

一、省级公共海外仓申报表

附件 1

省级海外仓申报表

建设主体名称	浙江永强集团股份有限公司		
法定代表人	谢建勇	注册地	浙江省临海市
境内企业地址	浙江省临海市大洋街道前江南路1号		
企业联系人	朱炜	联系电话	13958570801
境内邮箱	Joy@yotrio.com	传 真	
海外仓名称	永强佐治亚仓、永强得克萨斯仓、永强加利福尼亚仓		
海外仓类型	自用型海外仓		
海外仓地址	永强佐治亚仓：780 Douglas Hills Rd, Suite 125 Lithia Springs, GA30122 永强得克萨斯仓：8515-8525 Market St Houston, TX 77029 永强加利福尼亚仓：3550 E Francis St. unit 200, Ontario CA 91716		
海外仓联系人	Kari Liu	联系电话	626-923-1111
境外邮箱	kari@yotrioint.com	传 真	626-923-1112
海外仓面积	3.35万平方米	海外仓员工数	155
服务（供应商） 浙江企业数量	629	服务（供应商） 企业类型	制造业
企业境外投 资金额	1272.92万美元	货值/货量/票数/出口额 (2022年全年)	出口额 10.24亿
空余仓库面积 (截止2023年4月)	无空仓面积	公共仓出库操作时效 (指从收到客户指令到货物 发出所用时间)	48小时之内

二、企业营业执照

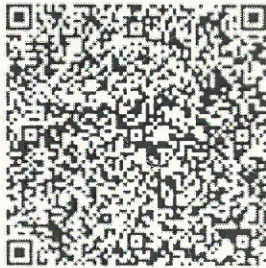
境外投资企业营业执照



营业执照

(副本) 统一社会信用代码 91330000743452075L (1/2)

名称 浙江永强集团股份有限公司
 类别 股份有限公司(上市)
 住所 临海市前江南路1号
 法定代表人 谢建勇
 注册资本 贰拾壹亿柒仟伍佰柒拾叁万陆仟伍佰零叁元
 成立日期 2001年06月18日
 营业期限 2001年06月18日至长期
 经营范围 户外用品及家具、遮阳用品、工艺品、金属铁制品的制造、销售；经营进出口业务，投资管理。(依法须经批准的项目，经相关部门批准后方可开展经营活动)

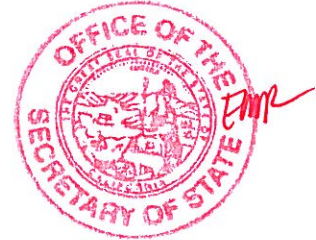


登记机关



2015年10月20日

应当于每年1月1日至6月30日通过浙江省企业信用信息公示系统报送上一年度年度报告



State of California
Secretary of State

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 2 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

JAN 15 2008

DEBRA BOWEN
Secretary of State

JAN 15 2008

**ARTICLES OF INCORPORATION
OF
YOTRIO CORPORATION**

The undersigned incorporator, for the purpose of forming a corporation under the General Corporation Law of the State of California, hereby certifies:

ARTICLE I

The name of the corporation is YOTRIO CORPORATION.

ARTICLE II

The name and complete business address in this state of the Corporation's initial agent for service of process is:

Kari Liu
4550 San Pablo Avenue Suite B
Emeryville, CA 94608

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

ARTICLE IV

This corporation is authorized to issue one class of stock to be designated Common Stock. The total number of shares that the Corporation is authorized to issue is Ten Million (10,000,000). The holder of each share of Common Stock shall have the right to one vote for each such share of Common Stock.


ARTICLE V

(A) Director Liability. The liability of the directors of this Corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

(B) Indemnification. This Corporation is authorized to indemnify agents of this Corporation, including without limitation, officers and directors, whether by bylaw, agreement or otherwise, to the fullest extent permissible under California law, and in excess of that expressly

permitted by Section 317 of the California General Corporation Law.


IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation.



James Cai, Incorporator

I declare that I am the person who executed the foregoing Articles of Incorporation and that this instrument is my act and deed.

Executed on January 11, 2008 in San Jose, California.



James Cai



三、企业法人征信报告



— 中国人民银行 —
征信中心
CREDIT REFERENCE CENTER
PEOPLE'S BANK OF CHINA

NO.2023060808574692383746

企业信用报告

(自主查询版)

企业名称：浙江永强集团股份有限公司
中征码：3309060000218438
统一社会信用代码：--
查询机构：中国工商银行股份有限公司台州分行
报告时间：2023-06-08T08:57:46

报告说明

1. 本报告由中国人民银行征信中心出具，依据截止报告时间征信系统记录的信息生成。除征信中心标注外，信息均由相关数据提供机构和信息主体提供，征信中心不保证其真实性和准确性，但承诺在信息汇总、加工、整合的全过程中保持客观、中立的地位。
 2. 本报告所展示的基本信息来自征信系统对不同数据来源提供的同一个信息主体基本信息进行整合后的结果。
 3. 本报告中信贷交易包括借贷交易和担保交易。
 4. 本报告中借贷交易包括各种形式的贷款，也包括以各种其他名义融资但实质上是借贷的行为，即融资方负有明确还款责任的交易。常见的产品种类包括：贷款、贸易融资、票据贴现、保理、透支、融资租赁、回购、垫款、黄金证券借贷、公司信用债等。
 5. 本报告中担保交易指第三人和债权人约定，当债务人不履行债务时，第三人按约定履行债务的行为。包括名义上没有担保合同约定但当债务人违约时、第三人实质上要代偿的行为。常见的产品种类包括：银行承兑汇票、信用证、银行保函、融资担保公司提供的担保服务，保险公司提供的信用保证保险服务。
 6. 本报告中被迫偿业务是指剩余本息处于催收状态（即债权人要求债务人尽快归还全部借款）的借贷交易。常见的产品种类包括：由资产管理公司处置的债务、垫款（含担保代偿）。
 7. 本报告中的短期借款、中长期借款是指借贷交易中除被迫偿业务、循环透支、贴现之外的业务，按照“借款期限分类”划分，分别对应其中的短期、中期和长期。
 8. 本报告中借贷交易的正常类是指除被迫偿业务之外，五级分类为正常或者五级分类为“未分类”且逾期天数为0的业务；关注类是指除被迫偿业务之外，五级分类为关注或者五级分类为“未分类”且逾期0至90天的业务；不良类是指除被迫偿业务之外，五级分类为“次级”、“可疑”、“损失”、“违约”或者五级分类为“未分类”且逾期90天以上的业务。
 9. 本报告中担保交易的正常类、关注类、不良类分别对应五级分类为正常、关注和后三类的业务。
 10. 本报告中信息概要部分中的负债历史信息，其中负债是指由信贷交易所产生的债务；逾期总额、逾期本金是指除被迫偿业务之外的借贷交易的逾期总额（含欠息）合计及逾期本金合计。
 11. 本报告仅展示一定期限范围内的已结清信贷信息、非信贷信息、公共信息。
 12. 如无特别说明，本报告中的金额类数据项单位均为万元。
 13. 如无特别说明，本报告中的金额类汇总数据项均为人民币计价。外币折人民币的计算依据国家外汇管理局当月公布的各种货币对美元折算率表。
 14. 如信息记录斜体展示，则说明信息主体对此条记录存在异议。
 15. 数据提供机构说明是报数机构对报告中的信息记录或对信息主体所作的补充说明。
 16. 征信中心说明是征信中心对报告中的信息记录或对信息主体所作的说明。
 17. 信息主体声明是信息主体对报数机构提供的信息记录所作的简要说明。
 18. 信息主体有权对本报告中的内容提出异议。如有异议，可联系报数机构，也可到当地信用报告查询网点（具体地址可查询征信中心网站www.pbccrc.org.cn）提出异议申请。
 19. 本报告仅向信息主体提供，不为金融机构授信管理目的使用，请妥善保管。因保管不当造成信息泄露的，征信中心不承担相关法律责任。
 20. 更多咨询，请致电全国客户服务热线400-810-8866。
- 汇率（美元折人民币）：6.92 有效期：2023-05



身份标识

企业名称	浙江永强集团股份有限公司
中征码	3309060000218438
工商注册号	91330000743452075L
纳税人识别号(国税)	91330000743452075L
纳税人识别号(地税)	91330000743452075L

信息概要

首次有信贷交易的年份	发生信贷交易的机构数	当前有未结清信贷交易的机构数	首次有相关还款责任的年份
2004	15	10	2006

借贷交易		担保交易	
余额	117002.67	余额	145002.04
其中：被追偿余额	0	其中：关注类余额	0
关注类余额	0	不良类余额	0
不良类余额	0		

非信贷交易账户数	欠税记录条数	民事判决记录条数	强制执行记录条数	行政处罚记录条数
0	0	0	0	0

未结清信贷及授信信息概要

	正常类		关注类		不良类		合计	
	账户数	余额	账户数	余额	账户数	余额	账户数	余额
短期借款	1005	92002.67	0	0	0	0	1005	92002.67
循环透支	1	25000	0	0	0	0	1	25000
合计	1006	117002.67	0	0	0	0	1006	117002.67

	正常类		关注类		不良类		合计	
	账户数	余额	账户数	余额	账户数	余额	账户数	余额
银行承兑汇票	2963	122843.04	0	0	0	0	2963	122843.04
信用证	2	17000	0	0	0	0	2	17000
合计	2965	139843.04	0	0	0	0	2965	139843.04

	正常类		关注类		不良类		合计	
	账户数	余额	账户数	余额	账户数	余额	账户数	余额
银行保函	7	5159	0	0	0	0	7	5159
合计	7	5159	0	0	0	0	7	5159

非循环信用额度			循环信用额度		
总额	已用额度	剩余可用额度	总额	已用额度	剩余可用额度
81673.85	65483.85	16190.00	109900	49217	60683

说明：由于存在授信限额的控制，剩余可用额度无法准确计算，需要结合授信明细信息进行估算。

相关还款责任信息概要

责任类型	担保交易				
	还款责任金额	账户数	余额	关注类余额	不良类余额
保证人/反担保人	4830.51	1	29.97	0	0
合计	4830.51	1	29.97	0	0

已结清信贷信息概要

由资产管理公司处置的债务			垫款		
账户数	金额	处置完成日期	账户数	金额	结清日期
0	0	--	43	492.30	2015-09-21

	正常类账户数	关注类账户数	不良类账户数	合计
中长期借款	7	0	0	7
短期借款	2920	0	0	2920
贴现	5	0	0	5
合计	2932	0	0	2932

	正常类账户数	关注类账户数	不良类账户数	合计
银行承兑汇票	8991	0	0	8991
信用证	6	0	0	6
合计	8997	0	0	8997

	正常类账户数	关注类账户数	不良类账户数	合计
银行保函	3	0	0	3
合计	3	0	0	3

基本信息

基本概况信息

经济类型	其他	信息来源机构	浙江泰隆商业银行股份有限公司
组织机构类型	企业	信息来源机构	浙江泰隆商业银行股份有限公司
企业规模	大型企业	信息来源机构	浙江泰隆商业银行股份有限公司

所属行业	金属家具制造	信息来源机构	浙江泰隆商业银行股份有限公司
成立年份	2001	信息来源机构	浙江泰隆商业银行股份有限公司
登记证书有效截止日期	长期	信息来源机构	浙江泰隆商业银行股份有限公司
登记地址	临海市前江南路1号	信息来源机构	浙江泰隆商业银行股份有限公司
办公/经营地址	临海市前江南路1号	信息来源机构	浙江泰隆商业银行股份有限公司
存续状态	正常营业	信息来源机构	浙江泰隆商业银行股份有限公司

注册资本及主要出资人信息

注册资本折人民币合计 217573.65万元

类型	出资方	身份标识类型	身份标识号码	出资比例
股东	谢建强	身份证	332602197507046952	6%

信息来源机构：浙江泰隆商业银行股份有限公司 更新日期：2023-06-06

主要组成人员信息

职位	姓名	证件类型	证件号码
总经理/主要负责人	谢建强	身份证	332602197507046952
法定代表人/非法人组织负责人	谢建勇	身份证	332621197003266977

信息来源机构：浙江泰隆商业银行股份有限公司 更新日期：2023-06-06

上级机构

类型	名称	身份标识类型	身份标识号码
集团母公司	临海市永强投资有限公司(集团)	组织机构代码	796494148

信息来源机构：中国农业银行股份有限公司台州分行 更新日期：2022-08-03

实际控制人

名称	身份标识类型	身份标识号码
谢建勇	身份证	332621197003266977

信息来源机构：浙江泰隆商业银行股份有限公司 更新日期：2023-06-06

信贷记录明细

被追偿业务

共 43 笔

账户编号	债权机构	业务种类	接收日期	币种	借款金额	余额	关闭日期	信息报告日期
	五级分类	最近一次还款日期	最近一次还款总额	最近一次还款形式	历史表现	初始债权人名称	原债权种类	

账户编号	开立日期	到期日	币种	金额	关闭日期	垫款标志
B10411000H00 01HETO33066 61002022N004 W	2022-08-17	2023-03-27	人民币元	10000	2023-03-28	否
B10411000H00 01HETO33066 61002022N004 R	2022-08-12	2023-03-20	人民币元	10000	2023-03-21	否
B10411000H00 01HETO33066 61002022N001 F	2022-03-24	2022-04-28	人民币元	10000	2022-09-21	否
B10411000H00 01HETO33066 61002022N000 W	2022-02-18	2022-03-30	人民币元	10000	2022-08-17	否

13.已结清业务

授信机构：中国农业银行股份
有限公司

业务种类：信用证

五级分类：正常

账户编号	开立日期	到期日	币种	金额	关闭日期	垫款标志
B10211000H00 0133042022000 2180	2022-08-04	2022-10-15	人民币元	5100	2023-01-31	否
B10211000H00 0133042022000 2164	2022-08-03	2022-10-10	人民币元	9900	2023-01-30	否

(七) 银行保函及其他业务的信贷明细

1.未结清业务

授信机构：中国农业银行股份
有限公司

业务种类：非融资类银行保函

五级分类：正常

账户编号	开立日期	到期日	币种	金额	反担保方式
	保证金比例	余额	风险敞口	信息报告日期	
B10211000H0001 330520210004652	2021-07-13	2023-09-15	人民币元	2608	组合/保证金
	10%	2608	--	2023-05-25	

2.未结清业务

授信机构：中国银行股份有限公司

业务种类：非融资类银行保函

五级分类：正常

账户编号	开立日期	到期日	币种	金额	反担保方式
	保证金比例	余额	风险敞口	信息报告日期	
B10311000H0001 GC271902200035 9CNY	2022-08-25	2023-10-29	人民币元	1301	信用/免担保
	0%	1301	--	2022-08-25	
B10311000H0001 GC271902300002 9CNY	2023-01-17	2029-04-19	人民币元	315	信用/免担保
	0%	315	--	2023-01-17	
B10311000H0001 GC271902300002 5CNY	2023-01-18	2029-04-19	人民币元	315	信用/免担保
	0%	315	--	2023-01-18	
B10311000H0001 GC271902300002 3CNY	2023-01-17	2024-04-19	人民币元	210	信用/免担保
	0%	210	--	2023-01-17	
B10311000H0001 GC271902300002 4CNY	2023-01-17	2026-04-19	人民币元	210	信用/免担保
	0%	210	--	2023-01-17	
B10311000H0001	2018-09-14	2023-11-23	人民币元	200	信用/免担保

GC271901800031	0%	200	--	2021-09-15
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3.已结清业务

授信机构：中国建设银行股份
有限公司

业务种类：融资类银行保函

五级分类：正常

账户编号	开立日期	到期日	币种	金额	关闭日期	垫款标志
B10411000H00 01ZXZY330666 1002021N002D	2021-10-18	2022-04-01	美元	800	2022-04-01	否
B10411000H00 01ZXZY330666 1002021N0036	2021-11-09	2022-01-28	美元	1000	2022-01-28	否

4.已结清业务

授信机构：中国农业银行股份
有限公司

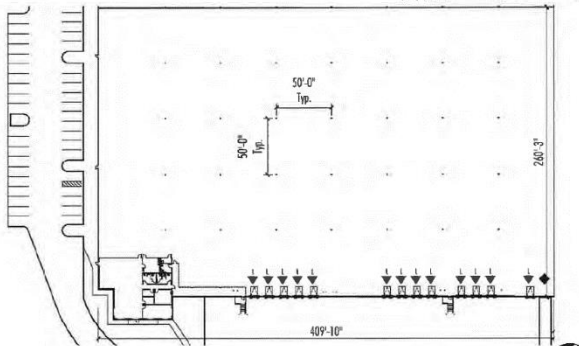
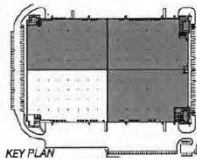
业务种类：融资类银行保函

五级分类：正常

账户编号	开立日期	到期日	币种	金额	关闭日期	垫款标志
B10211000H00 0133142021000 0465	2021-09-28	2022-03-25	人民币元	5000	2022-03-25	否



四、海外仓仓库的定位截图、平面、实体照片





YOTRIO

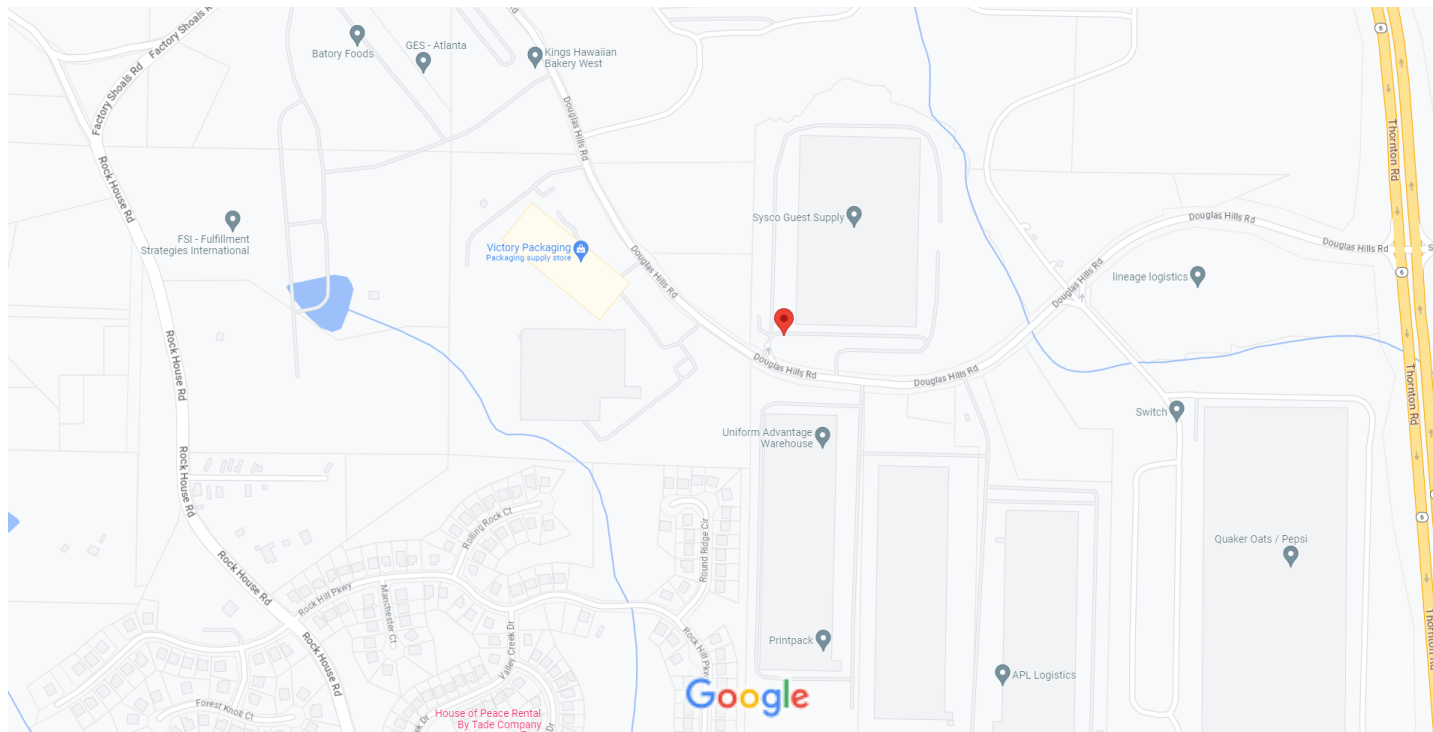






780 Douglas Hills Rd

GA warehouse

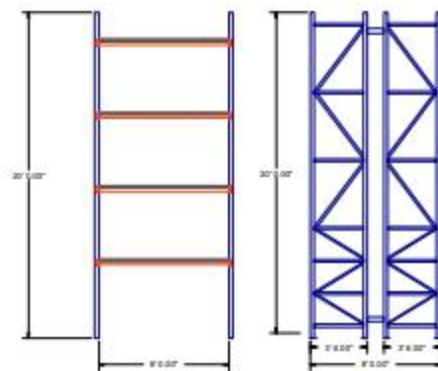
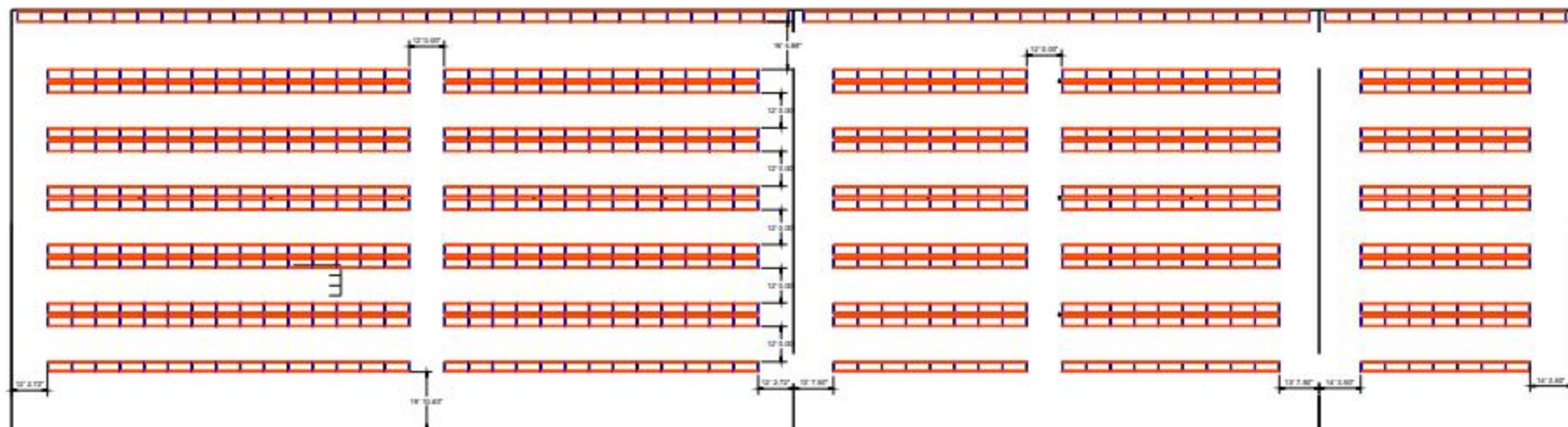


Map data ©2023 200 ft

FOR QUOTE

FOR APPROVAL

FOR INSTALLATION



DRAWING APPROVAL

- APPROVED, NO CHANGES
- APPROVED WITH CHANGES SHOWN REVISE & RELEASE
- REJECTED AS SHOWN REVISE & RESUBMIT

Name (Signature): _____ Date _____

Name (Print): _____ Date _____

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Project Name:

Sunvilla Home
 8515-8525 Market St
 Houston, TX 77029

Drawn By: RLR

Scale: 1/4" = 1'

Branch: Somm

Date: 11-11-15

Product: Pallet Rack-Option 2

Drawing No. 111115-02

Rev. Sheet 1 of 1

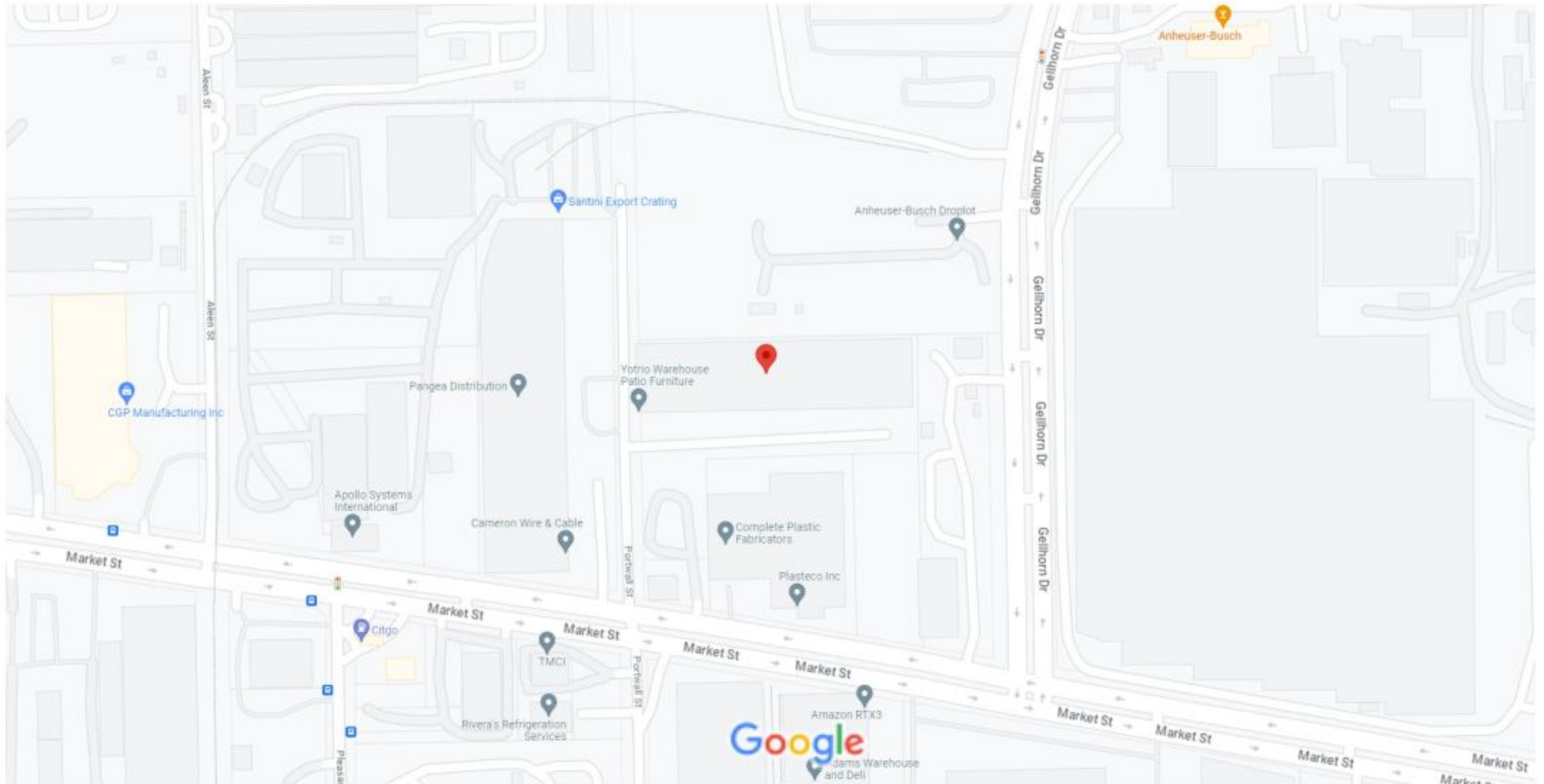






8525 Market St

TX warehouse











FedEx Ground
fedex.com
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fedex.com
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CAAU 577102 2
45G1
DCL

MCC
TRANSPORT
ASIA PARTNER

SUD

CAU 9348

3550 E Francis St #200, Ontario, CA 91



3550 E Francis St #200

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- 3550 E Francis St #200, Ontario, CA 91761
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Photos



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3550 E Francis St #200, Ontario, CA 91



3550 E Francis St #200



Directions



Save



Nearby



Send to
phone



Share



3550 E Francis St #200, Ontario, CA 91761



Suggest an edit on 3550 E Francis St #200



Add a missing place



Add your business



Add a label

Photos



五、海外仓仓库的租赁协议、租赁付款凭证

LEASE AGREEMENT

THIS LEASE AGREEMENT is made this 17th day of December, 2016, between PALMTREE PORTFOLIO I LLC ("Landlord"), and the Tenant named below.

Tenant: Yotrio Corporation, a California Corporation

Tenant's Representative, Address, and Telephone: Kari Liu – 626-923-1111
1100 Coiner Ct. City of Industry, CA 91748

Premises: That portion of the Building, containing approximately 107,495 rentable square feet, as determined by Landlord, as shown on Exhibit A.

Project: The project commonly known as Prologis Douglas Hill Park

Building: Douglas Hill Park 1
 780 Douglas Hill Road
 Suite 125
 Atlanta, GA 30122

Tenant's Proportionate Share of Project: 7.62 %

Tenant's Proportionate Share of Building: 25 %

Lease Term: Beginning on the Commencement Date and ending on the last day of the 86th full month following the Commencement Date.

Commencement Date: January 1, 2017

Initial Monthly Base Rent: See Addendum 1

Initial Estimated Monthly Operating Expense Payments: (estimates only and subject to adjustment to actual costs and expenses according to the provisions of this Lease)

1. Common Area Charges:	\$3,135.27
2. Taxes:	\$3,135.27
3. Insurance:	\$537.48

Initial Estimated Monthly Operating Expense Payments: \$6,808.02

Initial Monthly Base Rent, and Estimated Operating Expense \$30,725.66

Security Deposit: \$43,500.00

Brokers: Tenant: NAI Brannen Goddard

Addenda: 1. Base Rent Adjustments 2. HVAC Maintenance Contract 3. Move Out Conditions 4. Construction Addendum 5. CAP on HVAC

Exhibits: A. Site Plan
 B. Project Rules and Regulations
 C. Commencement Date Certificate

1. **Granting Clause.** In consideration of the obligation of Tenant to pay rent as herein provided and in consideration of the other terms, covenants, and conditions hereof, Landlord leases to Tenant, and Tenant takes from Landlord, the Premises, to have and to hold for the Lease Term, subject to the terms, covenants and conditions of this Lease.

2. **Acceptance of Premises.** Tenant shall accept the Premises in its condition as of the Commencement Date, subject to all applicable laws, ordinances, regulations, covenants and restrictions. Landlord has made no representation or warranty as to the suitability of the Premises for the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises are suitable for Tenant's intended purposes. In no event shall Landlord have any obligation for any defects in the Premises or any limitation on its use. The taking of possession of the Premises shall be conclusive evidence that Tenant accepts the Premises and that the Premises were in good condition at the time possession was taken except for items that are Landlord's responsibility under Paragraph 10 and any punchlist items agreed to in writing by Landlord and Tenant. No later than 10 days after written demand is made therefor by Landlord of Tenant, Tenant shall execute and deliver to Landlord a Commencement Date Certificate in the form of Exhibit C attached to and hereby made a part of this Lease. Landlord represents and warrants that as of the Commencement Date the Building's HVAC, electrical, plumbing and other mechanical systems are in good working order.

3. **Use.** The Premises shall be used only for the purpose of receiving, storing, shipping and selling (but specifically excluding retail selling) products, materials and merchandise made and/or distributed by Tenant and for such other lawful purposes as may be incidental thereto; provided, however, with Landlord's prior written consent, Tenant may also use the Premises for light manufacturing. Tenant shall not conduct or give notice of any auction, liquidation, or going out of business sale on the Premises. Tenant will use the Premises in a careful, safe and proper manner and will not commit waste, overload the floor or structure of the Premises or subject the Premises to use that would damage the Premises. Tenant shall not permit any objectionable or unpleasant odors, smoke, dust, gas, noise, or vibrations to emanate from the Premises, or take any other action that would constitute a nuisance or would disturb, unreasonably interfere with, or endanger Landlord or any tenants of the Project. Outside storage, including without limitation, storage of trucks and other vehicles, is prohibited without Landlord's prior written consent; provided, however, Tenant shall have the right to park operable vehicles and trailers overnight at the truck loading docks and designated truck and trailer parking areas for the Premises and operable automobiles in the designated automobile parking areas, and further provided there is no interference with the access of other tenants to the Building and Project parking lots and truck courts. Tenant, at its sole expense, shall use and occupy the Premises in compliance with all laws, including, without limitation, the Americans With Disabilities Act, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises (collectively, "Legal Requirements"). The Premises shall not be used as a place of public accommodation under the Americans With Disabilities Act or similar state statutes or local ordinances or any regulations promulgated thereunder, all as may be amended from time to time. Landlord represents and warrants that, as of the Commencement Date, no written notice has been received by Landlord of non-compliance with any Legal Requirements in connection with the Premises. In the event that Landlord receives notice that the Premises is not in compliance with applicable Legal Requirements existing as of the Commencement Date and such non-compliance is not related to Tenant's specific use of the Premises or Tenant-Made Alterations to the Premises performed by Tenant, Landlord shall make such modifications as may be required by order or directive of applicable governmental authority in order to bring the Premises into compliance with applicable Legal Requirements as of the Commencement Date without cost or expense to Tenant and without including such cost or expense as an Operating Expense. Furthermore, in the event Landlord receives notice that the Premises is not in compliance with applicable Legal Requirements which come into effect after the Commencement Date and such non-compliance is not related to Tenant's specific use of the Premises or Tenant-Made Alterations to the Premises performed by Tenant, Landlord shall make such modifications as may be required by order or directive of applicable governmental authority in order to bring the Premises into compliance with applicable Legal Requirements which shall be chargeable to Tenant as an Operating Expense. Tenant shall, at its expense, make any alterations or modifications, within or without the Premises, that are required by Legal Requirements related to Tenant's use or occupation of the Premises. Tenant will not use or permit the Premises to be used for any purpose or in any manner that would void Tenant's or Landlord's insurance, increase the insurance risk, or cause the disallowance of any sprinkler credits. If any increase in the cost of any insurance on the Premises or the Project is caused by Tenant's use or occupation of the Premises, or because Tenant vacates the Premises, then Tenant shall pay the amount of such increase to Landlord. Any occupation of the Premises by Tenant prior to the Commencement Date shall be subject to all obligations of Tenant under this Lease.

4. **Base Rent.** Tenant shall pay Base Rent in the amount set forth on Page 1 of this Lease. The first month's Base Rent, the Security Deposit, and the first monthly installment of estimated Operating Expenses (as hereafter defined) shall be due and payable on the date hereof, and Tenant promises to pay to Landlord in advance, without demand, deduction or set-off, monthly installments of Base Rent on or before the first day of each calendar month succeeding the Commencement Date. Payments of Base Rent for any fractional calendar month shall be prorated. All payments (other than the first monthly installment of Base Rent, Operating Expenses and the Security Deposit) required to be made by Tenant to Landlord hereunder (or to such other party as Landlord may from time to time specify in writing) shall be made by Electronic Fund Transfer ("EFT") of immediately available federal funds before 11:00 a.m., Eastern Time at such place, within the continental United States, as Landlord may from time to time designate to Tenant in writing. The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations. Tenant shall have no right at any time to abate, reduce, or set-off any rent due hereunder except as may be expressly provided in this Lease. If Tenant is delinquent in any monthly installment of Base Rent or of estimated Operating Expenses for more than 5 days,

Tenant shall pay to Landlord on demand a late charge equal to 8 percent of such delinquent sum. The provision for such late charge shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as a penalty.

5. **Security Deposit.** The Security Deposit shall be held by Landlord as security for the performance of Tenant's obligations under this Lease. The Security Deposit is not an advance rental deposit or a measure of Landlord's damages in case of Tenant's default. Upon each occurrence of an Event of Default (hereinafter defined), Landlord may use all or part of the Security Deposit to pay delinquent payments due under this Lease, and the cost of any damage, injury, expense or liability caused by such Event of Default, without prejudice to any other remedy provided herein or provided by law. Tenant shall pay Landlord on demand the amount that will restore the Security Deposit to its original amount. Landlord's obligation respecting the Security Deposit is that of a debtor, not a trustee; no interest shall accrue thereon. The Security Deposit shall be the property of Landlord, but shall be paid to Tenant when Tenant's obligations under this Lease have been completely fulfilled. Landlord shall not be required to keep all or any part of the Security Deposit separate from its general accounts. Landlord shall be released from any obligation with respect to the Security Deposit upon transfer of this Lease, the Security Deposit, and the Premises to a person or entity assuming Landlord's obligations under this Paragraph 5.

6. **Operating Expense Payments.** During each month of the Lease Term, on the same date that Base Rent is due, Tenant shall pay Landlord an amount equal to 1/12 of the annual cost, as estimated by Landlord from time to time, of Tenant's Proportionate Share (hereinafter defined) of Operating Expenses for the Project. Payments thereof for any fractional calendar month shall be prorated. The term "Operating Expenses" means all costs and expenses incurred by Landlord with respect to the ownership, maintenance, and operation of the Project including, but not limited to costs of: Taxes (hereinafter defined) and fees payable to tax consultants and attorneys for consultation and contesting taxes; insurance; utilities; maintenance, repair and replacement of all portions of the Project, including without limitation, paving and parking areas, roads, non-structural components of the roofs (including the roof membrane), alleys, and driveways, mowing, landscaping, snow removal, exterior painting, utility lines, heating, ventilation and air conditioning systems, lighting, electrical systems and other mechanical and building systems; amounts paid to contractors and subcontractors for work or services performed in connection with any of the foregoing; charges or assessments of any association to which the Project is subject; property management fees payable to a property manager, including any affiliate of Landlord, or if there is no property manager, an administration fee of 15 percent of Operating Expenses payable to Landlord; security services, if any; trash collection, sweeping and removal; and additions or alterations made by Landlord to the Project or the Building in order to comply with Legal Requirements (other than those expressly required herein to be made by Tenant) or that are appropriate to the continued operation of the Project or the Building as a bulk warehouse facility in the market area, provided that the cost of additions or alterations that are required to be capitalized for federal income tax purposes shall be amortized on a straight line basis over a period equal to the lesser of the useful life thereof for federal income tax purposes or 10 years. Operating Expenses do not include costs, expenses, depreciation or amortization for capital repairs and capital replacements required to be made by Landlord under Paragraph 10 of this Lease, debt service under mortgages or ground rent under ground leases, costs of restoration to the extent of net insurance proceeds received by Landlord with respect thereto, leasing commissions, or the costs of renovating space for tenants.

If Tenant's total payments of Operating Expenses for any year are less than Tenant's Proportionate Share of actual Operating Expenses for such year, then Tenant shall pay the difference to Landlord within 30 days after demand, and if more, then Landlord shall retain such excess and credit it against Tenant's next payments except that during the last calendar year of the Lease Term or any extension terms thereof, Landlord shall refund any such excess within 60 days following the termination of the Lease Term or any extension terms thereof, provided that Tenant is not in default of its obligations under this Lease. For purposes of calculating Tenant's Proportionate Share of Operating Expenses, a year shall mean a calendar year except the first year, which shall begin on the Commencement Date, and the last year, which shall end on the expiration of this Lease. With respect to Operating Expenses which Landlord allocates to the entire Project, Tenant's "Proportionate Share" shall be the percentage set forth on the first page of this Lease as Tenant's Proportionate Share of the Project as reasonably adjusted by Landlord in the future for changes in the physical size of the Premises or the Project; and, with respect to Operating Expenses which Landlord allocates only to the Building, Tenant's "Proportionate Share" shall be the percentage set forth on the first page of this Lease as Tenant's Proportionate Share of the Building as reasonably adjusted by Landlord in the future for changes in the physical size of the Premises or the Building. Landlord may equitably increase Tenant's Proportionate Share for any item of expense or cost reimbursable by Tenant that relates to a repair, replacement, or service that benefits only the Premises or only a portion of the Project or Building that includes the Premises or that varies with occupancy or use. The estimated Operating Expenses for the Premises set forth on the first page of this Lease are only estimates, and Landlord makes no guaranty or warranty that such estimates will be accurate.

7. **Utilities.** Tenant shall pay for all water, gas, electricity, heat, light, power, telephone, sewer, sprinkler services, refuse and trash collection, and other utilities and services used on the Premises, all maintenance charges for utilities, and any storm sewer charges or other similar charges for utilities imposed by any governmental entity or utility provider, together with any taxes, penalties, surcharges or the like pertaining to Tenant's use of the Premises. Landlord may cause at Tenant's expense any utilities to be separately metered or charged directly to Tenant by the provider in the event Landlord reasonably determines that Tenant's use of such jointly metered utility materially exceeds the use of such jointly metered utility by other tenants in the Building. Tenant shall pay its share of all charges for jointly metered utilities based upon consumption, as reasonably determined by Landlord. No interruption or failure of utilities shall result in the termination of this Lease or the abatement of rent. Tenant agrees to limit use of water and sewer for normal restroom use.

8. **Taxes.** Landlord shall pay all taxes, assessments and governmental charges (collectively referred to as "Taxes") that accrue against the Project during the Lease Term, which shall be included as part of the Operating Expenses charged to Tenant. Landlord may contest by appropriate legal proceedings the amount, validity, or application of any Taxes or liens thereof. All capital levies or other taxes assessed or imposed on Landlord upon the rents payable to Landlord under this Lease and any franchise tax, any excise, use, margin, transaction, sales or privilege tax, assessment, levy or charge measured by or based, in whole or in part, upon such rents from the Premises and/or the Project or any portion thereof shall be paid by Tenant to Landlord monthly in estimated installments or upon demand, at the option of Landlord, as additional rent; provided, however, in no event shall Tenant be liable for any net income taxes imposed on Landlord unless such net income taxes are in substitution for any Taxes payable hereunder. If any such tax or excise is levied or assessed directly against Tenant or results from any Tenant-Made Alterations (defined below), then Tenant shall be responsible for and shall pay the same at such times and in such manner as the taxing authority shall require. Tenant shall be liable for all taxes levied or assessed against any personal property or fixtures placed in the Premises, whether levied or assessed against Landlord or Tenant.

9. **Insurance.** Landlord shall maintain all risk or special form property insurance covering the full replacement cost of the Building and commercial general liability insurance on the Project in forms and amounts customary for properties substantially similar to the Project, subject to customary deductibles. Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary, including but not limited to, rent loss insurance. All such insurance shall be included as part of the Operating Expenses charged to Tenant. The Project or Building may be included in a blanket policy (in which case the cost of such insurance allocable to the Project or Building will be determined by Landlord based upon the total insurance cost calculations). Tenant shall also reimburse Landlord for any increased premiums or additional insurance which Landlord reasonably deems necessary as a result of Tenant's use of the Premises.

