

LEASE AGREEMENT

BY AND BETWEEN

CITY OF ALAMEDA,

a charter city and municipal corporation
AS LANDLORD

and

GOOGLE INC.

a Delaware corporation
AS TENANT

DATED April __, 2014

TABLE OF CONTENTS

	<u>PAGE</u>
1. DEMISE	1
1.1 Lease Agreement	1
1.2 Termination of License	1
2. PREMISES	1
2.1 Premises	1
2.2 Land and Parking	1
2.3 Common Areas	2
2.4 Possession	2
2.5 Landlords' Reserved Rights.....	3
3. TERM	3
3.1 Term	3
3.2 Delay and Delivery	3
3.3 [Intentionally Omitted]	3
3.4 Option to Renew	4
3.5 Early Termination Option	5
4. RENT	6
4.1 Base Rent	6
4.2 Additional Rent.....	6
4.3 Late Charge	6
4.4 Interest.....	7
5. OPERATING EXPENSES AND TAXES	7
5.1 Definitions.....	7
5.2 Determination and Payment of Operating Expenses and Taxes.....	10
6. USE; COMPLIANCE WITH LAWS	11
6.1 Use	11
6.2 Compliance with Laws	11
6.3 Compliance with Restrictions.....	11
6.4 Use Permit.....	12
6.5 Dogs	12
7. [INTENTIONALLY OMITTED]	12

TABLE OF CONTENTS
(CONTINUED)

	<u>PAGE</u>
8. UTILITIES.....	12
8.1 Payments for Utilities and Services	12
8.2 No Liability of Landlord.....	13
9. PERSONAL PROPERTY AND POSSESSORY INTEREST TAXES.	13
9.1 Tenant’s Tax Obligation	13
9.2 Possessory Interest Taxes	13
9.3 Payment.....	13
10. ALTERATIONS.....	14
10.1 Landlord Consent Required	14
10.2 Alterations.....	14
10.3 Excavations	15
10.4 Liens.....	16
11. MAINTENANCE AND REPAIR OF PREMISES.....	16
11.1 Maintenance and Repair by Tenant	16
11.2 Maintenance and Repair by Landlord.....	17
11.3 Self-Help	17
12. ENVIRONMENTAL PROTECTION PROVISIONS.....	18
12.1 Hazardous Materials	18
12.2 Hazardous Materials Uses.....	18
12.3 Remediation Obligations	19
12.4 Environmental Permits.....	20
12.5 Landlord’s Inspection Right	20
12.6 Hazardous Materials Handling Plan	20
12.7 Hazardous Materials Indemnity	21
13. ASSIGNMENT AND SUBLETTING.....	21
13.1 Landlord Consent Required	21
13.2 Approved Subtenants	22
13.3 Reasonable Consent	22
13.4 Transfer Premium	23
13.5 Tenant Affiliates	23

TABLE OF CONTENTS
(CONTINUED)

	<u>PAGE</u>
13.6 No Release	23
13.7 Expenses and Attorneys' Fees	24
13.8 Limitations on Transfer Reasonable	24
14. INDEMNITY AND WAIVER OF CLAIMS.	24
14.1 Tenant Indemnification	24
14.2 Landlord Indemnification	24
14.3 Waiver of Claims	25
14.4 Survival/No Impairment	25
15. INSURANCE.	25
15.1 Tenant's Insurance	25
15.2 Requirements For All Policies	26
15.3 Certificates of Insurance	27
15.4 Tenant's Self-Insurance	27
15.5 Landlord's Insurance	27
15.6 Subrogation	27
16. DAMAGE OR DESTRUCTION.	28
16.1 Definitions.....	28
16.2 Partial Damage - Insured Loss.....	29
16.3 Partial Damage - Uninsured Loss	29
16.4 Total Destruction	30
16.5 Damage Near End of Term	30
16.6 Abatement of Rent	30
17. CONDEMNATION.....	31
18. DEFAULT.....	31
18.1 Events of Default	31
18.2 Remedies.....	32
18.3 No Waiver.....	33
18.4 Waiver of Redemption, Reinstatement, or Restoration	33
18.5 Remedies Cumulative	33
18.6 Landlord's Right to Perform Tenant's Obligations	34

TABLE OF CONTENTS
(CONTINUED)

	<u>PAGE</u>
18.7 Severability	34
19. LIMITATION OF LIABILITY.....	34
20. SURRENDER OF PREMISES.....	34
21. HOLDING OVER.....	35
22. MORTGAGES; ESTOPPEL CERTIFICATE.....	35
22.1 Subordination to Mortgages.....	35
22.2 Mortgage Protection.....	36
23. TENANT’S ESTOPPEL CERTIFICATE.....	36
24. [INTENTIONALLY OMITTED].....	36
25. NOTICE.....	37
26. LABOR PROVISIONS.....	37
26.1 Equal Opportunity.....	37
26.2 Convict Labor	37
27. MISCELLANEOUS.....	37
27.1 Governing Law	37
27.2 Severability	38
27.3 Attorneys’ Fees	38
27.4 Force Majeure	38
27.5 Sale.....	38
27.6 Signs.....	38
27.7 Brokers.....	38
27.8 Access by Landlord.....	39
27.9 Waiver of Right to Jury Trial.....	40
27.10 Recordation.....	40
27.11 Paragraph Titles	40
27.12 Authority	40
27.13 Quiet Possession	41
27.14 Asbestos Notification for Commercial Property Constructed Before 1979	41
27.15 Lead Warning Statement.....	41
27.16 OFAC Certification.....	41

TABLE OF CONTENTS
(CONTINUED)

	<u>PAGE</u>
27.17 Certified Access Specialist Disclosure	41
27.18 Time of the Essence	41
27.19 Entire Agreement; Termination of Existing Lease	41
27.20 Rules and Regulations.....	42
27.21 Financial Statement.....	42
27.22 Relocation Benefits.....	42
27.23 NAS Historic District.....	42
27.24 Counterparts.....	42
27.25 Standard for Approval and Consent.....	42
27.26 Days	43
27.27 Subdivision of Property	43
28. RIGHT OF FIRST OFFER.	43
28.1 Right of First Offer	43
28.2 Additional Terms for Right of First Offer	44
29. RIGHT OF FIRST NEGOTIATION FOR PURCHASE.....	44
29.1 Marketable Parcel	44
29.2 Negotiation.....	44

INDEX OF EXHIBITS

Exhibit

- A PREMISES: BUILDING 11 (WAREHOUSE)
- A-1 PREMISES: BUILDING 19 (OFFICE BUILDING) AND SHED
- A-2 LAND
- A-3 PARKING AREAS
- A-4 NEW LOCATION OF CHAIN LINK FENCE
- B COMMENCEMENT LETTER
- C RENEWAL NOTICE
- D ACKNOWLEDGMENT OF RECEIPT
- E ENVIRONMENTAL QUESTIONNAIRE
- F RULES AND REGULATIONS

