

**1.22 OUTSIDE AREA:**

Premises includes approximately **480** square feet of private Outside Area.

**1.23 EXHIBITS AND ADDENDUM:**

Exhibit A – Site Plan

Exhibit B – Rules & Regulations

Exhibit C – Loading Dock Agreement

Exhibit D – Sign Program

Exhibit E – Prohibited Uses and Exclusives

Exhibit F – Landlord Contact Information

Exhibit G – Insurance Language

Exhibit H – Guaranty of Lease

Exhibit I – Estoppel Certificate

**2. PREMISES.**

**2.1 LETTING.** Landlord hereby leases to Tenant, and Tenant leases from Landlord, the Premises, for the Term, at the defined Rent, and upon all the terms, covenants, and conditions set forth in the Basic Lease Provisions contained in Section 1 above, and the following provisions of this Lease, and any Exhibits attached hereto.

**2.2 PREMISES.** The Premises consists of the Net Rentable Area in the Property specified in Section 1.8 and an Outside Area specified in Section 1.22. Landlord and Tenant acknowledge and agree that the aforesaid description of the size and square footage of the Premises is an approximation, which the Parties agree is reasonable and accurate, and payments made thereupon are not subject to dispute.

**2.3 CONDITION.** Landlord shall deliver the Premises to Tenant broom clean and free of debris and warrants that the existing electrical, plumbing, fire sprinkler, lighting, HVAC, roll-up doors, and all other such elements in the Premises, other than those constructed by Tenant, shall be in good operating condition on the Effective Date; that the structural elements of the roof, bearing walls and foundation of the Premises shall be free of material defects, and that the Premises does not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal Law. If a non-compliance with such warranty exists as of the Effective Date, or if one of such systems or elements should malfunction or fail within the applicable warranty period, Landlord shall, as Landlord's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly, after receipt of written notice from Tenant setting forth with specificity the nature and extent of such non-compliance, malfunction, or failure, rectify same at Landlords' expense. The warranty periods shall be as follows: (i) Six (6) months for the HVAC systems, and (ii) Thirty (30) days for the remaining systems and other elements of the Premises. If Tenant does not give Landlord the required notice within the applicable warranty period, or if the applicable warranty period has expired, correction of any such non-compliance, malfunction, or failure shall be the obligation of Tenant at Tenant's sole cost and expense (except for the repairs to the fire sprinkler systems, roof, foundations, and/or bearing walls see Sections 6 & 9).

Tenant acknowledges that it has been given an opportunity to physically inspect the Premises and agrees that the Premises are suitable for Tenant's intended use and meets the condition as warranted in this Section. Tenant agrees that it is not solely relying on any warranty or representation made by Landlord, its property manager, or any broker concerning the Permitted use or the condition of the Premises or the Property. Landlord does not represent or warrant that the Premises or the Property conform to applicable restrictions, zoning ordinances, setback lines, parking requirements, impervious ground cover ratio requirements, or other matters that may relate to Tenant's intended use.