Tenant, at its expense, shall maintain during the Lease Term the following insurance, at Tenant's sole cost and expense: (1) commercial general liability insurance applicable to the Premises and its appurtenances providing, on an occurrence basis, a minimum combined single limit of \$2,000,000; and in the event property of Tenant's invitees or customers are kept in, or about the, Premises, Tenant shall maintain warehouse's legal liability or bailee customers insurance for the full value of the property of such invitees or customers as determined by the warehouse contract between Tenant and its customer; (2) all risk or special form property insurance covering the full replacement cost of all property and improvements installed or placed in the Premises by Tenant; (3) workers' compensation insurance as required by the state in which the Premises is located and in amounts as may be required by applicable statute and shall include a waiver of subrogation in favor of Landlord; (4) employers liability insurance of at least \$1,000,000, (5) business automobile liability insurance having a combined single limit of not less than \$2,000,000 per occurrence insuring Tenant against liability arising out of the ownership maintenance or use of any owned, hired or nonowned automobiles, and (6) business interruption insurance with a limit of liability representing loss of at least approximately 6 months of income. Any company writing any of Tenant's insurance shall have an A.M. Best rating of not less than A-VIII and provide primary coverage to Landlord (any policy issued to Landlord providing duplicate or similar coverage shall be deemed excess over Tenant's policies). All commercial general liability and, if applicable, warehouse's legal liability or bailee customers insurance policies shall name Tenant as a named insured and Landlord, its property manager, and other designees of Landlord as the interest of such designees shall appear, as additional insureds. The limits and types of insurance maintained by Tenant shall not limit Tenant's liability under this Lease. Tenant shall provide Landlord with certificates of such insurance as required under this Lease prior to the earlier to occur of the Commencement Date or the date Tenant is provided with possession of the Premises, and thereafter upon renewals at least 15 days prior to the expiration of the insurance coverage. Acceptance by Landlord of delivery of any certificates of insurance does not constitute approval or agreement by Landlord that the insurance requirements of this section have been met, and 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. In the event any of the insurance policies required to be carried by Tenant under this Lease shall be cancelled prior to the expiration date of such policy, or if Tenant receives notice of any cancellation of such insurance policies from the insurer prior to the expiration date of such policy, Tenant shall: (a) immediately deliver notice to Landlord that such insurance has been, or is to be, cancelled, (b) shall promptly replace such insurance policy in order to assure no lapse of coverage shall occur, and (c) shall deliver to Landlord a certificate of insurance for such policy. The insurance required to be maintained by Tenant hereunder are only Landlord's minimum insurance requirements and Tenant agrees and understands that such insurance requirements may not be sufficient to fully meet Tenant's insurance needs

The all risk or special form property insurance obtained by Landlord and Tenant shall include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Landlord or Tenant, their officers, directors, employees, managers, agents, invitees and contractors, in connection with any loss or damage thereby insured against. Neither party nor its officers, directors, employees, managers, agents, invitees or contractors shall be liable to the other for loss or damage caused by any risk coverable by all risk or special form property insurance, and each party waives any claims against the other party, and its officers, directors, employees, managers, agents, invitees and contractors for such loss or damage. The failure of a party to insure its property shall not void this waiver. Tenant and its agents, employees and contractors shall not be liable for, and Landlord hereby waives all claims against such parties for losses resulting from an interruption of Landlord's business, or any person claiming through Landlord, resulting from any accident or occurrence in or upon the Premises or the Project from any cause whatsoever, including without limitation, damage caused in whole or in part, directly or indirectly, by the negligence of Tenant or its agents, employees or contractors. Landlord and its agents, employees and contractors shall not be liable for, and Tenant hereby waives all claims against such parties for losses resulting from an interruption of Tenant's business, or any person claiming through Tenant, resulting from any accident or occurrence

in or upon the Premises or the Project from any cause whatsoever, including without limitation, damage caused in whole or in part, directly or indirectly, by the negligence of Landlord or its agents, employees or contractors.

10. **Landlord's Repairs.** Landlord shall repair, at its expense and without pass through as an Operating Expense, the structural soundness of the roof (which does not include the roof membrane), the structural soundness of the foundation, and the structural soundness of the exterior walls of the Building in good repair, reasonable wear and tear and uninsured losses and damages caused by Tenant, its agents and contractors excluded. The term "walls" as used in this Paragraph 10 shall not include windows, glass or plate glass, doors or overhead doors, special store fronts, dock bumpers, dock plates or levelers, or office entries. Tenant shall promptly give Landlord written notice of any repair required by Landlord pursuant to this Paragraph 10, after which Landlord shall have a reasonable opportunity to repair.

11. **Tenant's Repairs.** Landlord, at Tenant's expense as provided in Paragraph 6, shall maintain in good repair and condition the parking areas and other common areas of the Building, including, but not limited to driveways, alleys, landscape and grounds surrounding the Premises. Subject to Landlord's obligation in Paragraph 10 and subject to Paragraphs 9 and 15, Tenant, at its expense, shall repair, replace and maintain in good condition all portions of the Premises and all areas, improvements and systems exclusively serving the Premises including, without limitation, dock and loading areas, truck doors, plumbing, water and sewer lines up to points of common connection, fire sprinklers and fire protection systems, entries, doors, ceilings, windows, interior walls, and the interior side of demising walls, and heating, ventilation and air conditioning systems. Such repair and replacements include capital expenditures and repairs whose benefit may extend beyond the Term. Heating, ventilation and air conditioning systems and other mechanical and building systems exclusively serving the Premises shall be maintained at Tenant's expense pursuant to maintenance service contracts entered into by Tenant or, at Landlord's election, by Landlord, in which case the costs of such contracts entered into by Landlord shall be included as an Operating Expense. The scope of services and contractors under such maintenance contracts shall be reasonably approved by Landlord. At Landlord's request, Tenant shall enter into a joint maintenance agreement with any railroad that services the Premises. If Tenant fails to perform any repair or replacement for which it is responsible, Landlord may perform such work and be reimbursed by Tenant within 10 days after demand therefor. Subject to Paragraphs 9 and 15, Tenant shall bear the full cost of any repair or replacement to any part of the Building or Project that results from damage caused by Tenant, its agents, contractors, or invitees and any repair that benefits only the Premises.

12. **Tenant-Made Alterations and Trade Fixtures.** Any alterations, additions, or improvements made by or on behalf of Tenant to the Premises ("Tenant-Made Alterations") shall be subject to Landlord's prior written consent. Tenant shall cause, at its expense, all Tenant-Made Alterations to comply with insurance requirements and with Legal Requirements and shall construct at its expense any alteration or modification required by Legal Requirements as a result of any Tenant-Made Alterations. All Tenant-Made Alterations shall be constructed in a good and workmanlike manner by contractors reasonably acceptable to Landlord and only good grades of materials shall be used. All plans and specifications for any Tenant-Made Alterations shall be submitted to Landlord for its approval. Landlord may monitor construction of the Tenant-Made Alterations. Tenant shall reimburse Landlord for its costs in reviewing plans and specifications and in monitoring construction. Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to see that such plans and specifications or construction comply with applicable laws, codes, rules and regulations. Tenant shall provide Landlord with the identities and mailing addresses of all persons performing work or supplying materials, prior to beginning such construction, and Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable law. Tenant shall furnish security or make other arrangements satisfactory to Landlord to assure payment for the completion of all work free and clear of liens and shall provide certificates of insurance for worker's compensation and other coverage in amounts and from an insurance company satisfactory to Landlord protecting Landlord against liability for personal injury or property damage during construction. Upon completion of any Tenant-Made Alterations, Tenant shall deliver to Landlord sworn statements setting forth the names of all contractors and subcontractors who did work on the Tenant-Made Alterations and final lien waivers from all such contractors and subcontractors. Upon surrender of the Premises, all Tenant-Made Alterations and any leasehold improvements constructed by Landlord or Tenant shall remain on the Premises as Landlord's property, except to the extent Landlord requires removal at Tenant's expense of any such items or Landlord and Tenant have otherwise agreed in writing in connection with Landlord's consent to any Tenant-Made Alterations. Tenant shall repair any damage caused by the removal of such Tenant-Made Alterations upon surrender of the Premises.

Tenant, at its own cost and expense and without Landlord's prior approval, may erect such shelves, racking, bins, machinery and trade fixtures (collectively "Trade Fixtures") in the ordinary course of its business provided that such items do not alter the basic character of the Premises, do not overload or damage the Premises, and may be removed without injury to the Premises, and the construction, erection, and installation thereof complies with all Legal Requirements and with Landlord's requirements set forth above. Tenant shall remove its Trade Fixtures and shall repair any damage caused by such removal upon surrender of the Premises.

13. **Signs.** Tenant shall not make any changes to the exterior of the Premises, install any exterior lights, decorations, balloons, flags, pennants, banners, or painting, or erect or install any signs, windows or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Premises, without Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion. Upon surrender or vacation of the Premises, Tenant shall have removed all signs and repair, paint, and/or replace the building facia surface to which its signs are attached. Tenant shall obtain all applicable governmental permits and approvals for sign and exterior treatments. All signs, decorations, advertising media, blinds, draperies and other

window treatment or bars or other security installations visible from outside the Premises shall be subject to Landlord's approval and conform in all respects to Landlord's requirements.

14. **Parking.** Tenant shall be entitled to park in common with other tenants of the Project in those areas designated for nonreserved parking. Landlord may allocate parking spaces among Tenant and other tenants in the Project if Landlord reasonably determines that such parking facilities are becoming crowded. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties.

15. **Restoration.** If at any time during the Lease Term the Premises are damaged by a fire or other casualty, Landlord shall notify Tenant within 60 days after such damage as to the amount of time Landlord reasonably estimates it will take to restore the Premises. If the restoration time is estimated to exceed 6 months, either Landlord or Tenant may elect to terminate this Lease upon notice to the other party given no later than 30 days after Landlord's notice. If neither party elects to terminate this Lease or if Landlord estimates that restoration will take 6 months or less, then, subject to receipt of sufficient insurance proceeds, Landlord shall promptly restore the Premises excluding the improvements installed by Tenant or by Landlord and paid by Tenant, subject to delays arising from the collection of insurance proceeds or from Force Majeure events. Tenant at Tenant's expense shall promptly perform, subject to delays arising from the collection of insurance proceeds, or from Force Majeure events (as defined in Paragraph 33), all repairs or restoration not required to be done by Landlord and shall promptly re-enter the Premises and commence doing business in accordance with this Lease. Notwithstanding the foregoing, either party may terminate this Lease if the Premises are damaged during the last year of the Lease Term and Landlord reasonably estimates that it will take more than one month to repair such damage. Base Rent and Operating Expenses shall be abated for the period of repair and restoration commencing on the date of such casualty event in the proportion which the area of the Premises, if any, which is not usable by Tenant bears to the total area of the Premises. Such abatement shall be the sole remedy of Tenant, and except as provided herein, Tenant waives any right to terminate the Lease by reason of damage or casualty loss.

16. **Condemnation.** If any part of the Premises or the Project should be taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "Taking" or "Taken"), and the Taking would materially interfere with or impair Landlord's ownership or operation of the Project, then upon written notice by Landlord this Lease shall terminate and Base Rent shall be apportioned as of said date. In the event (i) more than twenty percent (20%) of the Premises is involved in a Taking as described in this Paragraph 16, or (ii) more than twenty percent (20%) of the parking spaces for the Building are Taken and not replaced by Landlord with other parking spaces in the Project proximate to the Building, and in either case the Taking, in Tenant's reasonable judgment, would materially interfere with or impair Tenant's operations at the Premises, then in any such event Tenant shall have the right to terminate this Lease by giving written notice of termination to Landlord within thirty (30) days of such Taking. If part of the Premises shall be Taken, and this Lease is not terminated as provided above, the Base Rent payable hereunder during the unexpired Lease Term shall be reduced to such extent as may be fair and reasonable under the circumstances. In the event of any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant shall have the right, to the extent that same shall not diminish Landlord's award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by Tenant for moving expenses and damage to Tenant's Trade Fixtures, if a separate award for such items is made to Tenant.

17. **Assignment and Subletting.** Without Landlord's prior written consent, which shall not be unreasonably withheld conditioned or delayed, Tenant shall not assign this Lease or sublease the Premises or any part thereof or mortgage, pledge, or hypothecate its leasehold interest or grant any concession or license within the Premises and any attempt to do any of the foregoing shall be void and of no effect. It shall be reasonable for the Landlord to withhold, delay or condition its consent, where required, to any assignment or sublease in any of the following instances: (i) the assignee or sublessee does not have a net worth calculated according to generally accepted accounting principles at least equal to the greater of the net worth of Tenant immediately prior to such assignment or sublease or the net worth of the Tenant at the time it executed the Lease; (ii) occupancy of the Premises by the assignee or sublessee would, in Landlord's opinion, violate any agreement binding upon Landlord or the Project with regard to the identity of tenants, usage in the Project, or similar matters; (iii) the identity or business reputation of the assignee or sublessee will, in the good faith judgment of Landlord, tend to damage the goodwill or reputation of the Project; (iv) the assignment or sublease is to another tenant in the Project and is at rates which are below those charged by Landlord for comparable space in the Project; or (v) in the case of a sublease, the subtenant has not acknowledged that the Lease controls over any inconsistent provision in the sublease. The foregoing criteria shall not exclude any other reasonable basis for Landlord to refuse its consent to such assignment or sublease. Any approved assignment or sublease shall be expressly subject to the terms and conditions of this Lease. Tenant shall provide to Landlord all information concerning the assignee or sublessee as Landlord may reasonably request. Landlord may revoke its consent immediately and without notice if, as of the effective date of the assignment or sublease, there has occurred and is continuing any default under the Lease. For purposes of this paragraph, a transfer of the ownership interests controlling Tenant shall be deemed an assignment of this Lease unless such ownership interests are publicly traded. Notwithstanding the foregoing to the contrary, provided no uncured default has occurred under this Lease, and subject to the provisions herein, Tenant may, without Landlord's prior written consent, assign this Lease to any entity into which Tenant is merged or consolidated, or to any entity to which substantially all of Tenant's assets are transferred, provided the following conditions are met: (x) such merger, consolidation, or transfer of assets is not principally for the purpose of transferring Tenant's leasehold estate, (y) such merger, consolidation, or transfer of assets does not adversely affect the legal existence of the Tenant hereunder, and (z) such merger, consolidation, or transfer of assets of Tenant does not reduce the tangible net worth of Tenant after giving effect to such transfer ("Permitted Transfer"). Tenant hereby agrees to give Landlord written

notice thirty (30) days prior to such merger, consolidation, or transfer of assets along with any documentation reasonably requested by Landlord related to the required conditions as provided above. Notwithstanding the above, Tenant may assign or sublet the Premises, or any part thereof, to any entity controlling Tenant, controlled by Tenant or under common control with Tenant (a "Tenant Affiliate"), without the prior written consent of Landlord. Tenant shall reimburse Landlord for all of Landlord's reasonable expenses in connection with any assignment or sublease not to exceed \$3,000.00. This Lease shall be binding upon Tenant and its successors and permitted assigns. Upon Landlord's receipt of Tenant's written notice of a desire to assign or sublet the Premises, or any part thereof (other than to a Tenant Affiliate), Landlord may, by giving written notice to Tenant within 30 days after receipt of Tenant's notice, terminate this Lease with respect to the space described in Tenant's notice, as of the date specified in Tenant's notice for the commencement of the proposed assignment or sublease.

Notwithstanding any assignment or subletting, Tenant and any guarantor or surety of Tenant's obligations under this Lease shall at all times remain fully responsible and liable for the payment of the rent and for compliance with all of Tenant's other obligations under this Lease (regardless of whether Landlord's approval has been obtained for any such assignments or sublettings). In the event that the rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment plus any bonus or other consideration therefor or incident thereto) exceeds the rental payable under this Lease, then Tenant shall be bound and obligated to pay Landlord as additional rent hereunder all such excess rental and other excess consideration within 10 days following receipt thereof by Tenant; provided in the event of a sublease which is less than 100% of the Premises such excess rental and other consideration shall be applied on a square foot basis.

If this Lease be assigned or if the Premises be subleased (whether in whole or in part) or in the event of the mortgage, pledge, or hypothecation of Tenant's leasehold interest or grant of any concession or license within the Premises or if the Premises be occupied in whole or in part by anyone other than Tenant, then upon a default by Tenant hereunder Landlord may collect rent from the assignee, sublessee, mortgagee, pledgee, party to whom the leasehold interest was hypothecated, concessionee or licensee or other occupant and, except to the extent set forth in the preceding paragraph, apply the amount collected to the next rent payable hereunder; and all such rentals collected by Tenant shall be held in trust for Landlord and immediately forwarded to Landlord. No such transaction or collection of rent or application thereof by Landlord, however, shall be deemed a waiver of these provisions or a release of Tenant from the further performance by Tenant of its covenants, duties, or obligations hereunder.

18. **Indemnification.** Except for the negligence of Landlord, its agents, employees or contractors, and to the extent permitted by law, Tenant agrees to indemnify, defend and hold harmless Landlord, and Landlord's agents, employees and contractors, from and against any and all losses, liabilities, damages, costs and expenses (including attorneys' fees) resulting from claims by third parties for injuries to any person and damage to or theft or misappropriation or loss of property occurring in or about the Project and arising from the use and occupancy of the Premises or from any activity, work, or thing done, permitted or suffered by Tenant in or about the Premises or due to any other act or omission of Tenant, its subtenants, assignees, invitees, employees, contractors and agents. The furnishing of insurance required hereunder shall not be deemed to limit Tenant's obligations under this Paragraph 18.

Except for the negligence of Tenant, its agents, employees or contractors, and to the extent permitted by law, Landlord agrees to indemnify, defend and hold harmless Tenant, and Tenant's agents, employees and contractors, from and against any and all losses, liabilities, damages, costs and expenses (including attorneys' fees) resulting from claims by third parties for injuries to any person and damage to or theft or misappropriation or loss of property occurring in or about the Project and arising from any activity, work, or thing done, permitted or suffered by Landlord in or about the Project and arising from any other act or omission of Landlord, its assignees, invitees, employees, contractors and agents. The furnishing of insurance required hereunder shall not be deemed to limit Landlord's obligations under this Paragraph 18.

If a claim under the foregoing indemnity is made against the indemnitee which the indemnitee believes to be covered by an indemnitor's indemnification obligations hereunder, the indemnitee shall promptly notify the indemnitor of the claim and, in such notice shall offer to the indemnitor the opportunity to assume the defense of the claim within 10 business days after receipt of the notice (with counsel reasonably acceptable to the indemnitee). If the indemnitor timely elects to assume the defense of the claim, the indemnitor shall have the right to settle the claim on any terms it considers reasonable and without the indemnitee's prior written consent, as long as the settlement shall not require the indemnitee to render any performance or pay any consideration, and the indemnitee shall not have the right to settle any such claim. If the indemnitor fails timely to elect to assume the defense of the claim or fails to defend the claim with diligence, then the indemnitee shall have the right to take over the defense of the claim and to settle the claim on any terms the indemnitee considers reasonable. Any such settlement shall be valid as against the indemnitor. If the indemnitor assumes the defense of a claim, the indemnitee may employ its own counsel but such employment shall be at the sole expense of the indemnitee. If any such claim arises out of the negligence of both Landlord and Tenant, responsibility for such claim shall be allocated between Landlord and Tenant based on their respective degrees of negligence. This indemnity does not cover claims arising from the presence or release of Hazardous Materials.

19. **Inspection and Access.** Upon twenty-four (24) hours prior notice, except in the event of an emergency in which case no such notice shall be required, Landlord and its agents, representatives, and contractors may enter the Premises at any reasonable time to inspect the Premises and to make such repairs as may be required or permitted pursuant to this Lease and for any other business purpose. Landlord and Landlord's representatives may enter the Premises during business hours for the purpose of showing the Premises to prospective purchasers and, during the last year of the Lease Term, to prospective tenants. Landlord may erect a suitable sign on the Premises stating the Premises are available to let or that the Project is available for sale. Landlord may grant

easements, make public dedications, designate and modify common areas and create restrictions on or about the Premises, provided that no such easement, dedication, designation, modification or restriction materially interferes with Tenant's use or occupancy of the Premises. At Landlord's request, Tenant shall execute such instruments as may be necessary for such easements, dedications or restrictions.

20. **Quiet Enjoyment.** If Tenant shall perform all of the covenants and agreements herein required to be performed by Tenant, Tenant shall, subject to the terms of this Lease, at all times during the Lease Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord.

21. **Surrender.** Upon termination of the Lease Term or earlier termination of Tenant's right of possession, Tenant shall surrender the Premises to Landlord in the same condition as received ordinary wear and tear, casualty loss and condemnation covered by Paragraphs 15 and 16 excepted and otherwise in accordance with the Move Out Conditions Addendum attached hereto. Without limiting the foregoing, Tenant shall remove any odor which may exist in the Premises resulting from Tenant's occupancy of the Premises upon the termination of the Lease Term or earlier termination of Tenant's right of possession. Any Trade Fixtures, Tenant-Made Alterations and property not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and disposition of such property. All obligations of Tenant hereunder not fully performed as of the termination of the Lease Term shall survive the termination of the Lease Term, including without limitation, indemnity obligations, payment obligations with respect to Operating Expenses and obligations concerning the condition and repair of the Premises.

22. **Holding Over.** If Tenant retains possession of the Premises after the termination of the Lease Term, unless otherwise agreed in writing, such possession shall be subject to immediate termination by Landlord at any time, and all of the other terms and provisions of this Lease (excluding any expansion or renewal option or other similar right or option) shall be applicable during such holdover period, except that Tenant shall pay Landlord from time to time, upon demand, as Base Rent for the holdover period, an amount equal to double the Base Rent in effect on the termination date, computed on a monthly basis for each month or part thereof during such holding over. All other payments shall continue under the terms of this Lease. In addition, Tenant shall be liable for all damages incurred by Landlord as a result of such holding over. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this Paragraph 22 shall not be construed as consent for Tenant to retain possession of the Premises. For purposes of this Paragraph 22, "possession of the Premises" shall continue until, among other things, Tenant has delivered all keys to the Premises to Landlord, Landlord has complete and total dominion and control over the Premises, and Tenant has completely fulfilled all obligations required of it upon termination of the Lease as set forth in this Lease, including, without limitation, those concerning the condition and repair of the Premises.

23. **Events of Default.** Each of the following events shall be an event of default ("Event of Default") by Tenant under this Lease:

(i) Tenant shall fail to pay any installment of Base Rent or any other payment required herein when due, and such failure shall continue for a period of 5 days from the date such payment was due.

(ii) Tenant or any guarantor or surety of Tenant's obligations hereunder shall (A) make a general assignment for the benefit of creditors; (B) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a "proceeding for relief"); (C) become the subject of any proceeding for relief which is not dismissed within 60 days of its filing or entry; or (D) die or suffer a legal disability (if Tenant, guarantor, or surety is an individual) or be dissolved or otherwise fail to maintain its legal existence (if Tenant, guarantor or surety is a corporation, partnership or other entity).

(iii) Any insurance required to be maintained by Tenant pursuant to this Lease shall be cancelled or terminated or shall expire or shall be reduced or materially changed, except, in each case, as permitted in this Lease.

(iv) Tenant shall not occupy or shall vacate the Premises whether or not Tenant is in monetary or other default under this Lease. Tenant's vacating of the Premises shall not constitute an Event of Default if, prior to vacating the Premises, Tenant has made arrangements reasonably acceptable to Landlord to (a) ensure that Tenant's insurance for the Premises will not be voided or cancelled with respect to the Premises as a result of such vacancy, (b) ensure that the Premises are secured and not subject to vandalism, and (c) ensure that the Premises will be properly maintained after such vacation, including, but not limited to, keeping the heating, ventilation and cooling systems maintenance contracts required by this Lease in full force and effect and maintaining the utility services. Tenant shall inspect the Premises at least once each month and report monthly in writing to Landlord on the condition of the Premises.

(v) Tenant shall attempt or there shall occur any assignment, subleasing or other transfer of Tenant's interest in or with respect to this Lease except as otherwise permitted in this Lease.

(vi) Tenant shall fail to discharge any lien placed upon the Premises in violation of this Lease within 20 days after any such lien or encumbrance is filed against the Premises.

(vii) Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Paragraph 23, and except as otherwise expressly provided herein, such default shall continue for more than 30 days after Landlord shall have given Tenant written notice of such default (said notice being in lieu of, and not in addition to, any notice required as a prerequisite to a forcible entry and detainer or similar action for possession of the Premises).

24. **Landlord's Remedies.** Upon each occurrence of an Event of Default and so long as such Event of Default shall be continuing, Landlord may at any time thereafter at its election: terminate this Lease or Tenant's right of possession, (but Tenant shall remain liable as hereinafter provided) and/or pursue any other remedies at law or in equity. Upon the termination of this Lease or termination of Tenant's right of possession, it shall be lawful for Landlord, without formal demand or notice of any kind, to re-enter the Premises by summary dispossession proceedings or any other action or proceeding authorized by law and to remove Tenant and all persons and property therefrom. If Landlord re-enters the Premises, Landlord shall have the right to keep in place and use, or remove and store, all of the furniture, fixtures and equipment at the Premises.

If Landlord terminates this Lease, Landlord may recover from Tenant the sum of: all Base Rent and all other amounts accrued hereunder to the date of such termination; the value of the Base Rent for any periods of abated Monthly Base Rent based on the Monthly Base Rent amount that immediately follows such period of abatement; the cost of reletting the whole or any part of the Premises, including without limitation brokerage fees and/or leasing commissions incurred by Landlord, and costs of removing and storing Tenant's or any other occupant's property, repairing, altering, remodeling, or otherwise putting the Premises into condition acceptable to a new tenant or tenants, and all reasonable expenses incurred by Landlord in pursuing its remedies, including reasonable attorneys' fees and court costs; and the excess of the then present value of the Base Rent and other amounts payable by Tenant under this Lease as would otherwise have been required to be paid by Tenant to Landlord during the period following the termination of this Lease measured from the date of such termination to the expiration date stated in this Lease, over the present value of any net amounts which Tenant establishes Landlord can reasonably expect to recover by reletting the Premises for such period, taking into consideration the availability of acceptable tenants and other market conditions affecting leasing. Such present values shall be calculated at a discount rate equal to the 90-day U.S. Treasury bill rate at the date of such termination.

If Landlord terminates Tenant's right of possession (but not this Lease), Landlord may, but shall be under no obligation to, relet the Premises for the account of Tenant for such rent and upon such terms as shall be satisfactory to Landlord without thereby releasing Tenant from any liability hereunder and without demand or notice of any kind to Tenant. For the purpose of such reletting Landlord is authorized to make any repairs, changes, alterations, or additions in or to the Premises as Landlord deems reasonably necessary or desirable. If the Premises are not relet, then Tenant shall pay to Landlord as damages a sum equal to the amount of the rental reserved in this Lease for such period or periods, plus the cost of recovering possession of the Premises (including attorneys' fees and costs of suit), the unpaid Base Rent and other amounts accrued hereunder at the time of repossession, and the costs incurred in any attempt by Landlord to relet the Premises. If the Premises are relet and a sufficient sum shall not be realized from such reletting [after first deducting therefrom, for retention by Landlord, the unpaid Base Rent and other amounts accrued hereunder at the time of reletting, the cost of recovering possession (including attorneys' fees and costs of suit), all of the costs and expense of repairs, changes, alterations, and additions, the expense of such reletting (including without limitation brokerage fees and leasing commissions) and the cost of collection of the rent accruing therefrom] to satisfy the rent provided for in this Lease to be paid, then Tenant shall immediately satisfy and pay any such deficiency. Any such payments due Landlord shall be made upon demand therefor from time to time and Tenant agrees that Landlord may file suit to recover any sums falling due from time to time. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect in writing to terminate this Lease for such previous breach.

Exercise by Landlord of any one or more remedies hereunder granted or otherwise available shall not be deemed to be an acceptance of surrender of the Premises and/or a termination of this Lease by Landlord, whether by agreement or by operation of law, it being understood that such surrender and/or termination can be effected only by the written agreement of Landlord and Tenant. Any law, usage, or custom to the contrary notwithstanding, Landlord shall have the right at all times to enforce the provisions of this Lease in strict accordance with the terms hereof; and the failure of Landlord at any time to enforce its rights under this Lease strictly in accordance with same shall not be construed as having created a custom in any way or manner contrary to the specific terms, provisions, and covenants of this Lease or as having modified the same. Tenant and Landlord further agree that forbearance or waiver by Landlord to enforce its rights pursuant to this Lease or at law or in equity, shall not be a waiver of Landlord's right to enforce one or more of its rights in connection with any subsequent default. A receipt by Landlord of rent or other payment with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by Landlord. To the greatest extent permitted by law, Tenant waives the service of notice of Landlord's intention to re-enter as provided for in any statute, or to institute legal proceedings to that end, and also waives all right of redemption in case Tenant shall be dispossessed by a judgment or by warrant of any court or judge. The terms "enter," "re-enter," "entry" or "re-entry," as used in this Lease, are not restricted to their technical legal meanings. Any reletting of the Premises shall be on such terms and conditions as Landlord in its sole discretion may determine (including without limitation a term different than the remaining Lease Term, rental concessions, alterations and repair of the Premises, lease of less than the entire Premises to any tenant and leasing any or all other portions of the Project before reletting the Premises). Landlord shall not be liable, nor shall Tenant's obligations hereunder be diminished because of, Landlord's failure to relet the Premises or collect rent due in respect of such reletting.

25. **Tenant's Remedies/Limitation of Liability.** Landlord shall not be in default hereunder unless Landlord fails to perform any of its obligations hereunder within 30 days after written notice from Tenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in excess of 30 days, then after such period of time as is reasonably necessary). All obligations of Landlord hereunder shall be construed as covenants, not conditions; and, except as may be otherwise expressly provided in this Lease, Tenant may not terminate this Lease for breach of Landlord's obligations hereunder. All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter. The term "Landlord" in this Lease shall mean only the owner, for the time being of the Premises, and in the event of the transfer by such owner of its interest in the Premises, such owner shall thereupon be released and discharged from all obligations of Landlord thereafter accruing, but such obligations shall be binding during the Lease Term upon each new owner for the duration of such owner's ownership. Any liability of Landlord under this Lease shall be limited solely to its interest in the Project, and in no event shall any personal liability be asserted against Landlord in connection with this Lease nor shall any recourse be had to any other property or assets of Landlord.

26. **Landlord's Lien/Security Interest.** Tenant hereby grants Landlord a security interest, and this Lease constitutes a security agreement, within the meaning of and pursuant to the Uniform Commercial Code of the state in which the Premises are situated as to all of Tenant's property situated in, or upon, or used in connection with the Premises (except merchandise sold in the ordinary course of business) as security for all of Tenant's obligations hereunder, including, without limitation, the obligation to pay rent. Such personalty thus encumbered includes specifically all trade and other fixtures for the purpose of this Paragraph and inventory, equipment, contract rights, accounts receivable and the proceeds thereof. In order to perfect such security interest, Tenant shall execute such financing statements and file the same at Tenant's expense at the state and county Uniform Commercial Code filing offices as often as Landlord in its discretion shall require; and Tenant hereby irrevocably appoints Landlord its agent for the purpose of executing and filing such financing statements on Tenant's behalf as Landlord shall deem necessary.

27. **Subordination.** This Lease and Tenant's interest and rights hereunder are and shall be subject and subordinate at all times to the lien of any first mortgage, now existing or hereafter created on or against the Project or the Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant. Tenant agrees, at the election of the holder of any such mortgage, to attorn to any such holder. Tenant agrees upon demand to execute, acknowledge and deliver such instruments, confirming such subordination and such instruments of attornment as shall be requested by any such holder. Notwithstanding the foregoing, any such holder may at any time subordinate its mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such mortgage without regard to their respective dates of execution, delivery or recording and in that event such holder shall have the same rights with respect to this Lease as though this Lease had been executed prior to the execution, delivery and recording of such mortgage and had been assigned to such holder. The term "mortgage" whenever used in this Lease shall be deemed to include deeds of trust, security assignments and any other encumbrances, and any reference to the "holder" of a mortgage shall be deemed to include the beneficiary under a deed of trust.

28. **Mechanic's Liens.** Tenant has no express or implied authority to create or place any lien or encumbrance of any kind upon, or in any manner to bind the interest of Landlord or Tenant in, the Premises or to charge the rentals payable hereunder for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs. Tenant covenants and agrees that it will pay or cause to be paid all sums legally due and payable by it on account of any labor performed or materials furnished in connection with any work performed on the Premises and that it will save and hold Landlord harmless from all loss, cost or expense based on or arising out of asserted claims or liens against the leasehold estate or against the interest of Landlord in the Premises or under this Lease. Tenant shall give Landlord immediate written notice of the placing of any lien or encumbrance against the Premises and cause such lien or encumbrance to be discharged within 20 days of the filing or recording thereof; provided, however, Tenant may contest such liens or encumbrances as long as such contest prevents foreclosure of the lien or encumbrance and Tenant causes such lien or encumbrance to be bonded or insured over in a manner satisfactory to Landlord within such 20 day period.

29. **Estoppel Certificates.** Tenant agrees, from time to time, within 10 days after request of Landlord, to execute and deliver to Landlord, or Landlord's designee, any estoppel certificate requested by Landlord, stating that this Lease is in full force and effect, the date to which rent has been paid, that Landlord is not in default hereunder (or specifying in detail the nature of Landlord's default), the termination date of this Lease and such other matters pertaining to this Lease as may be requested by Landlord. Tenant's obligation to furnish each estoppel certificate in a timely fashion is a material inducement for Landlord's execution of this Lease. No cure or grace period provided in this Lease shall apply to Tenant's obligations to timely deliver an estoppel certificate.

30. **Environmental Requirements.** Except for Hazardous Material contained in products used by Tenant in de minimis quantities for ordinary cleaning and office purposes, and except for propane used in Tenant's forklifts in the normal course of its business, and except for Hazardous Materials contained in products stored and/or distributed during Tenant's normal course of business in their original, sealed, and unopened containers, Tenant shall not permit or cause any party to bring any Hazardous Material upon the Premises or transport, store, use, generate, manufacture or release any Hazardous Material in or about the Premises without Landlord's prior written consent. Tenant, at its sole cost and expense, shall operate its business in the Premises in strict compliance with all Environmental Requirements and shall remediate in a manner satisfactory to Landlord any Hazardous Materials released on or from the Project by Tenant, its agents, employees, contractors, subtenants or invitees. Tenant shall complete and certify to disclosure statements as requested by Landlord from time to time relating to Tenant's transportation, storage, use, generation, manufacture or release of Hazardous Materials on the Premises. The term

"Environmental Requirements" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any governmental authority or agency regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. The term "Hazardous Materials" means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Tenant is and shall be deemed to be the "operator" of Tenant's "facility" and the "owner" of all Hazardous Materials brought on the Premises by Tenant, its agents, employees, contractors or invitees, and the wastes, by-products, or residues generated, resulting, or produced therefrom. No cure or grace period provided in this Lease shall apply to Tenant's obligations to comply with the terms and conditions of this Paragraph 30.

Notwithstanding anything to the contrary in this Paragraph 30, Tenant shall have no liability of any kind to Landlord as to Hazardous Materials on the Premises caused or permitted by (i) Landlord, its agents, employees, contractors or invitees; or (ii) any other tenants in the Project or their agents, employees, contractors, subtenants, assignees or invitees.

Tenant shall indemnify, defend, and hold Landlord harmless from and against any and all losses (including, without limitation, diminution in value of the Premises or the Project and loss of rental income from the Project), claims, demands, actions, suits, damages (including, without limitation, punitive damages), expenses (including, without limitation, remediation, removal, repair, corrective action, or cleanup expenses), and costs (including, without limitation, actual attorneys' fees, consultant fees or expert fees and including, without limitation, removal or management of any asbestos brought into the property or disturbed in breach of the requirements of this Paragraph 30, regardless of whether such removal or management is required by law) which are brought or recoverable against, or suffered or incurred by Landlord as a result of any release of Hazardous Materials for which Tenant is obligated to remediate as provided above or any other breach of the requirements under this Paragraph 30 by Tenant, its agents, employees, contractors, subtenants, assignees or invitees, regardless of whether Tenant had knowledge of such noncompliance. The obligations of Tenant under this Paragraph 30 shall survive any termination of this Lease.

Landlord shall have access to, and a right to perform inspections and tests of, the Premises to determine Tenant's compliance with Environmental Requirements, its obligations under this Paragraph 30, or the environmental condition of the Premises. Access shall be granted to Landlord upon Landlord's prior notice to Tenant and at such times so as to minimize, so far as may be reasonable under the circumstances, any disturbance to Tenant's operations. Such inspections and tests shall be conducted at Landlord's expense, unless such inspections or tests reveal that Tenant has not complied with any Environmental Requirement, in which case Tenant shall reimburse Landlord for the reasonable cost of such inspection and tests. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights that Landlord holds against Tenant.

Landlord represents to Tenant that to the best of Landlord's current, actual knowledge that there are no Hazardous Materials in reportable quantities on the Project. The phrase "current, actual knowledge of Landlord" shall mean and refer only to the best of the current, actual knowledge of the officers of Landlord having direct, operational responsibility for the Project, with the express limitations and qualifications that the knowledge of any contractor or consultant shall not be imputed to Landlord, and none of such officers has made any special investigation or inquiry, and none of such officers has any duty or obligation of diligent investigation or inquiry, or any other duty or obligation, to acquire or to attempt to acquire information beyond or in addition to the current, actual knowledge of such persons.

31. **Rules and Regulations.** Tenant shall, at all times during the Lease Term and any extension thereof, comply with all reasonable rules and regulations at any time or from time to time established by Landlord covering use of the Premises and the Project. The current Project rules and regulations are attached hereto as Exhibit B. In the event of any conflict between said rules and regulations and other provisions of this Lease, the other terms and provisions of this Lease shall control. Landlord shall not have any liability or obligation for the breach of any rules or regulations by other tenants in the Project.

32. **Security Service.** Tenant acknowledges and agrees that, while Landlord may patrol the Project, Landlord is not providing any security services with respect to the Premises and that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises.

33. **Force Majeure.** Landlord shall not be held responsible for delays in the performance of its obligations hereunder when caused by strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, delay in issuance of permits, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of Landlord ("Force Majeure").

34. **Entire Agreement.** This Lease constitutes the complete agreement of Landlord and Tenant with respect to the subject matter hereof. No representations, inducements, promises or agreements, oral or written, have been made by Landlord or Tenant, or anyone acting on behalf of Landlord or Tenant, which are not contained

herein, and any prior agreements, promises, negotiations, or representations are superseded by this Lease. This Lease may not be amended except by an instrument in writing signed by both parties hereto.

35. **Severability.** If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

36. **Brokers.** Tenant represents and warrants that it has dealt with no broker, agent or other person in connection with this transaction and that no broker, agent or other person brought about this transaction, other than the broker, if any, set forth on the first page of this Lease, and Tenant agrees to indemnify and hold Landlord harmless from and against any claims by any other broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with Tenant with regard to this leasing transaction.

37. **Miscellaneous.** (a) Any payments or charges due from Tenant to Landlord hereunder shall be considered rent for all purposes of this Lease.

(b) If and when included within the term "Tenant," as used in this instrument, there is more than one person, firm or corporation, each shall be jointly and severally liable for the obligations of Tenant.

(c) All notices required or permitted to be given under this Lease shall be in writing and shall be sent by registered or certified mail, return receipt requested, or by a reputable national overnight courier service, postage prepaid, or by hand delivery addressed to Landlord at 3475 Piedmont Road NE, Suite 650, Atlanta, GA 30305, with a copy sent to Landlord at 4545 Airport Way, Denver, Colorado 80239, Attention: General Counsel, and to Tenant at __1100 Coiner Ct, City of Industry, CA 91748_____, Either party may by notice given aforesaid change its address for all subsequent notices or add an additional party to be copied on all subsequent notices. Except where otherwise expressly provided to the contrary, notice shall be deemed given upon delivery.

(d) Except as otherwise expressly provided in this Lease or as otherwise required by law, Landlord retains the absolute right to withhold any consent or approval.

(e) At Landlord's request from time to time Tenant shall furnish Landlord with true and complete copies of its most recent annual and quarterly financial statements prepared by Tenant or Tenant's accountants and any other financial information or summaries that Tenant typically provides to its lenders or shareholders.

(f) Neither this Lease nor a memorandum of lease shall be filed by or on behalf of Tenant in any public record. Landlord may prepare and file, and upon request by Landlord Tenant will execute, a memorandum of lease.

(g) The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto.

(h) The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties.

(i) Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

(j) Any amount not paid by Tenant within 5 days after its due date in accordance with the terms of this Lease shall bear interest from such due date until paid in full at the lesser of the highest rate permitted by applicable law or 15 percent per year. It is expressly the intent of Landlord and Tenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Lease. If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord's and Tenant's express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Tenant), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

(k) Construction and interpretation of this Lease shall be governed by the laws of the state in which the Project is located, excluding any principles of conflicts of laws.

(l) Time is of the essence as to the performance of Tenant's and Landlord's obligations under this Lease.

(m) All exhibits and addenda attached hereto are hereby incorporated into this Lease and made a part hereof. In the event of any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control.

(n) In the event either party hereto initiates litigation to enforce the terms and provisions of this Lease, the non-prevailing party in such action shall reimburse the prevailing party for its reasonable attorney's fees, filing fees, and court costs.

(o) Tenant agrees and understands that Landlord shall have the right (provided that the exercise of Landlord's rights does not adversely affect Tenant's use and occupancy of the Premises or subject Tenant to additional costs), without Tenant's consent, to place a solar electric generating system on the roof of the Building or enter into a lease for the roof of the Building whereby such roof tenant shall have the right to install a solar electric generating system on the roof of the Building. Upon receipt of written request from Landlord, Tenant, at Tenant's sole cost and expense, shall deliver to Landlord data regarding the electricity consumed in the operation of the Premises (the "Energy Data") for purposes of regulatory compliance, manual and automated benchmarking, energy management, building environmental performance labeling and other related purposes, including but not limited, to the Environmental Protection Agency's Energy Star rating system and other energy benchmarking systems. Landlord shall use commercially reasonable efforts to utilize automated data transmittal services offered by utility companies to access the Energy Data. Landlord shall not publicly disclose Energy Data without Tenant's prior written consent. Landlord may, however, disclose Energy Data that has been modified, combined or aggregated in a manner such that the resulting data is not exclusively attributable to Tenant.

(p) This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one Lease. Execution copies of this Lease may be delivered by facsimile or email, and the parties hereto agree to accept and be bound by facsimile signatures or scanned signatures transmitted via email hereto, which signatures shall be considered as original signatures with the transmitted Lease having the same binding effect as an original signature on an original Lease. At the request of either party, any facsimile document or scanned document transmitted via email is to be re-executed in original form by the party who executed the original facsimile document or scanned document. Neither party may raise the use of a facsimile machine or scanned document or the fact that any signature was transmitted through the use of a facsimile machine or email as a defense to the enforcement of this Lease.