LEASE AGREEMENT

BASIC LEASE INFORMATION

<i>Lease Date:</i>	April __, 2014
<i>Landlord:</i>	City of Alameda, a charter city and municipal corporation
<i>Landlord's Address:</i>	City of Alameda Alameda City Hall 2263 Santa Clara Ave Alameda, CA 94501 Tel: (510) 748-4509 Attn: City Manager Notice Copy to: PM Realty Group, L.P., as Agent for City of Alameda 101 W. Atlantic Avenue Alameda, CA 94501 Tel: (510) 749-0304
<i>Tenant:</i>	Google Inc. a Delaware corporation
<i>Tenant's Address:</i>	Google Inc. 1600 Amphitheatre Parkway Mountain View, CA 94043 Attn: Lease Administration Notice Copy to: Google Inc. 1600 Amphitheatre Parkway Mountain View, CA 94043 Attn: Legal Department/Real Estate Matters
<i>Premises:</i>	Those certain premises located at 1190 W. Tower Avenue (Building 11) consisting of approximately One Hundred Ten Thousand Five Hundred Sixty-One (110,561) rentable square feet, together with that office building located at 2175 Monarch Street (Building 19) consisting of approximately Sixteen Thousand Eight Hundred Eighty-Eight (16,888) rentable square feet and the adjacent shed consisting of approximately Three Thousand Nine Hundred Ninety-Three (3,993) rentable square feet, for a total rentable area of approximately One Hundred

	Thirty-One Thousand Four Hundred Forty-Two (131,442) square feet, all as depicted on Exhibits A and A-1.	
<i>Buildings:</i>	Building 11 located at 1190 W. Tower Avenue, Alameda, CA (the “Warehouse”); Building 19 located at 2175 Monarch Street, Alameda, CA (the “Office Building”) and the shed adjacent to Building 19 (the “Shed”), collectively, the “Buildings.”	
<i>Length of Term:</i>	Seventy-two (72) months	
<i>Estimated Commencement Date:</i>	May 1, 2014	
<i>Estimated Expiration Date:</i>	April 30, 2020	
<i>Extension Option:</i>	Five options to extend the Term for periods of three (3) years each.	
<i>Base Rent:</i>	<i>Months</i>	<i>Monthly Base Rent</i>
	1 - 12	\$0*
	13 – 24	\$55,205.64
	25 – 36	\$56,861.81
	37 – 48	\$58,567.66
	49 – 60	\$60,324.69
	61 - 72	\$62,134.43
	*subject to abatement pursuant to Section 4.1(b) below. The Monthly Base Rent is allocated as follows: Warehouse 35/170, Office Building 85/170 and Shed 50/170	
<i>Taxes and Utilities:</i>	Tenant shall pay all costs for services and utilities to the Premises, as defined in the Lease. Tenant shall pay all taxes (including possessory interest taxes) levied on or against the Premises or its personal property.	
<i>Tenant’s Share:</i>	Building 11	100%
	Building 19	100%
	Shed:	100%

	Common Areas	To be determined upon creation of Common Areas in accordance with Section 2.3.
<i>Security Deposit:</i>	None	
<i>Permitted Use:</i>	<p><u>Warehouse & Shed:</u> Engineering, research and development, manufacturing and prototyping workshop, general office use and related uses</p> <p><u>Office Building:</u> Engineering, research and development, manufacturing and prototyping workshop, general office use and related uses</p>	
<i>Parking:</i>	Tenant shall have the right, on an exclusive basis, to have its employees and visitors park in the paved areas adjacent to the Buildings as identified as the Parking Areas on Exhibit A-3 attached hereto, as further set forth in Section 2.2 below.	
<i>Brokers:</i>	Cushman & Wakefield (Landlord Broker); CBRE (Tenant Broker)	

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into by and between CITY OF ALAMEDA, a charter city and municipal corporation (“**Landlord**”) and GOOGLE INC., a Delaware corporation (“**Tenant**”). The Basic Lease Information, the Exhibits and this Lease Agreement are and shall be construed as a single instrument and are referred to herein as the “**Lease**”.

1. DEMISE.

1.1 Lease Agreement. In consideration for the rents and all other charges and payments payable by Tenant, and for the agreements, terms and conditions to be performed by Tenant in this Lease, Landlord does hereby lease to Tenant and Tenant does hereby hire and take from Landlord, the Premises described below, upon the agreements, terms and conditions of this Lease for the Term hereinafter stated.

1.2 Termination of License. Tenant currently occupies Building 11 under a License Agreement, dated February 27, 2014 between the City of Alameda as Licensor and Tenant as Licensee (the “**License**”). It is the intent of the parties hereto that the License shall be and is terminated as of the Lease Date specified in the Basic Lease Information, except those indemnification obligations which survive the termination of the License for claims occurring prior to the date of this Lease. Tenant’s continued use and occupancy of the Premises shall be pursuant to the terms of this Lease.

2. PREMISES.

2.1 Premises. The Premises demised by this Lease are as specified in the Basic Lease Information. Said Premises are located on property commonly referred to as the former Naval Air Station Alameda (“**Property**”). The Premises have the address and contain the square footage specified in the Basic Lease Information; provided, however, that any statement of square footage set forth in this Lease is an approximation which Landlord and Tenant agree is reasonable and no economic terms based thereon shall be subject to revision whether or not the actual square footage is more or less.

2.2 Land and Parking. Landlord grants to Tenant a nonexclusive license for Tenant and its employees, agents, suppliers, customers and patrons to use the land area appurtenant to the Premises as generally depicted on **Exhibit A-2** attached hereto (“**Land**”). The foregoing notwithstanding, Landlord grants to Tenant an exclusive license for Tenant and its employees, agents, suppliers, customers and patrons to use those portions of the Land designated on **Exhibit A-3** (the “**Parking Areas**”) for parking purposes. Tenant may also use the Parking Areas for the loading and unloading of trucks shipping items to and from the Warehouse. Landlord shall not be required to enforce Tenant’s rights to use any parking spaces on the Parking Areas. Under no circumstances may the Land or the Parking Areas be utilized for the storage (beyond 72 hours), repair or maintenance of any vehicles. Should Tenant or its agents, employees or invitees use the Land or the Parking Areas, or any portion thereof, in violation of this Section 2.2, Landlord shall have the right, without notice, in addition to such other rights and remedies that it may have, to tow away any vehicle involved and charge the cost of towing and

storage to Tenant, which cost shall be immediately payable upon demand by Landlord as Additional Rent. Neither Landlord nor any Landlord Related Party (as defined in Section 14.1 below) shall be liable for: (a) loss or damage to any vehicle or other personal property parked or located upon or within the Land or the Parking Areas, whether pursuant to this license or otherwise and whether caused by fire, theft, explosions, strikes, riots, or any other cause whatsoever; or (b) injury to or death of any person in, about or around any parking spaces or any portion of the Land or the Parking Areas or any vehicles parked thereon whether caused by fire, theft, assault, explosion, riot or any other cause whatsoever, except to the extent caused by the gross negligence or willful misconduct of Landlord or any Landlord Related Party and Tenant hereby waives any claims for, or in respect to, the above. Tenant shall not assign any of its rights under this Section 2.2, except in connection with an assignment of this Lease or a sublease of all or a portion of the Premises in accordance with the terms of Article 13 below and in the event an attempt to assign is made, it shall be void. Landlord shall have no maintenance obligations for the Land or the Parking Areas and all provisions of this Lease concerning Tenant's rights and obligations governing its use and occupancy of the Premises that are not inconsistent with this Section 2.2 shall be applicable to the Land and the Parking Areas. In addition to the foregoing, if Tenant desires storage rights or other such uses of the Parking Areas, Tenant shall provide a narrative written description and plans showing such uses for Landlord's review and approval. If Tenant obtains Landlord's approval for outside storage or other uses, the same shall be properly screened.