- 2.4 LANDLORD'S RESERVED RIGHTS.** Landlord reserves the right from time to time to do any of the following: (a) expand the Property and construct or alter other buildings or improvements on the Property containing the Premises; (b) make any changes, additions, improvements, maintenance, repairs or replacements in or to the Common Areas, as defined by Section 2.5 hereafter, and/or the Property (including the Premises if required to do so by any applicable Laws (as defined in Section 15.7 below) or to the extent necessary in conjunction with any improvements to the Common Areas and/or the Property; provided, however, that Tenant's use of the Premises and/or the Common Areas, is not unreasonably, materially or adversely affected). Landlord's changes, Alterations, and improvements to the Property may include, without limitation, (i) maintenance, replacement, and relocation of pipes, ducts, conduits, wires, meters, and equipment above the ceiling surfaces, below the floor surfaces and within the walls of the Property and the Premises; and (ii) changes in the location, size, shape, and number of driveways, entrances, stairways, elevators, loading and unloading areas, ingress, egress, the direction of traffic, landscaped areas and walkways, easements, parking spaces, and parking areas, as long as Tenant's parking ratio is not unreasonably, substantially or adversely impacted; (iii) temporarily closing any of the Property while engaged in making repairs, improvements or Alterations to the Property; and (iv) perform such other acts and make such other changes with respect to the Property, as Landlord may, in the exercise of its good faith business judgment, deem to be appropriate. If Landlord is required to reconfigure the Premises as a result of Landlord's exercise of its rights under this Section 2.4, Landlord shall provide Tenant with reasonable advance written notice of the construction schedule, and Landlord shall endeavor to minimize, as reasonably practical, the interference with Tenant's business as a result of any such construction.
- 2.5 COMMON AREAS – DEFINITION.** The term “**Common Area**” is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Property and interior utility raceways and installations within the Premises that are not leased, or designated for lease to tenants of the Property and that are provided and designated by the Landlord for the general non-exclusive use of Landlord, Tenant and other tenants of the Property and their respective employees, agents, guests, suppliers, shippers, customers, contractors and invitees. The Common Area shall include, without limitation, the common entrances, parking areas, loading and unloading areas, trash areas, roofs, roadways, walkways, driveways, loading docks, ramps, drives, and landscaped areas. It also includes, without limitation, common pipes, conduits, wires, appurtenant equipment, fixtures, systems, décor, and facilities serving the Premises. During the Term, Tenant shall have the non-exclusive right to use the Common area in conjunction with other tenants of the Property, and subject to the Rules and Regulations attached hereto as Exhibit B and incorporated herein. Landlord shall maintain the Common Areas in good order, condition, and repair and shall operate the Property, in Landlord's sole discretion, as an industrial commercial real estate development in accordance with the provisions of this Lease.
- 2.6 COMMON AREA – SECURITY.** Landlord endeavors to provide the Common Area with the safest possible environment which, within Landlord's sole discretion, may include the installation of security cameras, secure gate access, and private security services. Notwithstanding anything to the contrary contained herein, Landlord, and Landlord's property manager, agents, and employees have no obligation to provide such security or security services for any portion of the Common Areas, the Property, or the Premises. Tenant expressly waives any right to hold Landlord, or Landlord's property manager, responsible for any theft, damage, or injuries occurring in the Common Areas, including without limitation, the parking areas. Tenant acknowledges and agrees that it shall be solely responsible for providing adequate security for its use of the Premises (including the Outside Area) and that Landlord shall have no liability or obligation with respect hereto. (See Section 7 regarding Tenant provided Insurance)
- 2.7 COMMON AREAS – LESSEE'S RIGHTS.** Tenant's use of the Common Areas and the Premises is expressly subject to the Rules and Regulations attached hereto as Exhibit B and Tenant agrees to be bound thereto. 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, or to exercise any exclusive control. Any such storage shall be permitted only by the prior written consent of Landlord, which may be withheld, and any which consent may be revoked at any time. In the event that any

contained in this Section 8.1, all property of Tenant and Tenant's Parties kept or stored on the Premises (including the Outside Area), whether leased or owned by any such parties, shall be so kept or stored at the sole risk of Tenant and Tenant shall hold Landlord harmless from any claims arising out of damage to the same, including subrogation claims by Tenant's insurance carriers. "**Landlord Parties**" includes Landlord, Landlord's agents, contractors, employees, members, shareholders, Mortgagees, and invitees. "**Tenant Parties**" included Tenant, Tenant's agents, contractors, employees, members, shareholders, mortgagees, and invitees.

**8.2 TENANT'S INDEMNIFICATION.** Except for Landlord's gross negligence or willful misconduct, Tenant shall be liable for, and shall indemnify, defend, protect and hold Landlord and landlord Parties, harmless from and against, any and all claims, damages, judgements, suits, causes of action, losses, liabilities and expenses, including, without limitation, attorney's fees and court costs (collectively, "**Indemnified Claims**"), arising or resulting from (a) any occurrence in or about the Premises and the Property following the date Landlord delivers possession of all or any portion of the Premises to Tenant, including any Early Occupancy by Tenant pursuant to Section 3.3 above; (b) any act or omission of Tenant or any of the Tenant's Parties; (c) the use of the Premises and the Property and conduct of Tenant's business by Tenant or any of Tenant's Parties, or any other activity, work or thing done, permitted or suffered by Tenant or any of Tenant's Parties, in or about the Premises, or elsewhere on the Property; and/or (d) any Default or Breach by Tenant as to any obligations on Tenant's part to be performed under the terms of this Lease or the terms of any contract or agreement to which Tenant is a party or by which it is bound, affecting this Lease to the Premises. The foregoing indemnification shall include, but not be limited to, any injury to or death of, any person, or any loss of, or damage to, any property on the Premises, or on adjoining parking areas, sidewalks, streets, or ways, or connected with the use, condition or occupancy hereof, Tenant's indemnification obligations under this Section 8.2 and elsewhere in this Lease shall survive the expiration or earlier termination of this Lease. Tenant's covenants, agreements, and indemnification in Section 8.1 and this Section 8.2 are not intended to and shall not relieve any insurance carrier of its obligations under policies required to be carried by Tenant pursuant to the provisions of this Lease.

**8.3 LANDLORD'S INDEMNIFICATION.** Except as otherwise provided in Section 8.2, Landlord and Landlord Parties shall indemnify, defend, and hold Tenant and Tenant parties harmless against any and all Indemnified Claims relating to or occurring in connection with Landlord's gross negligence, willful misconduct, or Breach of this Lease.