38. **Limitation of Liability of Trustees, Shareholders, and Officers of Landlord.** Any obligation or liability whatsoever of Landlord which may arise at any time under this Lease or any obligation or liability which may be incurred by it pursuant to any other instrument, transaction, or undertaking contemplated hereby shall not be personally binding upon, nor shall resort for the enforcement thereof be had to the property of, its trustees, directors, shareholders, officers, employees or agents, regardless of whether such obligation or liability is in the nature of contract, tort, or otherwise.

39. **WAIVER OF JURY TRIAL. TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO.**

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

TENANT:

Yotrio Corporation

LANDLORD:

PALMTREE PORTFOLIO I LLC
a Delaware limited liability company

By: PROLOGIS LOGISTICS SERVICES
INCORPORATED
a Delaware corporation
member

By: Kent Mason
Name: KENTON W. MASON
Title: SVP

By: PAC OPERATING LIMITED
PARTNERSHIP
a Delaware limited partnership
member

By: PALMTREE ACQUISITION
CORPORATION
a Delaware corporation
its general partner

By: Kari Lin
Name: Kari Lin
Title: ZVP

By: Kent Mason
Name: KENTON W. MASON
Title: SVP

ADDENDUM 1

BASE RENT ADJUSTMENTS

ATTACHED TO AND A PART OF THE LEASE AGREEMENT
DATED December 17, 2016 BETWEEN

PALMTREE PORTFOLIO I LLC
and
Yotrio Corporation

Base Rent shall equal the following amounts for the respective periods set forth below:

<u>Period</u>			<u>Monthly Base Rent</u>
January 1, 2017	through	June 30, 2017	<u>\$23,917.64</u>
July 1, 2017	through	December 31, 2017	<u>\$27,859.12</u>
January 1, 2018	through	December 31, 2018	<u>\$32,158.92</u>
January 1, 2019	through	December 31, 2019	<u>\$32,962.89</u>
January 1, 2020	through	December 31, 2020	<u>\$33,786.97</u>
January 1, 2021	through	December 31, 2021	<u>\$34,631.64</u>
January 1, 2022	through	December 31, 2022	<u>\$35,497.43</u>
January 1, 2023	through	December 31, 2023	<u>\$36,384.87</u>
January 1, 2024	through	February 28, 2024	<u>\$37,294.49</u>

ADDENDUM 2

HVAC MAINTENANCE CONTRACT

ATTACHED TO AND A PART OF THE LEASE AGREEMENT
DATED December 17, 2016 BETWEEN

PALMTREE PORTFOLIO I LLC
and
Yotrio Corporation

Paragraph 11, captioned "TENANT REPAIRS," is revised to include the following:

Tenant agrees to enter into and maintain through the term of the Lease, a regularly scheduled preventative maintenance/service contract for servicing all hot water, heating and air conditioning systems and equipment within the Premises. Landlord requires a qualified HVAC contractor perform this work. A certificate must be provided to the Landlord upon occupancy of the leased Premises.

The service contract must become effective within thirty (30) days of occupancy, and service visits shall be performed on a quarterly basis. Landlord suggests that Tenant send the following list to a qualified HVAC contractor to be assured that these items are included in the maintenance contract:

1. Adjust belt tension;
2. Lubricate all moving parts, as necessary;
3. Inspect and adjust all temperature and safety controls;
4. Check refrigeration system for leaks and operation;
5. Check refrigeration system for moisture;
6. Inspect compressor oil level and crank case heaters;
7. Check head pressure, suction pressure and oil pressure;
8. Inspect air filters and replace when necessary;
9. Check space conditions;
10. Check condensate drains and drain pans and clean, if necessary;
11. Inspect and adjust all valves;
12. Check and adjust dampers;
13. Run machine through complete cycle.

ADDENDUM 3

MOVE-OUT CONDITIONS

ATTACHED TO AND A PART OF THE LEASE AGREEMENT
DATED December 17, 2016 BETWEEN

PALMTREE PORTFOLIO I LLC
and
Yotrio Corporation

With respect to Paragraph 21 of the Lease, Tenant shall surrender the Premises in the same condition as received, ordinary wear and tear, casualty loss, and condemnation covered by Paragraphs 15 and 16 excepted.

Before surrendering the Premises, Tenant shall remove all of its personal property and trade fixtures and such alterations or additions to the Premises made by Tenant as may be specified for removal thereof. If Tenant fails to remove its personal property and fixtures upon the expiration or earlier termination of this Lease, the same shall be deemed abandoned and shall become the property of the Landlord. The following list is designed to assist Tenant in the move-out procedures but is not intended to be all inclusive:

1. Lights: Office, warehouse, emergency and exit lights will be fully operational with all bulbs and ballasts functioning.
2. Dock Levelers, Service Doors and Roll Up Doors: All truck doors, service doors, roll up doors and dock levelers shall be serviced and placed in good operating order. This would include the necessary replacement of any dented truck door panels and adjustment of door tension to insure property operation. All door panels which are replaced need to be painted to match the building standard.
3. Dock Seals/Dock Bumpers: Free of tears and broken backboards repaired. All dock bumpers must be left in place and well secured.
4. Structural Columns All structural steel columns in the warehouse and office shall be inspected for damage. Repairs of this nature should be pre-approved by Landlord prior to implementation.
5. Warehouse Floor: Free of stains and swept with no racking bolts and other protrusions left in floor. Cracks should be repaired with an epoxy or polymer to match concrete color. All floor striping in the Premises shall be removed with no residual staining or other indication that such striping existed.
6. Tenant-Installed Equipment and Wiring: Removed and space turned to original condition when originally leased. (Remove air lines, junction boxes, conduit, etc.)
7. Walls: Sheetrock (drywall) damage should be patched and fire-taped so that there are no holes in either office or warehouse.
8. Carpet and Tile The carpet and vinyl tiles should be in a clean condition and should not have any holes or chips in them. Landlord will accept normal wear on these items provided they appear to be in a maintained condition.
9. Roof: Any Tenant-installed equipment must be removed and roof penetrations properly repaired by licensed roofing contractor. Active leaks must be fixed and latest Landlord maintenance and repairs recommendation must have been followed. Tenant must check with Landlord's property manager to determine if specific roofing contractor is required to perform work.
10. Signs: All exterior signs must be removed and holes patched and paint touched-up as necessary. All window signs should likewise be removed.
11. Heating and Air Conditioning System: Heating/air conditioning systems should be placed in good working order, including the necessary replacement of any parts to return the unit to a well maintained condition. This includes warehouse heaters and exhaust fans. Upon move out,

Landlord will have an exit inspection performed by a certified mechanical contractor to determine the condition.

12. Electrical & Plumbing: All electrical and plumbing equipment to be returned in good condition and repair and conforming to code.
14. Overall Cleanliness: Clean windows, sanitize bathroom(s), vacuum carpet, and remove any and all debris from office and warehouse. Remove all pallets and debris from exterior of Premises. All trade fixtures, dumpsters, racking, trash, vending machines and other personal property to be removed.
15. Upon Completion: Contact Landlord's property manager to coordinate turning in of keys, utility changeover and obtaining of final Landlord inspection of Premises which, in turn, will facilitate refund of Security Deposit.

ADDENDUM 4

CONSTRUCTION

ATTACHED TO AND A PART OF THE LEASE AGREEMENT
DATED December 19, 2016 BETWEEN

PALMTREE PORTFOLIO I LLC
and
Yotrio Corporation

(a) Landlord agrees to furnish or perform at Landlord's sole cost and expense those items of construction and those improvements (the "Initial Improvements") specified below:

- Construct one interior office (approximately 12' x 16') in the front left hand corner of the existing office as you walk in the front door.

APPROVAL OF CONSTRUCTION

TENANT:

Yotrio Corporation

By: Kari LM
Name: Kari LM
Title: EVP

Landlord may collect a construction management fee, payable by Tenant within 30 days following receipt of Landlord's invoice from time to time throughout the period of construction of the Initial Improvements, which such fee shall be calculated based upon the scope of work of the Initial Improvements as described herein, taking into account costs generally payable for similar services within the market area in which the Project is located.

(b) If Tenant shall desire any changes, Tenant shall so advise Landlord in writing and Landlord shall determine whether such changes can be made in a reasonable and feasible manner. Any and all costs of reviewing any requested changes, and any and all costs of making any changes to the Initial Improvements which Tenant may request and which Landlord may agree to shall be at Tenant's sole cost and expense and shall be paid to Landlord upon demand and before execution of the change order.

(c) Landlord shall proceed with and complete the construction of the Initial Improvements. As soon as such improvements have been Substantially Completed, Landlord shall notify Tenant in writing of the date that the Initial Improvements were Substantially Completed. The Initial Improvements shall be deemed substantially completed ("Substantially Completed") when, in the opinion of the construction manager (whether an employee or agent of Landlord or a third party construction manager) ("Construction Manager"), the Initial Improvements are substantially completed except for punch list items which do not prevent in any material way the use of the Initial Improvements for the purposes for which they were intended. In the event Tenant, its employees, agents, or contractors cause construction of such improvements to be delayed, the date of Substantial Completion shall be deemed to be the date that, in the opinion of the Construction Manager, Substantial Completion would have occurred if such delays had not taken place. Without limiting the foregoing, Tenant shall be solely responsible for delays caused by Tenant's request for any changes in the plans, Tenant's request for long lead items or Tenant's interference with the construction of the Initial Improvements, and such delays shall not cause a deferral of the Commencement Date beyond what it otherwise would have been. After the date the Initial Improvements are Substantially Complete Tenant shall, upon demand, execute and deliver to Landlord a letter of acceptance of delivery of the Initial Improvements. In the event of any dispute as to the Initial Improvements the certificate of the Construction Manager shall be conclusive absent manifest error.

(d) The failure of Tenant to take possession of or to occupy the Premises shall not serve to relieve Tenant of obligations arising on the Commencement Date or delay the payment of rent by Tenant. Subject to applicable ordinances and building codes governing Tenant's right to occupy or perform in the Premises, starting December 19, 2016 Tenant shall be allowed to install its tenant improvements, machinery, equipment, fixtures, or other property on the Premises during the final stages of completion of construction provided that Tenant does not thereby interfere with the completion of construction or cause any labor dispute as a result of such installations, and provided further that Tenant does hereby agree to indemnify, defend, and hold Landlord harmless from any loss or damage to such property, and all liability, loss, or damage arising from any injury to the Project or the property of Landlord, its contractors, subcontractors, or materialmen, and any death or personal injury to any person or persons arising out of such installations, unless any such loss, damage, liability, death, or personal injury was caused by Landlord's negligence. Any such occupancy or performance in the Premises shall be in accordance with the provisions governing Tenant-Made Alterations and Trade Fixtures in the Lease, and shall be subject to Tenant

providing to Landlord satisfactory evidence of insurance for personal injury and property damage related to such installations and satisfactory payment arrangements with respect to installations permitted hereunder. Delay in putting Tenant in possession of the Premises shall not serve to extend the term of this Lease or to make Landlord liable for any damages arising therefrom.

ADDENDUM 5

CAP ON HVAC

ATTACHED TO AND A PART OF THE LEASE AGREEMENT
DATED December 17, 2016 BETWEEN

PALMTREE PORTFOLIO I LLC
and
Yotrio Corporation

Tenant shall, at its expense, maintain the existing heating and air conditioning equipment serving the Premises in good working order up to a maximum amount of \$2,000.00 per unit per, per occurrence during the Lease Term; however, Landlord shall be responsible for any maintenance, repair or replacement costs in excess of \$2,000.00 per unit per occurrence, unless such repairs or replacements are made necessary due to the negligence of Tenant or due to Tenant's failure to maintain as required by the Lease, in which case Tenant shall be responsible for such repair or replacement regardless of cost. As a condition for Landlord to provide such warranty and cap, Tenant shall provide Landlord a current HVAC maintenance agreement in accordance with Addendum 2 for the duration of the Lease Term. Final determination of the scope of work for repairs or replacement shall be made by Landlord.

EXHIBIT A

SITE PLAN

ATTACHED TO AND A PART OF THE LEASE AGREEMENT
DATED December 12, 2016 BETWEEN

PALMTREE PORTFOLIO I LLC
and
Yotrio Corporation

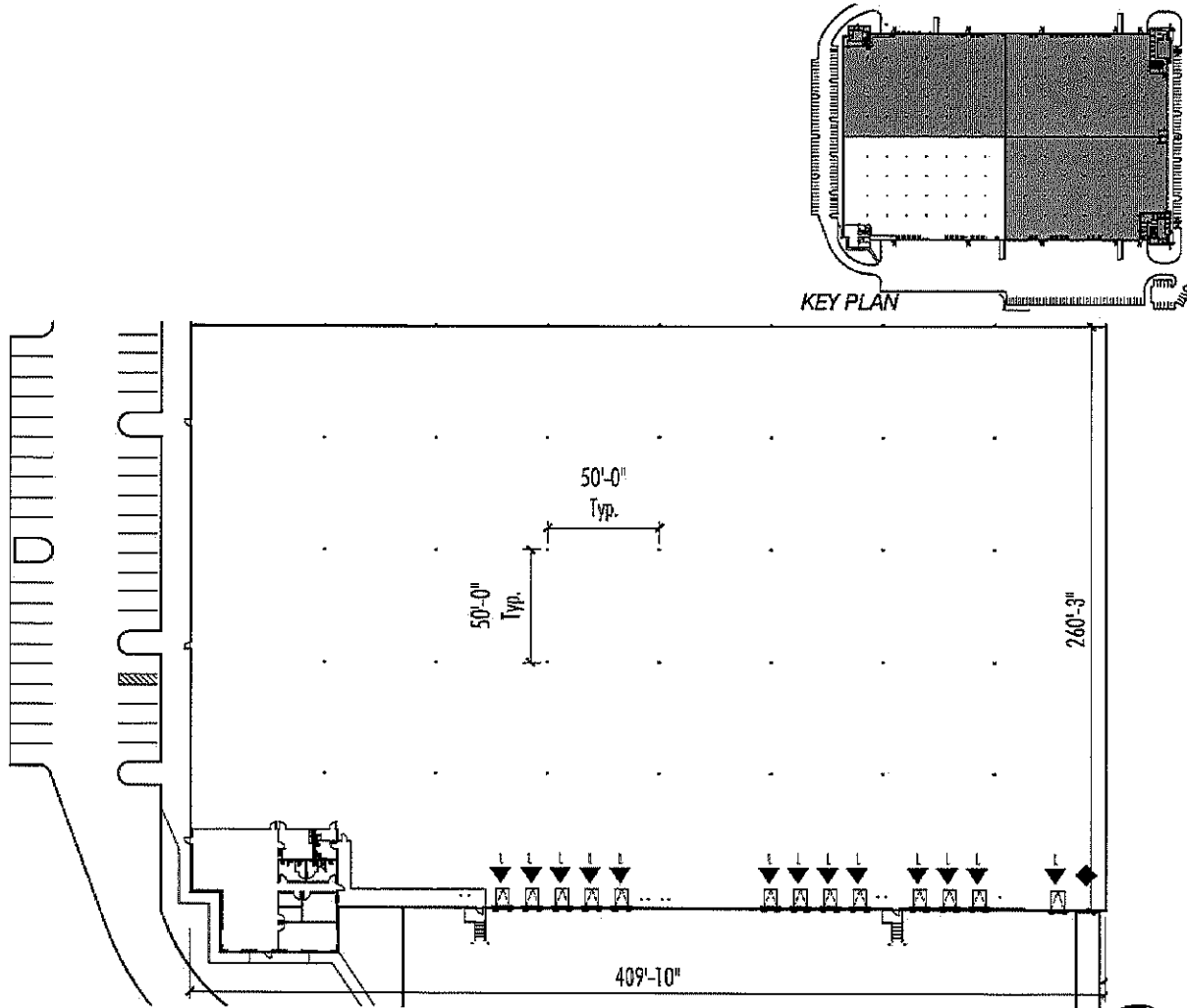


EXHIBIT B

PROJECT RULES AND REGULATIONS

ATTACHED TO AND A PART OF THE LEASE AGREEMENT
DATED December 17, 2016 BETWEEN

PALMTREE PORTFOLIO I LLC
and
Yotrio Corporation

Rules and Regulations

1. The sidewalk, entries, and driveways of the Project shall not be obstructed by Tenant, or its agents, or used by them for any purpose other than ingress and egress to and from the Premises.
2. Tenant shall not place any objects, including antennas, outdoor furniture, etc., in the parking areas, landscaped areas or other areas outside of its Premises, or on the roof of the Project.
3. Except for seeing-eye dogs, no animals shall be allowed in the offices, halls, or corridors in the Project.
4. Tenant shall not disturb the occupants of the Project or adjoining buildings by the use of any radio or musical instrument or by the making of loud or improper noises.
5. If Tenant desires telegraphic, telephonic or other electric connections in the Premises, Landlord or its agent will direct the electrician as to where and how the wires may be introduced; and, without such direction, no boring or cutting of wires will be permitted. Any such installation or connection shall be made at Tenant's expense.
6. Tenant shall not install or operate any steam or gas engine or boiler, or other mechanical apparatus in the Premises, except as specifically approved in the Lease. The use of oil, gas or inflammable liquids for heating, lighting or any other purpose is expressly prohibited. Explosives or other articles deemed extra hazardous shall not be brought into the Project.
7. Parking any type of recreational vehicles is specifically prohibited on or about the Project. Further, parking any type of trucks, trailers or other vehicles in the Building is specifically prohibited. In the event that a vehicle is disabled, it shall be removed within 48 hours. There shall be no "For Sale" or other advertising signs on or about any parked vehicle. All vehicles shall be parked in the designated parking areas in conformity with all signs and other markings. All parking will be open parking, and no reserved parking, numbering or lettering of individual spaces will be permitted except as specified by Landlord or in the Lease.
8. Tenant shall maintain the Premises free from rodents, insects and other pests.
9. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs or who shall in any manner do any act in violation of the Rules and Regulations of the Project.
10. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness. Landlord shall not be responsible to Tenant for any loss of property on the Premises, however occurring, or for any damage done to the effects of Tenant by the janitors or any other employee or person.
11. Tenant shall give Landlord prompt notice of any defects in the water, lawn sprinkler, sewage, gas pipes, electrical lights and fixtures, heating apparatus, or any other service equipment affecting the Premises.
12. Tenant shall not permit storage outside the Premises, or dumping of waste or refuse or permit any harmful materials to be placed in any drainage system or sanitary system in or about the Premises.
13. All moveable trash receptacles provided by the trash disposal firm for the Premises must be kept in the trash enclosure areas, if any, provided for that purpose.
14. No auction, public or private, will be permitted on the Premises or the Project.
15. No awnings shall be placed over the windows in the Premises except with the prior written consent of Landlord.
16. The Premises shall not be used for lodging, sleeping or cooking or for any immoral or illegal purposes or for any purpose other than that specified in the Lease. No gaming devices shall be operated in the Premises.

17. Tenant shall ascertain from Landlord the maximum amount of electrical current which can safely be used in the Premises, taking into account the capacity of the electrical wiring in the Project and the Premises and the needs of other tenants, and shall not use more than such safe capacity. Landlord's consent to the installation of electric equipment shall not relieve Tenant from the obligation not to use more electricity than such safe capacity.
18. Tenant assumes full responsibility for protecting the Premises from theft, robbery and pilferage.
19. Tenant shall not install or operate on the Premises any machinery or mechanical devices of a nature not directly related to Tenant's ordinary use of the Premises and shall keep all such machinery free of vibration, noise and air waves which may be transmitted beyond the Premises.
20. Tenant shall not permit smoking in the office areas of the Premises.
21. No racking or storage shall occur within 12-inches of demising walls, office and warehouse separation walls, exterior walls, and columns.

Shirley Yu

From: wireadvice@eastwestbank.com
Sent: Friday, July 1, 2022 9:03 AM
To: Sammy Chu
Subject: [Customer Outgoing Wire Advice - eMail] Message ID:220701084403H300 Advice Code:OTCSADEM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902 for \$47,728.58. If you have any questions, please contact your local branch.

Fed Reference #: 20220701L2B77Q1C001745

Sender Bank Information:

ABA #: 322070381
Bank Name: EAST WEST BANK-EWB

Receiving Bank Information:

ABA #: 026009593
Bank Name: BANK OF AMERICA, N

* * *

Originator Information:

Name: YOTRIO CORPORATION

Beneficiary Information:

Name: PAC Operating Ltd Partnership
Acct #: *****2533
Ref. for BNF: Cus: 09300135

* * *

Beneficiary Bank:

Originator to Beneficiary Info:

Bank to Bank information:

Email Sent:

KARI@YOTRIOINT.COM;SAMMY@YOTRIOINT.COM;wireadvice@eastwestbank.com;terrence.hiu@eastwestbank.com;Jason@yotrioint.com

Shirley Yu

From: Sammy Chu
Sent: Monday, August 1, 2022 9:13 AM
To: Shirley Yu
Subject: FW: [Customer Outgoing Wire Advice - eMail] Message ID:220801090940H300 Advice Code:OTCSADEM

Thanks & Best Regards

Name: Sammy Chu, Accounting Manager
Address: 14365 Pipeline Ave. Chino, CA 91710 Office Phone No. (626)923-1081; (626)923-1082 *FAX Mobile : (626) 991-6781
Email: sammy@yotrioint.com
Style Inside and Out®

-----Original Message-----

From: wireadvice@eastwestbank.com <wireadvice@eastwestbank.com>
Sent: Monday, August 1, 2022 9:13 AM
To: Sammy Chu <Sammy@yotrioint.com>
Subject: [Customer Outgoing Wire Advice - eMail] Message ID:220801090940H300 Advice Code:OTCSADEM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902 for \$47,728.58. If you have any questions, please contact your local branch.

Fed Reference #: 20220801L2B77Q1C001892

Sender Bank Information:
ABA #: 322070381

ley Yu

From: wireadvice@eastwestbank.com
Sent: Thursday, September 1, 2022 11:31 AM
To: Sammy Chu
Subject: [Customer Outgoing Wire Advice - eMail] Message ID:220901112449H300 Advice Code:OTCSADEM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902 for \$47,728.58. If you have any questions, please contact your local branch.

Fed Reference #: 20220901L2B77Q1C002878

Sender Bank Information:

ABA #: 322070381
Bank Name: EAST WEST BANK-EWB

Receiving Bank Information:

ABA #: 026009593
Bank Name: BANK OF AMERICA, N

* * *

Originator Information:

Name: YOTRIO CORPORATION

Beneficiary Information:

Name: PAC Operating Ltd Partnership
Acct #: *****2533
Ref. for BNF: Cus: 09300135

* * *

Beneficiary Bank:

Originator to Beneficiary Info:

Bank to Bank information:

Email Sent:

KARI@YOTRIOINT.COM;SAMMY@YOTRIOINT.COM;wireadvice@eastwestbank.com;terrence.hiu@eastwestbank.com;Jason@yotrioint.com

Shirley Yu

From: wireadvice@eastwestbank.com
Sent: Monday, October 3, 2022 9:33 AM
To: Sammy Chu
Subject: [Customer Outgoing Wire Advice - eMail] Message ID:221003090656H300 Advice Code:OTCSADEM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902 for \$47,728.58. If you have any questions, please contact your local branch.

Fed Reference #: 20221003L2B77Q1C001597

Sender Bank Information:

ABA #: 322070381
Bank Name: EAST WEST BANK-EWB

Receiving Bank Information:

ABA #: 026009593
Bank Name: BANK OF AMERICA, N

* * *

Originator Information:

Name: YOTRIO CORPORATION

Beneficiary Information:

Name: PAC Operating Ltd Partnership
Acct #: *****2533
Ref. for BNF: Cus: 09300135

* * *

Beneficiary Bank:

Originator to Beneficiary Info:

Bank to Bank information:

Email Sent:

KARI@YOTRIOINT.COM;SAMMY@YOTRIOINT.COM;wireadvice@eastwestbank.com;terrence.hiu@eastwestbank.com;Jason@yotrioint.com

Yunirley Yu

From: wireadvice@eastwestbank.com
Sent: Tuesday, November 1, 2022 9:14 AM
To: Sammy Chu
Subject: [Customer Outgoing Wire Advice - eMail] Message ID:221101091022H300 Advice Code:OTCSADEM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902 for \$47,728.58. If you have any questions, please contact your local branch.

Fed Reference #: 20221101L2B77Q1C001963

Sender Bank Information:

ABA #: 322070381
Bank Name: EAST WEST BANK-EWB

Receiving Bank Information:

ABA #: 026009593
Bank Name: BANK OF AMERICA, N

* * *

Originator Information:

Name: YOTRIO CORPORATION

Beneficiary Information:

Name: PAC Operating Ltd Partnership
Acct #: *****2533
Ref. for BNF: Cus: 09300135

* * *

Beneficiary Bank:

Originator to Beneficiary Info:

Bank to Bank information:

Email Sent:

KARI@YOTRIOINT.COM;SAMMY@YOTRIOINT.COM;wireadvice@eastwestbank.com;terrence.hiu@eastwestbank.com;Jason@yotrioint.com

Shirley Yu

From: wireadvice@eastwestbank.com
Sent: Thursday, December 1, 2022 9:34 AM
To: Sammy Chu
Subject: [Customer Outgoing Wire Advice - eMail] Message ID:221201092823H300 Advice Code:OTCSADEM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902 for \$47,728.58. If you have any questions, please contact your local branch.

Fed Reference #: 20221201L2B77Q1C002253

Sender Bank Information:

ABA #: 322070381
Bank Name: EAST WEST BANK-EWB

Receiving Bank Information:

ABA #: 026009593
Bank Name: BANK OF AMERICA, N

* * *

Originator Information:

Name: YOTRIO CORPORATION

Beneficiary Information:

Name: PAC Operating Ltd Partnership
Acct #: *****2533
Ref. for BNF: Cus: 09300135

* * *

Beneficiary Bank:

Originator to Beneficiary Info:

Bank to Bank information:

Email Sent:

KARI@YOTRIOINT.COM;SAMMY@YOTRIOINT.COM;wireadvice@eastwestbank.com;terrence.hiu@eastwestbank.com;Jason@yotrioint.com

Shirley Yu

From: wi readvice@eastwestbank.com
Sent: Tuesday, January 3, 2022 10:32 AM
To: Sammy Chu
Subject: [Customer Outgoing Wire Advice -eMail] Message ID:220103102955H300 Advice Code:OTCSADEM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902 for \$47,087.69. If you have any questions, please contact your local branch.

Fed Reference #: 20220103L2B77Q1C002832

Sender Bank Information:

ABA #: 322070381
Bank Name: EAST WEST BANK-EWB

Receiving Bank Information:

ABA #: 026009593
Bank Name: BANK OF AMERICA, N

* * *

Originator Information:

Name: YOTRIO CORPORATION

Beneficiary Information:

Name: PAC Operating Ltd Partnership
Acct #: *****2533
Ref. for BNF: Cus: 09300135

* * *

Beneficiary Bank:

Originator to Beneficiary Info:

Bank to Bank information:

Email Sent:

KARI@YOTRIOINT.COM;SAMMY@YOTRIOINT.COM;wireadvice@eastwestbank.com;terrence.hiu@eastwestbank.com;Jason@yotrioint.com

From: wireadvice@eastwestbank.com
To: [Sammy Chu](#)
Subject: [Customer Outgoing Wire Advice - eMail] Message ID:220201093302H300 Advice Code:OTCSADEM
Date: Wednesday, February 1, 2022 9:38:11 AM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902
for \$47,087.69. If you have any questions, please contact your local branch.

Fed Reference #: 20220201L2B77Q1C001893

Sender Bank Information:

ABA #: 322070381
Bank Name: EAST WEST BANK-EWB

Receiving Bank Information:

ABA #: 026009593
Bank Name: BANK OF AMERICA, N

* * *

Originator Information:

Name: YOTRIO CORPORATION

Beneficiary Information:

Name: PAC Operating Ltd Partnership
Acct #: *****2533
Ref. for BNF: Cus: 09300135

* * *

Beneficiary Bank:

Originator to Beneficiary Info:

Bank to Bank information:

Email Sent:

KARI@YOTRIOINT.COM;SAMMY@YOTRIOINT.COM;wireadvice@eastwestbank.com;terrence.hiu@eastwestbank.com;Jason@yotrioint.com

VIEW USD WIRE PAYMENT

Use this page to view a USD Wire payment.

PAYMENT OPTION

Payment Option **USD Wire**

PAYMENT INFORMATION

Status **Confirmed**

Template Name **PAC Operating**

Confirmation Number **20220301L2B77Q1C000675**

Debit Account **8003033902 - YOTRIO CORPORATION - WIRE TRANSF**

Amount **USD 47,087.69**

Payment Number **2HNFIDO9GP**

Value Date **03/01/2022**

Send Date **03/01/2022**

Frequency **One-Time Only**

Recipient **PAC Operating Ltd Partnership
1233502533**

Bank **BK AMER NYC
ABA (Wire) 026009593
NEW YORK NY UNITED
STATES**

ADDITIONAL INFORMATION

Recipient Reference **Cus: 09300135**

From: [Sammy Chu](#)
To: [Shirley Yu](#)
Subject: FW: [Customer Outgoing Wire Advice - eMail] Message ID:220403085433H300 Advice Code:OTCSADEM
Date: Monday, April 3, 2022 9:19:25 AM

Thanks & Best Regards

Name: Sammy Chu, Accounting Manager
Address: 14365 Pipeline Ave. Chino, CA 91710
Office Phone No. (626)923-1081; (626)923-1082*FAX
Mobile : (626) 991-6781
Email: sammy@yotrioint.com
Style Inside and Out®

-----Original Message-----

From: wireadvice@eastwestbank.com <wireadvice@eastwestbank.com>
Sent: Monday, April 3, 2022 9:15 AM
To: Sammy Chu <Sammy@yotrioint.com>
Subject: [Customer Outgoing Wire Advice - eMail] Message ID:220403085433H300 Advice Code:OTCSADEM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902 for \$47,087.69. If you have any questions, please contact your local branch.

Fed Reference #: 20220403L2B77Q1C001993

Sender Bank Information:

ABA #: 322070381
Bank Name: EAST WEST BANK-EWB

Receiving Bank Information:

ABA #: 026009593
Bank Name: BANK OF AMERICA, N

* * *

Originator Information:

Name: YOTRIO CORPORATION

Beneficiary Information:

Name: PAC Operating Ltd Partnership
Acct #: *****2533
Ref. for BNF: Cus: 09300135

* * *

Beneficiary Bank:

Originator to Beneficiary Info:

Bank to Bank information:

Email Sent:

KARI@YOTRIOINT.COM;SAMMY@YOTRIOINT.COM;wireadvice@eastwestbank.com;terrence.hiu@eastwestbank.com;Jason@yotrioint.com

From: [Sammy Chu](#)
To: [Shirley Yu](#)
Subject: FW: [Customer Outgoing Wire Advice - eMail] Message ID:220501140540H300 Advice Code:OTCSADEM
Date: Monday, May 1, 2022 2:21:16 PM

Thanks & Best Regards

Name: Sammy Chu, Accounting Manager
Address: 14365 Pipeline Ave. Chino, CA 91710
Office Phone No. (626)923-1081; (626)923-1082*FAX
Mobile : (626) 991-6781
Email: sammy@yotrioint.com
Style Inside and Out®

-----Original Message-----

From: wireadvice@eastwestbank.com <wireadvice@eastwestbank.com>
Sent: Monday, May 1, 2022 2:20 PM
To: Sammy Chu <Sammy@yotrioint.com>
Subject: [Customer Outgoing Wire Advice - eMail] Message ID:220501140540H300 Advice Code:OTCSADEM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902 for \$47,087.69. If you have any questions, please contact your local branch.

Fed Reference #: 20220501L2B77Q1C003053

Sender Bank Information:

ABA #: 322070381
Bank Name: EAST WEST BANK-EWB

Receiving Bank Information:

ABA #: 026009593
Bank Name: BANK OF AMERICA, N

* * *

Originator Information:

Name: YOTRIO CORPORATION

Beneficiary Information:

Name: PAC Operating Ltd Partnership
Acct #: *****2533
Ref. for BNF: Cus: 09300135

* * *

Beneficiary Bank:

Originator to Beneficiary Info:

Bank to Bank information:

Email Sent:

KARI@YOTRIOINT.COM;SAMMY@YOTRIOINT.COM;wireadvice@eastwestbank.com;terrence.hiu@eastwestbank.com;Jason@yotrioint.com

VIEW USD WIRE PAYMENT

Use this page to view a USD Wire payment.

PAYMENT OPTION

Payment Option **USD Wire**

PAYMENT INFORMATION

Status **Confirmed**

Template Name **PAC Operating**

Confirmation Number **20220601L2B77Q1C002191**

Debit Account **8003033902 - YOTRIO CORPORATION - WIRE TRANSF**

Amount **USD 47,087.69**

Payment Number **VEOSTZ0LV2**

Value Date **06/01/2022**

Send Date **06/01/2022**

Frequency **One-Time Only**

Recipient **PAC Operating Ltd Partnership
1233502533**

Bank **BK AMER NYC
ABA (Wire) 026009593
NEW YORK NY UNITED
STATES**

ADDITIONAL INFORMATION

Recipient Reference **Cus: 09300135**

WAREHOUSE SUBLEASE AGREEMENT

by and between

MYCO FURNITURE COPORATION
a Texas professional corporation as
Sublessor

and

YOTRIO CORPORATION
a California corporation
as Sublessee

DATED June 1, 2021

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WAREHOUSE SUBLEASE AGREEMENT

THIS WAREHOUSE SUBLEASE AGREEMENT (this “*Lease*”) is entered into as of 1st of June, 2021 (the “*Effective Date*”) by and between MYCO FURNITURE CORPORATION, a Texas professional corporation (“*Sublessor*” or “*Landlord*”), and YOTRIO CORPORATION, a California professional company (“*Sublessee*” or “*Tenant*”),

ARTICLE 1 FUNDAMENTAL LEASE PROVISIONS; EXHIBITS

Section 1.1 **Fundamental Lease Provisions.** The following are fundamental provisions of this sublease shall herein after be referred to as Lease and shall have the meanings provided therein, except as they may be modified hereafter.

Premises (or Demised Premises): Exhibit A: Warehouse storage space, containing approximately **15,750** square feet (more or less).
The street address of which is 9500 W SAM HOUSTON PKWY S, Houston, Texas 77099 (the “*Building*”).

Property: The Building, the parking areas serving the Building from time to time, the outside plaza areas, land and other improvements surrounding the Building which are designated from time to time by Landlord as common areas appurtenant to or servicing the Building, and the land upon which any of the foregoing are situated, are herein sometimes collectively referred to as the “*Property*”. Landlord reserves the right to make alterations or additions to or to change the location of elements of the Property, provided same do not materially interfere with the Tenant’s use and enjoyment of the Premises, proximity or access to the Premises.

Term: Commencing on the Lease Commencement Date and expiring twelve (12) full calendar months from the Rent Commencement Date.

Lease Commencement Date: June 1, 2021

Rent Commencement Date: June 6, 2021

Expiration Date: The last day of the twelve (12th) full calendar month after the Rent Commencement Date.

Base Rent:

Dates		Rate per rentable square foot (optional)		Base Monthly Rent \$
From	To	\$ Monthly Rate	\$ Annual Rate	
06/06/2021	06/05/2023	0.88 /rsf/month	/rsf/month	\$13,860.00

Security Deposit: **\$20,000.00**

Rent Payment Address: 9500 W SAM HOUSTON PKWY S
HOUSTON, TX 77099

Permitted Use of the Premises: The Premises shall be used to warehouse furniture and for such other lawful purposes as maybe incidental to the foregoing Use.

Tenant's Insurance: At least, \$1,000,000.00 primary comprehensive liability – Landlord listed as an additional insured. Waiver of subrogation included Workers Compensation Insurance in compliance with state law. Waiver of subrogation included.

Landlord's Address for Notice: 9500 W SAM HOUSTON PKWY S
HOUSTON, TX 77099
TEL: 832-661-8658
ATTN: MICHAEL CHEN
EMAIL: michael@mycofurniture.com

Tenant's Address (Section 17.1): 14365 PIPELINE AVE
CHINO, CA 91710
TEL: 626-923-1111
EMAIL: kari@yotrioint.com

Federal Tax ID #: 26-1809654

Section 1.2 Exhibits. The exhibits and riders attached to this Lease are incorporated into this Lease by this reference and are to be construed as an integral part of this Lease.

Exhibit A – Plan(s) Outlining the Premises and the Property
Exhibit B – Property Rules and Regulations
Exhibit C – Memorandum Confirming Terms

ARTICLE 2 PREMISES AND TERM

Section 2.1 Lease of Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, for the term and subject to the covenants hereinafter set forth, to all of which Landlord and Tenant hereby agree, the Premises. Landlord and Tenant agree that, for purposes of this Lease, the Premises contain the number of square feet specified in Section 1.1. During the Term of this Lease, Tenant shall have the nonexclusive right, in common with other tenants of the Property, to use only for their intended purposes the common areas (such as driveways, sidewalks, parking areas, loading areas and access roads and Building common areas) in the Property that are designated by Landlord as common areas and not leased to or allocated for the exclusive use of another tenant of the Property. Landlord shall have the right from time to time to change the size, location, configuration, character or use of any such common areas, construct additional improvements or facilities in any such common areas, or close any such common areas. Tenant shall not interfere with the rights of Landlord and other tenants of the Property to use such common areas.

Section 2.2 Intentional Left Blank.

Section 2.3 Term. The Term of this Lease shall be the term specified in Section 1.1, which shall commence on the Lease Commencement Date specified in Section 1.1 and, unless sooner terminated as herein after provided, shall end on the Expiration Date specified in Section 1.1 (the "**Expiration Date**"). Tenant acknowledges that Tenant has inspected the Premises and the Property, Tenant has been given the opportunity to have the Premises and the Property inspected by professional consultants retained by Tenant, Tenant is familiar with the condition of the Premises and the Property, the Premises and the Property are suitable for Tenant's purposes, and the condition of the Premises and the Property is acceptable to Tenant. Notwithstanding the foregoing, nothing contained herein shall release or discharge Landlord from its repair and maintenance obligations under Section 6.1 of this Lease.

Section 2.4 Condition of the Premises. Except as specifically set forth in this Lease, Landlord shall

not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises. Notwithstanding the foregoing, Landlord shall deliver the Premises to Tenant clean and free of trash and debris. The date that Landlord tenders possession of the Premises to Tenant in the above-described condition is referred to herein as the “**Delivery Date**”. Landlord shall not be responsible for any accommodations or alterations that are required by applicable governmental codes, ordinances, rules, regulations and Laws to be made to the common areas of the Building to accommodate general office use, including, without limitation, compliance with the Americans with Disabilities Act (42 U.S.C. §§ 12101 *et seq.*) and the Texas Architectural Barriers Act (Texas Government Code, Chapter 469) (collectively, “**ADA**”). In the event Tenant’s specific use of the Building requires additional improvements to the common areas, such improvements will be made at Tenant’s sole cost and expense.

Section 2.5 Adjustment of Commencement Date. If the Rent Commencement Date as determined in accordance with Section 2.3 would not be the first day of the month and the Expiration Date would not be the last day of the month, then the actual Rent Commencement Date shall be the first day of the next calendar month following the date so determined and the actual Expiration Date shall be the last day of the appropriate calendar month so the Term of this Lease shall be the full term specified in Section 1.1. The period of the fractional month between the date so determined and the actual Commencement Date shall be on and subject to all of the covenants in this Lease and, on the actual Commencement Date, Tenant shall pay to Landlord, as additional rent, the monthly Base Rent (based on the first month for which the Base Rent is to be paid) and the additional monthly rent payable under Section 3.1 hereof, calculated on a per diem basis, for such period. Landlord and Tenant each shall, promptly after the actual Rent Commencement Date and the actual Expiration Date have been determined, execute and deliver to the other a Memorandum Confirming Term in the form of Exhibit C attached hereto which sets forth the actual Rent Commencement Date and the actual Expiration Date for this Lease, but the Term of this Lease shall commence and end in accordance with this Lease whether or not the Memorandum Confirming Term is executed.

Section 2.6 Lease Year. As used in this Lease, “**Lease Year**” shall mean each period of twelve (12) months from the Rent Commencement Date (as adjusted in accordance with Section 2.3 hereof) during the Term of this Lease.

Section 2.7 Holding Over. If, with consent by Landlord, Tenant holds possession of the Premises after expiration of the Term of this Lease, Tenant shall become a tenant from month to month under this Lease, but the Base Rent during such month to month tenancy shall be equal to two hundred percent (200%) of the Base Rent in effect at the expiration of the Term of this Lease. Landlord and Tenant each shall have the right to terminate such month to month tenancy by giving thirty (30) days’ written notice of termination to the other at any time.

ARTICLE 3 RENT

Section 3.1 Base Rent and Additional Rent. Tenant shall pay to Landlord the following amounts as rent for the Premises:

Throughout the Term of this Lease, Tenant shall pay to Landlord, the amount of monthly Base Rent specified in Section 1.1.

Throughout the Term of this Lease, for each calendar year (or part thereof) occurring during the Term of this Lease, Tenant shall pay to Landlord monthly, as additional rent:

Tenant’s Pro Rata share of Operating Expenses specified in Exhibit C for such year; and

Throughout the Term of this Lease, Tenant shall pay, as additional rent, all other amounts of money and charges required to be paid by Tenant under this Lease, whether or not such amounts of money or charges are designated “**additional rent**.” As used in this Lease, “**rent**” shall mean and include all Base Rent, Operating Expenses and any additional amounts payable by Tenant in accordance with this Lease.

Section 3.2 Intentional Left Blank.

Section 3.3 Security Deposit. Upon signing this Lease and as condition to the effectiveness of this Lease, Tenant shall pay to Landlord (a) the amount of the security deposit specified in Section 1.1 (the “**Security Deposit**”). The Security Deposit shall be held by Landlord as security for the performance by Tenant of all of the covenants of this Lease to be performed by Tenant, and Tenant shall not be entitled to interest thereon. If Tenant fails to perform any of the covenants of this Lease to be performed by Tenant, then Landlord shall have the right, but no obligation, to apply the Security Deposit, or so much thereof as may be necessary, to cure any such failure by Tenant. If Landlord applies the Security Deposit or any part thereof to cure any such failure by Tenant, then Tenant shall pay to Landlord, within thirty (30) days after the date Tenant receives written notice, the sum necessary to restore the Security Deposit to the full amount required by this Section 3.3. Any remaining portion of the Security Deposit shall be returned to Tenant within thirty (30) days from the date of termination of this Lease. Upon termination of the original Landlord’s or any successor owner’s interest in the Premises, the original Landlord or such successor owner shall be released from further liability with respect to the Security Deposit upon the original Landlord’s or such successor owner’s transferring the Security Deposit to the new owner. It is specifically agreed and understood by Tenant that any amounts paid to, deposited with, or held by Landlord for the account of Tenant hereunder, may be commingled by Landlord with Landlord’s other monies.