2.3 Common Areas. Landlord reserves the right to designate portions of the Land other than the Parking Areas to be used in common with other parties occupying the Buildings or new structures adjacent to the Land as an element of the master planning and development of the Property (the "**Common Areas**"). If such Common Areas are so designated by Landlord, Tenant shall have the non-exclusive right to use said Common Areas. The use of the Common Areas shall be for the non-exclusive use of Tenant and Tenant's employees, agents, suppliers, customers and patrons, in common with Landlord, other tenants of the Buildings, and such other persons to whom Landlord has previously granted, or may hereinafter grant, rights of usage. Tenant shall not be entitled to use the Common Areas for storage of goods, vehicles, refuse or any other items. Landlord reserves the right to alter, modify, enlarge, diminish, reduce or eliminate the Common Areas (other than the Parking Areas) from time to time in its sole discretion. If Tenant shall use any of the Common Areas for storage of any items, Tenant shall pay all fines and other charges imposed upon either Landlord or Tenant by any fire, building or other regulatory body, and Tenant shall pay all costs incurred by Landlord to clear and clean the Common Areas and dispose of such items.

2.4 Possession. Tenant accepts the Premises in "AS IS" "WITH ALL FAULTS" condition and configuration without any representations or warranties by Landlord, and with no obligation of Landlord to make alterations or improvements to the Premises. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the suitability of the Premises or the Buildings for the conduct of Tenant's business. Landlord shall not be liable for any latent or patent defects in the Premises. Tenant shall be responsible for requesting an inspection and obtaining a Certificate of Occupancy from the City of Alameda. This shall include, but is not limited to any necessary fire sprinkler upgrades, electrical service upgrades, compliance with the ADA (as defined at Section 6.2 below), and any other requirements mandated by the Certificate of Occupancy inspection.

2.5 Landlords' Reserved Rights. Landlord hereby reserves the right, and at any time and from time to time, without the same constituting an actual or constructive eviction, to make alterations, additions, repairs, improvements to or in all or any part of the Buildings, to the extent required by any Laws or as reasonably necessary for Landlord to perform its maintenance and repair obligations under this Lease and Common Areas within and around the Buildings and to change the arrangement and/or location of entrances or passageways, doors and doorways, corridors, elevators, stairs, toilets and other public parts of the Buildings and parking areas, drive isles, landscaping, curb cuts and paved and unpaved portions of the exterior Common Areas. Without limiting the foregoing, Landlord reserves the right from time to time to install, use, maintain, repair, relocate and replace pipes, ducts, conduits, wires, meters and equipment for services to the Premises or other part of the Building which are above the ceiling surfaces, below the floor surfaces, within the walls and in the central core areas of the Building which are located within the Premises or located elsewhere in the Building, to the extent required by any Laws or as reasonably necessary for Landlord to perform its maintenance and repair obligations under this Lease. Except as expressly set forth herein, Landlord shall have no right to make any alterations to the Buildings or the Premises or to install anything on any of the roofs of the Buildings, including, without limitation, communications equipment or advertising signs. In connection with any of the foregoing activities, Landlord shall use reasonable efforts to minimize any interference with Tenant's use of the Premises and shall not, without the prior written approval of Tenant, (a) materially change the location, size or configuration of the Premises; or (b) do anything which would have a material and adverse effect access to the Premises, or ingress and egress to the Premises. 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.

3. **TERM.**

3.1 Term. The term of this Lease ("**Term**") shall be for the period specified in the Basic Lease Information, commencing on the later of (a) the Estimated Commencement Date, (b) one (1) business day after this Lease has been approved by the City Council, the date of which approval shall be deemed to be the effective date of an ordinance approving this Lease as required by the City Charter, or (c) the date upon which Landlord makes the Premises available for the use and occupancy of Tenant ("**Commencement Date**"). This Lease shall terminate at midnight on the last day of the seventy-second (72nd) full calendar month following the Commencement Date ("**Expiration Date**"), unless sooner terminated or extended as hereinafter provided. Promptly following the Commencement Date, Landlord and Tenant shall enter into a letter agreement substantially in the form attached hereto as **Exhibit B**, specifying and confirming the Commencement Date and the Expiration Date; if Tenant fails to execute and deliver such letter agreement (or good faith comments thereon) to Landlord within ten (10) business days after Landlord's delivery of the same to Tenant, said letter agreement will be deemed final and binding upon Tenant.

3.2 Delay and Delivery. If for any reason Landlord has not delivered to Tenant possession of the Premises by the Estimated Commencement Date set forth in the Basic Lease Information, this Lease shall remain in effect and Landlord shall not be liable to Tenant for any loss or damage resulting therefrom.

3.3 [Intentionally Omitted]

3.4 Option to Renew.

(a) Renewal Options. Tenant shall have five (5) options to extend the Term (each a “**Renewal Option**”) for a period of three (3) years each (each a “**Renewal Term**”). The Renewal Options may be exercised only by the entity identified as the Tenant in the Basic Lease Information or an assignee that is a Tenant Affiliate and may not be exercised by any other sublessee or assignee or by any other successor or assign, and may not be exercised (i) if Tenant has assigned this Lease other than to a Tenant Affiliate or (ii) if at the time Tenant exercises a Renewal Option, more than fifty percent (50%) of the rentable square footage of the Premises is being subleased other than to a Tenant Affiliate. The Renewal Options shall be effective only if Tenant is not in Default under this Lease, either at the time of exercise of the Renewal Option or the time of commencement of the Renewal Term. Tenant shall exercise each Renewal Option, if at all, by written notice (“**Election Notice**”) from Tenant to Landlord, in a form substantially the same as **Exhibit C**, given not more than twelve (12) months nor less than six (6) months prior to expiration of the initial Term with respect to the first Renewal Option and not more than twelve (12) months nor less than six (6) months prior to the expiration of each Renewal Term thereafter with respect to the second, third, fourth and fifth Renewal Options. Any such notice given by Tenant to Landlord shall be irrevocable. If Tenant fails to exercise the Renewal Option in a timely manner as provided for above, a Renewal Option shall be void.

