Tenant Shares and Rent Schedule

Calendar Year 2018

| <u>Tenant</u> | <u>Tenant's Share</u> | <u>Minimum Monthly Rent</u> |
|----------------------|-----------------------|-----------------------------|
| Basin Disposal, Inc. | 80% | \$20,000 |
| Ed's Disposal, Inc. | 15% | \$3,750 |
| [Blueroom] | 5% | \$1,250 |

Calendar Year 2019

| <u>Tenant</u> | <u>Tenant's Share</u> | <u>Minimum Monthly Rent</u> |
|----------------------|-----------------------|-----------------------------|
| Basin Disposal, Inc. | 80% | \$20,000 |
| Ed's Disposal, Inc. | 15% | \$3,750 |
| [Blueroom] | 5% | \$1,250 |

Calendar Year - 2020

| <u>Tenant</u> | <u>Tenant's Share</u> | <u>Minimum Monthly Rent</u> |
|----------------------|-----------------------|-----------------------------|
| Basin Disposal, Inc. | 80% | \$20,000 |
| Ed's Disposal, Inc. | 15% | \$3,750 |
| [Blueroom] | 5% | \$1,250 |

Calendar Year - 2021

| <u>Tenant</u> | <u>Tenant's Share</u> | <u>Minimum Monthly Rent</u> |
|----------------------|-----------------------|-----------------------------|
| Basin Disposal, Inc. | 80% | \$20,000 |
| Ed's Disposal, Inc. | 15% | \$3,750 |
| [Blueroom] | 5% | \$1,250 |

Calendar Year - 2022

| <u>Tenant</u> | <u>Tenant's Share</u> | <u>Minimum Monthly Rent</u> |
|----------------------|-----------------------|-----------------------------|
| Basin Disposal, Inc. | 80% | \$20,000 |
| Ed's Disposal, Inc. | 15% | \$3,750 |
| [Blueroom] | 5% | \$1,250 |