Section 3.4 Late Payment. Tenant acknowledges that the late payment by Tenant of any monthly installment of Base Rent will cause Landlord to incur costs and expenses, the exact amount of which is extremely difficult and impractical to fix. Such costs and expenses will include administration and collection costs and processing and accounting expenses. Therefore, if any monthly installment of Base Rent is not received by Landlord within three (3) days after such installment is due, Tenant shall immediately pay to Landlord a late charge equal to the greater of (i) \$150.00 or (ii) five percent (5%) of such delinquent installment. Landlord and Tenant agree that such late charge represents a reasonable estimate of such costs and expenses and is fair reimbursement to Landlord. In no event shall such late charge be deemed to grant to Tenant a grace period or extension of time within which to pay any monthly rent or prevent Landlord from exercising any right or enforcing any remedy available to Landlord upon Tenant’s failure to pay each installment of monthly rent due under this Lease when due, including the right to terminate this Lease and recover all damages from Tenant. All amounts of money payable by Tenant to Landlord hereunder if not paid within ten (10) days after the due date, shall bear interest from the due date until paid at the rate of ten percent (10%) per annum, and Tenant shall pay such interest to Landlord on written demand.

Section 3.5 Intentional Left Blank.

Section 3.6 Certain Definitions. As used in this Lease, certain words are defined as follows:

(a) “**Operating Expenses**” shall mean all costs and expenses paid or incurred by Landlord and in connection with the ownership, management, operation, maintenance or repair of the Property or providing services in accordance with this Lease, including license, permit and inspection fees; electricity, gas, fuel, steam, heat, light, power, water, sewer and other utilities; reasonable and customary management fees and expenses; security, guard, extermination of the common areas, water treatment, garbage and waste disposal, rubbish removal, plumbing and other services; supplies, tools, materials and equipment; accounting and other professional fees and expenses; painting the exterior of the Property; maintaining and repairing the foundations, the exterior walls and roof, the parking and loading areas, sidewalks, landscaping and common areas, and other parts of the Property; costs and expenses required by or resulting from compliance with any laws, ordinances, rules, regulations or orders applicable to the Property; and costs and expenses of contesting by appropriate proceedings any matter concerning managing, operating, maintaining or repairing the Property, or the validity or applicability of any law, ordinance, rule, regulation or order relating to the Property, or the amount or validity of any Property Taxes. Operating Expenses shall not include Property Taxes, Insurance Costs, or charges payable by Tenant pursuant to Section 3.5 hereof; depreciation on the Property; costs of tenants’ improvements; real estate brokers’ commissions; interest, or restoration work necessitated by fire or other casualty damage to the extent of net insurance proceeds received by Landlord with respect thereto; principal, interest or other financing costs; any cost or expense reimbursed by any Tenant or from insurance proceeds or condemnation awards; any professional fees and expenses that are not directly related to the general operation of the building, such as collection expenses, eviction efforts and/or lease negotiations; any promotion or advertising costs; any cost for expenses in connection with remediating or removing hazardous or toxic materials; or any fines, penalties or other

expenses incurred by Landlord because of violation of any applicable laws. Any capital expenditure which exceeds \$5,000.00 and either a) was done in an attempt to reduce operating expenses in the Building or b) done to bring the building to its original condition, shall be amortized over the useful life of the item as reasonably determined by Landlord and included as a part of Operating Expenses.

Section 3.7 Rent Payment Address. Tenant shall pay all Base Rent and additional monthly rent under Section 3.1 hereof to Landlord, in advance, on or before the first day of each and every calendar month during the Term of this Lease. Tenant shall pay all rent to Landlord without notice, demand, deduction or offset, in lawful money of the United States of America, at the address for the payment of rent specified in Section 1.1, or to such other person or at such other place as Landlord may from time to time designate in writing.

ARTICLE 4 USE OF THE PREMISES/HAZARDOUS MATERIALS

Section 4.1 Permitted Use. The Premises shall be used only for the Permitted Use of the Premises specified in Section 1.1 and for lawful purposes incidental thereto, and no other purpose whatsoever. Tenant shall not do or permit to be done in, on or about the Premises, nor bring or keep or permit to be brought or kept therein, anything which is prohibited by or will in any way conflict with any law, ordinance, rule, regulation or order now in force or which may hereafter be enacted, or which is prohibited by any insurance policy carried by Landlord for the Property, or will in any way increase the existing rate of, or disallow any fire rating or sprinkler credit, or cause a cancellation of, or affect any insurance for the Property. If Tenant causes any increase in the premium for any insurance covering the Property carried by Landlord, Tenant shall pay to Landlord, on written demand as additional rent, the entire amount of such increase. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of Landlord or other tenants of the Property, or injure or annoy them. Tenant shall not use or allow the Premises to be used for any improper, immoral, unlawful or objectionable activity, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises or commit or suffer to be committed any waste in, on or about the Premises and the following uses are expressly prohibited on the Premises: schools, government offices or agencies; personnel agencies; collection agencies; credit unions; data processing, telemarketing or reservation centers; radio, television, or other telecommunications broadcasting; restaurants and other retail; customer service offices of a public utility company; or any other purpose that would, in Landlord's reasonable opinion, impair the reputation or quality of the Building, overburden any of the Building systems, Common Areas, or parking facilities (including any use that would create a population density in the Premises in excess of the density that is standard for the Building), impair Landlord's efforts to lease space, or otherwise interfere with the operation of the Property. Tenant shall not store any materials, equipment or vehicles outside the Premises and agrees that no washing of any type (including washing vehicles) shall take place in or outside the Premises. Tenant shall not receive, store or otherwise handle any product or material that is explosive or highly inflammable. Tenant shall not install any signs on the Premises without the prior written consent of Landlord, which consent will not be unreasonably withheld. All signage installed by Tenant on the Premises shall conform with building standards and with all applicable laws and regulations. Tenant shall, at Tenant's expense, remove all such signs prior to or upon termination of this Lease, repair any damage caused by the installation or removal of such signs, and restore the Premises to the condition that existed before installation of such signs. If signage is approved by Landlord, Tenant shall pay for all interior and exterior signage at the Property, including on the building marquis located in the building lobby, any exterior multi-tenant signs, and any suite identification signs.

Section 4.2 Parking Regulations. Tenant agrees to comply with and to cause its employees to comply with the parking rules and regulations contained herein and such other reasonable parking regulations for the Building and the Property as Landlord may promulgate in an attempt to assure the maximum availability, or the efficient use, of the parking area for the customers of tenants of the building. Tenant will not park or permit any vehicles to be parked overnight unless the vehicle is owned by Tenant working in the building at the time. Landlord shall have the right, in its sole discretion, to reserve parking spaces on the Property for particular tenants or their guests. Landlord may remove illegally parked vehicles, or abandoned or inoperable vehicles that remain on the Property for more than 24 hours pursuant to applicable laws or ordinances. Landlord reserves the right to change the entrances, exits, boundaries and locations of the parking areas on the Property.

Section 4.3 Tenant's Environmental Compliance.

(a) Tenant and its agents, employees, customers, visitors, invitees, licensees, contractors, designees, subtenants, assigns and invitees (collectively, “*Tenant’s Parties*”) shall not, at any time during the Term of this Lease, cause or permit any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed, or used on, under or about the Premises for any purpose, except for (i) those Hazardous Materials that are normally and customarily used in connection with Tenant’s use provided the same are stored, maintained, used and disposed in reasonable and customary amounts and in accordance with all Environmental Laws (as defined below) and (ii) those that are expressly approved in advance by Landlord (collectively, the “*Permitted Hazardous Materials*”). Any material change and/or addition to the list of Permitted Hazardous Materials or uses must be approved in advance in writing by Landlord, which approval may be withheld in Landlord’s sole discretion.

(b) No asbestos-containing materials shall be manufactured, used or installed for any purpose on or as part of the Premises, whether as part of Tenant’s or Tenant’s Parties’ business operations or as tenant improvements.

(c) Tenant shall keep, operate and maintain the Premises in compliance with all “*Environmental Laws*” (as defined herein) and shall not cause or permit the Premises to be in violation of any Environmental Laws.

(d) During the Term of this Lease, Tenant shall be solely responsible for protecting against intentional or negligent acts or omissions of third parties that might result directly or indirectly in the release, disposal or other placement of Hazardous Materials on, under or about the Premises.

Section 4.4 Environmental Assessment.

(a) Upon Landlord’s determination that Hazardous Materials exist in excess of those allowed by applicable Environmental Laws, Landlord may require Tenant to retain, at Tenant’s sole cost, a duly licensed environmental consultant acceptable to Landlord who shall perform an environmental assessment of the Premises and Tenant’s and/or Tenant’s Parties’ business activities and operations on the Premises or otherwise on Landlord’s Property. Such environmental consultant shall prepare a report on Tenant’s and/or Tenant’s Parties’ compliance with the provisions of this Article. Landlord may require Tenant to cause a similar environmental assessment to be conducted on an annual basis, the cost of which shall be the sole responsibility of Tenant. Tenant shall not, and shall not permit any consultant or contractor to, take any samples of building materials, soils, water, groundwater, or other substances (except as required by law) unless specifically approved in advance in writing by Landlord, which approval may be withheld in Landlord’s sole discretion. Tenant shall provide a copy of the report or reports from the consultants promptly to Landlord upon receipt, and upon request shall promptly provide to Landlord a copy of all data, documents, and other information prepared or collected in connection with the performance of such assessments and/or preparation of such report(s).

Section 4.5 Notification.

(a) Tenant shall give immediate written notice to Landlord of:

- (i) Any enforcement, remediation, or other regulatory action or order taken or threatened by any Agency regarding, or in connection with, the presence, release, or threat of release of any Hazardous Material on, under, about or from the Premises, or from any tank on the Premises, or otherwise resulting from Tenant’s or Tenant’s Parties’ use of or activities on the Premises;
- (ii) All demands or claims made or threatened by any third party against Tenant and/or Tenant’s Parties or the Premises relating to any liability, loss, damage, or injury resulting from the presence, release, or threat of release of any Hazardous Materials on, under, about or from the Premises, or otherwise resulting from Tenant’s or Tenant’s Parties’ use of or activities on the Premises;

- (iii) Any spill, release, or discharge of a Hazardous Material on, under, about or from the Premises, including, without limitation, any such spill, release, or discharge required to be reported to any governmental agency under any Environmental Law;
- (iv) All incidents or matters where Tenant or Tenant's Parties are required to give notice to any Agency pursuant to any Environmental Law.
- (v) Tenant shall promptly provide to Landlord copies of all materials, reports, technical data, notices and correspondence and other information or documents relating to incidents or matters subject to notification under this Section 4.5. Tenant also shall promptly furnish to Landlord copies of any and all permits, approvals, and registrations Tenant or Tenant's Parties receive or submit with respect to their operations on the Premises, including without limitation any storage tank registrations, installation permits, and closure permits.

Section 4.6 Remediation.

(a) If any Hazardous Material is released or found on, under or about the Premises, Tenant shall promptly take, at its sole expense, all actions necessary to return the Premises (and any properties in the vicinity of the Premises-affected thereby) to the condition existing prior to the introduction of such Hazardous Materials. Tenant shall conduct such actions in compliance with Environmental Laws and the requirements of any governmental agency involved. Unless an emergency situation exists that requires immediate action, Tenant shall obtain Landlord's prior written approval of such actions, which approval shall not be unreasonably withheld. Actions subject to Landlord's right of prior written approval shall include, but are not limited to, the selection of any environmental consultant to perform work on or related to the Premises, the determination of the scope of work and sampling activities to be performed by such consultant or any contractor, and review and approval of all draft reports prepared by such consultant before the report is made final.

(b) Tenant shall provide Landlord with at least three business days' advance notice of any sampling and, upon request of Landlord, shall split samples with Landlord. Tenant also shall promptly provide Landlord with the results of any test, investigation or inquiry conducted by or on behalf of Tenant and/or Tenant's Parties in connection with the presence or suspected presence of Hazardous Materials on, under, about or from the Premises.

(c) Tenant shall notify Landlord in advance and afford Landlord the right to participate in any oral or written communications with governmental agencies concerning environmental conditions on, about or relating to the Premises. Landlord shall have the right, but not the obligation, in its sole discretion, to assume control of any required remediation on the Premises and Landlord shall perform such remediation at Tenant's sole expense, which sums shall be immediately due and payable to Landlord as additional rent upon receipt of an invoice therefor.

(d) If Landlord has reason to believe that Tenant and/or Tenant's Parties have caused or permitted a release of Hazardous Materials which results in, or threatens to result in, the presence of Hazardous Materials on, under or about the Premises or properties in the vicinity of the Premises, or which threatens public health or safety or the environment, or which is not in compliance with any applicable Environmental Law or requirement of this Lease, Landlord may demand that Tenant promptly take action with respect thereto in accordance with this Section 4.6. If Tenant does not respond within thirty (30) days (or, in the case of an emergency, as soon as practicable but not less than two (2) days), Landlord shall have the right, but not the obligation, to enter onto the Premises and take all actions reasonably necessary to investigate and fully remediate such release or noncompliance at Tenant's sole expense, which sums shall be immediately due and payable to Landlord as additional rent upon receipt of an invoice therefor.

Section 4.7 Landlord's Right of Entry and Testing. Landlord and its representatives shall have the right, but not the obligation, at any reasonable time and from time to time, to enter onto and to inspect the Premises and to conduct reasonable testing, monitoring, sampling, digging, drilling and analysis to determine if Hazardous

Materials are present on, under or about the Premises and to review and copy any documents, materials, data, inventories, or notices or correspondence to or from private parties or governmental authorities in connection therewith.

Section 4.8 Tenant's Indemnification of Landlord.

(a) Tenant shall indemnify, protect, defend (by counsel acceptable to Landlord), and hold harmless Landlord and its partners, directors, officers, employees, shareholders, lenders, agents, contractors, investment and legal advisors, and each of their respective successors and assigns, (individually and collectively "**Indemnitees**") from and against any and all claims, judgments, causes of action, damages, penalties, fines, taxes, costs, liabilities, losses, and expenses arising, at any time during or after the Term of this Lease, as a direct or indirect result of or in connection with:

- (i) Tenant's and/or Tenant's Parties' breach of any prohibition or provision of this Article; or
- (ii) The presence of any Hazardous Material on, under or about the Premises or other properties as a direct or indirect result of Tenant's and/or Tenant's Parties' use of, activities on, or failure to act in connection with, the Premises.

(b) Tenant's obligation to indemnify, protect, defend, and hold harmless Indemnitees includes, without limitation: (i) costs and expenses incurred for or in connection with any investigation, cleanup, remediation, monitoring, removal, restoration or closure work, required by any governmental agency or Indemnitee, due to the presence of Hazardous Materials in, on, under, or about the Premises; (ii) the costs and expenses of restoring, replacing or acquiring the equivalent of damaged natural resources; (iii) all foreseeable and unforeseeable consequential damages; (iv) diminution in value of the Premises; (v) damages for the loss or restriction on use of rentable or useable space or of any amenity of the Premises; (vi) damages arising from any adverse impact on marketing of space in the Property; (vii) all sums paid in settlement of claims; and (viii) reasonable attorneys' fees, litigation, arbitration and administrative proceeding costs, and experts', consultants' and laboratory fees.

(c) Neither the written or oral consent of Landlord to the presence, or introduction by Tenant or Tenant's Parties, of Hazardous Materials in, on, under or about the Premises nor compliance by Tenant with all Environmental Laws shall excuse Tenant from its indemnification obligations hereunder. This indemnity shall survive the expiration or termination of this Lease. Further, Landlord shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions affecting the Premises initiated in connection with any Environmental Law.

Section 4.9 Tenant's Release of Landlord. Tenant, on behalf of itself, its successors, assigns and successors-in-interest, hereby waives, releases, remises, acquits, and forever discharges "**Indemnitees**" (as defined in Section 4.8 above) of and from any and all claims, actions, causes of action, demands, rights, damages, costs, expenses, or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, which Tenant now has or which may arise in the future on account of, or in any way growing out of or in connection with: (i) the physical condition of the real property; (ii) any Environmental Laws, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. 9601 *et seq.*, or their application to the Premises; or (iii) the existence or condition of any fill, excavation, or filled ground on or within the real property which may affect the installation, operation, use, maintenance, or monitoring of any underground or aboveground storage tanks and/or related equipment installed by Tenant or Tenant's Parties.

Section 4.10 Definitions.

(a) "**Hazardous Material(s)**" means any substance the presence of which requires, or may hereafter require, notification, investigation, or remediation under any laws or which is now or hereafter defined, listed, or regulated by any governmental authority as a "hazardous waste", "extremely hazardous waste", "solid waste", "toxic substance", "hazardous substance", "hazardous material" or "regulated substance", or otherwise regulated under any

Laws. “**Contamination**” means the existence or any release or disposal of a Hazardous Material or biological or organic contaminant, including any such contaminant which could adversely impact air quality, such as mold, fungi, or other bacterial agents, in, on, under, at, or from the Premises, the Building, or the Property which may result in any liability, fine, use restriction, cost recovery lien, remediation requirement, or other government or private party action, or imposition affecting any Landlord Indemnified Party. For purposes of this Lease, claims arising from Contamination shall include diminution in value, restrictions on use, adverse impact on leasing space, and all costs of site investigation, remediation, removal, and restoration work, including response costs under CERCLA and similar statutes.

(b) “**Environmental Law**” means any Law pertaining to health, safety, land use, or environmental protection, including but not limited to the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.*, the Comprehensive Environmental Response, Compensation, and Liability Act “**CERCLA**”), 42 U.S.C. §9601 *et seq.*, the Clean Air Act, 42 U.S.C. §7401 *et seq.*, the Clean Water Act, 33 U.S.C. §1251 *et seq.*, the Toxic Substances Control Act, 15 U.S.C. §2601 *et seq.*, and any similar state law, each as amended, which are or become applicable to Tenant, Tenant’s Parties, or the Premises.

ARTICLE 5 UTILITIES AND SERVICES

Section 5.1 Tenant’s Responsibilities. Tenant shall furnish the Premises with its own telephone, internet, computer or other communication service, as well as any other service not provided by Landlord that is otherwise permitted in this Lease. Tenant shall furnish all electric light bulbs and tubes used in the Premises.

Section 5.2 Landlord’s Responsibilities. Landlord shall furnish the following services, the costs of which are to be included as Operating Expenses; provided, however, to the extent the services described below require electricity, gas, water or sewer supplied by public utilities to furnish such services, Landlord shall only be obligated to use reasonable efforts to cause such public utilities to furnish such services, and Landlord’s obligations under this Article shall be subject to (i) any curtailment of such services or utilities, and (ii) any other cause beyond Landlord’s control:

(a) Water (hot and cold) at those points of supply provided for general use of tenants of the building.

(b) Janitorial services on all days except Saturdays, Sundays and building holidays; provided, however, if any of Tenant’s floor coverings, wall coverings or other improvements exceed building standard specifications, Tenant shall pay the additional cleaning cost attributable thereto.

(c) Sufficient electrical service to operate (i) typewriters, calculating machines, photocopying machines, personal computers and other machines of similar low voltage electrical consumption (120 volts), provided that the total rated electrical design load at 100% capacity for said equipment on each floor shall not exceed two (2.00) watts per square foot of usable area and (ii) lighting electrical consumption (120 volts), provided that the total rated electrical design load at 100% capacity for said equipment on each floor shall not exceed two (2.00) watts per square foot of usable area. If Tenant’s total electrical design load exceeds the foregoing maximum load, or if Tenant wishes to install any special equipment requiring low-voltage or high-voltage circuits, Landlord shall (after Landlord approves all plans and specifications), at Tenant’s cost and expense, install such additional low voltage panels, transformers, switches, wiring, conduit and any other equipment as are necessary to accommodate the same. In addition, Landlord may install (at Tenant’s sole costs and expense) a submeter to measure the electricity used through such additional equipment.

(d) All fluorescent bulb and ballast replacement for building standard lighting in all building common areas (including lobbies, corridors, rest rooms and service areas). Tenant responsible for fluorescent & incandescent bulb replacement in the Premises.

Access control to the building on weekends, building holidays and after hours; provided, however, that Landlord shall have no responsibility to prevent, and shall not be liable to Tenant or Tenant’s Parties (as defined in

Section 4.3(a) above) for any and all liability, damage or loss to Tenant or Tenant's Parties at any time, including during normal business hours or otherwise, arising out of or relating to losses or damages due to theft, burglary, or damage or injury to persons or property caused by parties gaining access to the Property or the Premises, and, for itself and on behalf of the Tenant's Parties, hereby RELEASES and forever DISCHARGES Landlord from all liability and damages relating thereto.

Section 5.3 Interruption of Services. The unavailability, curtailment, interruption, fluctuation, inadequacy, or other defect of any of the services furnished or to be furnished by Landlord pursuant to this Article of this Lease will not constitute a breach of the covenant of quiet enjoyment, an actual or constructive eviction of Tenant, or a Landlord default, provided that Landlord in good faith attempts to remedy such circumstances as quickly as reasonably possible within Landlord's control.

Section 5.4 Tenant's Security Responsibilities. Tenant shall be responsible for: (1) locking the doors to the Premises and taking other reasonable steps to secure the Premises after normal business hours and the personal property of Tenant and any of Tenant's transferees, contractors or licensees in the Premises, from unlawful intrusion, theft, fire and other hazards; (2) keeping and maintaining in good working order all security and safety devices installed in the Premises by or for the benefit of Tenant (such as locks, smoke detectors and burglar alarms); and (3) reasonably cooperating with Landlord and other tenants in the Building on Building safety matters. Tenant acknowledges that (i) any security or safety measures employed by Landlord are for the protection of Landlord's own interests; (ii) Landlord is not a guarantor of the security or safety of the Tenant Parties or their property; (iii) such security and safety matters are the responsibility of Tenant and local law enforcement authorities; and (iv) in no event shall Landlord be liable for damages, losses, claims, injury to persons or property or causes of action arising out of any theft, burglary, trespass or other entry into the Premises or the Property except to the extent caused by the negligence or willful misconduct of Landlord, its agents or employees.

ARTICLE 6 MAINTENANCE AND REPAIRS

Section 6.1 Obligations of Landlord. At its sole cost and expense, Landlord shall maintain and repair only the foundations, utility lines serving the building, the exterior walls, the structural portions of the building, and the roof of the building, and the common areas of the Property and keep them in good condition, reasonable wear and tear excepted. Except as expressly provided herein, Landlord shall also maintain and repair the HVAC, mechanical, electrical and plumbing systems within the Building. Tenant shall give Landlord written notice of the need for any maintenance or repair for which Landlord is responsible, after which Landlord shall have a reasonable opportunity to perform the maintenance or make the repair, and Landlord shall not be liable for any failure to do so unless such failure continues for an unreasonable time after Tenant gives such written notice to Landlord or in the event such repair or maintenance is not within the reasonable control of Landlord. Tenant waives any right to perform maintenance or make repairs for which Landlord is responsible at Landlord's expense. Landlord's liability with respect to any maintenance or repair for which Landlord is responsible shall be limited to the cost of the maintenance or repair. Any damage to any part of the Property for which Landlord is responsible that is caused by Tenant or any agent, officer, employee, contractor, licensee or invitee of Tenant shall be repaired by Landlord at Tenant's expense and Tenant shall pay to Landlord, upon billing by Landlord, as additional rent, the cost of such repairs incurred by Landlord.

Section 6.2 Obligations of Tenant. Tenant shall, at all times during the Term of this Lease and at Tenant's sole cost and expense, maintain and repair the Premises and every part thereof (except only the parts for which Landlord is expressly made responsible under this Lease) and all equipment, fixtures and improvements therein (including interior windows, interior glass, doors, special fronts, entries, the interior surfaces of exterior walls, interior walls, floors, Tenant's furniture, fixtures and equipment, and keep all of the foregoing clean and in good order and operating condition, ordinary wear and tear excepted. Tenant shall not damage the Premises or disturb the integrity and support provided by any wall or other structural portion of the Premises. Tenant shall, at Tenant's expense, promptly repair any damage to the Premises caused by Tenant or any agent, officer, employee, contractor, licensee or invitee of Tenant. Tenant shall take good care of the Premises and keep the Premises free from dirt, rubbish, waste and debris at all times. Tenant shall not overload the floors in the Premises or exceed the load-bearing capacity of the

floors in the Premises. Tenant shall, at the end of the Term of this Lease, surrender to Landlord the Premises and all alterations, additions, fixtures and improvements therein or thereto in the same condition as when received, ordinary wear and tear excepted.

ARTICLE 7 ALTERATION OF THE PREMISES

Section 7.1 **No Alterations by Tenant.** Tenant shall not make any alterations, additions or improvements in or to the Premises or any part thereof, or attach any fixtures or equipment thereto, without Landlord's prior written consent, which consent shall not be unreasonably withheld. Notwithstanding the preceding sentence, Tenant may make such alterations, additions or improvements without Landlord's consent only if the total cost of such alterations, additions or improvements is five thousand dollars (\$5,000) or less in any year and such alterations, additions or improvements will not affect in any way the structural, exterior or roof elements of the Property or the mechanical, electrical, plumbing or life safety systems of the Property, or adversely impact on other tenants in the Property, but Tenant shall give prior written notice of any such alterations, additions or improvements to Landlord. All alterations, additions and improvements in or to the Premises to which Landlord consents shall be made by Tenant at Tenant's sole cost and expense as follows:

(a) Tenant shall submit to Landlord, for Landlord's written approval, which approval shall not be unreasonably withheld, complete plans and specifications for all work to be done by Tenant. Such plans and specifications shall be prepared by responsible licensed architect(s) and engineer(s) if the work shall affect the structural portions of the building of which the Premises are a part or the mechanical, electrical, plumbing, life safety systems, or HVAC associated with the building of which the Premises are a part, shall comply with all applicable codes, laws, ordinances, rules and regulations, shall not adversely affect any systems, components or elements of the Property, shall be in a form sufficient to secure the approval of all government authorities with jurisdiction over the Property, and shall be otherwise satisfactory to Landlord in Landlord's reasonable discretion.

(b) Tenant shall obtain all required permits for the work. Tenant shall engage responsible licensed contractor(s) to perform all work, which contractors shall be subject to the prior reasonable approval of Landlord. Tenant shall perform all work in accordance with the plans and specifications approved by Landlord, in a good and workmanlike manner, in full compliance with all applicable Laws. Tenant covenants and agrees not to suffer or permit any lien of mechanics or materialmen or others to be placed against the Property, the Building or the Premises with respect to work or services performed for, or materials furnished to, Tenant or the Premises, and, in case of any such lien attaching or notice of any lien, Tenant covenants and agrees to cause it to be immediately released and removed of record. Notwithstanding anything to the contrary set forth in this Lease, if Tenant shall not, within fifteen (15) days following notification to Tenant of the imposition of any such lien, cause the same to be released of record by payment or discharged by filing and recording of a bond pursuant to Section 53.171 of the Texas Property Code, Landlord shall have, in addition to all other remedies provided herein and by law, the right but not the obligation, to cause same to be released by such means as it shall deem proper, including payment of or defense against the claim giving rise to such lien. All sums, costs and expenses, including reasonable attorneys' fees and costs, incurred by Landlord in connection with such lien shall be deemed additional rent under this Lease and shall immediately be due and payable by Tenant. Any alterations, additions and improvements permitted hereunder shall not negatively impact on other Tenant's at the Property and their enjoyment thereof. Tenant shall pay for all work (including the cost of all utilities, permits, fees, taxes, and property and liability insurance premiums in connection therewith) required to make the alterations, additions and improvements. Except for its gross negligence, Landlord shall not be liable to Tenant for any damage, loss, cost or expense incurred by Tenant on account of design of any work, construction of any work, or delay in completion of any work. Tenant agrees to carry "Builder's All Risk" insurance in an amount reasonably approved by Landlord covering the construction of such alterations, and such other insurance as Landlord may reasonably require.

(c) Landlord's approval of an alteration shall not be a representation by Landlord that the Alteration complies with applicable laws or will be adequate for Tenant's use. Tenant acknowledges that Landlord is not an architect or engineer, and that the Alterations will be designed and/or constructed using independent architects, engineers, and contractors. Accordingly, Landlord does not guarantee or warrant that the applicable construction

documents will comply with laws or be free from errors or omissions, or that the alterations will be free from defects, and Landlord will have no liability therefor.

Section 7.2 **Landlord's Property.** All alterations, additions, fixtures and improvements (a "**Modification**") made pursuant to this Section 7 shall become part of the Property and Landlord's property. All Modifications made to the Premises subsequent to the Commencement Date shall become part of the Property and Landlord's property without compensation to Tenant, unless Landlord notifies Tenant upon termination or expiration of the Lease that it is to be removed by Tenant. Upon termination of this Lease, Landlord shall have the right, at Landlord's option, by giving written notice to Tenant at any time before such termination, to retain all such Modifications which have been made without Landlord's prior written consent, without compensation to Tenant, or to remove all such Modifications from the Premises, repair all damage caused by any such removal, and restore the Premises to the condition in which the Premises existed before such Modifications were made, and in the latter case Tenant shall pay to Landlord, upon billing by Landlord, the cost of such removal, repair and restoration (including a reasonable charge for Landlord's overhead and profit). All movable furniture, equipment, trade fixtures, computers, office machines and other personal property shall remain the property of Tenant, subject to Landlord's lien rights granted herein. Upon termination of this Lease, Tenant shall, at Tenant's expense, remove all such movable furniture, equipment, trade fixtures, computers, office machines and other personal property from the Property and repair all damage caused by any such removal, excepting ordinary wear and tear. Termination of this Lease shall not affect the obligations of Tenant pursuant to this Section 7.2 to be performed after such termination. This Section 7.2 shall survive the expiration or earlier termination of this Lease.

ARTICLE 8

INDEMNIFICATION AND INSURANCE

Section 8.1 **Indemnity and Waiver of Claims.**

(A) **LANDLORD SHALL NOT BE LIABLE FOR ANY INJURY, LOSS OR DAMAGE SUFFERED BY TENANT OR TO ANY PERSON OR PROPERTY OCCURRING OR INCURRED IN OR ABOUT THE PREMISES, THE BUILDING OR THE PROPERTY FROM ANY CAUSE, EVEN IF SUCH LIABILITIES ARE CAUSED IN PART BY THE NEGLIGENCE OF ANY LANDLORD INDEMNITEE (DEFINED BELOW), BUT NOT TO THE EXTENT SUCH LIABILITIES ARE CAUSED BY THE SOLE NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY SUCH LANDLORD INDEMNITEE (DEFINED BELOW). WITHOUT LIMITING THE FOREGOING, NEITHER LANDLORD NOR ANY OF ITS PARTNERS, OFFICERS, TRUSTEES, AFFILIATES, DIRECTORS, EMPLOYEES, CONTRACTORS, AGENTS OR REPRESENTATIVES (COLLECTIVELY, "AFFILIATES") SHALL BE LIABLE FOR AND THERE SHALL BE NO ABATEMENT OF RENT (EXCEPT IN THE EVENT OF A CASUALTY LOSS OR A CONDEMNATION AS SET FORTH IN ARTICLE 13 AND ARTICLE 14 OF THIS LEASE OR AS OTHERWISE EXPRESSLY PROVIDED HEREIN) FOR (I) ANY DAMAGE TO TENANT'S PROPERTY STORED WITH OR ENTRUSTED TO AFFILIATES OF LANDLORD, (II) LOSS OF OR DAMAGE TO ANY PROPERTY BY THEFT OR ANY OTHER WRONGFUL OR ILLEGAL ACT, OR (III) ANY INJURY OR DAMAGE TO PERSONS OR PROPERTY RESULTING FROM FIRE, EXPLOSION, FALLING PLASTER, STEAM, GAS, ELECTRICITY, WATER OR RAIN WHICH MAY LEAK FROM ANY PART OF THE BUILDING OR THE PROPERTY OR FROM THE PIPES, APPLIANCES, APPURTENANCES OR PLUMBING WORKS THEREIN OR FROM THE ROOF, STREET OR SUB-SURFACE OR FROM ANY OTHER PLACE OR RESULTING FROM DAMPNES OR ANY OTHER CAUSE WHATSOEVER OR FROM THE ACTS OR OMISSIONS OF OTHER TENANTS, OCCUPANTS OR OTHER VISITORS TO THE BUILDING OR THE PROPERTY OR FROM ANY OTHER CAUSE WHATSOEVER, (IV) ANY DIMINUTION OR SHUTTING OFF OF LIGHT, AIR OR VIEW BY ANY STRUCTURE WHICH MAY BE ERECTED ON LANDS ADJACENT TO THE BUILDING, WHETHER WITHIN OR OUTSIDE OF THE PROPERTY, OR (V) ANY LATENT OR OTHER DEFECT IN THE PREMISES, THE BUILDING OR THE PROPERTY. TENANT SHALL GIVE PROMPT NOTICE TO LANDLORD IN THE EVENT OF (I) THE OCCURRENCE OF A FIRE OR ACCIDENT IN THE PREMISES OR IN THE BUILDING, OR (II) THE DISCOVERY OF A DEFECT THEREIN OR IN THE FIXTURES OR EQUIPMENT THEREOF. THIS SECTION 8.1(A) SHALL SURVIVE THE EXPIRATION OR EARLIER**

TERMINATION OF THIS LEASE.

(B) SUBJECT TO SECTION 8.4, TENANT HEREBY AGREES TO INDEMNIFY, PROTECT, DEFEND AND HOLD HARMLESS LANDLORD AND ITS DESIGNATED PROPERTY MANAGEMENT COMPANY, AND THEIR RESPECTIVE PARTNERS, MEMBERS, AFFILIATES AND SUBSIDIARIES, AND ALL OF THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, SERVANTS, PARTNERS, REPRESENTATIVES, INSURERS AND AGENTS (COLLECTIVELY, "LANDLORD INDEMNITEES") FOR, FROM AND AGAINST ALL LIABILITIES, CLAIMS, FINES, PENALTIES, COSTS, DAMAGES OR INJURIES TO PERSONS, DAMAGES TO PROPERTY, LOSSES, LIENS, CAUSES OF ACTION, SUITS, JUDGMENTS AND EXPENSES (INCLUDING COURT COSTS, ATTORNEYS' FEES, EXPERT WITNESS FEES AND COSTS OF INVESTIGATION), OF ANY NATURE, KIND OR DESCRIPTION OF ANY PERSON OR ENTITY, DIRECTLY OR INDIRECTLY ARISING OUT OF, CAUSED BY, OR RESULTING FROM (IN WHOLE OR PART) (1) TENANT'S CONSTRUCTION OF OR USE, OCCUPANCY OR ENJOYMENT OF THE PREMISES, (2) ANY ACTIVITY, WORK OR OTHER THINGS DONE, PERMITTED OR SUFFERED BY TENANT AND ITS AGENTS AND EMPLOYEES IN OR ABOUT THE PREMISES, (3) ANY BREACH OR DEFAULT IN THE PERFORMANCE OF ANY OF TENANT'S OBLIGATIONS UNDER THIS LEASE, (4) ANY ACT, OMISSION, NEGLIGENCE OR WILLFUL MISCONDUCT OF TENANT OR ANY OF ITS AGENTS, CONTRACTORS, EMPLOYEES, BUSINESS INVITEES OR LICENSEES, OR (5) ANY DAMAGE TO TENANT'S PROPERTY, OR THE PROPERTY OF TENANT'S AGENTS, EMPLOYEES, CONTRACTORS, BUSINESS INVITEES OR LICENSEES, LOCATED IN OR ABOUT THE PREMISES (COLLECTIVELY, "LIABILITIES"); EVEN IF SUCH LIABILITIES ARE CAUSED IN PART BY THE NEGLIGENCE OF ANY LANDLORD INDEMNITEE, BUT NOT TO THE EXTENT SUCH LIABILITIES ARE CAUSED BY THE SOLE NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY SUCH LANDLORD INDEMNITEE. THIS SECTION 8.1(B) SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.

(c) Subject to Sections 8.4 and 12.9, Landlord hereby agrees to indemnify, protect, defend and hold harmless Tenant and its designated property management company, and their respective partners, members, affiliates and subsidiaries, and all of their respective officers, directors, shareholders, employees, servants, partners, representatives, insurers and agents (collectively, "*Tenant Indemnitees*") for, from and against all liabilities, claims, fines, penalties, costs, damages or injuries to persons, damages to property, losses, liens, causes of action, suits, judgments and expenses (including court costs, attorneys' fees, expert witness fees and costs of investigation), of any nature, kind or description of any person or entity, directly or indirectly arising out of, caused by, or resulting from (in whole or part) (1) any breach or default in the performance of any of Landlord's obligations under this Lease, or (2) any solely negligent, grossly negligent act or omission or willful misconduct of Landlord or any of its agents, contractors, employees, business invitees or licensees. This Section 8.1(c) shall survive the expiration or earlier termination of this Lease.

Section 8.2 Insurance Coverage and Amount.

(a) Tenant agrees to maintain in full force and effect at all times during the Term, at its own expense, for the protection of Tenant and Landlord, policies of insurance issued by a carrier or carriers reasonably acceptable to Landlord and its lender(s) of record which afford protection with the following: (i) commercial (comprehensive) liability insurance policy, including (but not limited to) insurance against assumed or contractual liability under this Lease, with respect to liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto, to afford protection with respect to and including blanket contractual liability, broad form property damage, personal injury, completed operations, products liability, and fire damage with a combined single limit for both bodily injury and property damage with limits of not less than \$1,000,000.00 per occurrence combined single limit, with Landlord listed as an additional insured; (ii) workers compensation insurance in compliance with applicable Texas law, as amended from time to time; and (iii) such other insurance, in such form and amount as may be reasonably required by Landlord or its lender(s) from time to time. Tenant shall obtain a written obligation on the part of each insurance company issuing any such policy to notify Landlord at least thirty (30) days prior to cancellation or modification of such insurance. Such policies or certificates evidencing the existence of such insurance shall be promptly delivered to Landlord prior to the commencement of this Lease, and renewals thereof shall

be delivered to Landlord at least thirty (30) days prior to the expiration of the respective policy terms. It is further agreed and understood that the general liability policy should be endorsed to be primary to any insurance policies purchased and maintained by Landlord. Both the general liability policy and the workers' compensation policy shall be endorsed to include a waiver of subrogation in favor of the Landlord. If Tenant fails to comply with the foregoing requirements, or any of them, Landlord may, but shall not have the obligation to, obtain such insurance for Tenant and Tenant shall pay to Landlord, upon demand, the premium cost thereof, as additional rental hereunder.

(b) Tenant shall require any contractor of Tenant performing work on the Premises to carry and maintain, at no expense to Landlord, a non-deductible: (i) commercial (comprehensive) liability insurance policy, including (but not limited to) contractor's liability coverage; (ii) contractual liability coverage; (iii) complete operation coverage; (iv) and broad form property damage endorsement and contractor's protective liability coverage, to afford protection, with respect to personal injury, death or property damage of not less than \$1,000,000.00 per occurrence combined single limit, \$2,000,000.00 general aggregate. Notwithstanding the foregoing, Tenant may request a modification of the above provisions and Landlord agrees to review same on a case by case basis, dependent on the type of work to be performed by the applicable contractor.

(c) Tenant shall obtain and keep in full force during the Term of this Lease a policy or policies of insurance covering loss or damage to the Tenant's personal property, including without limitation inventory, trade fixtures, floor coverings, furniture and other property removable by Tenant under the provisions of the Lease and all leasehold improvements installed in the Premises by or on behalf of Tenant, and the Tenant improvements in the Premises, in the amount of the full replacement cost thereof.

Section 8.3 Insurance Requirements. The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease and Landlord makes no representation or guaranty that the insurance required under this Lease shall be sufficient or adequate to protect Tenant. All insurance shall (i) be issued by an insurance company having a rating of not less than A-X in Best's Insurance Guide or which is otherwise acceptable to Landlord and licensed to do business in the State where the Building is located; and (ii) provide that said insurance shall not be canceled unless thirty (30) days' prior written notice shall have been given to Landlord and the other additional insureds thereunder designated by Landlord. In addition, the insurance described in Section 8.2 above shall (a) name Landlord, any mortgage holder and any other party specified by Landlord, as an additional insured; (b) specifically cover the liability assumed by Tenant under this Lease including, but not limited to, Tenant's obligations under Section 8.2 of this Lease; (c) be primary insurance as to all claims thereunder and provide that any insurance required by Landlord is excess and is non-contributing with any insurance requirement of Tenant; and (d) contain a cross-liability endorsement or severability of interest clause acceptable to Landlord. The insurance described in Section 8.2 shall name Landlord and any other party specified by Landlord as loss-payee as to all items referred to in clause (ii) of Section 8.2 and the insurance described in Section 8.2 shall have deductibles reasonably acceptable to Landlord. Tenant shall deliver all policies or certificates thereof to Landlord on or before Landlord's delivery of the Premises to Tenant or the Rent Commencement Date, whichever first occurs, and at least thirty (30) days before the expiration dates thereof. At least thirty (30) days' before the expiration or termination date of any policy, the Tenant shall deliver a renewal or replacement certificate to Landlord. The words "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted from the certificate form's cancellation provision. Failure of Landlord to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Landlord to identify a deficiency from evidence that is provided shall not be construed as a waiver of Tenant's obligation to maintain such insurance. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificate, Landlord may deny Tenant the right to occupy the Premises until such time as Tenant makes such deliveries (which denial shall have no effect upon the Lease Commencement Date) and/or procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord as additional rent within ten (10) days after delivery to Tenant of the bills therefor.

Section 8.4 Subrogation. Tenant waives on behalf of all insurers under all policies of property, liability and other insurance (excluding workers' compensation) now or hereafter carried by Tenant insuring or covering the Premises, or any portion or any contents thereof, or any operations therein, all rights of subrogation which any insurer might otherwise, if at all, have to any claims of Tenant against Landlord. Landlord waives on behalf of all insurers under all policies of property, liability and other insurance (excluding workers' compensation) now or

hereafter carried by Landlord insuring or covering the Property or any portion or any contents thereof, or any operations therein, all rights of subrogation which any insurer might otherwise, if at all, have to any claims of Landlord against Tenant. The parties shall, if requested in writing by the other party, procure from each of the insurers under all policies of property, liability and other insurance (excluding workers' compensation) now or hereafter carried by such party insuring or covering the Premises, or any portion or any contents thereof, or any operations therein, a waiver of all rights of subrogation which the insurer might otherwise, if at all, have to any claims of Tenant against Landlord or Landlord against Tenant as required by this Section 8.4.