(b) Terms and Conditions. If Tenant exercises a Renewal Option, the Term (or Renewal Term as the case may be) shall be extended for an additional period of three (3) years upon the same terms and conditions as the initial Term (or then current Renewal Term) except that (i) there shall be but one fewer Renewal Option available to Tenant at the expiration of the Renewal Term, (ii) Tenant shall continue to occupy the Premises in its “as-is” condition without any tenant improvement allowance from Landlord, and (iii) the Base Rent during each Renewal Term (the “**Renewal Rate**”) shall be an amount equal to the greater of (A) the “Fair Market Rent” prevailing at the commencement of said Renewal Term or (B) the Base Rent in effect at the end of the initial Term or the then current Renewal Term.

Tenant shall be responsible for all brokerage costs and/or finder’s fees associated with Tenant’s exercise of any Renewal Option made by parties claiming through Tenant. Landlord shall be responsible for all brokerage costs and/or finder fees associated with Tenant’s exercise of any Renewal Options made by parties claiming through Landlord.

(c) Renewal Rate. For purposes of this Section 3.4, “**Fair Market Rent**” means the prevailing rental rate per square foot then being obtained by landlords for comparable buildings or spaces located in the City of Alameda (“**Comparable Buildings**”), taking into account (in either case) applicable base years, Tenant improvement allowances, free rent periods and other tenant concessions, existing improvements and configuration of the space, any additional rent and all other payments and escalations payable hereunder and by tenants under leases of such comparable spaces. If such Comparable Buildings, or comparable spaces within Comparable Buildings, are not available, adjustments shall be made in the determination of Fair Market Rent to reflect the age and quality of the Buildings in relation to other buildings used for comparison purposes, taking into consideration size, location, floor level, proposed term of the lease, extent of services to be provided, the time that the particular rate under consideration became or is to become effective, as well as all tenant concessions and

inducements. The intent of the parties is that Tenant will obtain the same rent that landlords would otherwise give in comparable transactions. Within thirty (30) days after Landlord's receipt of an Election Notice or as soon as thereafter as is reasonably practicable, Landlord shall notify Tenant in writing of Landlord's good faith determination of the Renewal Rate ("**Renewal Rate Notice**"). Tenant shall have twenty (20) business days ("**Response Period**") after receipt of the Renewal Rate Notice to advise Landlord whether or not Tenant agrees with Landlord's determination of the Renewal Rate. If Tenant does not respond to Landlord in writing within the Response Period, then Tenant shall be deemed to have accepted the Renewal Rate specified by Landlord in the Renewal Rate Notice. If Tenant agrees or is deemed to have agreed with Landlord's determination of the Renewal Rate, then such determination shall be final and binding on the parties. If Tenant notifies Landlord in writing during the Response Period that Tenant disagrees with Landlord's determination of the Renewal Rate, then within twenty (20) days after Landlord's receipt of Tenant's written notice, Landlord and Tenant shall each retain an independent licensed commercial real estate broker with at least five (5) years' experience negotiating commercial office/R&D lease transactions in the cities of Alameda and Oakland, California. If only one broker is appointed by the parties during such period, then said broker shall, within twenty (20) days after his or her appointment, determine the Fair Market Rent. If Landlord and Tenant each appoints a broker during such period, then the brokers shall meet and confer during the thirty (30) day period commencing on the date on which the last of the brokers has appointed ("**Broker Negotiation Period**") to attempt to mutually agree upon Fair Market Rent. If the brokers cannot agree upon Fair Market Rent as of the expiration of the Broker Negotiation Period, the two brokers shall, within twenty (20) days thereafter, attempt to select a third broker meeting the qualifications stated in this Section. If the two brokers are unable to agree on the third broker, either Landlord or Tenant, by giving fifteen (15) days written notice to the other party, can apply to then Presiding Judge of the Superior Court of Alameda County for the selection of a third broker who meets the qualifications stated in this paragraph. Landlord and Tenant shall each bear one half (1/2) cost of appointing the third broker and paying the third broker's fees. The third broker, however selected, shall be a person who has not previously acted in any capacity for either Landlord or Tenant. The third broker shall, within twenty (20) days after his or her appointment, make a determination of Fair Market Rent. The determinations of Fair Market Rent prepared by all three (3) brokers shall be compared and the Renewal Rate shall be whichever of the determinations by Landlord broker or Tenant's broker is closer to the determination of the third broker (and if they are equally close, the Renewal Rate shall be the determination of the third broker). The foregoing notwithstanding, in no event shall the Renewal Rate be less the Base Rent in effect at the end of the previous term. Such determination shall be final and binding upon the parties. Promptly following determination of a Renewal Rate pursuant to this Section, the parties shall execute an amendment to this Lease memorializing such Renewal Rate.

(d) Month Base Rent Increase. After the Renewal Rate has been determined for the first year of each Renewal Term, the Monthly Base Rent for the Premises shall increase at the annual rate of three percent (3%) throughout said Renewal Term.

3.5 Early Termination Option. Tenant shall have a one-time option to terminate this Lease ("**Early Termination Option**") at the end of the forty-second (42nd) full calendar month of the Term ("**Early Termination Date**"). The Early Termination Option may be exercised only by the entity identified as the Tenant in the Basic Lease Information or an assignee that is a

Tenant Affiliate and may not be exercised by any other sublessee or assignee. The Early Termination Option shall be effective only if Tenant is not in Default under this Lease, either at the time of exercise of the Early Termination Option or as of the Early Termination Date. Tenant shall exercise the Early Termination Option, if at all, by written notice to Landlord, given not less than one hundred eighty (180) days before the Early Termination Date, which notice shall be accompanied by a termination fee in the amount of One Hundred Seventy Thousand Five Hundred Eighty-Five and 43/100 Dollars (\$170,585.43) (the “**Early Termination Fee**”). No attempt by Tenant (or a Tenant Affiliate) to exercise its Early Termination Option shall be effective unless the notice thereof is accompanied by the Early Termination Fee. In the event of such early termination of this Lease under this Section 3.5, with the exception of any indemnity or other obligations that explicitly survive the expiration or termination of the Lease, neither party shall have any further liability or obligations to the other under the Lease.

4. RENT.

4.1 Base Rent.

(a) Generally. From and after the Commencement Date, Tenant shall pay to Landlord, in advance of the first day of each calendar month, without any setoff or deduction (except as expressly set forth herein) and without further notice or demand, the monthly installments of rent specified in the Basic Lease Information (“**Base Rent**”). One full installment of Monthly Base Rent shall be due and payable within ten (10) business days after the date of execution of this Lease by Tenant and shall be applied to the first full calendar month of which Monthly Base Rent is due. If the Commencement Date should be on a date other than the first day of a calendar month, the Monthly Base Rent installment paid for any fractional month during the Term shall be prorated based upon a thirty (30) day calendar month.

(b) Abatement. Notwithstanding anything in this Article 4 to the contrary, Tenant shall be entitled to an abatement of Base Rent and Tenant’s Share of Operating Expenses and Taxes for the first twelve (12) full calendar months of the Term (the “**Rent Abatement Period**”); provided, however, that if this Lease is terminated prior to the application of any portion of such abatement as a result of a Tenant Default, then Tenant shall not be entitled to any further abatement of Base Rent and Tenant’s Share of Operating Expenses and Taxes under this Section 4.1(b).