## **9 CONDITION, MAINTENANCE, AND REPAIRS.**

**9.1 LANDLORD'S MAINTENANCE OBLIGATIONS.** During the Term of this Lease, and subject to the provisions of Sections 2.3 (Condition), 2.9 (Compliance and General Warranty), 4.1 (Use), 5.3 (Utilities), 9.2 (Tenant's Maintenance Obligations), and 12 (Damage or Destruction), Landlord shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, Common Area fire alarm and/or smoke detection systems, fire hydrants, parking lots, walkways, parkways, driveways, Loading Dock(s), landscaping, fencing, signs and utility systems servicing the Common Areas and all parts thereof. Landlord shall not be obligated to paint the interior walls or interior surfaces of exterior walls, nor shall Landlord be obligated to maintain, repair, or replace windows, doors, or plate glass of the Premises. Notwithstanding anything to the contrary contained in this Lease, Landlord shall not be liable to Tenant for failure to make repairs as herein specifically required of it unless Tenant has previously notified Landlord, in writing, of the need for such repairs and Landlord has failed to commence and complete said repairs within the time periods set forth in this Lease.

**9.2 TENANT'S MAINTENANCE OBLIGATIONS.** During the Term of this Lease, subject to the provisions of Sections 2.3 (Condition), 2.9 (Compliance & General Warranty), 5.3 (Utilities), 7.2 (Requirements), 9.1 (Landlord's Maintenance Obligations), and 12 (Damage or Destruction), Tenant, at its sole cost and expense, shall maintain, repair and keep the interior of the Premises in a good, clean, and safe condition (except those portions that Section 9.1 requires Landlord to maintain), including without limitation, restrooms, lighting, dock doors, roll-up doors, levelers, shelters, seals and bumpers (if any), HVAC (as

described in Section 9.2(b)), plate glass, all doors, sprinkler, and plumbing systems, fixtures, interior walls, interior surfaces of exterior walls, ceilings, skylights, windows, and floors. Tenant shall be responsible for maintaining the Outside Area in a clean, safe, and secure manner, including, without limitation, installing Tenant's own locks and security devices for the Outside Area, securing personal property in the Outside Area, and keeping the Outside Area in good condition and repair. Tenant shall arrange and pay for its own janitorial service, security system, telecommunication systems, and any other services that Tenant desires. If damage to the Premises results from Tenant's Use (or use of the Tenant Parties), Landlord may (i) require Tenant to repair such damage at Tenant's expense, or (ii) undertake such repairs on behalf of Tenant. Tenant shall pay Landlord for all costs incurred by Landlord in making such repairs within Ten (10) business days after receiving a statement from Landlord indicating the amount due.

- a) **Third-Party Vendors.** Tenant shall abide by Section 9.3 of this Lease for all maintenance obligations. Tenant shall not hire any vendor to work on the Premises or Property without Landlord's prior consent and any vendor hired by Tenant shall be licensed and insured with specialized experience for the job in which they are hired. Tenant shall pay any such vendor hired by Tenant in full and shall not endeavor or allow any lien to be placed on the Property or the Premises. Notwithstanding the foregoing, if there is an emergency and Landlord is unable to be contacted, Tenant may contact a licensed and insured vendor to address the emergency and prevent potential and/or further damage, in compliance with this Section 9.2(a).
- b) **HVAC.** Landlord, on Tenant's behalf, shall enter into a preventative maintenance contract with a reputable HVAC service company that provides for annual (and/or semi-annual depending on the age of the equipment) routine maintenance of the HVAC systems servicing the Premises, including but not limited to evaporative coolers and mini-split systems. The cost of this contract and any non-routine maintenance calls initiated by Tenant in accordance with Section 9.3, or the case of an emergency initiated by Landlord, shall be paid by Tenant to Landlord within Ten (10) business days after receiving a statement from Landlord indicating the amount due.
- c) **Failure to Perform.** If Tenant fails to perform Tenant's maintenance obligations under Section 9.2, Landlord may enter upon the Premises after Ten (10) days prior written notice to Tenant (except in the case of an emergency, in which case no notice shall be required), to perform such obligations on Tenant's behalf, and put the Premises in good order, condition, and repair. Tenant shall promptly pay to Landlord a sum equal to One Hundred and Fifteen percent (115%) of the cost thereof to cover the cost of the work plus a management and administration fee.
- d) **Replacement.** Subject to Tenant's indemnification of Landlord as set forth in Section 8, and without relieving Tenant of liability resulting from Tenant's failure to exercise and perform good maintenance practices, if an item described in Section 9.2(b) cannot be repaired for less than Fifty percent (50%) of the cost of replacing such item, then such item shall be replaced by Landlord, and the cost thereof shall be prorated between Landlord and Tenant as follows:
- i) Tenant shall only be obligated to pay, each month during the remainder of the Term of this Lease or any extension thereof, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is One (1), and the denominator of which is One Hundred and Forty-Four (144) (i.e.  $1/144^{\text{th}}$  of the cost per month). Such costs shall be considered Additional Rent.
  - ii) Tenant may prepay its obligation at any time.
  - iii) Section 9.2(d) is subject to any extensions or renewals to this Lease.
  - iv) *Example for illustration purposes: The premise's HVAC must be replaced, and its cost is \$6,000. The landlord shall pay for both shares of the replacement cost upfront. The tenant shall then be responsible for  $(\$3,000 / 144) = \$20.83 / \text{month}$  for every month they remain a tenant of the premises not to exceed their total share of \$3,000.*
- e) **Mold.** Tenant 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 event of these