ARTICLE 9 COMPLIANCE WITH LEGAL REQUIREMENTS

Section 9.1 **Compliance With Laws**. Tenant shall not do anything or permit anything to be done in or about the Premises which will in any way conflict with any applicable law, statute, ordinance or other governmental rule, regulation or requirement now in force or which may hereafter be enacted or promulgated (collectively, the "**Laws**"). At its sole cost and expense, Tenant shall promptly comply with all such governmental measures, other than the making of structural changes or changes to the systems and equipment or Common Areas, such changes will be made by Landlord at its expense, but subject to reimbursement as an Operating Expense to the extent permitted hereunder; however, if such changes are required due to Tenant's alterations, the improvements or the particular nature of Tenant's use of the Premises, Tenant shall, as additional rent, reimburse Landlord for the cost thereof attributed to Tenant's Alterations within thirty (30) days following receipt of an invoice therefor. Tenant shall comply with the Property Rules and Regulations and such other reasonable rules and regulations (or modifications thereto) adopted by Landlord from time to time; provided such modifications do not materially or unreasonably increase any of Tenant's obligations or materially or unreasonably reduce any of Tenant's rights or benefits under this Lease. The Property Rules and Regulations will be applied in an equitable and non-discriminatory manner as reasonably determined by Landlord. Tenant shall also cause its agents, contractors, subcontractors, employees, customers, and subtenants to comply with all Property Rules and Regulations. In the case of a conflict between this Lease and the Property Rules and Regulations, this Lease shall control.

ARTICLE 10 ASSIGNMENT OR SUBLEASE

Section 10.1 **Prohibition**. Tenant shall not, directly or indirectly, without the prior written consent of Landlord, assign this Lease or any interest herein or sublease the Premises or any part thereof, or permit the use or occupancy of the Premises by any person or entity other than Tenant. Tenant shall not, directly or indirectly, without the prior written consent of Landlord, pledge, mortgage or hypothecate this Lease or any interest herein. This Lease shall not, nor shall any interest herein, be assignable as to the interest of Tenant involuntarily or by operation of law without the prior written consent of Landlord. For purposes of this Lease, any of the following transfers on a cumulative basis shall constitute an assignment of this Lease that requires the prior written consent of Landlord: if Tenant is a corporation, the transfer of more than forty- nine percent (49%) of the stock of the corporation unless the tangible net worth of Tenant following such transfer is not less than that of Tenant as of the date of execution of this Lease; if Tenant is a partnership or limited liability company, the transfer of more than twenty percent (20%) of the equity interests or profits interest in the entity; and if Tenant is a trust, the transfer of more than twenty percent (20%) of the beneficial interest under the trust. Any of the foregoing acts without such prior written consent of Landlord shall be void and shall, at the option of Landlord, constitute a default that entitles Landlord to terminate this Lease and pursue any available remedies as herein provided. Tenant agrees that the instrument by which any assignment or sublease to which Landlord consents is accomplished shall expressly provide that the assignee or subtenant will perform all of the covenants to be performed by Tenant under this Lease (in the case of a sublease, only insofar as such covenants relate to the portion of the Premises subject to such sublease) as and when performance is due after the effective date of the assignment or sublease and that Landlord will have the right to enforce such covenants directly against such assignee or subtenant. Any purported assignment or sublease without an instrument containing the foregoing provisions shall be void. Tenant and Guarantor shall remain liable for all purposes under this Lease; provided, however, that Landlord, in Landlord's sole discretion, may release Tenant and/or Guarantor from liability hereunder if the assignee is acceptable to Landlord, in Landlord's sole discretion.

Section 10.2 Landlord's Consent or Termination.

(a) If Tenant wishes to assign this Lease or sublease all or any part of the Premises (a "**Transfer**"), Tenant shall give written notice to Landlord identifying the intended assignee or subtenant by name and address and specifying all of the terms of the intended assignment or sublease. Tenant shall give Landlord such additional information concerning the intended assignee or subtenant (including complete financial statements and a business history) or the intended assignment or sublease (including true copies thereof) as Landlord requests. For a period of thirty (30) days after such written notice is given by Tenant, Landlord shall have the right, by giving written notice to Tenant, to consent in writing to the intended assignment or sublease, unless Landlord determines not to consent (which in such event this Lease shall continue unabated and shall remain in full force and effect.

(b) As part of Tenant's request for, and as a condition of, Landlord's consent to a Transfer, Tenant will provide Landlord with financial statements for the proposed transferee, a complete copy (unexecuted) of the proposed assignment or sublease and other contractual documents, and any other information that Landlord reasonably requests. Consent by Landlord to one or more Transfers will not operate as a waiver of Landlord's rights to approve any later Transfers. In no event will any Transfer or Permitted Transfer relieve Tenant from any obligation under this Lease, nor will the acceptance of Rent from any assignee, subtenant, or occupant constitute a waiver or release of Tenant from any of its obligations or liabilities under this Lease. Tenant will pay Landlord a review fee of One Thousand Dollars (\$1,000) for Landlord's review of any requested Transfer, (including attorney fees).

Section 10.3 Completion. If Landlord consents in writing, Tenant may complete the intended assignment or sublease subject to the following covenants: (a) the assignment or sublease shall be on the same terms as set forth in the written notice given by Tenant to Landlord, (b) no assignment or sublease shall be valid and no assignee or subtenant shall take possession of the Premises or any part thereof until an executed duplicate original of such assignment or sublease, in compliance with Section 10.1 hereof, has been delivered to Landlord, (c) no assignee or subtenant shall have a right further to assign or sublease, and (d) all "excess rent" (as hereinafter defined) derived from such assignment or sublease shall be paid to Landlord. Such excess rent shall be deemed to be, and shall be paid by Tenant to Landlord as, additional rent. Tenant shall pay such excess rent to Landlord immediately as and when such excess rent becomes due and payable to Tenant. As used in this Section 10.3, "excess rent" shall mean the amount by which the total money and other economic consideration to be paid by the assignee or subtenant as a result of an assignment or sublease, whether denominated rent or otherwise, exceeds, in the aggregate, the total amount of rent which Tenant is obligated to pay to Landlord under this Lease (prorated to reflect the rent allocable to the portion of the Premises subject to such assignment or sublease), less only the reasonable costs paid by Tenant for additional improvements installed in the portion of the Premises subject to such assignment or sublease by Tenant at Tenant's sole cost and expense for the specific assignee or subtenant in question and reasonable leasing commissions paid by Tenant in connection with such assignment or sublease, without deduction for carrying costs due to vacancy or otherwise. Such costs of additional improvements and leasing commissions shall be amortized without interest over the term of such assignment or sublease.

Section 10.4 Tenant and Guarantor Not Released. No assignment or sublease whatsoever shall release Tenant or any Guarantor from Tenant's obligations and liabilities under this Lease or alter the primary liability of Tenant to pay all rent and to perform all obligations to be paid and performed by Tenant. No assignment or sublease shall amend or modify this Lease in any respect, and every assignment and sublease shall be subject and subordinate to this Lease. The acceptance of rent by Landlord from any other person or entity shall not be deemed to be a waiver by Landlord of any provision of this Lease. Consent to one assignment or sublease shall not be deemed consent to any subsequent assignment or sublease. Tenant shall pay to Landlord all direct costs and shall reimburse Landlord for all expenses incurred by Landlord in connection with any assignment or sublease requested by Tenant. If any assignee, subtenant or successor of Tenant defaults in the performance of any obligation to be performed by Tenant under this Lease, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, subtenant or successor. Landlord may consent to subsequent assignments or subleases or amendments or modifications to this Lease with assignees, subtenants or successors of Tenant, without notifying Tenant or any successor of Tenant, and without obtaining any consent thereto from Tenant or any successor of Tenant, and such action shall not release Tenant from liability under this Lease.

ARTICLE 11
ENTRY BY LANDLORD

Section 11.1 **Entry.** Except in the event of an emergency in which event no advance notice by Landlord shall be required, Landlord shall use its best efforts to provide Tenant with reasonable advance notice of Landlord's intent to enter the Premises. Subject to the preceding sentence, Landlord shall have the right to enter the Premises at any time to (a) inspect the Premises, (b) exhibit the Premises to prospective purchasers, lenders or tenants, (c) determine whether Tenant is performing all of Tenant's obligations, (d) supply any service to be provided by Landlord, (e) post notices of nonresponsibility, and (f) make any repairs to the Premises, or make any repairs to any adjoining space or utility services, or make any repairs, alterations or improvements to any other portion of the Property, provided all such work shall be done as promptly as reasonably practicable and so as to cause as little interference to Tenant as reasonably practicable. Except for Landlord's gross negligence or willful misconduct, Tenant waives all claims for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises or any other loss occasioned by such entry. All locks for all doors in, on or about the Premises (excluding Tenant's vaults, safes and similar special security areas designated in writing by Tenant) shall be keyed to the master system for the Property. Landlord shall at all times have a key to unlock all such doors and Landlord shall have the right to use any and all means which Landlord may deem proper to open such doors in an emergency to obtain entry to the Premises. Any entry to the Premises obtained by Landlord by any of such means shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into or a detainer of the Premises or an eviction, actual or constructive, of Tenant from the Premises or any portion thereof.

ARTICLE 12
EVENTS OF DEFAULT AND REMEDIES

Section 12.1 **Default by Tenant.** The occurrence of any one or more of the following events ("*Event of Default*") shall constitute a breach of this Lease by Tenant:

(a) Tenant fails to pay any Base Rent, or any additional monthly rent under Section 3.1 hereof, or any additional rent or other amount of money or charge payable by Tenant hereunder as and when such rent becomes due and payable; or

(b) Tenant fails to perform or breaches any other agreement or covenant of this Lease to be performed or observed by Tenant as and when performance or observance is due and such failure or breach continues for more than fifteen (15) days after Landlord gives written notice thereof to Tenant; provided, however, that if, by the nature of such agreement or covenant, such failure or breach cannot reasonably be cured within such period of fifteen (15) days, an Event of Default shall not exist as long as Tenant commences with due diligence and dispatch the curing of such failure or breach within such period of twenty (20) days and, having so commenced, thereafter prosecutes with diligence and dispatch and completes the curing of such failure or breach; or

(c) Tenant or any Guarantor becomes insolvent, files a petition for protection under the Bankruptcy Code (or similar Law) or a petition is filed against Tenant or any Guarantor under such Laws and is not dismissed within forty-five (45) days after the filing, makes a transfer in fraud of creditors or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts when due; or

(d) Without consent by Tenant, a court or government authority enters an order, and such order is not vacated within thirty (30) days, (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Tenant or with respect to any substantial part of Tenant's property, or (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, or (iii) ordering the dissolution, winding up or liquidation of Tenant; or

(e) This Lease or any estate of Tenant hereunder is levied upon under any attachment or execution and such attachment or execution is not vacated within thirty (30) days.

Section 12.2 Termination. If an Event of Default occurs, Landlord shall have the right at any time to give a written termination notice to Tenant and, on the date specified in such notice, Tenant's right to possession shall terminate and this Lease shall terminate. Upon such termination, Landlord shall have the full and immediate right to possession of the Premises and Landlord shall have the right to recover from Tenant: (i) all unpaid rent which had been earned at the time of termination; plus (ii) the present value (using the current discount rate set forth in the Wall Street Journal) of the difference between all unpaid rent for the balance of the Term of this Lease after termination and the fair rental value for the Premises for the balance of the Term of this Lease after termination; plus (iii) all other amounts necessary to compensate Landlord for all actual damages or costs caused by Tenant's failure to perform all of Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

Section 12.3 Continuation. If an Event of Default occurs, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession, and Landlord shall have the right to enforce all its rights and remedies under this Lease, including the right to recover all rent as it becomes due under this Lease. Acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon initiative of Landlord to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession unless written notice of termination is given by Landlord to Tenant. Require all future payments to be made by cashier's check, money order, or wire transfer after the first time any check is returned for insufficient funds, or after the second time any amount due is more than five (5) days late.

Section 12.4 Remedies Cumulative. Upon the occurrence of an Event of Default, Landlord shall have the right to exercise and enforce all rights and remedies granted or permitted by law. The remedies provided for in this Lease are cumulative and in addition to all other remedies available to Landlord at law or in equity by statute or otherwise. Exercise by Landlord of any remedy shall not be deemed to be an acceptance of surrender of the Premises by Tenant, either by agreement or by operation of law. Surrender of the Premises can be effected only by the written agreement of Landlord and Tenant.

Section 12.5 Tenant's Primary Duty. All agreements and covenants to be performed or observed by Tenant under this Lease shall be at Tenant's sole cost and expense and without any abatement of rent. If Tenant fails to pay any sum of money to be paid by Tenant or to perform any other act to be performed by Tenant under this Lease, Landlord shall have the right, but shall not be obligated, and without waiving or releasing Tenant from any obligations of Tenant, to make any such payment or to perform any such other act on behalf of Tenant in accordance with this Lease. All sums so paid by Landlord and all necessary incidental costs shall be deemed additional rent hereunder and Tenant shall pay the same to Landlord within thirty (30) days after receiving written demand, together with interest on all such sums from the date of expenditure by Landlord to the date of repayment by Tenant at the rate of ten percent (10%) per annum.

Section 12.6 Abandoned Property. If Tenant abandons the Premises, no longer conducts business therein, or is dispossessed by process of law or otherwise, it shall be considered an act of default by Tenant, and any movable furniture, equipment, trade fixtures or personal property belonging to Tenant and left in the Premises shall be deemed to be abandoned, at the option of Landlord, and Landlord shall have the right to sell or otherwise dispose of such personal property in any commercially reasonable manner.

Section 12.7 Mitigation of Damages. Upon termination of Tenant's right to possess the Premises, Landlord shall use commercially reasonable efforts to mitigate damages by reletting the Premises. Landlord shall not be deemed to have failed to do so if Landlord refuses to lease the Premises to a prospective new tenant with respect to whom Landlord would be entitled to withhold its consent pursuant to Section 12, or who (1) is an affiliate, parent, or subsidiary of Tenant; (2) is not reasonably acceptable to any mortgagee of Landlord; or (3) is unwilling to accept the reasonable lease terms then proposed by Landlord. Notwithstanding Landlord's duty to mitigate its damages as provided herein, Landlord shall not be obligated (i) to give any priority to reletting Tenant's space in connection with its leasing of space in the Building or any complex of which the Building is a part, or (ii) to accept below market rental rates for the Premises or any rate that would negatively impact the market rates for the Building.

Section 12.8 Landlord's Right to Cure Default.

All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of rent. If Tenant shall fail to perform any of its obligations under this Lease after such performance is required by the terms of this Lease and after any applicable notice and cure periods, Landlord may, but shall not be obligated to, after reasonable prior notice to Tenant, make any such payment or perform any such act on Tenant's part without waiving its right based upon any default of Tenant and without releasing Tenant from any obligations hereunder, in which event Tenant shall reimburse Landlord, within thirty (30) days after demand, for the actual sums incurred by Landlord in connection therewith. Tenant's reimbursement obligations under this Article 12 shall survive the expiration or sooner termination of the Term of this Lease.

Section 12.9 Landlord Default. If Landlord defaults under this Lease, Tenant shall give written notice to Landlord specifying such default with particularity, and Landlord shall have thirty (30) days after receipt of such notice within which to cure such default; provided, however, that if such default cannot reasonably be cured within such period of thirty (30) days, then Landlord shall have such longer time as is reasonably necessary so long as Landlord commences with due diligence and dispatch the curing of such default within such period of thirty (30) days and, having so commenced, thereafter prosecutes with diligence and dispatch and completes the curing of such default. In the event of any uncured default by Landlord, Tenant's exclusive remedy shall be an action for damages. Notwithstanding any other provision of this Lease, Landlord shall not have any personal liability under this Lease. In the event of any uncured default by Landlord under this Lease, Tenant agrees to look solely to the equity or interest then owned by Landlord in the Property, and in no event shall any deficiency judgment or personal money judgment of any kind be sought or obtained against Landlord.

Section 12.10 Landlord's Lien. Landlord shall have, and Tenant hereby grants to Landlord, a landlord's lien and continuing security interest to secure all rent, upon all goods, wares, inventory, fixtures, furniture, accounts, contract rights, chattel paper and other personal property now or hereafter owned by the Tenant and now or hereafter situated in or upon the Premises. In the event of a default under this Lease, the Landlord shall have, in addition to any other remedies available to Landlord herein or by law, all rights and remedies of a secured party under the Uniform Commercial Code as enacted in Texas including, but not limited to, the right to take possession of any and all such personal property described above and to sell the same at public or private sale, it being understood and agreed that five (5) days' notice to the Tenant shall in all cases be deemed to be reasonable notice under the Uniform Commercial Code and in any other statute requiring notice of any such sale, and it being further understood and agreed that one days' notice shall be deemed reasonable notice when Landlord attempts to sell such collateral as an ongoing business or attempts to sell the inventory separately. The Tenant hereby agrees, upon request of Landlord, to execute such financing statements and other instruments necessary or desirable in Landlord's discretion to perfect, continue or secure the security interest created and granted herein. It is expressly understood and agreed that the taking of the express contractual Landlord's Lien herein is not to the exclusion of any lien given by law but, on the contrary, the express liens in this paragraph provided shall be cumulative of and in addition to any and all statutory lien rights which the Landlord may have. In Landlord's discretion, a copy of this Lease may be used as a financing statement.

ARTICLE 13 DAMAGE OR DESTRUCTION

Section 13.1 Restoration. If the Property or the Premises, or any part thereof, is damaged by fire or other casualty before the Commencement Date or during the Term of this Lease, and this Lease is not terminated pursuant to Section 13.1 hereof, the rent shall be abated in accordance with this Section 13.1 and Landlord shall repair such damage and restore the Property and the Premises to substantially the same condition in which the Property and the Premises existed before the occurrence of such fire or other casualty and this Lease shall, subject to this Section 13.1, remain in full force and effect. If such fire or other casualty damages the Premises or common areas of the Property necessary for Tenant's use and occupancy of the Premises and if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, officers, employees, contractors, licensees or invitees, then, during the period the Premises are rendered unusable by such damage, Tenant shall be entitled to a reduction in Base Rent (but not any additional rent) in the proportion that the area of the Premises rendered unusable by such damage bears to the total Usable Area of the Premises. Except for Landlord's gross negligence, Landlord shall not be obligated to repair any damage to, or to make any replacement of, any movable furniture, equipment, trade fixtures or personal property in the Premises. Tenant shall, at Tenant's sole cost and expense, repair and replace all such movable

furniture, equipment, trade fixtures and personal property.

Section 13.2 Termination of Lease. If the Property or the Premises, or any part thereof, is damaged by fire or other casualty before the Commencement Date or during the Term of this Lease and (a) such fire or other casualty occurs during the last twelve (12) months of the Term of this Lease and the repair and restoration work to be performed by Landlord in accordance with Section 13.1 hereof cannot, as reasonably estimated by Landlord, be completed within two (2) months after the occurrence of such fire or other casualty, or (b) the insurance proceeds received by Landlord in respect of such damage are not adequate to pay the entire cost, as reasonably estimated by Landlord, of the repair and restoration work to be performed by Landlord in accordance with Section 13.1 hereof (including inadequacy resulting from the requirement of the holder of any indebtedness secured by a mortgage or deed of trust covering the Premises that the insurance proceeds be applied to such indebtedness), or (c) if such fire or other casualty occurs during a time in which the remaining Term of this Lease is longer than twelve (12) months, and the repair and restoration work to be performed by Landlord in accordance with Section 13.1 hereof cannot, as reasonably estimated by Landlord, be completed within three (3) months after the occurrence of such fire or other casualty, then, in any such event, Landlord shall have the right, by giving written notice to Tenant within thirty (30) days after the occurrence of such fire or other casualty, to terminate this Lease as of the date of such notice. If Landlord does not exercise the right to terminate this Lease in accordance with this Section 13.2, Landlord shall repair such damage and restore the Property and the Premises in accordance with Section 13.1 hereof and this Lease shall, subject to Section 13.1 hereof, remain in full force and effect, subject further to the proportionate Base Rent reduction in accordance with Section 13.1. A total destruction of the Property shall automatically terminate this Lease effective as of the date of such total destruction. If Landlord fails to substantially complete such repair or restoration work within two hundred seventy (270) days of the casualty, then Tenant shall have the right, as its sole remedy, to terminate this Lease upon written notice delivered to Landlord after the expiration of such 270-day period but prior to substantial completion of such repairs. Tenant's failure to timely deliver notice of termination shall be deemed a waiver of Tenant's right to so terminate.

ARTICLE 14 EMINENT DOMAIN

Section 14.1 Condemnation. Landlord shall have the right to terminate this Lease if any part (but less than all) of the Premises or any substantial part of the Property (whether or not it includes the Premises) is taken by exercise of the power of eminent domain before the Commencement Date or during the Term of this Lease. Tenant shall have the right to terminate this Lease if greater than fifteen percent (15%) of the Premises is taken by exercise of the power of eminent domain before the Commencement Date or during the Term of this Lease and the remaining portion of the Premises is not reasonably suitable for Tenant's purposes. In each such case, Landlord or Tenant shall exercise such termination right by giving written notice to the other within thirty (30) days after the date of such taking. If either Landlord or Tenant exercises such right to terminate this Lease in accordance with this Section 14.1, this Lease shall terminate as of the date of such taking. If neither Landlord nor Tenant exercises such right to terminate this Lease in accordance with this Section 14.1, this Lease shall terminate as to the portion of the Premises so taken as of the date of such taking and shall remain in full force and effect as to the portion of the Premises not so taken, and the Base Rent and Tenant's Percentage Share shall be reduced as of the date of such taking in the proportion that the area of the Premises so taken bears to the total Usable Area of the Premises. If all of the Premises is taken by exercise of the power of eminent domain before the Commencement Date or during the Term of this Lease, this Lease shall terminate as of the date of such taking.

Section 14.2 Award. If all or any part of the Premises is taken by exercise of the power of eminent domain, all awards, compensation, damages, income, rent and interest payable in connection with such taking shall, except as expressly set forth in this Section 14.2, be paid to and become the property of Landlord, and Tenant hereby assigns to Landlord all of the foregoing. Without limiting the generality of the foregoing, Tenant shall have no claim against Landlord or the entity exercising the power of eminent domain for the value of the leasehold estate created by this Lease or any unexpired Term of this Lease. Tenant shall have the right to claim and receive directly from the entity exercising the power of eminent domain only the share of any award determined to be owing to Tenant for the taking of improvements installed in the portion of the Premises so taken by Tenant at Tenant's sole cost and expense based on the unamortized cost actually paid by Tenant for such improvements, for the taking of Tenant's movable

furniture, equipment, trade fixtures and personal property, for loss of goodwill, for interference with or interruption of Tenant's business, or for removal and relocation expenses.

Section 14.3 Definition of Taking. As used herein, a "taking" means the acquisition of all or part of the Property for a public use by exercise of the power of eminent domain or voluntary conveyance in lieu thereof and the taking shall be considered to occur as of the earlier of the date on which possession of the Property (or part so taken) by the entity exercising the power of eminent domain is authorized as stated in an order for possession or the date on which title to the Property (or part so taken) vests in the entity exercising the power of eminent domain.

ARTICLE 15 SUBORDINATION AND SALE

Section 15.1 Subordination. This Lease shall be subject and subordinate at all times to the lien of all mortgages and deeds of trust securing any amount or amounts whatsoever which may now exist or hereafter be placed on or against the Property or on or against Landlord's interest or estate therein, all without the necessity of having further instruments executed by Tenant to effect such subordination. Notwithstanding the foregoing, in the event of a foreclosure of any such mortgage or deed of trust or of any other action or proceeding for the enforcement thereof, or of any sale thereunder, this Lease shall not be terminated or extinguished, nor shall the rights and possession of Tenant hereunder be disturbed, if no Event of Default then exists under this Lease, and Tenant shall attorn to the person who acquires Landlord's interest hereunder through any such mortgage or deed of trust. Tenant agrees to execute, acknowledge and deliver upon demand such further instruments evidencing such subordination of this Lease to the lien of all such mortgages and deeds of trust as may reasonably be required by Landlord. Landlord agrees to use good faith efforts to obtain a non-disturbance on behalf of Tenant from all future lienholders on the Premises.

Section 15.2 Sale of the Property. Subject to the new owner assuming Landlord's obligations hereunder, if the original Landlord hereunder, or any successor owner of the Property, sells or conveys the Property, all liabilities and obligations on the part of the original Landlord, or such successor owner, under this Lease accruing after such sale or conveyance shall terminate and the original Landlord, or such successor owner, shall automatically be released therefrom, and thereupon all such liabilities and obligations of the original Landlord under this Lease shall be binding upon the new owner. Tenant agrees to attorn to such new owner.

ARTICLE 16 ESTOPPEL CERTIFICATE

Section 16.1 Required Certification. At any time and from time to time, Tenant shall, within ten (10) days after written request by Landlord, execute, acknowledge and deliver to Landlord a certificate certifying: (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and stating the date and nature of each modification); (b) the Rent Commencement Date and the Expiration Date determined in accordance with Section 2 hereof and the date, if any, to which all rent and other sums payable hereunder have been paid; (c) that no notice has been received by Tenant of any default by Tenant hereunder which has not been cured, except as to defaults specified in such certificate; (d) that Landlord is not in default under this Lease, except as to defaults specified in such certificate; and (e) such other matters as may be reasonably requested by Landlord or any actual or prospective purchaser or mortgage lender. Any such certificate may be relied upon by Landlord and any actual or prospective purchaser or mortgage lender of the Property or any part thereof.

ARTICLE 17 NOTICES

Section 17.1 Method. All requests, approvals, consents, notices and other communications given by Landlord or Tenant under this Lease shall be properly given only if made in writing and either deposited in the United States mail, postage prepaid, certified with return receipt requested, or delivered by hand (which may be through a messenger or recognized delivery, courier or air express service) and addressed as follows: To Landlord at the address of Landlord specified in Section 1.1, or at such other place as Landlord may from time to time designate in a written

notice to Tenant; to Tenant at the address of Tenant specified in Section 1.1, or at such other place as Tenant may from time to time designate in a written notice to Landlord; and to Guarantor at the address of Guarantor specified in Section 1.1, or at such other place as Guarantor may from time to time designate in a written notice to Landlord. Such requests, approvals, consents, notices and other communications shall be effective on the date of receipt (evidenced by the certified mail receipt) if mailed or on the date of hand delivery if hand delivered. If any such request, approval, consent, notice or other communication is not received or cannot be delivered due to a change in the address of the receiving party of which notice was not previously given to the sending party or due to a refusal to accept by the receiving party, such request, approval, consent, notice or other communication shall be effective on the date delivery is attempted. Any request, approval, consent, notice or other communication under this Lease may be given on behalf of a party by the attorney for such party.

ARTICLE 18 MISCELLANEOUS

Section 18.1 **General.** The words “Sublessor” “Landlord” and “Sublessee” “Tenant” as used herein shall include the plural as well as the singular. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” Tenant shall indemnify and defend Landlord against and hold Landlord harmless from all claims, demands, liabilities, damages, losses, costs and expenses, including reasonable attorneys’ fees and disbursements, arising out of or resulting from any failure by Tenant to perform any of its obligations or any breach by Tenant of any of its representations or warranties in accordance with this Lease. If there is more than one Tenant, the obligations hereunder imposed upon Tenant shall be joint and several. Time is of the essence of this Lease and each and all of its provisions. This Lease shall benefit and bind Landlord and Tenant and the permitted personal representatives, heirs, successors and assigns of Landlord and Tenant. If any provision of this Lease is determined to be illegal or unenforceable, such determination shall not affect any other provision of this Lease and all such other provisions shall remain in full force and effect. Tenant shall not record this Lease or any memorandum or short form of it.

Section 18.2 **No Waiver.** The waiver by Landlord or Tenant of any breach of any covenant in this Lease shall not be deemed to be a waiver of any subsequent breach of the same or any other covenant in this Lease, nor shall any custom or practice which may grow up between Landlord and Tenant in the administration of this Lease be construed to waive or to lessen the right of Landlord or Tenant to insist upon the performance by Landlord or Tenant in strict accordance with this Lease. The subsequent acceptance of rent hereunder by Landlord or the payment of rent by Tenant shall not waive any preceding breach by Tenant of any covenant in this Lease, nor cure any Event of Default, nor waive any forfeiture of this Lease or unlawful detainer action, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord’s or Tenant’s knowledge of such preceding breach at the time of acceptance or payment of such rent.

Section 18.3 **Attorneys’ Fees.** If there is any legal action or proceeding between Landlord and Tenant to enforce this Lease or to protect or establish any right or remedy under this Lease, the unsuccessful party to such action or proceeding shall pay to the prevailing party all costs and expenses, including reasonable attorneys’ fees and disbursements, incurred by such prevailing party in such action or proceeding and in any appeal in connection therewith. If such prevailing party recovers a judgment in any such action, proceeding or appeal, such costs, expenses and attorneys’ fees and disbursements shall be included in and as a part of such judgment.

Section 18.4 **Broker(s).** Tenant warrants and represents to Landlord that Tenant has negotiated this Lease directly with the Broker(s) specified in Section 1.1 and has not authorized or employed, or acted by implication to authorize or to employ, any other real estate broker to act for Tenant in connection with this Lease. Each party agrees to indemnify and defend the other party against and hold the other party harmless for, from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including without limitation reasonable attorneys’ fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party’s dealings with any real estate broker or agent other than the Brokers. The indemnities in this Section 18.4 shall survive the expiration or termination of this Lease.

Section 18.5 **Entire Agreement.** There are no oral agreements between Landlord and Tenant affecting

this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, offers, agreements and understandings, oral or written, if any, between Landlord and Tenant or displayed by Landlord to Tenant with respect to the subject matter of this Lease, the Premises or the Property. There are no commitments, representations or assurances between Landlord and Tenant or between any real estate broker and Tenant other than those expressly set forth in this Lease and all reliance with respect to any commitments, representations or assurances is solely upon commitments, representations and assurances expressly set forth in this Lease. This Lease may not be amended or modified in any respect whatsoever except by an agreement in writing by Landlord and Tenant.

Section 18.6 Disclosure and Construction. The parties hereby warrant and represent that before executing this Lease, they have fully informed themselves of its terms, contents, and conditions (in effect that no promise or representation of any kind has been made by either party, except as is expressly stated in this Lease) and that they have had the opportunity to seek and have sought and received the advice of their respective legal counsel (which legal counsel is and has been familiar with their respective positions and business, generally) before entering into this Lease, and that they fully understand the terms and provisions hereof. The parties acknowledge and agree that the terms and provisions of this Lease have been fully considered, discussed and negotiated both parties equally, and that this Lease shall not be construed in favor of or against any one party because such party was the party that drafted the same.

Section 18.7 No Air Rights. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease.

Section 18.8 Joint and Several Liability. If more than one person or entity executes this Lease as Tenant: (a) each of them is and shall be jointly and severally liable for the covenants, conditions, provisions and agreements of this Lease to be kept, observed and performed by Tenant; and (b) the act or signature of, or notice from or to, any one or more of them with respect to this Lease shall be binding upon each and all of the persons and entities executing this Lease as Tenant with the same force and effect as if each and all of them had so acted or signed, or given or received such notice. Notwithstanding the foregoing, a person executing or signing on behalf of an entity shall not be personally liable pursuant to this provision.

Section 18.9 Governing Law: Jurisdiction and Venue. This Lease and the rights and obligations of the parties shall be interpreted, construed, and enforced in accordance with the laws of the State of Texas. All obligations under this Lease are performable in Harris County, Texas, which shall be the venue for all legal actions.

Section 18.10 Jury Trial Waiver. TENANT AND LANDLORD, TO THE FULL EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVES, RELINQUISHES AND FOREVER FOREGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THIS LEASE OR ANY CONDUCT, ACT OR OMISSION OF LANDLORD, TENANT, OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, PARTNERS, MEMBERS, EMPLOYEES, AGENTS OR ATTORNEYS, OR ANY OTHER PERSONS AFFILIATED WITH LANDLORD OR TENANT, IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

Section 18.11 Recording. Tenant shall not record this Lease or any memorandum of lease.

Section 18.12 Authority. Tenant covenants, warrants, and represents that each individual executing, attesting, and/or delivering this Lease on behalf of Tenant is authorized to do so on behalf of Tenant; this Lease is binding upon and enforceable against Tenant; and Tenant is duly organized and legally existing in the state of its organization and is qualified to do business in the state in which the Premises are located.

Section 18.13 Relationship. This Lease shall create only the relationship of landlord and tenant between the parties, and not a partnership, joint venture, or any other relationship.

Section 18.14 Confidentiality. Tenant acknowledges that the content of this Lease is confidential

information. Tenant shall use commercially reasonable efforts to keep this Lease strictly confidential and shall not disclose this Lease to any person or entity other than Tenant's employees, officers, directors, partners, members, subsidiaries, parents, each of their respective Affiliates, attorneys, accountants, investors, consultants, agents and representatives, any governmental or quasi-governmental agency or body after request, or in connection with judicial process.

Section 18.15 Financial Statements. Upon thirty (30) days prior written request from Landlord (which Landlord may make at any time during the Term of this Lease), Tenant shall deliver to Landlord a certified copy of the most recent financial statement of Tenant and/or Guarantor generated in the ordinary course of Tenant's and/or Guarantor's business and any guarantor of this Lease; provided, however, that such current financial statement must have been generated within six (6) months of the request. In the event Tenant is publicly traded and its financial statements are available on-line, this Section 18.15 shall not apply.

Section 18.16 Counterparts. This Lease may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one document.

Section 18.17 OFAC Compliance. Each party shall take any actions that may be required to comply with the terms of the USA Patriot Act of 2001, as amended, any regulations promulgated under the foregoing law, Executive Order No. 13224 on Terrorist Financing, any sanctions program administered by the U.S. Department of Treasury's Office of Foreign Asset Control or Financial Crimes Enforcement Network, or any other laws, regulations or executive orders designed to combat terrorism or money laundering, if applicable, to this Lease. Each party represents and warrants to the other party that it is not an entity named on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Department of Treasury, as last updated prior to the date of this Lease.

Section 18.18 DTPA Waiver. Tenant certifies that it is not a "consumer" within the meaning of the Texas Deceptive Trade Practices – Consumer Protection Act, Subchapter E of Chapter 17, Section 17.41, *et seq.*, of the Texas Business and Commerce Code, as amended, or any similar state statute relating to the protection of consumers ("*DTPA*"). **TENANT ACKNOWLEDGES THAT IF ANY DTPA IS APPLICABLE TO THIS LEASE, THEN TENANT, AFTER CONSULTATION WITH ATTORNEYS OF ITS OWN SELECTION, HEREBY VOLUNTARILY WAIVES AND RELEASES ALL OF ITS RIGHTS AND REMEDIES UNDER ANY DTPA THAT MAY BE APPLICABLE TO THE TRANSACTIONS CONTEMPLATED BY THIS LEASE.**

Section 18.19 METHOD OF CALCULATION. Tenant is knowledgeable and experienced in commercial transactions and does hereby acknowledge and agree that the provisions of this Lease for determining charges and amounts payable by Tenant are commercially reasonable and valid and constitute satisfactory methods for determining such charges and amounts as required by Section 93.012 (assessment of charges) of the Texas Property Code, as enacted by House Bill 2186, 77th Legislature. **TENANT FURTHER VOLUNTARILY AND KNOWINGLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ALL RIGHTS AND BENEFITS OF TENANT UNDER SUCH SECTION, AS IT NOW EXISTS OR AS IT MAY BE HEREAFTER AMENDED OR SUCCEDED.**

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

TENANT (Sublessee):

YOTRIO CORPORATION,
a California professional corporation

By: *Kari Liu*
Name: Kari Liu
Title: EVP
Phone: 626-923-1111
Fax: 626-923-1112
Email: Kari Liu <Kari@yotrioint.com>

LANDLORD (Sublessor):

MYCO FURNITURE CORPORATION,
a Texas professional corporation

By: 
Name: Michael Chen
Title: President
Phone: 832-661-8658
Fax: _____
Email: michael@mycofurniture.com

Exhibit A – Plan(s) Outlining the Premises and the Property

Exhibit B – Memorandum Confirming Terms

Exhibit C – Memorandum Confirming Terms

EXHIBIT A

PLAN(S) OUTLINING THE PREMISES AND THE PROPERTY

Exhibit A is intended only to show the general layout of the Premises as of the beginning of the Term of this Lease. It does not in any way supersede any of Landlord's rights set forth in Section 1.1 with respect to arrangements and/or locations of public parts of the building and changes in such arrangements and /or locations. It is not to be scaled; any measurements or distances shown should be taken as approximate.

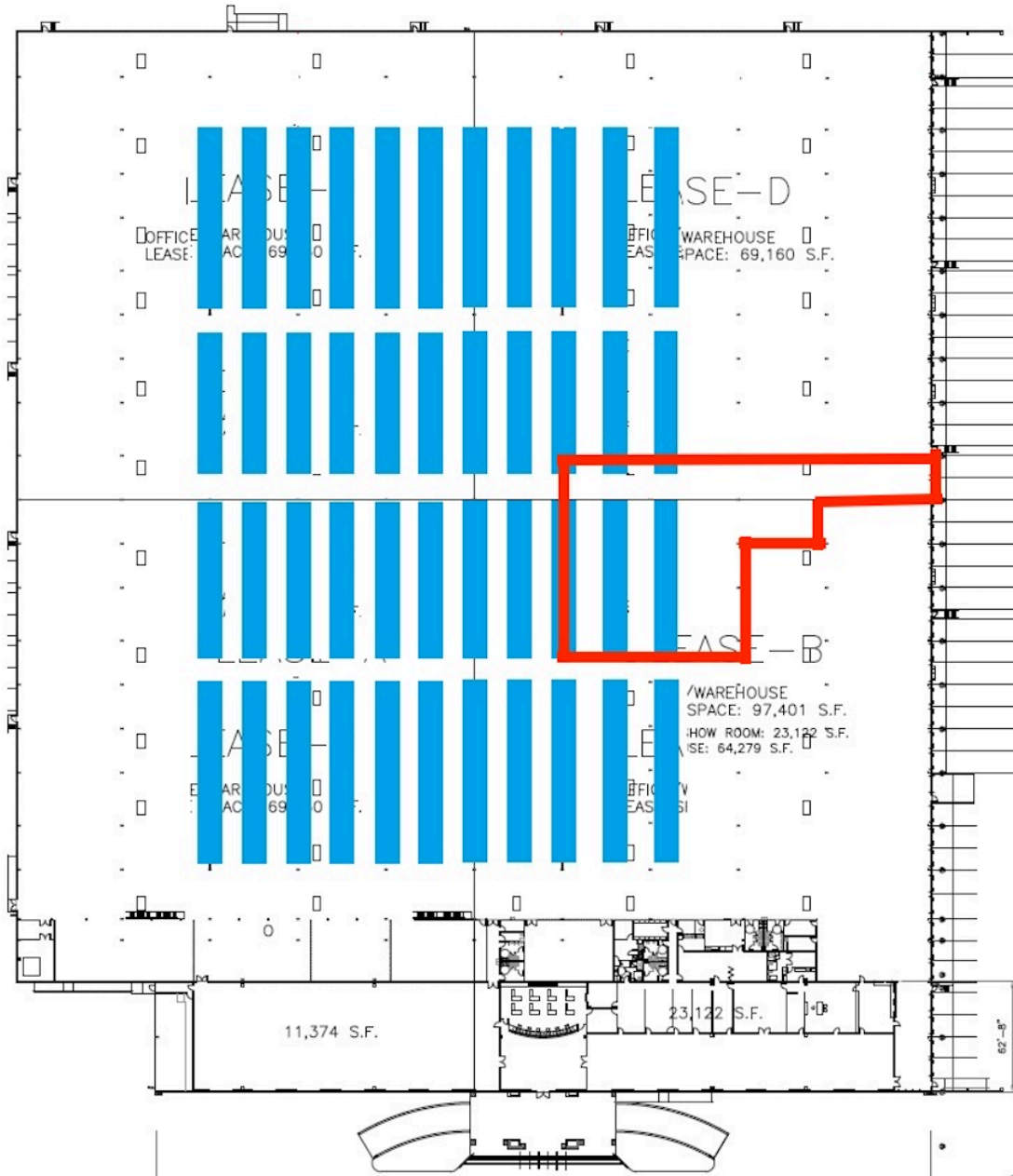


EXHIBIT B

PROPERTY RULES AND REGULATIONS

Attached to and made part of the Warehouse Lease Agreement dated June 1, 2021 between MYCO FURNITURE CORPORATION, a Texas professional corporation, and YOTRIO CORPORATION, a California professional company.

TENANT AGREES TO ITSELF, ITS EMPLOYEES AND AGENTS TO COMPLY FULLY WITH THE FOLLOWING RULES AND REGULATIONS AND WITH SUCH REASONABLE MODIFICATIONS THEREOF AND ADDITIONS THERETO AS LANDLORD MAY MAKE FOR THE PROPERTY:

1. No sign, picture, lettering, notice or advertisement of any kind shall be painted or displayed on or from the windows, doors, roof, or outside walls of the building. All of Tenant's interior signs, sign painting or lettering shall be done in a manner approved by Landlord, and the cost thereof shall be paid by Tenant. In the event of the violation of the foregoing by Tenant, Landlord may remove same without any liability and may charge the expense incurred for such removal to Tenant.

2. Tenant shall not use the name of the building for any purpose other than that of the business address of Tenant. Tenant agrees that Landlord may assign a name to the building and/or change the name of the building at Landlord's option.

3. The sidewalks, entrances, passages, courts, elevators, vestibules, stairways, corridors, or halls shall not be obstructed or encumbered by any tenant or used for any purpose other than ingress and egress to and from the Premises.

4. No curtains, blinds, shades, screens, awnings, or other projections shall be attached to or hung in, or used in connection with, any window or door of the Premises or outside wall of the building without the prior written consent of the Landlord, nor shall Tenant place objects against glass partitions, doors or windows which would be unsightly from the building's corridors, or from the exterior of the building.

5. Any carpeting cemented down shall be installed with a releasable adhesive.

6. No animals or pets (other than seeing eye dogs) or bicycles or other vehicles shall be brought or permitted to be in the building or the Premises, or on the Property.

7. The water and wash closets and other plumbing fixtures shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, or other substances shall be thrown therein. All damage resulting from any misuse of the fixtures shall be borne by the Tenant who, or whose servants, employees, agents, visitors or licensees, shall have caused the same. Tenant shall not waste electricity, water or air conditioning, and shall cooperate fully with Landlord to assure the most effective operation of the building's heating and air conditioning. Tenant shall not adjust any controls other than room thermostats installed for Tenant's use. Tenant shall not tie, wedge or otherwise fasten open any water faucet or outlet. Tenant shall keep all corridor doors closed.

8. No tenant shall mark, paint, drill into, or in any way deface any part of the Premises or the building of which they form a part. No boring, cutting or stringing of wires shall be permitted, except with the prior written consent of the Landlord, and as the Landlord may direct.

9. Tenant shall not cause or permit unusual or objectionable odor to be produced upon or permeate from the Premises, including duplicating or printing equipment emitting noxious fumes. Tenant shall not allow any cooking on the Premises (other than in a microwave oven). Tenant shall not disturb any occupants of this or neighboring buildings or premises by the use of any musical instruments, radio, television, loudspeakers, or by any unseemly or disturbing noise.

10. No tenant shall throw anything out of the door, windows, or down any passageways or elevator shafts.

11. Canvassing, soliciting, and peddling in the building is prohibited and each tenant shall cooperate to prevent the same.