4.2 Additional Rent. As used in this Lease, the term “**Additional Rent**” shall mean all sums of money, other than Base Rent, that are due and payable by Tenant under the terms of this Lease including, but not limited to, Tenant’s share of Utilities in accordance with Article 8 of this Lease. The term “**Rent**,” as used herein, shall mean all Base Rent, Additional Rent and all other amounts payable hereunder from Tenant to Landlord. Unless otherwise specified herein, all items of Rent other than Base Rent shall be due and payable by Tenant on or before the date that is thirty (30) days after billing by Landlord.

4.3 Late Charge. Other remedies for non-payment of Rent notwithstanding, if any Monthly Base Rent installment or Additional Rent is not received by Landlord on or before the fifth (5th) day following the due date, or any payment due Landlord by Tenant which does not have a scheduled date is not received by Landlord on or before the thirtieth (30th) day following

the date Tenant was invoiced for such charge, a late charge of five percent (5%) of such past due amount shall be immediately due and payable as Additional Rent. Notwithstanding the foregoing, the first occurrence of any delinquent payment by Tenant under this Lease in any consecutive twelve (12) month period shall give rise to a late charge only if Tenant fails to cure such delinquency within five (5) business days after written notice from Landlord thereof.

4.4 Interest. Any installment of Rent and any other sum due from Tenant under this Lease which is not received by Landlord within five (5) days from when the same is due shall bear interest from the date such payment was originally due under this Lease until paid at the lesser of: (a) an annual rate equal to the maximum rate of interest permitted by law, or (b) ten percent (10%) per annum. Payment of such interest shall not excuse or cure any Default by Tenant. Notwithstanding the foregoing, the first occurrence of any delinquent payment by Tenant under this Lease in any consecutive twelve (12) month period shall give rise to interest thereon only if Tenant fails to cure such delinquency within five (5) business days after written notice from Landlord thereof.

5. OPERATING EXPENSES AND TAXES.

5.1 Definitions. For purposes of this Article 5, the following terms shall have the meanings hereinafter set forth:

(a) **Tenant's Share** shall mean the percentage figures so specified in the Basic Lease Information. The rentable area of the Premises specified in the Basic Lease Information is conclusive and binding upon Landlord and Tenant.

(b) **Tax and Expense Year** shall mean each twelve (12) consecutive month period commencing July 1st and ending on June 30th of each year or partial year during the Term, provided that Landlord, upon notice to Tenant, may change the Tax and Expense Year from time to time (but not more frequently than once in any twelve (12) month period) to any other twelve (12) consecutive month period and, in the event of any such change, Tenant's Share of Taxes and Expenses shall be equitably adjusted for the Tax and Expense Years involved in any such change.

(c) **Taxes** shall mean all taxes, assessments, fees, impositions, assessments and charges levied (if at all) upon or with respect to the Buildings, Land, or Common Areas, any personal property of Landlord used in the operation of the Building(s) or Common Areas, or Landlord's interest in the Buildings or Common Areas, including possessory interest taxes. Taxes shall include, without limitation and whether now existing or hereafter enacted or imposed, all general real property taxes, all general and special assessments, all charges, fees and levies for or with respect to transit, housing, police, fire or other governmental or quasi-governmental services or purported benefits to or burdens attributable to the Buildings or any occupants thereof, all service payments in lieu of taxes, and any tax, fee or excise on the act of entering into this Lease, on the use or occupancy of the Buildings, on the rent payable under this Lease or in connection with the business of renting space in the Buildings, that are now or hereafter levied or assessed against Landlord or the Buildings by the United States of America, the State of California, the City of Alameda, or any other political or public entity, and shall also include any other tax, fee or other excise, however described, that may now or

hereafter be levied or assessed as a substitute for, or as an addition to, in whole or in part, any other Taxes, whether or not now customary or in the contemplation of the parties on the date of this Lease. Notwithstanding the foregoing, in the event Landlord has the right to elect to have assessments amortized over different time periods, Landlord will elect (or will charge such assessment through to Tenant as if Landlord had elected) to have such assessment amortized over the longest period permitted by the assessing authority, and only the amortized portion of such assessment (with interest at the lesser of the actual interest rate paid by Landlord or the then maximum rate of interest not prohibited or made usurious by Law) shall be included in Taxes on an annual basis. Taxes shall not include (i) any franchise, transfer or inheritance or capital stock taxes, (ii) any income taxes measured by the net income of Landlord from all sources, unless due to a change in the method of taxation any such taxes are levied or assessed against Landlord as a substitute for, or as an addition to, in whole or in part, any other tax that would otherwise constitute a Tax, or (iii) any penalties incurred as a result of Landlord's failure to make payments of, and/or to file any tax or information with respect to, any Taxes when due. Taxes shall also include reasonable legal fees and other costs and disbursements incurred by Landlord in connection with proceedings to contest, determine or reduce Taxes provided, however, that Landlord shall pay to Tenant promptly after receipt by Landlord an amount equal to Tenant's Share of any refunded or recovered Tax previously paid by Tenant.

(d) **Expenses** shall mean all costs of management, operation, maintenance, insurance and repair of the (i) structural elements of the Buildings; (ii) fire and life safety systems; and (iii) Common Areas.

(e) **Exclusions from Expenses.** Notwithstanding anything contained in this Lease to the contrary, Expenses shall not include:

(i) costs of remediation or removal of Hazardous Materials (as defined below) not caused to be present by Tenant;

(ii) capital expenditures and costs, depreciation or amortization of capital improvements, other than Permitted Capital Expenditures. As used herein, "**Permitted Capital Expenditures**" shall mean the cost of any capital improvements, capital repairs or capital replacements made to the Buildings after the Commencement Date (A) for the purposes of causing a net reduction in Expenses ("**Cost-Saving Capital Expenditures**"); provided that the cost of any such Cost-Saving Capital Expenditures shall be included in Expenses in any Tax and Expense Year only to the extent of the savings reasonably anticipated to be derived from such Cost-Saving Capital Expenditure by Landlord, based upon qualified third-party advice), and (B) made to the Buildings after the date of this Lease as a result of governmental orders, ordinances, codes, rules and regulations that were inapplicable to the Buildings as of the Commencement Date; the cost of Permitted Capital Expenditures shall, for the purposes of inclusion in Expenses, be amortized over the useful life of the improvement, repair or replacement in question, as reasonably determined by Landlord, together with interest on the unamortized balance at a rate equal to ten percent (10%) per annum or such higher rate as may have been paid by Landlord on funds borrowed for the purpose of constructing such improvements;

(iii) interest and principal payments on mortgages or any other debt costs, or ground rent or other amounts payable under any ground lease;

(iv) real estate brokers leasing commissions;

(v) legal fees, space planner fees and advertising expenses incurred with regard to leasing the Buildings or portions thereof or with regard to disputes involving other tenants;

(vi) reserves of any kind not actually expended by Landlord;

(vii) fines, penalties and interest thereon due to Landlord's failure to pay in a timely manner or due to violation of any Laws by Landlord;