occurrences, and Tenant shall promptly remediate any Mold in accordance with Section 4.3(b). To the maximum extent permitted by Law, Tenant agrees to indemnify, defend, and hold harmless Landlord Parties 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 of Mold in the Premises or the Property that was caused or contributed to by Tenant in any manner whatsoever, and regardless of whether Landlord's active or passive negligence contributed to such presence.

**9.3 MAINTENANCE** Tenant shall not hire any vendor without Landlord's consent. When a maintenance issue arises, regardless of whether it falls under Landlord or Tenant Obligation as defined in Sections 9.1 and 9.2 above, Tenant shall log in to the online Tenant Portal and file a maintenance request ("**Maintenance Request**"). Landlord shall review the Maintenance Request and within Three (3) business days, respond to Tenant with confirmation of receipt and determine the best course of action to remedy the Maintenance Request, Landlord acknowledges that time is of the essence for maintenance requests and endeavors to respond as soon as reasonable. If Landlord deems it appropriate to repair the Maintenance Request, Landlord shall hire a licensed and insured vendor to complete the request. Prior to repairs, if Maintenance Request falls under Tenant Obligation as defined in Section 9.2 above, and the cost of such repairs is over Two Hundred Dollars (\$200) ("**Approval Threshold**"), Landlord shall provide Tenant an estimate of the cost of completing the Maintenance Request and Tenant shall have Three (3) business days to object in writing ("**Objection Period**"). Tenant is limited to Two (2) objections per Maintenance Request, if after obtaining a Third (3<sup>rd</sup>) estimate, Tenant still objects, Landlord shall exercise, at their discretion, the best course of action to complete the Maintenance Request in compliance with Section 9.2(c) above. Notwithstanding the foregoing, if the Maintenance Request is a) deemed an emergency by Landlord, or b) the cost of such repairs falls under the Approval Threshold, then Tenant hereby waives the Objection Period and Landlord has the right to make such repairs without providing Tenant an estimate of the cost in advance.

Tenant Initials

Landlord Initials

**9.4 INSPECTIONS.** Landlord and Tenant shall coordinate the appointments for fire extinguisher inspections, fire department inspections, and other related inspections such as insurance inspections. Tenant must inform Landlord at least Three (3) business days prior to canceling or changing a scheduled inspection date. If Tenant fails to notify Landlord in that time frame Tenant shall be charged, in addition to the actual inspection fee, One Hundred Dollars (\$100) as an "**Inspection Fee Violation**" as Additional Rent. In addition, Tenant shall pay the cost of any city or county fire inspection fee. Landlord shall pay the cost of the servicing of fire extinguishers.

**9.5 ALTERATIONS.**

- a) **Alterations.** The term "**Alterations**" shall mean any modifications of the improvements of the Premises or Property, whether by addition or deletion. Tenant shall not construct any leasehold improvements or make any other Alterations to the Premises without Landlord's prior written consent. Tenant shall give Landlord at least Thirty (30) days' prior written notice of any proposed Tenant Alterations. All Alterations, additions, and improvements shall be done in a good and workmanlike manner, in conformity with all applicable Laws and regulations, and by a contractor approved by Landlord. Landlord shall be given Twenty (20) days' notice prior to the commencement of any work, regardless of whether Landlord's consent to such work is required. Landlord may elect to record and post notices of non-responsibility on the Premises. Upon completion of any such work, Tenant shall provide Landlord with "As Built" plans, copies of all construction contracts, and proof of payment for labor and materials. At the end of the Term, Landlord may require Tenant to (a) remove any leasehold improvements or other Alterations made by Tenant, and (b) restore the Premises to its condition existing on the Commencement Date, normal wear and tear excepted. If Tenant fails to perform these provisions, Landlord may do so, and Tenant shall pay Landlord for all costs so incurred by Landlord within Ten (10) business days after receiving a statement from Landlord.