12. No additional locks or bolts of any kind shall be placed upon any of the doors and windows by any tenant, nor shall any change be made in existing locks or the mechanism thereof.

13. Tenant assumes full responsibility for protecting the Premises from theft, robbery and pilferage. Landlord will not be responsible for lost or stolen personal property, equipment, money or jewelry from Tenant's area or public rooms regardless of whether or not such loss occurred when the area is locked against entry. Except during Tenant's normal business hours, Tenant shall keep the Premises closed and secured.

14. Tenant is not permitted to use any part of the building or the common areas for any manufacturing, storage, or sale of merchandise, or property of any kind; or for lodging or sleeping, or for any immoral or illegal purpose. Tenant shall not install or operate any machinery or mechanical devices of a nature not directly related to Tenant's permitted use of the Premises as provided for in the Lease.

15. All loading, unloading, receiving or delivery of goods, supplies or disposal of garbage or refuse shall be made only through entryways provided for such purposes by Landlord.

16. All safes, freight, furniture, or other bulky matter of any description shall be carried in or out of the Premises only at such times and in such manner as shall be prescribed in writing by Landlord, and Landlord shall in all cases have the right to specify the proper position of any such safe, furniture, or other bulky article, which shall only be used by Tenant in a manner which will not interfere with or cause damage to the Premises or the building in which they are located, or to the other tenants or occupants of the building. Tenant shall be responsible for any damage to the building or the property of its tenants or others and injuries sustained by any person whomsoever resulting from the use or moving of such articles in or out of the Premises, and shall make all repairs and improvements required by Landlord or governmental authorities in connection with the use or moving of such articles.

17. Tenant shall not employ any person to perform any cleaning, repairing, janitorial, decorating, painting, or other services or work in or about the Premises, except with the approval of Landlord, not to be unreasonably withheld.

18. Tenant shall not overload any floor and shall not install any heavy objects, safes, business machines, files or other equipment without having received Landlord's prior written consent as to size, maximum weight, routing and location thereof. Safes, furniture, equipment, machines and other large or bulky articles shall be brought through the building and in and out of the Premises at such times and in such manner as the Landlord shall direct (including the designation of elevator) and at Tenant's sole risk and responsibility. Prior to Tenant's removal of any such articles from the Premises, Tenant shall obtain written authorization therefor at the office of the building and shall present such writing to a designated employee of Landlord.

19. Landlord shall not be responsible for any lost or stolen property, equipment, money or jewelry from the Leased Premises or the public area of the building regardless of whether such loss occurs when the Premises are locked or not.

20. Tenant will refer to the building manager all contractors and installation technicians rendering any service for Tenant for supervision and approval, not to be unreasonably withheld, before performance of any contractual services. Tenant will not permit any mechanic's liens to be placed against the Premises.

21. Landlord shall have the right to prohibit any advertising by any tenant which, in Landlord's opinion, tends to impair the reputation of the building or its desirability for offices, and upon written notice from Landlord, Tenant shall refrain from or discontinue such advertising.

22. Tenants may park only in strict compliance with all signs posted and regulations issued by Landlord, within spaces designated for parking, and not in such a manner as to block other parking spaces, drives, loading areas or fire lanes. All tenants hereby authorize Landlord to remove from the parking lot any improperly parked vehicle, at the Tenant's sole risk and expense. Tenants understand that they are fully responsible for assuring that their employees, agents, licensees and visitors comply with these parking rules, will reimburse Landlord for all costs and expenses incurred in enforcing the rules and will indemnify and hold harmless Landlord from any liability to such employees and other third parties for measures taken by Landlord to enforce the rules. To facilitate security arrangements and parking controls, a list of the names of each tenant's employees working in the Building and of their vehicle license numbers will be furnished to Landlord upon request.

23. Tenant may not repair any vehicle outside the Premises. Tenant may not leave any vehicle outside the Premises over forty-eight (48) hours. Tenant may not operate any recreational vehicles around the Property.

24. Smoking is not permitted throughout the entire property.

25. For purposes of good housekeeping, safety and cleanliness of the area outside the Premises and of the common areas, Tenant must keep all refuse and debris in containers. If Tenant fails in this respect, Landlord may give written notification to Tenant to clean up such refuse and debris. If Tenant does not remedy the situation within forty-eight (48) hours from receipt of such notification, Landlord retains the right to clean up the area and bill the Tenant for such work pursuant to the Lease.

26. Wherever the word "Tenant" occurs, it is understood and agreed that it shall mean Tenant's associates, agents, clerks, servants and visitors. Wherever the word "Landlord" occurs, it is understood and agreed that it shall mean Landlord's assigns, agents, clerks, servants and visitors.

27. Tenant will comply with such safety recommendations and loss prevention and loss reduction recommendations as Landlord or Landlord's insurance carriers (or both) may, from time to time request.

28. Tenant shall not authorize anyone to walk upon, inspect, install anything upon, or repair the roof of the building.

29. Landlord reserves the right to make such other and further reasonable rules and regulations as in its judgment may from time to time be needed, for the safety, care and cleanliness of the Property, and for the preservation of good order therein.

If there is a conflict between any other provisions of the Lease and these Property Rules and Regulations, the other provisions of the Lease control.

EXHIBIT C

MEMORANDUM CONFIRMING TERM

This Memorandum Confirming Term (this “*Memorandum*”) is made as of June 1, 2021, by and between MYCO FURNITURE CORPORATION, a Texas professional corporation (“*Landlord*”) and YOTRIO CORPORATION, a California professional company (“*Tenant*”).

RECITALS:

A. Landlord and Tenant entered into that certain Warehouse Lease Agreement dated as of June 1, 2021 (the “*Lease*”) whereby Tenant leased certain office space in the building located at 9500 W SAM HOUSTON PKWY S, Houston, Texas 77099.

B. Tenant is in possession of the Premises and the Term of the Lease has commenced.

C. Landlord and Tenant desire to enter into this Memorandum confirming the Rent Commencement Date, the Expiration Date and other matters under the Lease.

D. Capitalized terms not defined herein shall have the same meaning as set forth in the Lease. NOW, THEREFORE, Landlord and Tenant agree as follows:

- 1) The actual Rent Commencement Date is June 6, 2021.
- 2) The actual Expiration Date of the Lease is June 5, 2023.
- 3) Landlord and Tenant represent and warrant that each individual executing, attesting, and/or delivering this Memorandum on behalf of Landlord and Tenant, as applicable, is authorized to do so on behalf of Landlord and Tenant, as applicable.
- 4) Tenant hereby confirms that to Tenant’s knowledge all improvements to be completed in the Premises have been substantially completed in accordance with the Lease and Tenant has accepted and is in full possession of the Premises.
- 5) City of Houston Occupancy Permit will be responsibility of (Sublessee) Tenant. Denial of the City of Houston Occupancy Permit does not constitute a breach the Warehouse Lease Agreement.
- 6) All other permits will be responsibility of Tenant. Denial of permit does not constitute breach of contract from Landlord.
- 7) Term length is 12 months at \$0.88/sqft modified gross lease.
- 8) Rentable Warehouse Square Footage
 - a. Tenant must lease 15,750 square feet at minimum which is outlined in the red space in Exhibit A.
- 9) Operating Expense
 - a. Utilities
 - i. Electricity – this will be included in the rentable rate per square foot
 - ii. Water – this will be included in the rentable rate per square foot
- 10) In addition to the rentable warehouse space, Tenant has the option to rent Structural Racks that are already existing and located within the rentable space.
 - a. Monthly rental for Structural Racks is \$500 per month
- 11) Insurance
 - a. Personal property insurance - Tenant must add Landlord as additional insured
 - b. Worker's Compensation - Tenant must show proof of insurance
- 12) Security Deposit of \$20,000.00 to be paid on or before lease commencement date.
- 13) Monthly Rent Payments and Security Deposit to be paid via ACH or Wire Transfer:
 - a. Bank Information: East West Bank, Routing Number: 322070381
 - b. Account Information: MYCO Furniture Corporation, Account Number: 8672005223

VIEW PAYMENT (PAY A BUSINESS)

Use this page to view the details of a payment to a business.

PAYMENT INFORMATION

Template Name	A42mfc
Transaction Description	Lease
Account	8003033894 - YOTRIO CORPORATION -
ACH Company ID	OPERATING 1261809654 - Yotrio Corp.
Payment Number	66KZ59KULD
Effective Date	01/04/2022
Frequency	One-Time Only

RECIPIENTS

Recipient Name ▲ Recipient ID	Account Number ▲	Amount ▲	Status Prenote Expiry	Addenda
MYCO Furniture Corp MFC	8672005223	USD 15,560.00	Active	

TOTAL RECIPIENTS	1	TOTAL CREDIT AMOUNT USD 15,560.00
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VIEW PAYMENT (PAY A BUSINESS)

Use this page to view the details of a payment to a business.

PAYMENT INFORMATION

Template Name	A42mfc
Transaction Description	Lease
Account	8003033894 - YOTRIO CORPORATION -
ACH Company ID	OPERATING 1261809654 - Yotrio Corp.
Payment Number	EQUB6DRBED
Effective Date	02/02/2022
Frequency	One-Time Only

RECIPIENTS

Recipient Name ▲ Recipient ID	Account Number ▲	Amount ▲	Status Prenote Expiry	Addenda
MYCO Furniture Corp MFC	8672005223	USD 15,560.00	Active	

TOTAL RECIPIENTS	1	TOTAL CREDIT AMOUNT USD 15,560.00
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VIEW PAYMENT (PAY A BUSINESS)

Use this page to view the details of a payment to a business.

PAYMENT INFORMATION

Template Name	A42mfc
Transaction Description	Lease
Account	8003033894 - YOTRIO CORPORATION -
ACH Company ID	OPERATING 1261809654 - Yotrio Corp.
Payment Number	YJ820XJ0WE
Effective Date	03/03/2022
Frequency	One-Time Only

RECIPIENTS

Recipient Name ▲ Recipient ID	Account Number ▲	Amount ▲	Status Prenote Expiry	Addenda
MYCO Furniture Corp MFC	8672005223	USD 15,560.00	Active	

TOTAL RECIPIENTS	1	TOTAL CREDIT AMOUNT USD 15,560.00
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VIEW PAYMENT (PAY A BUSINESS)

Use this page to view the details of a payment to a business.

PAYMENT INFORMATION

Template Name	A42mfc
Transaction Description	Lease
Account	8003033894 - YOTRIO CORPORATION -
ACH Company ID	OPERATING 1261809654 - Yotrio Corp.
Payment Number	PWEK04PQ5W
Effective Date	04/04/2022
Frequency	One-Time Only

RECIPIENTS

Recipient Name ▲ Recipient ID	Account Number ▲	Amount ▲	Status Prenote Expiry	Addenda
MYCO Furniture Corp MFC	8672005223	USD 15,560.00	Active	

TOTAL RECIPIENTS	1	TOTAL CREDIT AMOUNT USD 15,560.00
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VIEW PAYMENT (PAY A BUSINESS)

Use this page to view the details of a payment to a business.

PAYMENT INFORMATION

Template Name	A42mfc
Transaction Description	Lease
Account	8003033894 - YOTRIO CORPORATION -
ACH Company ID	OPERATING 1261809654 - Yotrio Corp.
Payment Number	NXX07NFIWU
Effective Date	05/02/2022
Frequency	One-Time Only

RECIPIENTS

Recipient Name ▲ Recipient ID	Account Number ▲	Amount ▲	Status Prenote Expiry	Addenda
MYCO Furniture Corp MFC	8672005223	USD 15,560.00	Active	

TOTAL RECIPIENTS	1	TOTAL CREDIT AMOUNT USD 15,560.00
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VIEW TRANSACTION

Transaction Date	06/07/2022
Account	8003033894 - YOTRIO CORPORATION - OPERATING
Transaction Type	Pre-authorized ACH Debit
Credit/Debit	Debit
Amount	USD 14,360.00
Bank Reference	001406450000082
Description	PRAUTH DEBIT

VIEW TRANSACTION

Transaction Date	07/01/2022
Account	8003033894 - YOTRIO CORPORATION - OPERATING
Transaction Type	Pre-authorized ACH Debit
Credit/Debit	Debit
Amount	USD 14,360.00
Bank Reference	001106300000118
Description	PRAUTH DEBIT

VIEW TRANSACTION

Transaction Date	08/01/2022
Account	8003033894 - YOTRIO CORPORATION - OPERATING
Transaction Type	Pre-authorized ACH Debit
Credit/Debit	Debit
Amount	USD 18,634.60
Bank Reference	001407210000144
Description	PRAUTH DEBIT

VIEW PAYMENT (PAY A BUSINESS)

Use this page to view the details of a payment to a business.

PAYMENT INFORMATION

Transaction Description	Lease
Account	8003033894 - YOTRIO CORPORATION - OPERATING
ACH Company ID	1261809654
Payment Number	Q4JSS24165
Effective Date	09/07/2022
Frequency	One-Time Only

RECIPIENTS

Recipient Name ▲ Recipient ID	Account Number ▲	Amount ▲	Status Prenote Expiry	Addenda
MYCO Furniture Corp MFC	8672005223	USD 18,280.00	Active	
TOTAL RECIPIENTS	1	TOTAL CREDIT AMOUNT	USD 18,280.00	

VIEW PAYMENT (PAY A BUSINESS)

Use this page to view the details of a payment to a business.

PAYMENT INFORMATION

Template Name	A42mfc
Transaction Description	Lease
Account	8003033894 - YOTRIO CORPORATION - OPERATING
ACH Company ID	1261809654 - Yotrio Corp.
Payment Number	FG4YCEO6WG
Effective Date	10/04/2022
Frequency	One-Time Only

RECIPIENTS

Recipient Name ▲ Recipient ID	Account Number ▲	Amount ▲	Status Prenote Expiry	Addenda
MYCO Furniture Corp MFC	8672005223	USD 16,540.00	Active	
TOTAL RECIPIENTS	1	TOTAL CREDIT AMOUNT	USD 16,540.00	

VIEW PAYMENT (PAY A BUSINESS)

Use this page to view the details of a payment to a business.

PAYMENT INFORMATION

Template Name	A42mfc
Transaction Description	Lease
Account	8003033894 - YOTRIO CORPORATION - OPERATING
ACH Company ID	1261809654 - Yotrio Corp.
Payment Number	FGZLOHF39Y
Effective Date	11/02/2022
Frequency	One-Time Only

RECIPIENTS

Recipient Name ▲ Recipient ID	Account Number ▲	Amount ▲	Status Prenote Expiry	Addenda
MYCO Furniture Corp MFC	8672005223	USD 15,560.00	Active	
TOTAL RECIPIENTS	1	TOTAL CREDIT AMOUNT	USD 15,560.00	

VIEW PAYMENT (PAY A BUSINESS)

Use this page to view the details of a payment to a business.

PAYMENT INFORMATION

Template Name	A42mfc
Transaction Description	Lease
Account	8003033894 - YOTRIO CORPORATION - OPERATING
ACH Company ID	1261809654 - Yotrio Corp.
Payment Number	2JXC6T18M0
Effective Date	12/02/2022
Frequency	One-Time Only

RECIPIENTS

Recipient Name ▲ Recipient ID	Account Number ▲	Amount ▲	Status Prenote Expiry	Addenda
MYCO Furniture Corp MFC	8672005223	USD 15,560.00	Active	
TOTAL RECIPIENTS	1	TOTAL CREDIT AMOUNT	USD 15,560.00	

STANDARD INDUSTRIAL/COMMERCIAL MULTI-TENANT LEASE - GROSS

1. Basic Provisions ("Basic Provisions").

1.1 Parties. This Lease ("Lease"), dated for reference purposes only June 23, 2022, is made by and between Teknor Apex Company, a Delaware Corporation ("Lessor") and Yotrio Corporation, a California Corporation ("Lessee"), (collectively the "Parties", or individually a "Party").

1.2(a) Premises: That certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, commonly known as (street address, unit/suite, city, state, zip): 515 S 6th Avenue, La Puente, CA ("Premises"). The Premises are located in the County of Los Angeles, and are generally described as (describe briefly the nature of the Premises and the "Project"): an approximately 40,800 square foot portion of a 96,800 square foot industrial building. In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to any utility raceways of the building containing the Premises ("Building") and to the Common Areas (as defined in Paragraph 2.7 below), but shall not have any rights to the roof, or exterior walls of the Building or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "Project." (See also Paragraph 2)

1.2(b) Parking: unreserved vehicle parking spaces (See also Paragraph 2.6) See Site Plan.

1.3 Term: 1 years and 0 months ("Original Term") commencing June 24, 2022 ("Commencement Date") and ending June 30, 2023 ("Expiration Date"). (See also Paragraph 3)

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

1.5 Base Rent: \$75,480 per month ("Base Rent"), payable on the 1 day of each month commencing July 1, 2022. (See also Paragraph 4)

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

1.6 Lessee's Share of Common Area Operating Expenses: 42.149 percent (42.149 %) ("Lessee's Share"). In the event that the size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.

1.7 Base Rent and Other Monies Paid Upon Execution:

(a) Base Rent: \$93,092 for the period June 24, 2022 to July 31, 2022.

(b) Common Area Operating Expenses: ~~The current estimate for the period _____ is _____.~~

(c) Security Deposit: \$75,480 ("Security Deposit"). (See also Paragraph 5)

(d) Other: _____ for _____.

(e) Total Due Upon Execution of this Lease: \$168,572.

1.8 Agreed Use: warehousing and distribution of furniture and related goods. (See also Paragraph 6)

1.9 Insuring Party. Lessor is the "Insuring Party". (See also Paragraph 8)

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

(a) Representation: Each Party acknowledges receiving a Disclosure Regarding Real Estate Agency Relationship, confirms and consents to the following agency relationships in this Lease with the following real estate brokers ("Broker(s)") and/or their agents ("Agent(s)"):

Lessor's Brokerage Firm N/A License No. _____ is the broker of (check one): the Lessor; or both the Lessee and Lessor (dual agent).

Lessor's Agent _____ License No. _____ is (check one): the Lessor's Agent (salesperson or broker associate); or both the Lessee's Agent and the Lessor's Agent (dual agent).

Lessee's Brokerage Firm Cushman & Wakefield of California License No. 0061635 Is the broker of (check one): the Lessee; or both the Lessee and Lessor (dual agent).

Lessee's Agent Christopher Tolles License No. 01459899 is (check one): the Lessee's Agent (salesperson or broker associate); or both the Lessee's Agent and the Lessor's Agent (dual agent).

(b) Payment to Brokers. Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement (or if there is no such agreement, the sum of _____ or 3 % of the total Base Rent) for the brokerage services rendered by the Brokers.

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

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

an Addendum consisting of Paragraphs 51 through 53;

a site plan depicting the Premises;

a site plan depicting the Project;

a current set of the Rules and Regulations for the Project;

a current set of the Rules and Regulations adopted by the owners' association;

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a Work Letter;
 other (specify): Option to Extend Term.

2. Premises.

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

2.2 Condition. Lessor shall deliver that portion of the Premises contained within the Building ("Unit") to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and, so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee and in effect within thirty days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), loading doors, sump pumps, if any, and all other such elements in the Unit, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and that the Unit 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 Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Lessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements of the Unit. If Lessee does not give Lessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Lessee at Lessee's sole cost and expense (except for the repairs to the fire sprinkler systems, roof, foundations, and/or bearing walls - see Paragraph 7). Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 Compliance. Lessor warrants that to the best of its knowledge the Improvements on the Premises and the Common Areas comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances ("Applicable Requirements") that were in effect at the time that each Improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the Applicable Requirements, and especially the zoning are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within 6 months following the Start Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Unit, Premises and/or Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Unit, Premises and/or Building ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:

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

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

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

2.4 Acknowledgements. Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises; (b) it has been advised by Lessor and/or Brokers with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use; (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises; (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor; (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein; and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

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

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2.6 Vehicle Parking. Lessee shall be entitled to use the number of Parking Spaces specified in Paragraph 1.2(b) on those portions of the Common Areas designated from time to time by Lessor for parking. Lessee shall not use more parking spaces than said number. Said parking spaces shall be used for parking by vehicles no larger than full-size passenger automobiles or pick-up trucks, herein called "Permitted Size Vehicles." Lessor may regulate the loading and unloading of vehicles by adopting Rules and Regulations as provided in Paragraph 2.9. No vehicles other than Permitted Size Vehicles may be parked in the Common Area without the prior written permission of Lessor. In addition:

- (a) Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, contractors or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.
- (b) Lessee shall not service or store any vehicles in the Common Areas.
- (c) If Lessee permits or allows any of the prohibited activities described in this Paragraph 2.6, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.7 Common Areas - Definition. The term "Common Areas" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Unit that are provided and designated by the Lessor from time to time for the general non-exclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including parking areas, loading and unloading areas, trash areas, roofs, roadways, walkways, driveways and landscaped areas.

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

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

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

- (a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;
- (b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;
- (c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;
- (d) To add additional buildings and improvements to the Common Areas;
- (e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and
- (f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

3. Term.

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

3.2 Early Possession. Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of Common Area Operating Expenses, Real Property Taxes and Insurance premiums and to maintain the Premises) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

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

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

4. Rent.

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

4.2 Common Area Operating Expenses. Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share (as specified in Paragraph 1.6) of all Common Area Operating Expenses, as hereinafter defined, during each calendar year of the term of this Lease, in accordance with the following provisions:

- (a) The following costs relating to the ownership and operation of the Project are defined as "Common Area Operating Expenses":
 - (i) Costs relating to the operation, repair and maintenance, in neat, clean, good order and condition, but not the replacement (see subparagraph

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(e)), of the following:

(aa) The Common Areas and Common Area Improvements, including parking areas, loading and unloading areas, trash areas, roadways, parkways, walkways, driveways, landscaped areas, bumpers, irrigation systems, Common Area lighting facilities, fences and gates, elevators, roofs, exterior walls of the buildings, building systems and roof drainage systems.

(bb) Exterior signs and any tenant directories.

(cc) Any fire sprinkler systems.

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

(ii) The cost of water, gas, electricity and telephone to service the Common Areas and any utilities not separately metered.

(iii) The cost of trash disposal, pest control services, property management, security services, owners' association dues and fees, the cost to repaint the exterior of any structures and the cost of any environmental inspections.

(iv) Reserves set aside for maintenance and repair of Common Areas and Common Area equipment.

(v) Any increase above the Base Real Property Taxes (as defined in Paragraph 10).

(vi) Any "Insurance Cost Increase" (as defined in Paragraph 8).

(vii) Any deductible portion of an insured loss concerning the Building or the Common Areas.

(viii) Auditors', accountants' and attorneys' fees and costs related to the operation, maintenance, repair and replacement of the Project.

(ix) The cost of any capital improvement to the Building or the Project not covered under the provisions of Paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such capital improvement in any given month. Lessee shall pay interest on the unamortized balance but may prepay its obligation at any time.

(x) The cost of any other services to be provided by Lessor that are stated elsewhere in this Lease to be a Common Area Operating Expense.

(b) Any Common Area Operating Expenses and Real Property Taxes that are specifically attributable to the Unit, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Unit, Building, or other building. However, any Common Area Operating Expenses and Real Property Taxes that are not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

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

(d) Lessee's Share of Common Area Operating Expenses is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the annual Common Area Operating Expenses. Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses for the preceding year. If Lessee's payments during such year exceed Lessee's Share, Lessor shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of the statement.

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

(f) Common Area Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or insurance proceeds.

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

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

6. Use.

6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or

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causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the Building or the mechanical or electrical systems therein, and/or is not significantly more burdensome to the Project. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 Hazardous Substances.

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

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

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

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

(e) **Lessor Indemnification.** Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which are suffered as a direct result of Hazardous Substances on the Premises prior to Lessee taking possession or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

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

(g) **Lessor Termination Option.** If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

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

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any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

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

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

7.1 **Lessee's Obligations.**

(a) **In General.** Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations (intended for Lessee's exclusive use, no matter where located), and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fixtures, interior walls, interior surfaces of exterior walls, ceilings, floors, windows, doors, plate glass, and skylights but excluding any items which are the responsibility of Lessor pursuant to Paragraph 7.2. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair.

(b) **Service Contracts.** Lessee shall, at Lessee's sole expense, procure and maintain contracts, with copies to Lessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler and pressure vessels, and (iii) clarifiers. However, Lessor reserves the right, upon notice to Lessee, to procure and maintain any or all of such service contracts, and Lessee shall reimburse Lessor, upon demand, for the cost thereof.

(c) **Failure to Perform.** If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly pay to Lessor a sum equal to 115% of the cost thereof.

(d) **Replacement.** Subject to Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an Item described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in excess of 50% of the cost of replacing such Item, then such Item shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date 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, and the denominator of which is 144 (i.e. 1/144th of the cost per month). Lessee shall pay interest on the unamortized balance but may prepay its obligation at any time.

7.2 **Lessor's Obligations.** Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Common Area Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, Common Area fire alarm and/or smoke detection systems, fire hydrants, parking lots, walkways, parkways, driveways, landscaping, fences, signs and utility systems serving the Common Areas and all parts thereof, as well as providing the services for which there is a Common Area Operating Expense pursuant to Paragraph 4.2. Lessor shall not be obligated to paint the exterior or interior surfaces of exterior walls nor shall Lessor be obligated to maintain, repair or replace windows, doors or plate glass of the Premises.

7.3 **Utility Installations; Trade Fixtures; Alterations.**

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

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, do not trigger the requirement for additional modifications and/or improvements to the Premises resulting from Applicable Requirements, such as compliance with Title 24, and the cumulative cost thereof during this Lease as extended does not exceed a sum equal to 3 month's Base Rent in the aggregate or a sum equal to one month's Base Rent in any one year. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on

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

7.4 Ownership; Removal; Surrender; and Restoration.

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

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

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing and the provisions of Paragraph 7.1(a), if the Lessee occupies the Premises for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. Insurance; Indemnity.

8.1 Payment of Premium Increases.

(a) As used herein, the term "Insurance Cost Increase" is defined as any increase in the actual cost of the insurance applicable to the Building and/or the Project and required to be carried by Lessor, pursuant to Paragraphs 8.2(b), 8.3(a) and 8.3(b), over and above the Base Premium, as hereinafter defined, calculated on an annual basis. Insurance Cost Increase shall include, but not be limited to, requirements of the holder of a mortgage or deed of trust covering the Premises, Building and/or Project, increased valuation of the Premises, Building and/or Project, and/or a general premium rate increase. The term Insurance Cost Increase shall not, however, include any premium increases resulting from the nature of the occupancy of any other tenant of the Building. The "Base Premium" shall be the annual premium applicable to the 12 month period immediately preceding the Start Date. If, however, the Project was not insured for the entirety of such 12 month period, then the Base Premium shall be the lowest annual premium reasonably obtainable for the Required Insurance as of the Start Date, assuming the most nominal use possible of the Building. In no event, however, shall Lessee be responsible for any portion of the premium cost attributable to liability insurance coverage in excess of \$2,000,000 procured under Paragraph 8.2(b).

(b) Lessee shall pay any Insurance Cost Increase to Lessor pursuant to Paragraph 4.2. Premiums for policy periods commencing prior to, or extending beyond, the term of this Lease shall be prorated to coincide with the corresponding Start Date or Expiration Date.

8.2 Liability Insurance.

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

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

8.3 Property Insurance - Building, Improvements and Rental Value.

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

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

(c) **Adjacent Premises.** Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other

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buildings in the Project if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

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

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

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

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

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

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

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

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

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

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

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

9. Damage or Destruction.

9.1 Definitions.

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

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

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

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

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

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

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

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

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

9.6 **Abatement of Rent; Lessee's Remedies.**

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

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

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

10. **Real Property Taxes.**

10.1 **Definitions.**

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

(b) **"Base Real Property Taxes."** As used herein, the term "Base Real Property Taxes" shall be the amount of Real Property Taxes, which are assessed against the Project, during the entire calendar year in which the Lease is executed.

10.2 **Payment of Taxes.** Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Project, and said payments shall be included in the calculation of Common Area Operating Expenses in accordance with the provisions of Paragraph 4.2.

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

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

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

11. Utilities and Services.

11.1 Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. Notwithstanding the provisions of Paragraph 4.2, if at any time in Lessor's sole judgment, Lessor determines that Lessee is using a disproportionate amount of water, electricity or other commonly metered utilities, or that Lessee is generating such a large volume of trash as to require an increase in the size of the trash receptacle and/or an increase in the number of times per month that it is emptied, then Lessor may increase Lessee's Base Rent by an amount equal to such increased costs. There shall be no abatement of Rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

11.2 Within fifteen days of Lessor's written request, Lessee agrees to deliver to Lessor such information, documents and/or authorization as Lessor needs in order for Lessor to comply with new or existing Applicable Requirements relating to commercial building energy usage, ratings, and/or the reporting thereof.

12. Assignment and Subletting.

12.1 Lessor's Consent Required.

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

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

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

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

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

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

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

12.2 Terms and Conditions Applicable to Assignment and Subletting.

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

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

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

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

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

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

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease

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unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

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

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

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

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

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

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

13. Default; Breach; Remedies.

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

(a) The abandonment of the Premises; the vacating of the Premises prior to the expiration or termination of this Lease without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism; or failure to deliver to Lessor exclusive possession of the entire Premises in accordance herewith prior to the expiration or termination of this Lease.

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

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

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

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

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

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

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

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

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount

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

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

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

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

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

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

13.6 Breach by Lessor.

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

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

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

15. Brokerage Fees.

15.1 Additional Commission. In addition to the payments owed pursuant to Paragraph 1.10 above, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises or other premises owned by Lessor and located within the Project, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is Increased, whether by agreement or

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operation of an escalation clause hereIn, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed. The provisions of this paragraph are intended to supersede the provisions of any earlier agreement to the contrary.

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

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

16. Estoppel Certificates.

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

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

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

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

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

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

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

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

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

23. Notices.

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

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

23.3 Options. Notwithstanding the foregoing, in order to exercise any Options (see paragraph 39), the Notice must be sent by Certified Mail (return receipt requested), Express Mail (signature required), courier (signature required) or some other methodology that provides a receipt establishing the date the notice was

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received by the Lessor.

24. Waivers.

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

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

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

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

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

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

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

(iii) Agent Representing Both Lessor and Lessee. A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. (b) Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not, without the express permission of the respective Party, disclose to the other Party confidential information, including, but not limited to, facts relating to either Lessee's or Lessor's financial position, motivations, bargaining position, or other personal information that may impact rent, including Lessor's willingness to accept a rent less than the listing rent or Lessee's willingness to pay rent greater than the rent offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Both Lessor and Lessee should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

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

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

26. No Right To Holdover. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. At or prior to the expiration or termination of this Lease Lessee shall deliver exclusive possession of the Premises to Lessor. For purposes of this provision and Paragraph 13.1(a), exclusive possession shall mean that Lessee shall have vacated the Premises, removed all of its personal property therefrom and that the Premises have been returned in the condition specified in this Lease. In the event that Lessee does not deliver exclusive possession to Lessor as specified above, then Lessor's damages during any holdover period shall be computed at the amount of the Rent (as defined in Paragraph 4.1) due during the last full month before the expiration or termination of this Lease (disregarding any temporary abatement of Rent that may have been in effect), but with Base Rent being 150% of the Base Rent payable during such last full month. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

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

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

29. Binding Effect; Choice of Law. This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located. Signatures to this Lease accomplished by means of electronic signature or similar technology shall be legal and binding.

30. Subordination; Attornment; Non-Disturbance.

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

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

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

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

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

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

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

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

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

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

37. Guarantor.

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

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

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

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

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

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

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

39.4 **Effect of Default on Options.**

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

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

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

40. **Security Measures.** Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

41. **Reservations.** Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary; (ii) to cause the recordation of parcel maps and restrictions; and (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights.

42. **Performance Under Protest.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

43. **Authority; Multiple Parties; Execution.**

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

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

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

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

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

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

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

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

49. **Accessibility; Americans with Disabilities Act.**

(a) The Premises:

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

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arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

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

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

In the event that the Premises have been issued an inspection report by a CASp the Lessor shall provide a copy of the disability access inspection certificate to Lessee within 7 days of the execution of this Lease.

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

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

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

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

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

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

Executed at: PAWTUCKET, RI
On: JUNE 23, 2022

By LESSOR:
Teknor Apex Company, a Delaware Corporation

By: [Signature]
Name Printed: Edward Massoud
Title: Treasurer
Phone: 401.725.8000
Fax: _____
Email: emassoud@teknorapex.com

By: _____
Name Printed: _____
Title: _____
Phone: _____
Fax: _____
Email: _____
Address: _____
Federal ID No.: _____

BROKER

N/A
Attn: _____
Title: _____
Address: _____

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Executed at: LA
On: 6/23/22

By LESSEE:
Yotrio Corporation, a California Corporation

By: [Signature]
Name Printed: Kali Liu
Title: EVP
Phone: 6269914189
Fax: _____
Email: Kali@yotrioint.com

By: _____
Name Printed: _____
Title: _____
Phone: _____
Fax: _____
Email: _____
Address: _____
Federal ID No.: _____

BROKER

Cushman & Wakefield of California
Attn: Christopher Tolles
Title: Managing Director

[Signature]

INITIALS

Phone: _____
Fax: _____
Email: _____
Federal ID No.: _____
Broker DRE License #: _____
Agent DRE License #: _____

Address: 900 Wilshire Blvd, Ste 2400 Los Angeles, CA 90017
Phone: 213.955.5129
Fax: _____
Email: christopher.tolles@cushwake.com
Federal ID No.: _____
Broker DRE License #: 0061635
Agent DRE License #: 01459899

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**OPTION(S) TO EXTEND TERM
STANDARD LEASE ADDENDUM**

Dated: June 23, 2022

By and Between

Lessor: Teknor Apex Company, a Delaware Corporation

Lessee: Yotrio Corporation, a California Corporation

Property Address: 515 S 6th Avenue, La Puente, CA
(street address, city, state, zip)

Paragraph: 50 **OPTION(S) TO EXTEND TERM.** Subject to the terms, conditions and provisions of Paragraph 39, Lessor grants Lessee 2 option(s) to extend the term of the Lease ("Extension Option(s)"), with each Extension Option being for a term of 12 months, commencing when the prior term expires ("Option Term(s)"). In order to exercise an Extension Option, Lessee must give written notice of such election to Lessor and Lessor must receive such notice at least 6 but not more than 9 months prior to the date that the applicable Option Term would commence, time being of the essence. If timely and proper notification of the exercise of an Extension Option is not given by Lessee and/or received by Lessor, such Extension Option shall automatically expire. Except as specifically modified, the terms, conditions and provisions of the Lease shall apply during Option Terms but the amount of Rent during Option Terms shall be established by using the method(s) selected below (check method(s) to be used and fill in appropriately):

I. Consumer Price Index.

(a) During the Option Term(s) which start(s) on _____, the monthly Base Rent shall be increased on _____ and every _____ months thereafter during such Option Term(s) ("Option Term CPI Increase Date(s)") commensurate with the increase in the Option Term CPI (as herein defined) determined as follows: the monthly Base Rent scheduled for the month immediately preceding the first occurring Option Term CPI Increase Date shall be multiplied by a fraction the denominator of which is the Option Term Base CPI (as herein defined), and the numerator of which is the Option Term Comparison CPI (as herein defined). The amount so calculated shall constitute the new Base Rent until the next Option Term CPI Increase Date during the applicable Option Term, but in no event shall any such new Base Rent be less than the Base Rent for the month immediately preceding the applicable Option Term CPI Increase Date.

(b) The term "Option Term CPI" shall mean the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for (select one): CPIW (Urban Wage Earners and Clerical Workers) or CPIU (All Urban Consumers), for (fill in Urban Area): _____ or the area in which the Premises is located, All Items (1982-1984 = 100). The term "Option Term Comparison CPI" shall mean the CPI of the calendar month which is 2 full months prior to the applicable Option Term CPI Increase Date. The term "Option Term Base CPI" shall mean the CPI of the calendar month which is 2 full months prior to (select one): Commencement Date of the Original Term, start of the applicable Option Term, or (fill in month) _____.

(c) If compilation and/or publication of the CPI is transferred to another governmental department, bureau or agency or is discontinued, then instead the index most nearly the same as the CPI shall be used to calculate the Base Rent increases hereunder. If the Parties cannot agree on such alternative index, then the matter shall be submitted for decision to the American Arbitration Association in accordance with the then rules of said association and the decision of the arbitrators shall be binding upon the parties, with the cost of such arbitration being paid equally by the Parties.

II. Fixed Percentage. During the Option Term(s) which start(s) on _____, the monthly Base Rent shall be increased on _____ and every _____ months thereafter during such Option Term(s) ("Option Term Percentage Increase Date(s)") by _____ percent (_____ %) of the monthly Base Rent scheduled to be paid for the month immediately preceding the applicable Option Term Percentage Increase Date.

III. Fair Market Value.

(a) During the Option Term(s) which start(s) on _____, the amount of Rent shall be the amount forecasted to be the fair market rental value of the Premises during such Option Term established pursuant to the procedures, terms, assumptions and conditions set forth herein ("Fair Market Value"); provided, however, regardless of such Fair Market Value, Base Rent during an Option Term shall not be less than the Base Rent scheduled as of when the prior term expires. Starting as of Lessee's exercise of the applicable Extension Option (but not earlier than six (6) months before start of the applicable Option Term), the Parties shall for thirty (30) days ("Negotiation Period") attempt to agree upon the Fair Market Value. If during the Negotiation Period the Parties do not agree on the Fair Market Value, then the Fair Market Value shall be established pursuant to the procedures set forth herein, which shall be binding.

(b) Each Party shall, within fifteen (15) days after the end of the Negotiation Period, in writing submit to the other Party such Party's determination of the Fair Market Value ("Submitted Value(s)"). If a Party fails to timely provide a Submitted Value, then the other Party's Submitted Value shall be the Fair Market Value. If both Parties timely provide Submitted Values, then each Party shall, within fifteen (15) days after both Parties have exchanged Submitted Values, in writing notify the other Party of such Party's selected arbitrator who shall meet the qualifications set forth herein ("Advocate Arbitrator(s)"). Lessor and Lessee may select an Advocate Arbitrator who is favorable to such Party's position and may, prior to or after appointment of an Advocate Arbitrator, consult with such Party's Advocate Arbitrator. If a Party fails to timely and properly provide notice of such Party's chosen Advocate Arbitrator, then the other Party's Submitted Value shall be the Fair Market Value.

(c) If both Parties timely and properly designate Advocate Arbitrators, then such Advocate Arbitrators shall, within fifteen (15) days after their selection, choose a third (3rd) neutral arbitrator who shall meet the qualifications set forth herein ("Neutral Arbitrator"). The Neutral Arbitrator shall be engaged jointly by Lessor and Lessee. If Advocate Arbitrators fail to agree upon and timely appoint a Neutral Arbitrator, then the President of AIR CRE shall appoint such Neutral Arbitrator within fifteen (15) days after request by either Party. If the President of AIR CRE does not timely appoint the Neutral Arbitrator, then either Party may file

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an appropriate legal action for a judge with competent jurisdiction over the Parties to appoint the Neutral Arbitrator.

(d) The Advocate Arbitrators and the Neutral Arbitrator ("Arbitrator(s)") shall be duly licensed real estate brokers or salespersons in good standing in the state in which the Premises is located, shall have been active over the five (5) year period before their appointment in the leasing of properties similar to the Premises within the general real estate market of the Premises. The Neutral Arbitrator shall additionally not be related to or affiliated with either Party or Advocate Arbitrator, and shall not have previously represented in a real estate transaction a Party or anyone related to or affiliated with a Party. All matters to be determined by the Arbitrators shall be decided by a majority vote of the Arbitrators, with each Arbitrator having one (1) vote. The Arbitrators may, as the Arbitrators determine, hold hearings and require briefs, including market data and additional information.

(e) Within thirty (30) days after selection of the Neutral Arbitrator, the three Arbitrators shall first reach a decision as to their own independent opinion of the Fair Market Value established by taking into account the terms, assumptions and conditions set forth herein ("Arbitrators' Market Value"), then decide which Party's Submitted Value is closer in monetary amount to the Arbitrators' Market Value ("Selected Market Value"), then provide the Parties a copy of the Arbitrators' Market Value and finally notify the Parties of the Selected Market Value. The Selected Market Value shall be the Fair Market Value. The Arbitrators shall have no right to decide a Selected Market Value which is a compromise to (or modification of) the Submitted Values. The decision of the Arbitrators shall be binding upon the Parties. The Party whose Submitted Value is not the Selected Market Value shall, within ten (10) days after the Arbitrators decide the Selected Market Value, pay the fees and costs of all three (3) Arbitrators.

(f) If the Fair Market Value has not been established before the start of the applicable Option Term, then Lessee shall continue to pay to Lessor rent in the amount payable for the month immediately preceding the start of such Option Term and Lessor's acceptance of such rent shall not waive, adversely affect or prejudice the Parties' right to complete establishment of the Fair Market Value or Lessor's right to collect the full amount of the Fair Market Value once the Fair Market Value is established. Lessee shall, within ten (10) days after establishment of the Fair Market Value, pay to Lessor any deficiency in rent then due for the Option Term. Following establishment of Fair Market Value, the Parties shall, within ten (10) days after request by either Party, sign an amendment to this Lease to confirm the Fair Market Value and the expiration date of this Lease, but the Parties' failure to request or to sign such an amendment shall not affect establishment of the Fair Market Value or extension of the Lease term.

(g) The Arbitrators, in deciding the Arbitrators' Market Value, shall take into account rent rates, rent abatements, periodic rent increases, real property taxes, insurance premiums and other operating expenses, tenant improvement and other applicable allowances, building services, length of lease term and other factors. Professional real estate brokers and/or appraisers customarily consider in determining fair market rent of property in an arm's length transaction by ready, willing and able parties for space of comparable location, size, age, condition, quality, parking, visibility, view, signage and accessibility if the Premises were marketed in a normal and customary manner for a reasonable length of time on the open market to be leased to a tenant with financial strength and credit worthiness comparable to Lessee and guarantor (if any) of this Lease (as of Lessee's exercise of the Extension Option) for a term comparable to the length of the applicable Option Term and used for the Agreed Use (or other reasonably comparable uses). The Arbitrators, in deciding the Arbitrators' Market Value, shall not consider as a comparable transaction any of the following: a sublease, lease assignment, lease renewal or extension; lease with a tenant that has equity, is related to or affiliated with the landlord; or a lease of space that was subject to a right of first refusal, right of first offer, expansion option or other encumbrances. The Arbitrators, in deciding the Arbitrators' Market Value, shall reduce the Fair Market Value on account of Alterations and Improvements made by Lessee to the extent the cost thereof was paid solely by Lessee (in excess of any applicable improvement allowance, abated rent in lieu of improvement allowance or other consideration provided by Lessor for Lessee's improvement of the Premises), shall not reduce the Fair Market Value on account of any real estate brokerage commission savings by Lessor, and shall not reduce the Fair Market Value on account of deferred maintenance or repair of the Premises for which Lessee was responsible under the Lease but did not perform.