(viii) repairs or other work occasioned by fire, windstorm or other insured casualty or hazard, to the extent that Landlord shall receive proceeds of such insurance;

(ix) marketing and promotional costs, including, without limitation, leasing commissions;

(x) attorneys' fees incurred in connection with the negotiation and preparation of letters of intent, leases, and other costs and expenses incurred in connection with lease, sublease and/or assignment negotiations and transactions with present or prospective tenants or other occupants of the Buildings;

(xi) the cost of tenant newsletters and Building promotional gifts, events or parties for existing or future occupants;

(xii) Landlord's general corporate overhead and general and administrative expenses, including costs relating to accounting, payroll, legal and computer services which are partially or totally rendered in locations outside the Buildings;

(xiii) repairs or rebuilding necessitated by condemnation;

(xiv) Taxes;

(xv) any property management fee in excess of five percent (5%) of the gross rents from the Buildings (exclusive of Tenant reimbursements);

(xvi) salaries of officers, executives or other employees of Landlord, any affiliate of Landlord, or partners or affiliates of such partners or affiliates;

(xvii) any costs associated with the sale of the Buildings or any portions thereof;

(xviii) any amounts paid to any person, firm or corporation related or otherwise affiliated with Landlord or any general partner, officer or director of Landlord or any of its general partners, to the extent the same materially exceed arms-length competitive prices paid in the Alameda metropolitan area for the services or goods provided;

(xix) costs relating to maintaining Landlord's existence, either as a corporation, partnership, or other entity, such as trustee's fees, annual fees, partnership or organization or administration expenses, deed recordation expenses, as well as the operation of the entity which constitutes Landlord, as the same are distinguished from the costs of operation of the Buildings, as well as partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee, costs of any disputes between Landlord and its employees, disputes of Landlord with property management or personnel; and

(xx) costs incurred due to Landlord's violation of any terms and conditions of this Lease or any other lease relating to the Buildings or of any law, ordinance or governmental rule or regulation affecting the Buildings.

5.2 Determination and Payment of Operating Expenses and Taxes. Commencing on the first anniversary of the Commencement Date, Tenant shall pay to Landlord as Additional Rent one-twelfth (1/12th) of Tenant's Share of the Taxes and the Expenses for each Tax and Expense Year, or portion thereof, on or before the first day of each month during such Tax and Expense Year, in advance, in an amount estimated by Landlord and set forth in an annual statement delivered by Landlord to Tenant; provided that Landlord shall have the right to revise such estimates from time to time and Tenant shall thereafter make payments hereunder on the basis of such revised estimates; provided, however, that Tenant shall not be required to pay a late charge or interest unless Tenant has failed to pay such revised estimate within thirty (30) days after receipt of written notice from Landlord of such revised estimate. With reasonable promptness after the end of each Tax and Expense Year, Landlord shall submit to Tenant a statement showing the actual amount which should have been paid by Tenant with respect to Taxes and Expenses for the past Tax and Expense Year, the amount thereof actually paid during that year by Tenant and the amount of the resulting balance due thereof, or overpayment thereof, as the case may be ("**Landlord's Statement**"). Landlord's Statement shall be set forth in reasonable detail, and shall contain a line-item breakdown showing at least the following major categories and subcategories of costs:

- (i) maintenance and repairs;
- (ii) landscaping;
- (iii) utilities (electricity; gas; and water and sewer); and
- (iv) insurance.

Any balance shown to be due pursuant to said statement shall be paid by Tenant to Landlord within thirty (30) days following Tenant's receipt thereof; and any overpayment shall be immediately credited against Tenant's obligation to make monthly payments for Taxes and Expenses for the then current Tax and Expense Year, or, if by reason of any termination of this Lease no such obligation exists, any such overpayment shall be refunded to Tenant. If the

Expiration Date shall occur on a date other than the last day of a Tax and Expense Year, Tenant's Share of Taxes and Expenses for the Tax and Expense Year in which the Expiration Date occurs shall be in the proportion that the number of days from and including the first day of the Tax and Expense Year in which the Expiration Date occurs to and including the Expiration Date bears to 365. Where the calculation of Expenses and Taxes for a Tax and Expense Year cannot be made until after expiration or termination of this Lease, the obligation of Tenant to pay its proportionate share as Additional Rent shall survive the expiration or termination hereof and such Additional Rent for such period shall be payable by Tenant upon demand by Landlord.

6. USE; COMPLIANCE WITH LAWS.

6.1 Use. The Premises shall be used for the Permitted Use and for no other use whatsoever. At no time shall Tenant have the right to install, operate or maintain telecommunications or any other equipment on the roof or exterior areas of the Building, except as may be necessary or desirable for Tenant's Permitted Use of the Premises and provided that Tenant's installation of such equipment is done in full compliance with Article 10. Tenant acknowledges that, except as otherwise expressly set forth herein, neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises, Buildings or with respect to the suitability or fitness of either for the conduct of Tenant's business or for any other purpose.

6.2 Compliance with Laws. Tenant shall comply with all laws, ordinances, rules, regulations and codes, of all municipal, county, state and federal authorities, including the Americans With Disabilities Act, as amended, (42 U.S.C. Section 1201 et seq. [the "ADA"]) (collectively, "Laws") pertaining to Tenant's use and occupancy of the Premises and the conduct of its business. Tenant shall be responsible for making all improvements and alterations necessary to bring the Premises into compliance with applicable ADA requirements and to ensure that the Premises remain in compliance throughout the Term of this Lease. Tenant shall not commit, or suffer to be committed, any waste upon the Premises or any public or private nuisance, or other act or thing which disturbs the quiet enjoyment of any other tenant in the Building, nor shall Tenant store any materials on the Premises which are visible from areas adjacent to the Premises, unless otherwise specifically set forth in this lease. Tenant shall not permit any objectionable odor to escape or be emitted from the Premises and shall ensure that the Premises remain free from infestation from rodents or insects. Tenant shall not do or permit anything to be done on or about the Premises or bring or keep anything into the Premises which will in any way increase the rate of, invalidate, or prevent the procuring of any insurance, protecting against loss or damage to the Buildings or any of its contents by fire or other casualty or against liability for damage to property or injury to person in or about the Buildings.

6.3 Compliance with Restrictions. The Premises are located on property known as the former Naval Air Station Alameda, which was conveyed to the City by the United States of America, acting by and through the Department of the Navy by a quitclaim deed dated June 4, 2013, recorded June 6, 2013 as Series Nos. 2013-199800; 2013-199801; 2013-199805 and 2013-199806 of Official Records in the Office of the County Recorder, Alameda County, California ("Quitclaim Deed"). Said Quitclaim Deed conveyed the Premises subject to certain covenants, conditions, restrictions, easements, and encumbrances as set forth therein. The Premises are further encumbered by those certain restrictions set forth in the Declaration of Restrictions

(Former Naval Air Station Alameda) dated June 4, 2013 and recorded June 6, 2013 as Series No.: 2013-5677266 in the Office of the County Recorder of Alameda County (“**Declaration of Restrictions**”). Copies of the Quitclaim Deed and Declaration of Restrictions have been delivered to Tenant and, concurrently with the execution of this Lease, Tenant shall sign and return to Landlord the Acknowledgment of Receipt, attached hereto as **Exhibit D**. Use of the Premises is further restricted by the National Environmental Protection Act Record of Decision (“**ROD**”) for the disposal and reuse of the former Naval Air Station Alameda, and all conditions contained therein. A copy of the ROD is available for review at Landlord’s office during normal business hours. The covenants, conditions, restrictions, easements, rights-of-way, reservations, rights, agreements, and encumbrances set forth in the Quitclaim Deed, Declaration of Restrictions and the ROD, as they affect the Building, Common Areas or Premises, are collectively referred to herein as the “**Restrictions.**” Any use of the Premises shall comply with the Restrictions and a failure to so comply that is not cured within the cure period set forth in Section 18.1(f) below shall constitute a Default under this Lease.