IV. Fixed Rental Adjustment(s) ("FRA").

The monthly Base Rent shall be increased to the following amounts on the dates set forth below:

On (fill in FRA Adjustment Date(s)):	The new Base Rent shall be:
<u>July 1, 2023</u>	<u>\$81,600</u>
<u>July 1, 2024</u>	<u>\$85,680</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

V. Continuation of Original Term Adjustments.

The monthly Base Rent during the Option Term(s) which start(s) on _____ shall be increased in accordance with the same formula provided in the Lease to be used to calculate increases in the Base Rent during the Original Term of the Lease.

BROKER'S FEE: For each adjustment in Base Rent specified above, the Brokers shall be paid a Brokerage Fee in accordance with paragraph 15 of the Lease or if applicable, paragraph 9 of the Sublease.

AIR CRE * <https://www.aircre.com> * 213-687-8777 * contracts@aircre.com
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ETM
INITIALS

FL
INITIALS

**ADDENDUM TO STANDARD INDUSTRIAL/COMMERCIAL
MULTI-TENANT LEASE – GROSS**

Date of Lease: June 23, 2022
Lessor: Teknor Apex Company
Lessee: Yotrio Corporation

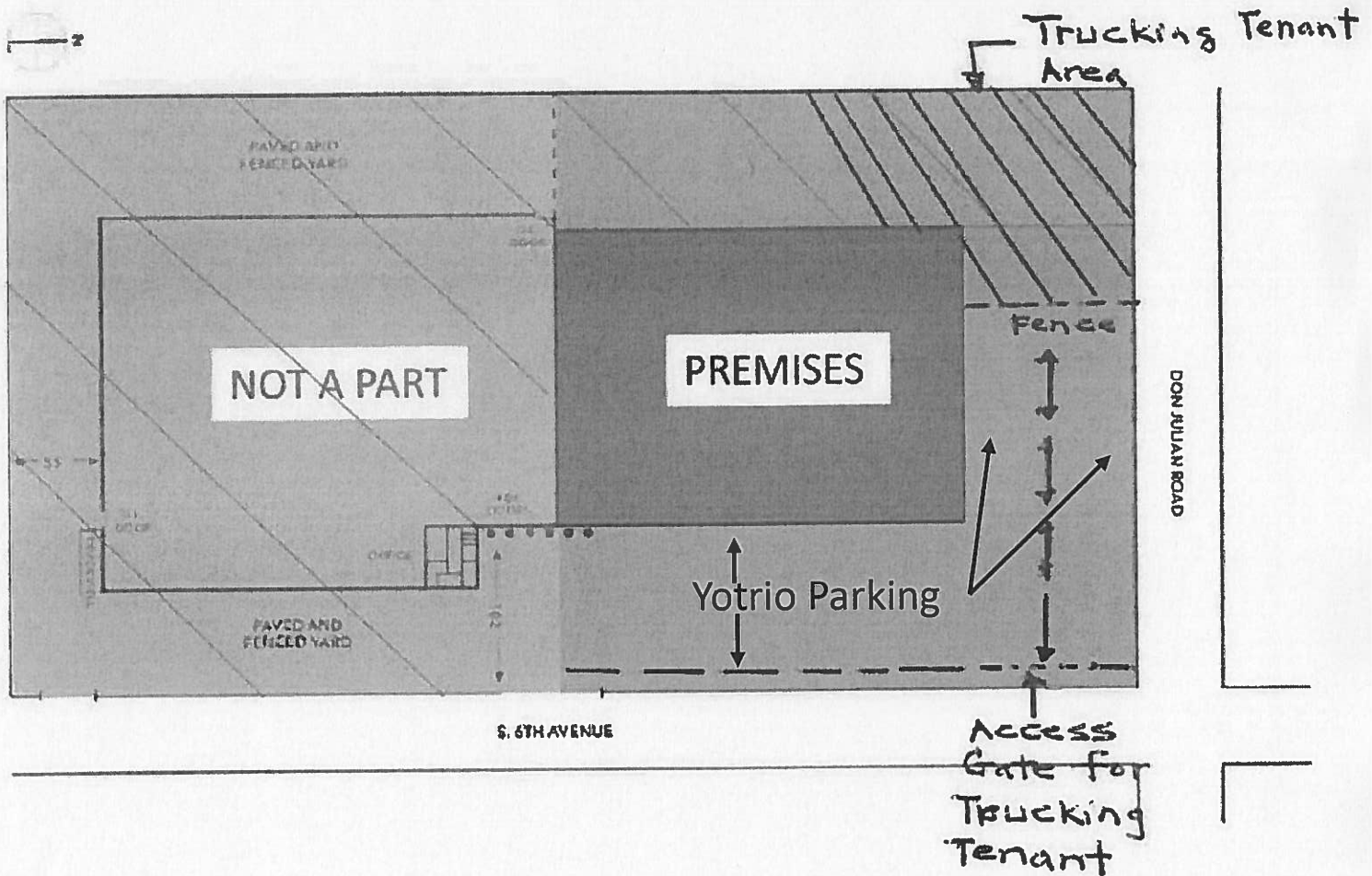
51. **Lessor's Personal Property**. Between the Commencement Date and July 15, 2022, Lessor reserves the right to access the Premises during normal business hours or such hours as may be agreed to by the parties for the purpose of Lessor removing its personal property presently located in the Premises.

52. **Rights of Third Party**. This Lease is subject to the rights of Soto Trucking (a) to the exclusive use of the cross-hatched area (the "Soto Area") identified in the Site Plan attached to the Lease (as referred to in Section 1.12 of the Lease), for the purpose of the storage of one or more tractors or trailers; and (b) to access the Soto Area via a gate on the South 6th Avenue side of the Premises. Lessee shall not interfere with Soto Trucking's access to the Soto Area or the use thereof.

53. **Lighting**. Prior to the Commencement Date, Lessor shall, at its sole expense, add additional lighting within the Premises as agreed to by the parties prior to the date hereof. In addition, prior to October 1, 2022, Lessor, at its sole expense, shall complete an upgrade to LED lighting in the Premises. Lessor reserves the right to access the Premises during normal business hours or such hours as may be agreed to by the parties to complete this work.

EM

Site Plan – Standard Industrial / Commercial
Multitenant Lease – Gross; Yotrio Corporation as Lessee
& Teknor Apex Company as Lessor
Dated June 23, 2022



ETM

From: [Sammy Chu](#)
To: [Shirley Yu](#)
Subject: FW: [Customer Outgoing Wire Advice - eMail] Message ID:220103102958H300 Advice Code:OTCSADEM
Date: Tuesday, January 3, 2022 10:49:07 AM

Thanks & Best Regards

Name: Sammy Chu, Accounting Manager
Address: 14365 Pipeline Ave. Chino, CA 91710
Office Phone No. (626)923-1081; (626)923-1082*FAX
Mobile : (626) 991-6781
Email: sammy@yotrioint.com
Style Inside and Out®

-----Original Message-----

From: wireadvice@eastwestbank.com <wireadvice@eastwestbank.com>
Sent: Tuesday, January 3, 2022 10:32 AM
To: Sammy Chu <Sammy@yotrioint.com>
Subject: [Customer Outgoing Wire Advice - eMail] Message ID:220103102958H300 Advice Code:OTCSADEM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902 for \$77,927.88. If you have any questions, please contact your local branch.

Fed Reference #: 20220103L2B77Q1C002834

Sender Bank Information:

ABA #: 322070381
Bank Name: EAST WEST BANK-EWB

Receiving Bank Information:

ABA #: 026009593
Bank Name: BANK OF AMERICA, N

* * *

Originator Information:

Name: YOTRIO CORPORATION

Beneficiary Information:

Name: Teknor Financial Corporation
Acct #: *****1998
Ref. for BNF:

* * *

Beneficiary Bank:

Originator to Beneficiary Info:

Bank to Bank information:

Email Sent:

KARI@YOTRIOINT.COM;SAMMY@YOTRIOINT.COM;wireadvice@eastwestbank.com;terrence.hiu@eastwestbank.com;Jason@yotrioint.com

From: wireadvice@eastwestbank.com
To: [Sammy Chu](#)
Subject: [Customer Outgoing Wire Advice - eMail] Message ID:220201093305H300 Advice Code:OTCSADEM
Date: Wednesday, February 1, 2022 9:38:09 AM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902
for \$77,108.16. If you have any questions, please contact your local branch.

Fed Reference #: 20220201L2B77Q1C001894

Sender Bank Information:

ABA #: 322070381
Bank Name: EAST WEST BANK-EWB

Receiving Bank Information:

ABA #: 026009593
Bank Name: BANK OF AMERICA, N

* * *

Originator Information:

Name: YOTRIO CORPORATION

Beneficiary Information:

Name: Teknor Financial Corporation
Acct #: *****1998
Ref. for BNF:

* * *

Beneficiary Bank:

Originator to Beneficiary Info:

Bank to Bank information:

Email Sent:

KARI@YOTRIOINT.COM;SAMMY@YOTRIOINT.COM;wireadvice@eastwestbank.com;terrence.hiu@eastwestbank.com;Jason@yotrioint.com

From: wireadvice@eastwestbank.com
To: [Sammy Chu](#)
Subject: [Customer Outgoing Wire Advice - eMail] Message ID:220301055541H300 Advice Code:OTCSADEM
Date: Wednesday, March 1, 2022 7:13:46 AM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902
for \$76,459.83. If you have any questions, please contact your local branch.

Fed Reference #: 20220301L2B77Q1C000843

Sender Bank Information:

ABA #: 322070381
Bank Name: EAST WEST BANK-EWB

Receiving Bank Information:

ABA #: 026009593
Bank Name: BANK OF AMERICA, N

* * *

Originator Information:

Name: YOTRIO CORPORATION

Beneficiary Information:

Name: Teknor Financial Corporation
Acct #: *****1998
Ref. for BNF:

* * *

Beneficiary Bank:

Originator to Beneficiary Info:

Bank to Bank information:

Email Sent:

KARI@YOTRIOINT.COM;SAMMY@YOTRIOINT.COM;wireadvice@eastwestbank.com;terrence.hiu@eastwestbank.com;Jason@yotrioint.com

From: [Sammy Chu](#)
To: [Shirley Yu](#)
Subject: FW: [Customer Outgoing Wire Advice - eMail] Message ID:220403085436H300 Advice Code:OTCSADEM
Date: Monday, April 3, 2022 9:19:51 AM

Thanks & Best Regards

Name: Sammy Chu, Accounting Manager
Address: 14365 Pipeline Ave. Chino, CA 91710
Office Phone No. (626)923-1081; (626)923-1082*FAX
Mobile : (626) 991-6781
Email: sammy@yotrioint.com
Style Inside and Out®

-----Original Message-----

From: wireadvice@eastwestbank.com <wireadvice@eastwestbank.com>
Sent: Monday, April 3, 2022 9:15 AM
To: Sammy Chu <Sammy@yotrioint.com>
Subject: [Customer Outgoing Wire Advice - eMail] Message ID:220403085436H300 Advice Code:OTCSADEM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902 for \$77,281.77. If you have any questions, please contact your local branch.

Fed Reference #: 20220403L2B77Q1C001994

Sender Bank Information:

ABA #: 322070381
Bank Name: EAST WEST BANK-EWB

Receiving Bank Information:

ABA #: 026009593
Bank Name: BANK OF AMERICA, N

* * *

Originator Information:

Name: YOTRIO CORPORATION

Beneficiary Information:

Name: Teknor Financial Corporation
Acct #: *****1998
Ref. for BNF:

* * *

Beneficiary Bank:

Originator to Beneficiary Info:

Bank to Bank information:

Email Sent:

KARI@YOTRIOINT.COM;SAMMY@YOTRIOINT.COM;wireadvice@eastwestbank.com;terrence.hiu@eastwestbank.com;Jason@yotrioint.com

From: [Sammy Chu](#)
To: [Shirley Yu](#)
Subject: FW: [Customer Outgoing Wire Advice - eMail] Message ID:220501140545H300 Advice Code:OTCSADEM
Date: Monday, May 1, 2022 2:20:51 PM

Thanks & Best Regards

Name: Sammy Chu, Accounting Manager
Address: 14365 Pipeline Ave. Chino, CA 91710
Office Phone No. (626)923-1081; (626)923-1082*FAX
Mobile : (626) 991-6781
Email: sammy@yotrioint.com
Style Inside and Out®

-----Original Message-----

From: wireadvice@eastwestbank.com <wireadvice@eastwestbank.com>
Sent: Monday, May 1, 2022 2:19 PM
To: Sammy Chu <Sammy@yotrioint.com>
Subject: [Customer Outgoing Wire Advice - eMail] Message ID:220501140545H300 Advice Code:OTCSADEM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902 for \$76,336.59. If you have any questions, please contact your local branch.

Fed Reference #: 20220501L2B77Q1C003051

Sender Bank Information:

ABA #: 322070381
Bank Name: EAST WEST BANK-EWB

Receiving Bank Information:

ABA #: 026009593
Bank Name: BANK OF AMERICA, N

* * *

Originator Information:

Name: YOTRIO CORPORATION

Beneficiary Information:

Name: Teknor Financial Corporation
Acct #: *****1998

Ref. for BNF:

* * *

Beneficiary Bank:

Originator to Beneficiary Info:

Bank to Bank information:

Email Sent:

KARI@YOTRIOINT.COM;SAMMY@YOTRIOINT.COM;wireadvice@eastwestbank.com;terrence.hiu@eastwestbank.com;Jason@yotrioint.com

VIEW USD WIRE PAYMENT

Use this page to view a USD Wire payment.

PAYMENT OPTION

Payment Option **USD Wire**

PAYMENT INFORMATION

Status **Confirmed**

Template Name **Teknor Financial Corporation**

Confirmation Number **20220601L2B77Q1C002193**

Debit Account **8003033902 - YOTRIO CORPORATION - WIRE TRANSF**

Amount **USD 76,180.37**

Payment Number **8S369YOZNC**

Value Date **06/01/2022**

Send Date **06/01/2022**

Frequency **One-Time Only**

Recipient **Teknor Financial Corporation
009429271998**

Bank **BK AMER NYC
ABA (Wire) 026009593
NEW YORK NY UNITED
STATES**

ADDITIONAL INFORMATION

***Protect yourself from fraud by verifying wire requests received via email.**

Always confirm payment instruction requests by orally verifying them with a known contact using a phone number already on file.

To help ensure wires are processed timely, always provide complete beneficiary name and address information.

WIRE TRANSFER CUTOFF: *USD Wires cutoff time for same day is **3:15 PM PT** * Fed Tax Payments cutoff time is **12:00 PM PT** for same day processing.

VIEW USD WIRE PAYMENT

Use this page to view a USD Wire payment.

PAYMENT OPTION

Payment Option USD Wire

PAYMENT INFORMATION

Status	Received By Bank
Confirmation Number	220623121337H300
Debit Account	8003033902 - YOTRIO CORPORATION - WIRE TRANSF
Amount	USD 168,572.00
Payment Number	BN3K81S1XY
Value Date	06/23/2022
Send Date	06/23/2022
Frequency	One-Time Only
Recipient	Teknor Financial Corporation 009429271998
Bank	BK AMER NYC ABA (Wire) 026009593 NEW YORK NY UNITED STATES

ADDITIONAL INFORMATION

***Protect yourself from fraud by verifying wire requests received via email.**

Always confirm payment instruction requests by orally verifying them with a known contact using a phone number already on file

Shirley Yu

From: Sammy Chu
Sent: Tuesday, August 2, 2022 10:58 AM
To: Shirley Yu
Subject: FW: [Customer Outgoing Wire Advice - eMail] Message ID:220802103306H300 Advice Code:OTCSADEM

Thanks & Best Regards

Name: Sammy Chu, Accounting Manager
Address: 14365 Pipeline Ave. Chino, CA 91710 Office Phone No. (626)923-1081; (626)923-1082*FAX Mobile : (626) 991-6781
Email: sammy@yotrioint.com
Style Inside and Out®

-----Original Message-----

From: wireadvice@eastwestbank.com <wireadvice@eastwestbank.com>
Sent: Tuesday, August 2, 2022 10:42 AM
To: Sammy Chu <Sammy@yotrioint.com>
Subject: [Customer Outgoing Wire Advice - eMail] Message ID:220802103306H300 Advice Code:OTCSADEM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902 for \$77,034.00. If you have any questions, please contact your local branch.

Fed Reference #: 20220802L2B77Q1C002319

Sender Bank Information:
ABA #: 322070381

Bank Name: EAST WEST BANK-EWB

Receiving Bank Information:

ABA #: 026009593

Bank Name: BANK OF AMERICA, N

* * *

Originator Information:

Name: YOTRIO CORPORATION

Beneficiary Information:

Name: Teknor Financial Corporation

Acct #: *****1998

Ref. for BNF:

* * *

Beneficiary Bank:

Originator to Beneficiary Info:

Bank to Bank information:

Email Sent: KARI@YOTRIOINT.COM;SAMMY@YOTRIOINT.COM;wireadvice@eastwestbank.com;terrence.hiu@eastwestbank.com;Jason@yotrioint.com

ey Yu

om: wireadvice@eastwestbank.com
sent: Thursday, September 1, 2022 11:30 AM
To: Sammy Chu
Subject: [Customer Outgoing Wire Advice - eMail] Message ID:220901112453H300 Advice Code:OTCSADEM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902 for \$75,480.00. If you have any questions, please contact your local branch.

Fed Reference #: 20220901L2B77Q1C002870

Sender Bank Information:

ABA #: 322070381
Bank Name: EAST WEST BANK-EWB

Receiving Bank Information:

ABA #: 026009593
Bank Name: BANK OF AMERICA, N

* * *

Originator Information:

Name: YOTRIO CORPORATION

Beneficiary Information:

Name: Teknor Financial Corporation
Acct #: *****1998
Ref. for BNF:

* * *

Beneficiary Bank:

Originator to Beneficiary Info:

Bank to Bank information:

Email Sent:

KARI@YOTRIOINT.COM;SAMMY@YOTRIOINT.COM;wireadvice@eastwestbank.com;terrence.hiu@eastwestbank.com;Jason@yotrioint.com

Virley Yu

From: wireadvice@eastwestbank.com
Sent: Monday, October 3, 2022 9:33 AM
To: Sammy Chu
Subject: [Customer Outgoing Wire Advice - eMail] Message ID:221003090701H300 Advice Code:OTCSADEM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902 for \$75,480.00. If you have any questions, please contact your local branch.

Fed Reference #: 20221003L2B77Q1C001601

Sender Bank Information:

ABA #: 322070381
Bank Name: EAST WEST BANK-EWB

Receiving Bank Information:

ABA #: 026009593
Bank Name: BANK OF AMERICA, N

* * *

Originator Information:

Name: YOTRIO CORPORATION

Beneficiary Information:

Name: Teknor Financial Corporation
Acct #: *****1998
Ref. for BNF:

* * *

Beneficiary Bank:

Originator to Beneficiary Info:

Bank to Bank information:

Email Sent:

KARI@YOTRIOINT.COM;SAMMY@YOTRIOINT.COM;wireadvice@eastwestbank.com;terrence.hiu@eastwestbank.com;Jason@yotrioint.com

Virley Yu

From: wireadvice@eastwestbank.com
Sent: Tuesday, November 1, 2022 9:14 AM
To: Sammy Chu
Subject: [Customer Outgoing Wire Advice - eMail] Message ID:221101091026H300 Advice Code:OTCSADEM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902 for \$81,056.20. If you have any questions, please contact your local branch.

Fed Reference #: 20221101L2B77Q1C001964

Sender Bank Information:

ABA #: 322070381
Bank Name: EAST WEST BANK-EWB

Receiving Bank Information:

ABA #: 026009593
Bank Name: BANK OF AMERICA, N

* * *

Originator Information:

Name: YOTRIO CORPORATION

Beneficiary Information:

Name: Teknor Financial Corporation
Acct #: *****1998
Ref. for BNF:

* * *

Beneficiary Bank:

Originator to Beneficiary Info:

Bank to Bank information:

Email Sent:

KARI@YOTRIOINT.COM;SAMMY@YOTRIOINT.COM;wireadvice@eastwestbank.com;terrence.hiu@eastwestbank.com;Jason@yotrioint.com

nirley Yu

From: wireadvice@eastwestbank.com
Sent: Thursday, December 1, 2022 9:34 AM
To: Sammy Chu
Subject: [Customer Outgoing Wire Advice - eMail] Message ID:221201092827H300 Advice Code:OTCSADEM

From: EAST WEST BANK-EWB Wire Transfer Dept.

In accordance with your instructions, we have DEBITED your account: *****3902 for \$75,480.00. If you have any questions, please contact your local branch.

Fed Reference #: 20221201L2B77Q1C002256

Sender Bank Information:

ABA #: 322070381
Bank Name: EAST WEST BANK-EWB

Receiving Bank Information:

ABA #: 026009593
Bank Name: BANK OF AMERICA, N

* * *

Originator Information:

Name: YOTRIO CORPORATION

Beneficiary Information:

Name: Teknor Financial Corporation
Acct #: *****1998

Ref. for BNF:

* * *

Beneficiary Bank:

Originator to Beneficiary Info:

Bank to Bank information:

Email Sent:

KARI@YOTRIOINT.COM;SAMMY@YOTRIOINT.COM;wireadvice@eastwestbank.com;terrence.hiu@eastwestbank.com;Jason@yotrioint.com

六、浙江省内 20 份供应商 合、200 家以上浙江上 下游供应商清单

七、出口报关、国际运输 提单、进口清关、入库、 出库单据

浙江永强集团股份有限公司

Yotrio Group Co.,Ltd.

No.1 Qianjiang South Road . Linhai City . Zhejiang Province .P.R.China 317004

Fax: Tel:

售 货 合 同

SALES CONTRACT

The buyer:Yotrio Corporation
14365 Pipeline Ave. Chino, CA 91710 USA
ATTN:KARI LIU TEL:626-923-1088

SC NO. S23YG0420010012

Date. 2022-08-25

Order No.

兹经买卖双方同意成交下列商品订立条款如

The undersigned Seller(s) and Buyer(s) have agreed to close the following transactions according to the terms and conditions stipulated below:

1.Description,Packing and Shipping Mark	2.Quantity	3.Unit Price	4.Total Amount
Kendrick Metal Patio Heater,FHHS80010	166 PCS	106.17	USD 17,624.22
TOTAL:			17,624.22

(5)装运条款 卖方收到允许转船及分批装运之信用证 天内装运。

Times of Shipment: Within days after the Seller's receipt of L/C allowing transshipment and partial shipments.

装运口岸(Port of loading) Ningbo, China 目的口岸(Port of destination) MONTGOMERY,NY

(6)保险条款 由卖方按发票总值的 110%投保一切险和战争险。按 1981 年 1 月 1 日中国人民保险公司条款负责。

Insurance: To be effected by the Seller for 110% of the total invoice value against All Risks and War Risk as per .I.C.dated 1/1/1981.

(7)付款条件 T/T 90 days against shipdate

(8)凡属品质异议, 买方须于货到目的地后 30 天内提出。凡属数量异议, 买方须于货到目的地后 15 天内提出。

In case of quality discrepancy,the Buyer shoule claim within 30 days after the arrival of the goods at port of destination;while for quantity discrepancy, the Buyer should claim within 15 days after the arrival of the goods at port of destination.

(9)因人力不可抗拒的原因, 卖方对於全部或部分货物的迟交或不交不负责任。

The Seller shall not be liable for the late shipment or non-shipment of all or any part of the goods in consequence of any force majeure incidents.

(10)仲裁条款 凡因执行本合同所发生的或与本合同有关的一切争议应由双方通过友好协商解决。如果协商不能解决, 应提交中国国际贸易促进委员会对外贸易仲裁委员会根据该会的仲裁程序暂行规则进行仲裁。仲裁裁决是终决的, 对双方都有约束力。

Arbitration:All disputes arising from the execution of,or in connection with this S/C shall be settled amicably through friendly negotiation.In case no settlement can be reached through negotiation,the case shall then be submitted to Foreign Trade Arbitration Commission of the China Council For The Promotion of International Trade,Peking,for arbitration in accordance with its arbitration rules of procedure.The arbitral award is final and biding upon both parties.

(11)买方收到本合同后应立即签返一份正本给卖方。如本合同到达买方后 10 天内买方尚未签返, 应视为买方已接受本合同所规定的全部条款。

Upon receipt of this Sales Contract,the Buyer shall return one original,duly signed,to the Seller immediatly.Should the Buyer fail to do so within 10 days after the arrival of this Sales Contract at the Buyer's end,the Buyer shall be deemed as having accepted all the terms & conditions set forth in this SalesContract.

买 方:

卖 方:

浙江永强集团股份有限公司
YOTRIO GROUP CO.,LTD

The Buyer:

The Seller:

浙江永强

浙江永强集团股份有限公司

出口货物明细单

发票号: F23YG0420010012 业务员 洪媛媛 业务公司 永强集团 日期 2022-05-20

SHIPPER(发货人)					合同号	56118886			
YOTRIO GROUP CO . LTD No.1 Qianjiang South Road Linhai City Zhejiang Province P.R. China 317004					开证日期		信用证号		
CONSIGNEE(收货人)					收款方式	T/T 90 days against shipdate			
HOME DEPOT U.S.A., INC. 2455 PACES FERRY ROAD ATLANTA GA 30339 UNITED STATES ATTN:olami bakare TEL:1-7704338211					金额	USD 17,624.22			
					运输方式	水路运输	贸易国别	美国	
发票抬头人					出口口岸	Ningbo, China			
Yotrio Corporation 14365 Pipeline Ave. Chino, CA 91710 USA ATTN:KARI LIU TEL:626-923-1088					目的口岸	MONTGOMERY, NY			
					可否转运	否	可否分批	否	
NOTIFY PARTY (通知人)					交期开始	2022-06-24	交期结束	2022-08-12	
EXPEDITORS INTERNATIONAL OF WASHINGT 300 TRADEPORT DR STE 300 ATLANTA, GA 30354 UNITED STATES ATTN: TEL:					提单	正本 3 副本 3	运费	FREIGHT COLLECT	
分票/唛头	货名规则及名称/贸易方式	箱数	数量	净重	毛重	体积	单价	总额	
28 SKU Item description PO Made in China Qty: Case wt: lbs	FHHS80010-042001-0001 Kendrick Metal Patio Heater FHHS80010 1007440286 7321810000 取暖器(境外贴牌生产/不享受/ 材质:钢铁/种类:火炉/原理: 非电热/燃料种类:气体燃料/型 号:FHHS80010) 56118886 /一般贸易	166CTNS	166	3,652	4,913.6	52.274	106.17	17,624.22	
TOTAL:		166CTNS	166	3,652	4,913.6	52.274		17,624.22	
声明事项	出货日期:2022-06-24 1*40GP 订舱单号:HS220500214 丹马士环球物流(上海)有限公司宁波分公司 FHHS80010-042001-0001:1.5V AAA 1200mAh 锌锰干电池;								

YOTRIO GROUP CO.,LTD

NO.1 QIANJIANG SOUTH ROAD LINHAI CITY ZHEJIANG PROVINCE P.R. CHINA 317004

PACKING LIST

Invoice No. F23YG0420010012

Date: 2022-09-24

FORM Ningbo, China

TO

MONTGOMERY,NY

PO NO.	ITEM#	MFG ID No	Description	Quantity (Pcs)	NB of Ctns	N.W. (Kgs)	G.W. (Kgs)	Total Volume
56118886	1007440286	FHHS80010-042001-0001	Kendrick Metal Patio Heater	166	166	3,652.00	4,913.60	52.274
			TOTAL	166	166	3,652.00	4,913.60	52.274

浙江永强集团装箱结果单

发票号: F23YG0420010012
装箱通知单号: S220500706
提单号: 291509618
工厂毛重: 4,913.6

客户编码: 042001
集装箱规格: 40GP
实际箱号: PONU1876122
业务毛重: 4,913.6

客户名称: HOME DEPOT US
皮重: 3,800
铅封号: CN1184367
发货人: 付贤宽

序号	出货工厂	拖箱工厂	U9 料号	物料名称	数量(件)	箱数	价税合计	客户 PO 号	客户 SKU	制造令/项目号 /季度	进厂时间	离厂时间	装箱日期
1	制造十二部	制造十二部	FHHS8001 0	铁板取暖器 ~Φ815*2240mm	166	166		56118886	100744028 6	FHHS80010- 042001- 0001/2022	2022-10-2 16:50:48	2022-10-2 21:20:48	2022-10-2 16:50:48

打印日期: 2023-06-09 14:15:24

收货人:

签收日期:

中华人民共和国海关出口货物报关单

预录入编号:E20220000922543661

海关编号:310420220549410549

境内发货人 浙江永强集团股份有限公司 91330000743452075L	出境关别	出口日期 2022-10-06 00:00:00	申报日期	备案号			
境外收货人 AEO HOME DEPOT U.S.A., INC.	运输方式 水路运输	运输工具名称及航次号	提运单号				
生产销售单位 浙江永强集团股份有限公司 91330000743452075L	监管方式 一般贸易	征免性质 一般征税	许可证号				
合同协议号 S23YG0420010012	贸易国(地区) 美国	运抵国(地区) 美国	指运港 Ningbo, China	离境口岸			
包装种类 CTNS	件数 166	毛重(千克) 4,913.6	净重(千克) 3,652	成交方式 FOB	运费	保费	杂费
随附单证及编号							
标记唛码及备注: 商务百事通批改 发票号: F23YG0420010012 配载: 王玲玲 进仓编号:							

项号	商品编码	手册 项号	商品名称,规格型号	品牌类型	净重	数量及单位	原产国 (地址)	最终目的国 (地区)	单价	总价	币制	境内货源地	征免
1	7321810000		取暖器(境外贴牌生产/不享受 /材质:钢铁/种类:火炉/原 理:非电热/燃料种类:气体燃 料/型号:FHHS80010) /Φ815*2240mm/Home Decorators Collection	境外品牌 (贴牌生产)	3,652	166 PCS	中国	美国	106.17	17,624.22	USD	台州	
TOTAL:										17,624.22			
报关人员	报关人员证号	电话	兹声明对以上内容承担如实申报、依法纳税之法律责任					海关批注及签章					
申报单位	申报单位(签章)												

浙江永强集团股份有限公司

Yotrio Group Co.,Ltd.

No.1 Qianjiang South Road . Linhai City . Zhejiang Province .P.R.China 317004

Web site:<http://www.yotrio.com>

COMMERCIAL INVOICE

To:Yotrio Corporation
14365 Pipeline Ave. Chino, CA 91710 USA
ATTN:KARI LIU TEL:626-923-1088

Invoice No: F23YG0420010012
Sale Contract No: S23YG0420010012
Date. 2022-09-30

From Ningbo, China To MONTGOMERY,NY Via
Letter of Credit Issued by

Marks & Numbers	Commodities and Descriptions	Quantities	Unit Price	Amount
28 SKU Item description PO Made in China Qty: Case wt: lbs	Kendrick Metal Patio Heater	166 PCS	106.17	USD 17,624.22
TOTAL:		166 PCS		USD 17,624.22

TOTAL PACKED IN 166.00 CTNS
TOTAL GROSS WEIGHT 4,913.60 KGS
TOTAL NET WEIGHT 3,652.00 KGS
TOTAL MEASUREMENTS 52.274 CBM

浙江永强集团股份有限公司
YOTRIO GROUP CO., LTD

SHIPPER
 YOTRIO GROUP CO.,LTD
 NO.1 QIANJIANG SOUTH ROAD
 LINHAI CITY ZHEJIANG PROVINCE
 P.R. CHINA 317004

CONSIGNEE
 HOME DEPOT USA INC
 2455 PACES FERRY ROAD
 ATLANTA, GA 30339
 UNITED STATES

NOTIFY PARTY
 DAMCO CUSTOMS SERVICES INC
 9300 ARROWPOINT BLVD
 CHARLOTTE, NC 28273
 UNITED STATES

VESSEL & VOYAGE (intended) GSL TRIPOLI 238E	SAILING DATE 06 OCT., 2022
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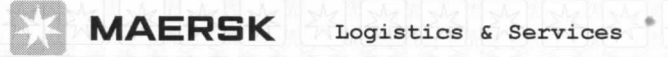
PLACE OF RECEIPT Ningbo	PORT OF LOADING Ningbo
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FORWARDER'S CARGO RECEIPT

RECEIPT NO. NPO1396087 (04)

PORT AND COUNTRY OF ORIGIN Ningbo	DATE OF RECEIPT OF CARGO 30 SEP., 2022
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THIS IS NOT A DOCUMENT OF TITLE



Damco China Limited

26F, Gopher Center, No.757 Meng Zi Road Shanghai China 200023
 PHONE: (86)21 2306 2000

This forwarder's cargo receipt is to be issued upon presentation of the corresponding dock receipt. This document is issued only to aid the shipper in seeking negotiation on the relevant letter of credit. This documents does not grant any title to the goods described.

Cargo will be containerized and shipped under ocean Bill(s) of Lading, to be issued by the carrier, and subject to the terms and conditions thereof. Goods are received subject to delay or the carrier's inability to carry due to any reason whatsoever. Maersk Logistics & Services is acting as agent only.

D/R NO.
EXPORT LICENCE NO. 291509618

MARKS & NUMBERS	NUMBER AND KIND OF PACKAGES	DESCRIPTION OF GOODS	GROSS WEIGHT	MEASUREMENT
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Shipper's Load, Stow and Count: Kgs: Cbm:

28SKU#: ITEM DESCRIPTION: PO#: MADE IN CHINA QTY: CASE WT:LBS	166	HEATER PO#:56118886 SKU#:1007440286 SHIPPER'S DECLARATION CONCERNING WOOD PACKING MATERIALS: NO WOOD PACKING MATERIAL IS USED IN THE SHIPMENT	4913.600	52.274
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ORIGINAL

TOTAL: 1X40' DRY/PONU1876122 CONTAINERS - FREIGHT COLLECT

IN ACCORDANCE WITH INSTRUCTIONS FROM THE BUYER
 WE HAVE RECEIVED THE FOLLOWING DOCUMENTS ON: 30 SEP., 2022

	ORIGINAL	COPY
1. COMMERCIAL INVOICE	0	1
2. PACKING LIST	0	1

RECEIVED THE GOODS DESCRIBED ABOVE, IN APPARENT GOOD ORDER AND CONDITION UNLESS OTHERWISE NOTED. THE GOODS ARE TO BE DELIVERED TO THE CONSIGNEE AT THE PLACE OF DELIVERY AND THE CONSIGNEE NEED NOT SURRENDER ANY ORIGINAL OF THE FORWARDER'S CARGO RECEIPT WHEN THEY TAKE CARGO DELIVERY. THE CONSIGNEE HAS THE IRREVOCABLE RIGHT TO DISPOSE OF THE GOODS ONCE THE GOODS ARE RECEIVED BY Maersk Logistics & Services FROM THE SHIPPER.

IN WITNESS WHEREOF (THREE 3) FORWARDER'S CARGO RECEIPT(S) ALL OF THIS DATE HAVE BEEN ISSUED. ALL TRANSACTIONS ARE SUBJECT TO Maersk Logistics & Services' STANDARD TRADING CONDITIONS, AVAILABLE ON [HTTPS://TEAMS.MAERSK.COM/STC](https://teams.maersk.com/stc) OR ON REQUEST.

FOR
Damco China Limited

[Signature]
 AUTHORIZED SIGNATURE

DATE: 11 OCT., 2022

Maersk Logistics & Services is a trading name for Damco China Limited

The above documents plus Bill of Lading will be dispatched to consignee or other designated parties.

浙江永强集团股份有限公司

Yotrio Group Co.,Ltd.

No.1 Qianjiang South Road . Linhai City . Zhejiang Province .P.R.China 317004

Web sitehttp://www.yotrio.com

PACKING LIST

Invoice NO. F23YG0420010012

Date. 2022-09-30

Description	Packages	Quantity	N.WT(KGS)	G.WT(KGS)	Meas.(CBM)
Kendrick Metal Patio Heater	166 CTNS	166 PCS	3,652	4,913.6	52.274
TOTAL:	166 CTNS	166 PCS	3,652.00 KGS	4,913.60 KG	52.274 M3

S

TOTAL PACKED IN 166 CTNS
TOTAL GROSS WEIGHT 4,913.60 KGS
TOTAL NET WEIGHT 3,652.00 KGS
TOTAL MEASUREMENTS 52.274 CBM
SHIPPING MARKS:

浙江永强集团股份有限公司
YOTRIO GROUP CO., LTD

永强

Shipper
 YOTRIO GROUP CO . LTD
 NO.1 QIANJIANG SOUTH ROAD,LINHAI CITY.ZHEJIANG PROVINCE
 P.R.CHINA 317004 TEL:0576-85956065

Bill of Lading No.: ZXHW2303025

Consignee
 TEAK SOURCE USA ON BEHALF OF SUNVILLA CORPORATION
 14345 PIPELINE AVE CHINO,CA 91710
 ATTN: JAMES.LIU@SUNVILLA.COM



中贤供应链管理（深圳）有限公司
 China Smart Cargo Shipping (Shenzhen) Co., Ltd

BILL OF LADING

RECEIVED in apparent good order and condition except as otherwise noted the total number of containers or other packages or units enumerated below for unless otherwise stated, to be transported to such place as agreed, authorized or permitted herein and subject to all the terms and conditions appearing on the front and reverse of this Bill of lading the which the Merchant agrees by accepting this Bill of lading,any local privileges and customs notwithstanding. The particulars given below as stated by the shipper and the weight, measure, quantity, condition, contents and value of the Goods are unknown to the Carrier. In WITNESS WHERE OF ONE (1) ORIGINAL Bill of Lading has been signed if not otherwise stated below, the same being accomplished the other(s), if any, to be void.