6.4 Use Permit. Tenant and any of its subtenants shall maintain a City of Alameda Use Permit and other applicable City permits and approvals for the intended use of the Premises (collectively “**Use Permit**”).

6.5 Dogs. Subject to compliance with the terms and conditions hereof, Tenant shall be permitted during the Term (including any Renewal Term(s)) to allow its employees to bring up to twenty (20) fully domesticated and trained dogs (“**Permitted Dogs**”) into the Premises. Tenant shall procure, pay for and keep in full force and effect, at all times during the Term, such additional insurance as may be reasonably required by Landlord in connection therewith, which insurance shall comply with the provisions of Section 15.1(a) below. Landlord reserves the right to exclude from the Premises or Land any dog which, in the reasonable judgment of Landlord, behaves in a threatening, aggressive or disruptive manner or which is otherwise not properly controlled by its owner in accordance with this Section 6.5. As set forth in the Declaration of Restrictions, domestic dogs have been identified as potential mammalian predators of least terns, and are therefore subject to the Alameda Point Predator Management Plan for Lands West of Main Street together with the other restrictions included in the Declaration of Restrictions. In view of the foregoing, any Permitted Dogs must remain on leash at all times when they are outside of the Building, including the Land depicted in Exhibit A-2 and anywhere else on the Property, as defined at Section 2.1 above. Tenant shall further be responsible for the prompt removal of any Permitted Dogs’ defecation on the Land or Property.

7. [INTENTIONALLY OMITTED].

8. UTILITIES.

8.1 Payments for Utilities and Services. Tenant shall contract directly with the providers of, and shall pay all charges for, water, sewer, gas, electricity, heat, cooling, telephone, refuse collection, janitorial, pest control, security and monitoring services furnished to the Premises, together with all related installation or connection charges or deposits (“**Utilities**”). Electricity and telephone services are presently provided by Alameda Municipal Power, which is a separate entity from and not a related party or agent of Landlord.

8.2 No Liability of Landlord. Except in the case of Landlord's gross negligence or willful misconduct, in no event shall Landlord be liable or responsible for any loss, damage, expense or liability, including, without limitation, loss of business or any consequential damages, arising from any failure or inadequacy of any service or Utility provided to the Premises or Buildings, whether resulting from any change, failure, interference, disruption or defect in supply or character of the service or Utility provided to the Premises or Buildings, or arising from the partial or total unavailability of the service or utility to the Premises or Buildings, from any cause whatsoever, or otherwise, nor shall any such failure, inadequacy, change, interference, disruption, defect or unavailability constitute an actual or constructive eviction of Tenant, or entitle Tenant to any abatement or diminution of Rent or otherwise relieve Tenant from its obligations under this Lease. Notwithstanding the foregoing, if the Premises, or a material portion of the Premises, is made untenable, inaccessible or unsuitable for the ordinary conduct of Tenant's business, as a result of an interruption in any of the Utilities attributable to an act or omission of Landlord (or Landlord's agents, employees or subcontractors), then (a) Landlord shall use commercially reasonable good faith efforts to restore the same as soon as is reasonably possible, and (b) if, despite such commercially reasonable good faith efforts by Landlord, such interruption persists for a period in excess of five (5) consecutive business days, then Tenant, as its sole remedy, shall be entitled to receive an abatement of Base Rent payable hereunder during the period beginning on the sixth (6th) consecutive business day of such interruption and ending on the day the Utility or service has been restored.

9. PERSONAL PROPERTY AND POSSESSORY INTEREST TAXES.

9.1 Tenant's Tax Obligation. Tenant shall pay all taxes, assessments and other governmental charges levied or imposed against Tenant's personal property or trade fixtures placed by Tenant in or about the Premises during the Term ("**Personal Property Taxes**").

9.2 Possessory Interest Taxes. The interest created by this Lease may at some time be subject to property taxation under the laws of the State of California. If property taxes are imposed, the party in whom the possessory interest is vested may be subject to the payment of the taxes levied on such interest, which amounts shall be payable in accordance with Article 5. This notice is included in this Lease pursuant to the requirements of section 107.6 (a) of the Revenue and Taxation Code of the State of California.

9.3 Payment. Tenant shall pay the Personal Property Taxes in accordance with the instructions of the taxing entity. Tenant shall pay the Personal Property Taxes, if any, originally imposed upon Landlord, upon Landlord's election, either (a) annually within thirty (30) days after the date Landlord provides Tenant with a statement setting forth in reasonable detail such Taxes, or (b) monthly in advance based on estimates provided by Landlord based upon the previous year's tax bill. All Personal Property Taxes originally imposed upon Landlord and payable by Tenant with respect to the Premises shall be prorated on a per diem basis for any partial tax year included in the Term. Tenant's obligation to pay Taxes during the last year of the Term shall survive the termination of this Lease.

10. ALTERATIONS.

10.1 Landlord Consent Required. Tenant shall not make any alterations, improvements, or additions (each an “Alteration”) in or about the Premises or any part thereof without the prior written consent of Landlord, which consent may be reasonably conditioned upon criteria and/or requirements deemed necessary by Landlord; provided, however, that Landlord shall have the right in its sole and absolute discretion to withhold its consent to any Alteration which adversely affects the structural components of the Buildings, including the roof, support structures, foundations, the exterior of the Buildings and/or the systems serving the Premises or the Buildings. Notwithstanding the foregoing, Tenant shall have the right to make Alterations to the Premises with prior written notice to, but without the consent of, Landlord provided that such Alterations (a) do not require the procurement of a building permit, (b) do not adversely affect the structural portion of the Buildings or the systems serving the Buildings, (c) [intentionally omitted], (d) the reasonably estimated costs of the Alterations, together with the costs of any other Alteration made during the immediately preceding twelve (12) months period, do not exceed Fifty Thousand Dollars (\$50,000), and (e) are performed in full compliance with the terms of Sections 10.2 through 10.4 below.