Notify Party
 SAME AS CONSIGNEE

Pre-carriage by	Place of receipt
Ocean vessel EVER LUCENT 1060E Voy.No.	Port of loading NINGBO,CHINA
Port of discharge LOS ANGELES,CA,AMERICA	Place of delivery LOS ANGELES,CA,AMERICA

For delivery Please apply to:
 PRIME AGENCY
 17595 ALMAHURST ROAD,SUITE 209
 CITY OF INDUSTRY,CA 91748
 TEL:626-709-3355 FAX:626-228-2218
 ATTACH:ANGEL ZHANG
 EMAIL:ANGEL@USAPRIMEAGENCY.COM
 FAX@USPRIMEAGENCY.COM

Container No./Seal No. Marks & Numbers	Quantity & kind of packages	Description of Packages and Goods	Gross Weight(kgs)	Measurement(m ³)
N/M	94CARTONS	CHAIR OTTOMAN TABLE FIRE PIT PO:CD230012	4283 KGS	55.073 CBM
CONTAINERS/SEAL NO.: EITU1001746/EMCTQE4092/40HQ/94CARTONS/4283KGS/55				

ORIGINAL

B/L SURRENDERED

Particulars Furnished by shipper

Total number of Containers or other Packages or units received by the Carrier (in words) SAY 1X40HQ CONTATNER ONLY

Freight and charges	Revenue tons	Rate	Per	Prepaid	Collect
					FREIGHT COLLECT

EX.RATE	Prepaid at	Payable at	Place and date of issue
@	Total prepaid	No. of original B(s)/L	SHENZHEN 19 Apr 2023

LADEN ON BOARD THE VESSEL
 SHIPPED ON BOARD: 19 Apr 2023

THREE(3)

For and on behalf of
 中贤供应链管理（深圳）有限公司
 China Smart Cargo Shipping (Shenzhen) Co., Ltd

 Authorized Signature (s)

COMMERCIAL INVOICE

YOTRIO GROUP CO . LTD

No.1 Qianjiang South Road-Linhai City-Zhejiang Province-P.R.China 317004-Phone 86-576-85956555

CONSIGNEE TO:

SUNVILLA CORPORATION
 14345 Pipeline Ave Chino,CA 91710
 ATTN:: James.liu@sunvilla.com

Invoice # F23YG8790990012

Date: 11-Apr-23

NOTIFY PARTY:

SUNVILLA CORPORATION
 14345 Pipeline Ave Chino,CA 91710
 ATTN:: James.liu@sunvilla.com

FROM NINGBO,CHINA TO LOS ANGELES, CA
 PO NO. CD230012 COUNTRY OF ORIGIN: CHINA
 SHIP DATE: 2023-4-19
 PAYMENT TERM: T/T 120 DAYS AFTER SAILING DATE

Item No.	PO NO.	Qty (Pcs/Sets)	Description	Box SKU	Breakdown	Unit Price	Ext. Price	
			FOB NINGBO PORT,CHINA					
Parsons	CD230012	22	Parsons, 6pcs chair frame	PRS-6DINCHR-TOP	Alum.chair 2x\$125.12-60%	\$528.72	\$11,631.84	
		22	Parsons, 6pcs chair base	PRS-6DINCHR-BAS	Alum,4% Cushion,36% Wicker +Alum. table	\$222.00	\$4,884.00	
		22	Parsons, 1pc firepit table top	PRS-FIRTAB-TOP	1x\$770.78-29% Alum,61% Tile,10% Wicker =\$1521.5	\$347.00	\$7,634.00	
		22	Parsons, 1pc firepit table base	PRS-FIRTAB-BAS		\$423.78	\$9,323.16	
Johanna		3	Johanna, 2pcs swivel chairs + 1pc sofa	JOH-3DPS	Alum. chairs 2x\$320-55% Alum,18% Cushion,27% Wicker +Alum. sofa 1x\$544-35% Alum,30% Cushion,35% Wicker	\$1,184.00	\$3,552.00	
		3	Johanna, 1pc coffee table+2pcs ottoman	JOH-3COT	+Alum. coffee table 1x\$224- 23% Alum,65% Tile,12% Cushion +Alum. ottoman 1x\$96-47% Alum,5% Cushion,48% Wicker =\$1600	\$416.00	\$1,248.00	
TOTAL						\$	38,273.00	

SHIPPING MARK:
N/M

SHIPMENT TYPE: FCL
 PALLETS NO. IFCL: N/A
 CONTAINER & SEAL: EITU1001746/EMCTQE4092

ISF: FILED IN CHINA

Yotrio Group Co., Limited

No.1 Qianjiang South Road·Linhai City·Zhejiang Province·P.R.China 317004·Phone 86-576-85956555

Website: <http://www.yotrio.com>

Bill To:
SUNVILLA CORPORATION
14345 Pipeline Ave Chino, CA 91710 USA
ATTN: James Liu

Date: 03/16/23
Customer Order No.: CD230012
Customer ID Code: Costco.com 879
Prepared by: Vicky Xie

Reference:

Sales Confirmation

S23YG8790990012

Pos.	Qty	Supplier item no.	Item-No.	Box SKU #	Description	Unit	Amount
1	22	FRA10469H	Parsons	PRS-6DINCHR-TOP	Parsons, 6pcs chair frame	\$528.72	\$11,631.84
2	22	FRA10469H		PRS-6DINCHR-BAS	Parsons, 6pcs chair base	\$222.00	\$4,884.00
3	22	FHWA10359H		PRS-FIRTAB-TOP	Parsons, 1pc firepit table top	\$347.00	\$7,634.00
4	22	FHWA10359H		PRS-FIRTAB-BAS	Parsons, 1pc firepit table base	\$423.78	\$9,323.16
5	3	FRA10375S+FRA10375T	Johanna	JOH-3DPS	Johanna, 2pcs swivel chairs + 1pc sofa	\$1,184.00	\$3,552.00
6	3	FRA10375F+FWA10246		JOH-3COT	Johanna, 1pc coffee table+2pcs ottoman	\$416.00	\$1,248.00

Sales Tax	\$0.00
Shipping & Handling	\$0.00
Others	
TOTAL QTY	94
TOTAL AMOUNT	\$38,273.00

SHIPMENT DETAIL INFORMATION & SHIPMENT DATE

Container Size: 1*40HQ
Incoterm 2000: FOB Ningbo
Cargo Ready Date: 2023/3/31
Port of Shipment: Ningbo, China
Port of Arrival: Ontario, CA
Forwarder:
Third party inspection:

PAYMENT TERM / YOTRIO GROUP & BUYER BANKING DETAIL INFORMATION

Payment Term: TT 120 DAYS
Supplier: YOTRIO GROUP CO., LIMITED
A/C NO: 840010625808091014
ACQUANTEE BANK: BANK OF CHINA, LINHAI SUB-BR
BANK ADD: 79 JINSHAN MIDDLE ROAD, LINHAI, ZHEJIANG CHINA
ZONE CODE: 317000
TEL: 0576-85221154 85226242
FAX: 0576-85221154
SWIFT CODE (TAIZHOU BR.,) BKCHCNBJ92J

Please sign and return one copy of Confirmation at your immediate convenience

浙江永强集团股份有限公司
YOTRIO GROUP CO., LTD
汤建勇

八、企业境外投资证书及 银行付汇水单



企业境外投资证书

商境外投资证第 3300201300138 号

浙江永强集团股份有限公司

公司右页所列境外

投资符合《境外投资管理办法》（商务部2009年第5号令）有关规定，现予以颁发《企业境外投资证书》。

公司持本证书办理外汇、海关、外事等相关手续。公司自领取本证书之日起2年内，未从事右页所列境外投资，证书自动失效。

公司开展境外投资业务应认真遵守境内外相关法律法规和政策。



中华人民共和国商务部
二〇一三年四月二十八日

境外企业名称	中文	永强(香港)有限公司		
	外文	MWH (HONGKONG) CO., LIMITED		
国家/地区	中文	中国香港		
	外文	Hong Kong		
设立方式	<input type="checkbox"/> 新设 <input type="checkbox"/> 并购 <input checked="" type="checkbox"/> 其它			
投资主体	中方名称	浙江永强集团股份有限公司	股比	100.0%
	外方名称		股比	
注册资本	500.64	万美元	经营年限	20 年
投资总额	中方	580 万美元	现汇	580 万美元
			实物	0 万美元
	外方	0 万美元	现汇	0 万美元
			实物	0 万美元
经营范围	促销产品、联系客户、售后服务。			
申报文号	浙境外投资[2013]00130号			
批准文号				
备注	变更事由：浙江永强集团股份有限公司申请对在中国香港成立永强(香港)有限公司增资，增资事由为：投资总额由80变为580 增资500中方投资总额由80变为580 增资500外方实际投资金额0变为0 增资0 (金额单位：万美元)			



境外汇款申请书
APPLICATION FOR FUNDS TRANSFERS (OVERSEAS)

致: 中国银行
TO: BANK OF CHINA

日期
Date 2013.6.8

0272413000614

<input checked="" type="checkbox"/> 电汇 T/T <input type="checkbox"/> 票汇 D/D <input type="checkbox"/> 信汇 M/T		发电等级 Priority <input type="checkbox"/> 普通 Normal <input type="checkbox"/> 加急 Urgent	
申请号码 BOP Reporting No.		□□□□□□ □□□□ □□ □□□□□□ □□□□	
20	银行业务编号 Bank Transac. Ref No.	收电行/付款行 Receiver/Drawn on:	
32A	汇款币种及金额 Currency & Interbank Settlement Amount	USD 5,000,000.00	金额大写 Amount in Words 美元伍佰万圆整
其中	现汇金额 Amount in FX	USD 5,000,000.00	账号 Account No./Credit Card No. 389658358889
	票汇金额 Amount of Purchase		账号 Account No./Credit Card No.
	其他金额 Amount of Others		账号 Account No./Credit Card No.
50a	汇款人名称及地址 Remitter's Name & Address	YOTRIO GROUP CO., LTD. NO. 1 QIANJIANG SOUTH ROAD LINHAI CITY ZHEJIANG CHINA	
<input type="checkbox"/> 对公 组织机构代码 Unit Code 74345207-5		<input type="checkbox"/> 对私 个人身份证件号码 Individual ID NO. <input type="checkbox"/> 中国居民个人 Resident Individual <input type="checkbox"/> 中国非居民个人 Non-Resident Individual	
54/5a	收款银行之代理行 名称及地址 Correspondent of Beneficiary's Bank Name & Address	-----	
57a	收款人开户银行 名称及地址 Beneficiary's Bank Name & Address	收款人开户银行在其代理行账号 Beneficiary's Bank A/C No. THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (SWIFT Code: HSDCHKHHKX) HSPC MAIN BUILDING, 1 GREEN ROAD, CENTRAL, HONG KONG	
59a	收款人名称及地址 Beneficiary's Name & Address	收款人账号 Beneficiary's A/C No. 040-327500-030 MWH (HONGKONG) CO., LIMITED UNIT 002 G/F CAUSEWAY BAY COMM BLDG 1 SUGAR ST CAUSEWAY BAY HK	
70	汇款附言 Remittance Information	只限 140 个字符 Not Exceeding 140 Characters Investment	71A 国内外费用承担 All Bank's Charges If Any Are To Be Borne By <input checked="" type="checkbox"/> 汇款人 OUR <input type="checkbox"/> 收款人 BEN <input type="checkbox"/> 共同 SH/A
收款人居住国家(地区)名称及代码 Resident Country/Region Name & Code		香港 0314	
请选择: <input type="checkbox"/> 预付货款 Advance Payment <input type="checkbox"/> 货到付款 Payment Against Delivery <input type="checkbox"/> 退款 Refund <input checked="" type="checkbox"/> 其他 Others			
交易编码 BOP Transac. Code	相应币种及金额 Currency & Amount	交易附言 Transac. Remark	新设境外直接投资业务投资款 汇出
本笔款项是否为保税货物项下付款	<input type="checkbox"/> 是 <input type="checkbox"/> 否	合同号	发票号
外汇局批件号/备案表号/业务编号			
银行专用章 For Bank Use Only		申请人签章 Applicant's Signature	
购汇汇率 Rate	等值人民币 RMB Equivalent	请按照本行网页所列条款代办以上汇款并进行申报 Please Effect The Upwards Remittance, Subject To The Conditions Overleaf!	
手续费 Commission	电报费 Cable Charges	浙江永强集团 股份有限公司 财务专用章 331082108887	
合计 Total Charges	支付费用方式 In Payment of the Remittance <input type="checkbox"/> 现金 by Cash <input type="checkbox"/> 支票 by Check <input type="checkbox"/> 账户 from Account		
被印 Sig. Ver.	经办 Maker	核准人 Authorized Person	日期 Date
		复核 Checker	

填写前请仔细阅读各联背面条款及填单说明
Please read the conditions and instructions overleaf before filling in this application.

第一联 申报卡 随单存根



浙江省境外投资

外汇登记证

FOREIGN EXCHANGE REGISTRATION

国家外汇管理局浙江省分局印制
二零零二年十月

一、境内投资主体概况

投资主体名称: 浙江永强集团股份有限公司	
注册地址: 临海市前江南路1号	
企业代码: 74345207-5	法定代表人: 谢建勇
工商注册号: 3300001012206	注册资本: 12000万
企业类型: 股份有限公司(非上市)	经营期限: 2001.6.18至
经营范围: 户外用品及家具、遮阳用品、工艺品、金属铁制品的制造、销售; (经营范围(国家法律法规禁止、限制)的除外), 投资管理。	

联系人: 沈文萍
经办人: 潘爱丽

联系电话: 13586116000
13968563229

二、境外投资设立企业概况

境外投资企业名称: 永强(香港)有限公司		
注册地址: 香港铜锣湾物街1号铜锣湾角大厦6楼602室		
境外合作伙伴:		
投资国家(地区): 香港	法人代表: 谢建勇	
注册资本: 0.64 万美元	投资期限: 10年	投资回收期: 年
企业类别: ()生产 (x)贸易 ()研发 ()服务 ()其他	投资性质: (x)独资 ()合资 ()合作 ()购股 ()其他	
经营范围: 休闲产品. 服装部. 售后服务		
协议投资总额: 80 万美元	本公司实际出资方式:	
协议中方投资额: 80 万美元	其中: 现汇 80 万美元	
其中: 本公司投资: 80 万美元	(购汇 80 万美元)	
其他中方投资: 万美元	实物 万美元	
	无形资产 万美元	
	其他 万美元	
外汇局资金来源审查批复文号: 临外管[2007]6号	外经贸项目批准证书文号: 2007商合境外投资证第001281号	
海外注册登记证书编号:	海外营业执照号码:	
境外开户银行名称:	境外开户银行账号:	

境外投资企业名称：			
注册地址：			
境外合作伙伴：			
投资国家(地区)：	法人代表：		
注册资本：	投资期限： 年	投资回收期： 年	
企业类别： ()生产 ()贸易 ()研发 ()服务 ()其他	投资性质： ()合作 ()购股 ()其他	()独资 ()合资 ()其他	
经营范围：			
协议投资总额： 协议中方投资额： 其中：本公司投资： 其他中方投资：	万美元 万美元 万美元 万美元	本公司实际出资方式： 其中：现汇 (购汇 实物 无形资产 其他	万美元 万美元) 万美元 万美元 万美元
外汇局资金来源审查批复文号：		外经贸项目批准证书文号：	
海外注册登记证书编号：		海外营业执照号码：	
境外开户银行名称：	境外开户银行账号：		

境外投资企业名称：			
注册地址：			
境外合作伙伴：			
投资国家(地区)：	法人代表：		
注册资本：	投资期限： 年	投资回收期： 年	
企业类别： ()生产 ()贸易 ()研发 ()服务 ()其他	投资性质： ()合作 ()购股 ()其他	()独资 ()合资 ()其他	
经营范围：			
协议投资总额： 协议中方投资额： 其中：本公司投资： 其他中方投资：	万美元 万美元 万美元 万美元	本公司实际出资方式： 其中：现汇 (购汇 实物 无形资产 其他	万美元 万美元) 万美元 万美元 万美元
外汇局资金来源审查批复文号：		外经贸项目批准证书文号：	
海外注册登记证书编号：		海外营业执照号码：	
境外开户银行名称：	境外开户银行账号：		

四、境外投资企业汇兑管理

付款人名称： <u>浙江永修集团进出口有限公司</u> 收款人名称： <u>永修(机电)公司</u> YOTRICO CHONGQING CO. LIMITED	
资金性质： <input checked="" type="checkbox"/> 购汇 <input checked="" type="checkbox"/> 付汇 资金来源： <u>人民币</u> 金额及币种： <u>80万美金</u> 批准件编号： <u>F331082200700002</u> 批准时间： <u>2007.12.6</u>	银行记录 付款人银行： <u>中国建设银行临海支行</u> 账号： <u>3304042500229200090</u> 收款人银行： <u>花旗银行上海分行</u> 账号： <u>176011292</u> 金额及币种： <u>80万美金</u>
付款人名称： 收款人名称：	银行记录 付款人银行 账号： 收款人银行 账号： 金额及币种：
资金性质： <input type="checkbox"/> 购汇 <input type="checkbox"/> 付汇 <input type="checkbox"/> 入账 <input type="checkbox"/> 结汇 资金来源： 金额及币种： 批准件编号： 批准时间：	银行记录 付款人银行 账号： 收款人银行 账号： 金额及币种：

付款人名称： 收款人名称：	
资金性质： <input type="checkbox"/> 购汇 <input type="checkbox"/> 付汇 <input type="checkbox"/> 入账 <input type="checkbox"/> 结汇 资金来源： 金额及币种： 批准件编号： 批准时间：	银行记录 付款人银行 账号： 收款人银行 账号： 金额及币种：
付款人名称： 收款人名称：	银行记录 付款人银行 账号： 收款人银行 账号： 金额及币种：
资金性质： <input type="checkbox"/> 购汇 <input type="checkbox"/> 付汇 <input type="checkbox"/> 入账 <input type="checkbox"/> 结汇 资金来源： 金额及币种： 批准件编号： 批准时间：	银行记录 付款人银行 账号： 收款人银行 账号： 金额及币种：

付款人名称： 收款人名称：	
资金性质： () 购汇 () 付汇 () 入账 () 结汇 资金来源： 金额及币种： 核准件编号： 核准时间：	银行记录 付款人银行 账号： 收款人银行： 账号： 金额及币种：
付款人名称： 收款人名称：	
资金性质： () 购汇 () 付汇 () 入账 () 结汇 资金来源： 金额及币种： 核准件编号： 核准时间：	银行记录 付款人银行 账号： 收款人银行： 账号： 金额及币种：



付款人名称： 收款人名称：	
资金性质： () 购汇 () 付汇 () 入账 () 结汇 资金来源： 金额及币种： 核准件编号： 核准时间：	银行记录 付款人银行 账号： 收款人银行： 账号： 金额及币种：
付款人名称： 收款人名称：	
资金性质： () 购汇 () 付汇 () 入账 () 结汇 资金来源： 金额及币种： 核准件编号： 核准时间：	银行记录 付款人银行 账号： 收款人银行： 账号： 金额及币种：

五、实物投资核销管理

发货人名称： 收货人名称：	
核销时间： 出口收汇报销单号码： 出口报关单号码： 出口货物金额： 实际核销金额：	备注：
发货人名称： 收货人名称：	
核销时间： 出口收汇报销单号码： 出口报关单号码： 出口货物金额： 实际核销金额：	备注：

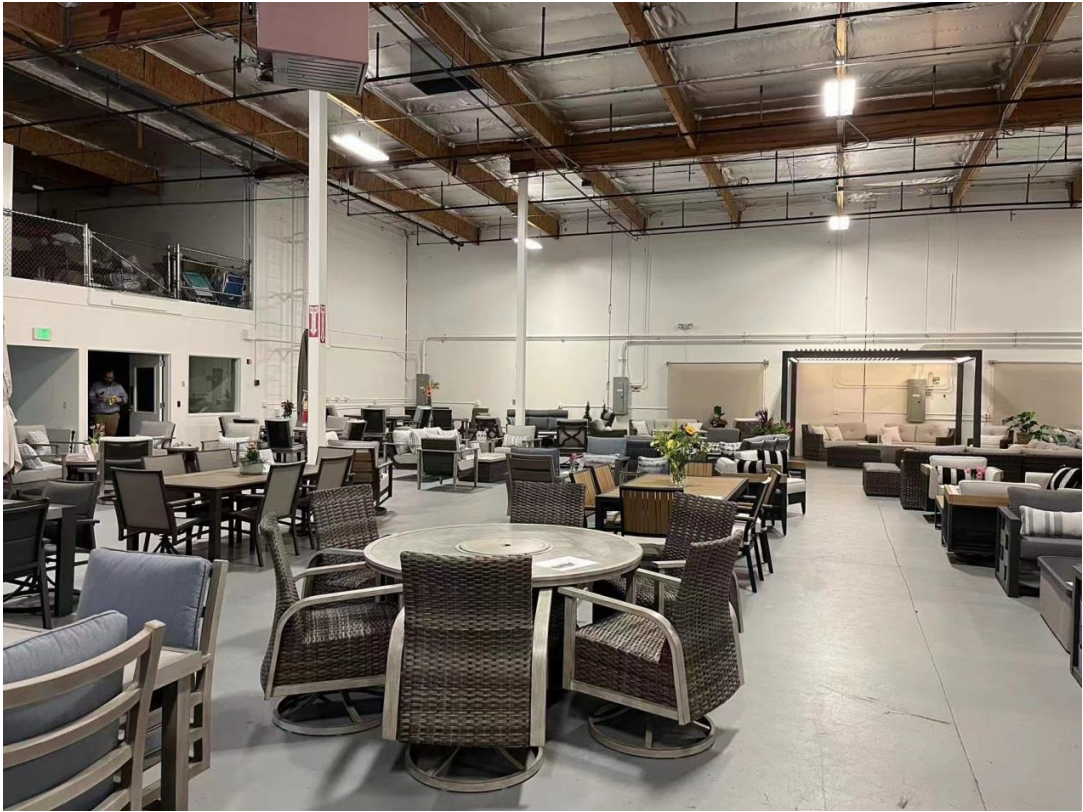
发货人名称： 收货人名称：	
核销时间： 出口收汇报销单号码： 出口报关单号码： 出口货物金额： 实际核销金额：	备注：
发货人名称： 收货人名称：	
核销时间： 出口收汇报销单号码： 出口报关单号码： 出口货物金额： 实际核销金额：	备注：

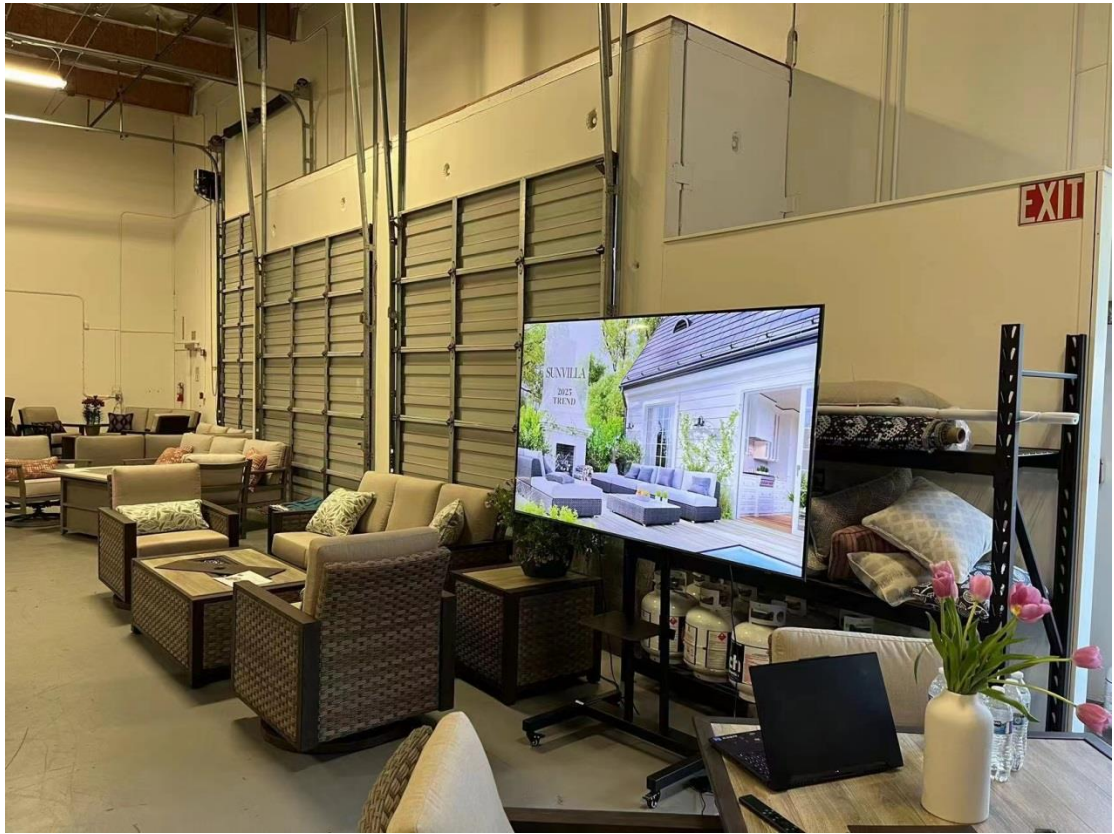
六、境外投资企业年检记录

时间	资产负债情况	利润情况	投资记录
年	资产总额：__万美元 负债总额：__万美元	本年实现利润：__万美元 上年未分配利润：__万美元	长期投资： __万美元
外经贸 年检为 __级	所有者权益：__万美元 资本金：__万美元	本年已分配利润：__万美元 本年未分配利润：__万美元	项目投资： __万美元
本年投资情况说明：  			
年	资产总额：__万美元 负债总额：__万美元	本年实现利润：__万美元 上年未分配利润：__万美元	长期投资： __万美元
外经贸 年检为 __级	所有者权益：__万美元 资本金：__万美元	本年已分配利润：__万美元 本年未分配利润：__万美元	项目投资： __万美元
本年投资情况说明： 			

时间	资产负债情况	利润情况	投资记录
年	资产总额：__万美元 负债总额：__万美元	本年实现利润：__万美元 上年未分配利润：__万美元	长期投资： __万美元
外经贸 年检为 __级	所有者权益：__万美元 资本金：__万美元	本年已分配利润：__万美元 本年未分配利润：__万美元	项目投资： __万美元
本年投资情况说明： 			

九、产品展示







十、2022 年境内企业财务报表、境外海外财务报表

资产负债表

2022年12月31日

会企01表

编制单位: YOTRIOCORPORATION

单位:人民币元

资 产	注 释 号	期 末 数	上 年 年 末 数	负 债 和 所 有 者 权 益	注 释 号	期 末 数	上 年 年 末 数
流动资产:				流动负债:			
货币资金		69,173,759.58	155,222,181.53	短期借款			19,127,100.00
交易性金融资产				交易性金融负债			
衍生金融资产				衍生金融负债			
应收票据				应付票据			
应收账款		634,449,024.98	628,624,283.88	应付账款		631,872,680.38	778,628,679.62
应收款项融资				预收款项			
预付款项		5,446,811.62	6,103,736.23	合同负债			5,133,827.70
其他应收款		32,914,800.20	71,594,121.27	应付职工薪酬		4,594,596.07	3,305,793.63
存货		25,877,040.98	2,717,106.12	应交税费		10,707,656.23	6,334,693.73
合同资产				其他应付款		28,130,575.74	25,902,192.15
持有待售资产				持有待售负债			
一年内到期的非流动资产				一年内到期的非流动负债		11,174,500.64	
其他流动资产				其他流动负债			
流动资产合计		767,861,437.36	864,261,429.03	流动负债合计		686,480,009.06	838,432,286.83
				非流动负债:			
				长期借款			
				应付债券			
				其中: 优先股			
				永续债			
				租赁负债		19,004,066.12	
非流动资产:				长期应付款			
债权投资				长期应付职工薪酬			
其他债权投资				预计负债			
长期应收款				递延收益			
长期股权投资				递延所得税负债			3,740,878.22
其他权益工具投资				其他非流动负债			
其他非流动金融资产		16,032,509.20	17,035,870.40	非流动负债合计		19,004,066.12	3,740,878.22
投资性房地产				负债合计		705,484,075.18	842,173,165.05
固定资产		2,475,355.06	2,568,214.02	所有者权益(或股东权益):			
在建工程				实收资本(或股本)		7,029.20	7,029.20
生产性生物资产				其他权益工具			
油气资产				其中: 优先股			
使用权资产		29,450,509.92		永续债			
无形资产				资本公积			
开发支出				减: 库存股			
商誉				其他综合收益		10,431,909.41	-6,146,004.46
长期待摊费用		102,458.11	84,345.41	专项储备			
递延所得税资产		928,053.85	7,032,556.49	盈余公积			
其他非流动资产				未分配利润		100,927,309.71	54,948,225.56
非流动资产合计		48,988,886.14	26,720,986.32	所有者权益合计		111,366,248.32	48,809,250.30
资产总计		816,850,323.50	890,982,415.35	负债和所有者权益总计		816,850,323.50	890,982,415.35

法定代表人:

主管会计工作的负责人:

会计机构负责人:



母公司资产负债表

2022年12月31日

会企01表

单位:人民币元

编制单位:浙江永强集团股份有限公司

资产	注释号	期末数	上年年末数	负债和所有者权益	注释号	期末数	上年年末数
流动资产:				流动负债:			
货币资金		603,622,347.12	1,259,773,686.34	短期借款		1,349,430,397.49	1,743,031,551.58
交易性金融资产				交易性金融负债			
衍生金融资产				衍生金融负债			
应收票据				应付票据		1,175,770,382.19	2,224,720,000.00
应收账款	1	2,506,711,503.40	2,641,688,169.27	应付账款		1,207,087,174.63	1,527,766,176.89
应收款项融资				预收款项		76,000.01	446,537.16
预付款项		36,815,219.55	135,645,850.93	合同负债		2,842,551.55	2,816,730.11
其他应收款	2	652,512,999.51	475,959,188.36	应付职工薪酬		69,986,624.90	70,122,024.27
存货		983,079,684.69	1,316,303,025.15	应交税费		39,766,337.75	11,889,796.32
合同资产				其他应付款		610,173,338.38	206,689,929.04
持有待售资产				持有待售负债			
一年内到期的非流动资产				一年内到期的非流动负债		15,362,414.23	6,626,086.82
其他流动资产		79,126,283.96	304,279,318.58	其他流动负债		137,102,876.84	7,937.57
流动资产合计		4,861,868,038.23	6,133,649,238.63	流动负债合计		4,607,598,097.97	5,794,116,769.76
				非流动负债:			
非流动资产:				长期借款			
债权投资				应付债券			
其他债权投资				其中: 优先股			
长期应收款				永续债			
长期股权投资	3	1,650,691,746.83	1,455,803,748.66	租赁负债		35,791,791.87	5,169,294.41
其他权益工具投资		156,567,728.57	224,432,426.91	长期应付款			
其他非流动金融资产		367,066,600.00	367,066,600.00	长期应付职工薪酬			
投资性房地产		791,674.70	877,379.54	预计负债			
固定资产		368,157,241.55	406,940,358.73	递延收益		1,501,640.00	1,800,650.00
在建工程		9,736,231.12	4,510,207.00	递延所得税负债			15,530,249.40
生产性生物资产				其他非流动负债			
油气资产				非流动负债合计		37,293,431.87	22,500,193.81
使用权资产		55,908,095.74	15,201,498.26	负债合计		4,644,891,529.84	5,816,616,963.57
无形资产		104,160,110.08	107,918,308.00	股东权益:			
开发支出				股本		2,175,736,503.00	2,175,736,503.00
商誉				其他权益工具			
长期待摊费用		14,292,124.56	16,007,316.48	其中: 优先股			
递延所得税资产		37,245,659.83	15,469,547.53	永续债			
其他非流动资产		20,884,955.76		资本公积		254,129,745.49	254,129,745.49
非流动资产合计		2,785,502,168.74	2,614,227,391.11	减: 库存股		28,648,921.32	28,648,921.32
资产总计		7,647,370,206.97	8,747,876,629.74	其他综合收益		-138,550,125.54	39,711,014.90
				专项储备			
				盈余公积		330,496,103.63	297,956,531.39
				未分配利润		409,315,371.87	192,374,792.71
				所有者权益合计		3,002,478,677.13	2,931,259,666.17
				负债和所有者权益总计		7,647,370,206.97	8,747,876,629.74

法定代表人:

主管会计工作的负责人:

会计机构负责人:

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利润表

会企02表

编制单位:YOTRIO CORPORATION

2022年 12月

单位:元

项 目	行数	本月数	本年累计数
一、营业收入		283,952,882.73	2,062,254,041.09
其中：主营业务收入	1	282,632,509.48	2,047,514,276.71
其他业务收入	2	1,320,373.25	14,739,764.38
减：营业成本	3	260,212,377.23	1,853,149,503.39
其中：主营业务成本	4	260,212,377.23	1,853,149,824.84
其他业务成本	5	.00	-321.45
营业税金及附加	6	29,700.98	379,763.90
营业费用	7	34,118,805.40	152,997,954.44
管理费用	8	-3,811,208.24	18,346,654.77
财务费用（收益以“-”号填列）	9	1,339,770.19	1,235,182.55
资产减值损失	10	14,245,000.00	14,245,000.00
信用减值损失	11	8,260,755.57	-36,473,643.30
加：公允价值变动净收益（净损失以“-”号填列）	12	.00	.00
投资净收益（净损失以“-”号填列）	13	.00	.00
其中：对联营企业与合营企业的投资收益	14		.00
加：资产处置收益（净损失以“-”号填列）	15	.00	.00
加：其他收益	16	.00	.00
二、营业利润（亏损以“-”号填列）	17	-30,442,318.40	58,373,625.34
加：营业外收入	18	.00	.00
其中：政府补助	19	.00	.00
减：营业外支出	20	-17,668.28	700,786.55
其中：非流动资产处置净损失（净收益以“-”号填列）	21	15,223.20	15,223.20
三、利润总额（亏损总额以“-”号填列）	22	-30,424,650.12	57,672,838.79
减：所得税	23	-1,635,803.21	10,871,010.67
四、净利润（净亏损以“-”号填列）	24	-28,788,846.91	46,801,828.12
五、每股收益：			
基本每股收益			
稀释每股收益			
以前年度损益调整		.00	.00

补充资料：

项目：	行数	本年累计数	上年实际数
1、出售、处置部门或被投资单位所得收益	1		

2、自然灾害发生的损失	2		
3、会计政策变更增加（或减少）利润总额	3		
4、会计估计变更增加（或减少）利润总额	4		
5、债务重组损失	5		
6、其他	6		

单位负责人：

财务负责人：

制表人：



母公司利润表

2022年度

会企02表

单位：人民币元

编制单位：浙江永强集团股份有限公司

项目	注释号	本期数	上年同期数
一、营业收入	1	6,799,429,482.87	7,288,801,332.98
减：营业成本	1	5,965,965,504.16	6,804,897,651.93
税金及附加		25,657,962.10	32,724,346.43
销售费用		93,891,140.39	94,069,184.10
管理费用		180,897,904.07	188,519,604.09
研发费用	2	150,645,052.45	194,589,176.36
财务费用		26,623,001.98	-162,481,433.04
其中：利息费用		20,041,918.27	24,906,689.88
利息收入		22,099,411.85	20,466,017.45
加：其他收益		14,855,606.11	9,642,797.76
投资收益（损失以“-”号填列）	3	19,735,719.76	-32,428,148.37
其中：对联营企业和合营企业的投资收益		-4,977,966.12	-3,518,194.14
以摊余成本计量的金融资产终止确认收益			
净敞口套期收益（损失以“-”号填列）			-45,213,607.95
公允价值变动收益（损失以“-”号填列）			-28,540,349.00
信用减值损失（损失以“-”号填列）		33,344,588.04	-71,552,461.20
资产减值损失（损失以“-”号填列）		-60,435,462.92	
资产处置收益（损失以“-”号填列）		199,517.76	
二、营业利润（亏损以“-”号填列）		363,448,886.47	-31,608,965.65
加：营业外收入		143,984.98	140,378.22
减：营业外支出		8,682,254.23	6,930,310.74
三、利润总额（亏损总额以“-”号填列）		354,910,617.22	-38,398,898.17
减：所得税费用		29,514,894.87	-25,209,218.42
四、净利润（净亏损以“-”号填列）		325,395,722.35	-13,189,679.75
（一）持续经营净利润（净亏损以“-”号填列）		325,395,722.35	-13,189,679.75
（二）终止经营净利润（净亏损以“-”号填列）			
五、其他综合收益的税后净额		-178,261,140.44	-61,491,085.42
（一）不能重分类进损益的其他综合收益		-89,414,698.34	-32,476,805.50
1.重新计量设定受益计划变动额			
2.权益法下不能转损益的其他综合收益			
3.其他权益工具投资公允价值变动		-89,414,698.34	-32,476,805.50
4.企业自身信用风险公允价值变动			
5.其他			
（二）将重分类进损益的其他综合收益		-88,846,442.10	-29,014,279.92
1.权益法下可转损益的其他综合收益			
2.其他债权投资公允价值变动			
3.金融资产重分类计入其他综合收益的金额			
4.其他债权投资信用减值准备			
5.现金流量套期储备		-88,846,442.10	-29,014,279.92
6.外币财务报表折算差额			
7.其他			
六、综合收益总额		147,134,581.91	-74,680,765.17

法定代表人：

主管会计工作的负责人：

会计机构负责人：



十一、境内外企业及公共 海外仓介绍

永强集团境内外企业情况简介

一、境内企业简介

浙江永强集团股份有限公司（以下简称“永强集团”）创建于1992年，是全球领先的户外休闲家具生产企业，中国礼仪休闲用品行业百强企业。2010年，永强集团在深圳证券交易所成功上市（证券代码：002489），是行业内首家A股上市公司。作为一家集设计研发、生产和销售业务于一体的高新技术企业，公司始终致力于为用户提供品质、舒适、美丽的休闲花园新体验，让千万家庭享受更美好舒适的阳光居家生活。公司主要产品包括户外休闲家具、遮阳伞、帐篷、火炉、户外厨房等系列，品类丰富、功能多样，现拥有 Yotrio、Royal Garden、SUNVILLA、MWH 等多个自主品牌，主要出口欧美、澳大利亚等发达国家地区，与家得宝、劳氏、塔吉特、沃尔玛、柯尔、山姆大型超市、欧尚超市、麦德龙超市等欧美主要国际大型商超和户外休闲产品专卖店建立了长期的合作关系。经过30多年的发展与积淀，已建立完善的户外休闲家具及用品业务体系。

2022年公司总资产76.47亿元，营业收入67.99亿元，净资产30.02亿元，其中主营业务收入67.56亿元，占营业收入99.37%，净利润3.25亿元。近十年来公司金属家具，遮阳伞位列全国出口排

名第一 ,国内市场占有率第一 ,2022 年台州市制造业出口排名第二。

公司在临海、宁波、山东、河南等地建有专业的生产基地。下设 28 家子公司 ,员工 9000 多人 ,是浙江省外贸出口先进企业 ,产品主要出口美国、欧洲等发达国家和地区。先后荣获浙江省外贸出口先进企业、浙江省工业设计中心、浙江省商标品牌战略示范企业、中国轻工业休闲用品行业十强企业、临海市十强企业、浙江省出口名牌、省级守合同重信用企业、台州市民营企业纳税五十强。

临海是中国休闲用品礼品生产基地、中国户外家具及庭院休闲用品出口基地、国家外贸转型升级基地之一。永强集团作为全国户外生产用品龙头企业 ,积极参与各项标准工作 ,带动上游企业集群健康发展 ,为助力中国式现代化贡献“ 奋进力量 ”。

永强集团目前在国内上游供应链的供应商企业有几千家 ,其中 ,浙江省有 700 多家。自 2008 年投入海外仓以来 ,永强集团实现了进出口贸易的管理升级和批发零售一体化经营 ,并在海外按下售后服务窗口的快捷键 ,纵深推进休闲和旅游度假的市场。海外仓近几年带来的实质性便利 ,主要体现在以下方面 :

一是提高品牌出海的综合服务支撑能力 ,实现产品本土化运营。

永强在海外有自己的仓库 ,相当于更改了产品所在地 ,即可增加国外

客户的对永强品牌的认可，又能让客户在购物时，无“后”顾之忧。针对近距离的客户，永强可以优先选择当地发货，这样对客户而言，能大大缩短收货的时间。海外仓的建立，带给国外客户安全感和信任感，以空间和时间的优越性助推订单“加速跑”，全方位保障客户采购计划的完成，促进中国品牌出海，走向全球。

二是提高客户满意度，促进跨境销售的供给侧改革。在退货、换货等需要重发的情况下，可以优先在海外仓内作出调整，不仅节省清关所用时间，提高物流的时效性，解决了配送周期长的问题，还能在“采购季”避免物流旺季排仓爆仓问题，节约物流运输成本、减少经济损失，同时增加利润空间。

三是结合传统外贸物流的模式，增加国际市场竞争力。永强目前有多个海外仓，形成网络化的仓储群布局。海外仓以批量发货的形式完成头程运输，打破了近几年遭遇“海运阻梗”以及国际物流发展的瓶颈，其前后端一体化的供应链生态，解决了跨境物流解决不了的难题。

二、境外企业简介

早在 2007 年公司通过在香港设立永强（香港）有限公司，永强集团 100%控股，投资总额 580 万美元。公司为加快推进全球化发展，

在多元化国际市场中抢占制胜点，依托全球资源稳步推进，减少贸易摩擦，先后在美国、德国、澳大利亚投资设立子公司，积极开展贸易、产品设计、海外仓库、售后服务、品牌收购等业务。截止目前通过永强（香港）再投资境外企业已有 8 家，具体见“中华人民共和国商务部业务系统统一平台对外投资合作信息服务-已设立境外企业再投资备案列表”图 1：

The screenshot shows the 'Enterprise End' interface of the 'Foreign Investment Cooperation Information Service' on the Ministry of Commerce's unified platform. The page title is '已设立境外企业再投资备案列表' (List of Re-investment of Foreign Enterprises Established Overseas). The table lists the following data:

境外企业名称	再投资境外企业名称	再投资境外企业注册地	填表日期	确认状态	境外企业状态	操作
永强(香港)有限公司	蓝星控股公司	中国香港	2021-11-08	已确认	有效	操作
永强(香港)有限公司	澳洲永强公司	澳大利亚	2021-03-30	已确认	有效	操作
永强(香港)有限公司	美国华冠公司	美国	2018-05-31	已确认	有效	操作
永强(香港)有限公司	美国户外创意公司	美国	2017-05-09	已确认	有效	操作
永强(香港)有限公司	美国皇家庭院公司	美国	2016-10-18	已确认	有效	操作
永强(香港)有限公司	德国永强公司	德国	2014-05-22	已确认	有效	操作
永强(香港)有限公司	美国尚维拉有限公司	美国	2014-01-09	已确认	有效	操作
永强(香港)有限公司	美国永强公司	美国	2009-11-07	已确认	有效	操作

图 1：境外再投资企业表

境外投企业的设立时间、投资方式、经营范围、企业人数等情况见表 1：

境外企业明细一览表

序号	境外公司名称	实际投资额 (万美元)	股权结构	设立时间	现有员 工人数	经营范围
1	MWH GmbH (德国永强)	200.00	100.00%	2008/4/25	39	进出口贸易、批发零售、 主营庭院家具贸易
2	Royal Garden Corporation (美国皇家庭 院)	100.00	300.00%	2016/7/16	0	花园产品的销售及售后 服务工作
3	Creative Outdoor Solution Corporation (美国户外创意)	400.00	100.00%	2016/11/4	10	户外家具配套产品包括 烧烤用品等花园用品的 销售
4	Sunvilla Corporation (美国尚维拉)	100.00	100.00%	2014/2/25	41	户外家具批发、零售
5	YOTRIO CORPORATION (美国永强)	400.00	100.00%	2008/1/15	62	户外用品休闲家具、遮阳 伞等销售
6	Canopy (美国华冠)	0.10	80.00%	2018/5/3	2	花园用品的零售和电商 销售
7	YOTRIO AUSTRALIA PTY (澳洲永强)	72.73	100.00%	2020/10/28	1	户外休闲家具等产品销 售及售后服务
8	Blue World Holdings (蓝星控股)	0.09	66.67%	2021/5/27	0	从事休闲、旅游度假服务 等其他业务

表 1

三、境外仓库介绍

为了方便海外客户能时拿到货物，抢占市场先机；提升客户退换货处理速度，增加客户的满意度，提高物流运输效率、减少运输成本。

公司先后在美国、德国等主要城市设立仓库，更有针对性的服务好客户。此次申报 2023 年省级海外仓主要设在美国主要城市仓库，总共三个仓库，总面积约 33.4 万平方尺（3.7 万平方米），年投入费用（含租金、人工等）约 485 万美金/年，服务人员约 65 人，具体信息如下：

1.永强东部仓库位于佐治亚州亚特兰大，面积约 10 万平方尺，租金 50 万美金/年（每年递增 3%），租约到 2024 年 2 月结束。忙季用工量约 20 人，薪资、保险、办公费等约 45 万美金/年；

2.永强中南部仓库位于得克萨斯州休斯顿（美国第四大城市），面积约 8.4 万平方尺，租金 57 万美金/年。租约到 2023 年 11 月结束。忙季用工量约 15 人，薪资、保险、办公费等约 32 万美金/年；

3.永强西部仓库位于加利福尼亚州洛杉矶，面积约 15 万平方尺，主要针对做电商和零配件服务，忙季用工量约 30 人，综合费用约 300 万美金/年。洛杉矶是美国第二大城市，港口离中国最近。

各仓库的主要功能及利用率等情况见表 2：

序号	仓库名称	仓库位置	面积	人员组成	使用率	库存率
1	永强佐治亚仓	780 Douglas Hills Rd, Suite 125 Lithia Springs, GA 30122	1.05 万平方	20	100%	100%
2	永强得克萨斯仓	8515-8525 Market St Houston, TX 77029	0.8 万平方	15	100%	100%
3	永强加利福尼亚仓	3550 E Francis St. unit 200, Ontario CA 91716	1.5 万平方	30	100%	100%

表 2

四、发展规划和设想：

海外仓作为公司拓展国际市场业务的重要能力，在初期为客户提供提供了便捷的售后服务，为海外有需求产品提供返修服务，让消费者和客户体验到更加专业的需求回应，为企业的发展壮大提供了坚实的后备力量。在售后服务逐渐成熟之后，我们借用场地及团队优势，结合市场的需求，为客户提供跨境电商的一键代发服务，给与客户更加灵活便捷的采购模式，促进更多品类的产品在客户网上的销售，实现线上线下联动。在疫情形式下，我们更是借助海外仓的“老”场地，发挥了“新”功能。一批批样品从国内发往客户邻近的海外仓，在那里我们向客户进行展示和推介，保持业务往来不断链，无缝对接新季度采购的开展。未来的海外仓，将在浙江省地瓜经济的战略指引下，探索和践行更多的业务模式，为本企业和省内上下游企业提供力所能及的服务，发挥好我们海外运营的实力，为更多的藤蔓延伸至更广，扎根至跟更深，尽一份自己的力量。

十二、进出口额证明

证 明

浙江永强集团股份有限公司(3311965033)2022 年共向海关申报出口 1024388591 美元(人民币 6766872347 元),进口 22679609 美元(人民币 151243427 元),进出口总值 1047068200 美元(人民币 6918115774 元)。

注:以上数据以结关数据为准。该证明仅为企业申报反馈数据,不作为申请外贸补贴等事项的依据。以上数据如有调整,以海关总署统计司最终更正数据为准。

特此证明。



十三、企业承诺书

申报企业承诺书

(浙江永强集团股份有限公司) 郑重承诺:

我公司申请浙江省**2023** 年度省级海外仓项目, 上一年度未受到过行政处罚, 所填写的信息、提供的材料均真实、准确、合法。如有不实之处, 愿负相应的法律责任, 并承担由此产生的一切后果。

特此承诺。

(单位公章或申请人)

承诺日期