10.2 Alterations. Any Alterations to the Premises shall be at Tenant’s sole cost and expense, and made in compliance with all applicable Laws and all reasonable requirements requested by Landlord. Prior to starting work, Tenant shall furnish Landlord with plans and specifications (which shall be in CAD format if requested by Landlord); names of contractors reasonably acceptable to Landlord; required permits and approvals; evidence of contractors and subcontractors insurance in amounts reasonably required by Landlord and naming Landlord, the managing agent for the Buildings and such other persons or entities as Landlord may reasonably request, as additional insureds; and any security for payment in performance and amounts reasonably required by Landlord. In addition, if any such Alteration requires the removal of asbestos, an appropriate asbestos disposal plan, identifying the proposed disposal site of all such asbestos, must be included with the plans and specifications provided to Landlord. Tenant shall reimburse Landlord for any sums paid by Landlord for third party examination of Tenant’s plans for Alterations. Landlord agrees to respond to Tenant’s request for consent to any Alterations within fifteen (15) days following Tenant’s delivery of such request, accompanied by plans and specifications depicting the proposed Alterations (“Plans”) and a designation of Tenant’s general contractor (and major subcontractors) to perform such work. Landlord’s response shall be in writing and, if Landlord withholds its consent to any Alterations, Landlord shall specify in reasonable detail in Landlord’s notice of disapproval, the basis for such disapproval. If Landlord fails to timely notify Tenant of Landlord’s approval or disapproval of any such Plans, Tenant shall have the right to provide Landlord with a second written request for approval (a “**Second Request**”) that specifically identifies the applicable Plans and contains the following statement in bold and capital letters: “**THIS IS A SECOND REQUEST FOR APPROVAL OF PLANS PURSUANT TO THE PROVISIONS OF SECTION 10.2 OF THE LEASE. IF LANDLORD FAILS TO RESPOND WITHIN FIVE (5) BUSINESS DAYS AFTER RECEIPT OF THIS NOTICE, THEN LANDLORD SHALL BE DEEMED TO HAVE APPROVED THE PLANS DESCRIBED HEREIN.**” If Landlord fails to respond to such Second Request within five (5) business days after receipt by Landlord, the Plans in question shall be deemed approved by Landlord. If Landlord timely delivers to Tenant a notice of Landlord’s disapproval of any Plans, Tenant may revise Tenant’s Plans and resubmit such Plans

to Landlord; in such event the scope of Landlord's review of such Plans shall be limited to Tenant's correction of the items to which Landlord had previously objected. Landlord's review and approval (or deemed approval) of such revised Plans shall be governed by the provisions as set forth above in this Section 10.2. The procedure set forth above for approval of Tenant's Plans will also apply to any change, addition or amendments to Tenant's Plans. Landlord's approval of an Alteration shall not be deemed a representation by Landlord that the Alteration complies with Law. Upon completion, Tenant shall furnish Landlord with at least three (3) sets of "as built" Plans (as well as a set in CAD format, if requested by Landlord) for the Alterations, completion affidavit and full and final unconditional waivers of liens and will cause a Notice of Completion to be recorded in the Office of the Recorder of the County of Alameda. Any Alteration shall at once become the property of Landlord; provided, however, that Landlord, at its option, may require Tenant to remove any Alterations prior to the expiration or sooner termination of this Lease. **If Tenant's written request for Landlord's consent to any such Alterations specifically asks Landlord to advise Tenant as to whether or not Landlord will require removal of such Alterations prior to the expiration or sooner termination of this Lease, then Landlord shall notify Tenant at the time of Landlord's consent to any such Alterations as to whether Landlord will require their removal.** If Landlord fails to respond to said removal request, then Tenant shall have the right to leave such Alterations in place upon the expiration or earlier termination of this Lease. All costs of any Alterations (including, without limitation, the removal thereof, if required) shall be borne by Tenant. If Tenant fails to promptly complete the removal of any Alterations required to be removed by Tenant under this Lease and/or to repair any damage caused by the removal, Landlord may do so and may charge the reasonable costs thereof to Tenant. All Alterations shall be made in a first-class, workmanlike manner and in a manner that will not disturb other tenants, in accordance with Landlord's then-current guideline for construction, and Tenant shall maintain appropriate liability and builders' risk insurance throughout the construction. Tenant shall indemnify, defend, protect and hold Landlord harmless from and against any and all claims for injury to or death of persons or damage or destruction of property arising out of or relating to the performance of any Alterations by or on behalf of Tenant. Under no circumstances shall Landlord be required to pay, during the Term (as the same may be extended or renewed) any ad valorem or other Taxes on such Alterations, Tenant hereby covenanting to pay all such taxes when they become due. Landlord hereby agrees that Tenant has the right to move the chain link fence at the north yard area to the edge of the adjacent street as shown on Exhibit A-4 attached hereto or, at Tenant's option, to remove the existing chain link fence and install a new chain link fence of the same or better quality, with such specifications (e.g., height and color) as may be required by the Community Development Department.

10.3 Excavations. In the event Tenant intends to perform any Alterations requiring excavations below the surface of the Premises (whether inside or outside of the Buildings) or construction of a permanent structure on the Premises, Tenant must determine the actual location of all utilities using standard methods (i.e., potholing, metal fish line, etc.) and submit this information with an application to excavate or application to build a permanent structure to Landlord for approval (which shall also include the approval of other applicable governmental authorities). The application shall include a site plan showing the location of utilities and that construction will not take place above the utility line or within the utility easement, specifically showing that no permanent structure will be constructed in these areas. Tenant shall be

responsible for complying with the provisions of the City of Alameda's Marsh Crust Ordinance, and if required, shall obtain a Marsh Crust Permit.

10.4 Liens. Tenant shall pay when due all claims for labor or materials furnished Tenant for use in the Premises. Tenant shall not permit any mechanic liens or any other liens against the Premises or Buildings for any labor or materials furnished to Tenant in connection with work performed on or about the Premises by or at the direction of Tenant. Tenant shall indemnify, hold harmless and defend Landlord (by counsel reasonably satisfactory to Landlord) from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of Tenant. In the event that Tenant shall not, within ten (10) days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a proper bond, Landlord shall have, in addition to all other remedies provided herein or by law, the right, but not the obligation, to cause the same to be released by such means as it may deem proper, including payment of the claim giving rise to such lien. All such sums paid by Landlord and expenses reasonably incurred in connection therewith, including attorneys' fees and costs, shall be payable to Landlord by Tenant on demand.

11. MAINTENANCE AND REPAIR OF PREMISES.

11.1 Maintenance and Repair by Tenant.

(a) Tenant Maintenance. Tenant shall, at its sole cost and expense, maintain the Premises in good repair and in a neat and clean condition, including making all necessary repairs and replacements. Tenant's repair and maintenance obligations include, without limitation, repairs to: (i) floor coverings; (ii) interior partitions; (iii) doors; (iv) the interior side of demising walls; (v) any additions to or modifications of the existing fire life safety systems located within and serving the Premises, including sprinklers, fire alarms and/or smoke detectors; (vi) Alterations, described in Article 10; (vii) heating, ventilation and air conditioning (HVAC) systems exclusively serving the Premises; (viii) kitchens; (ix) plumbing and similar facilities exclusively serving the Premises, whether such items are installed by or on behalf of Tenant or are currently existing at the Premises; and (x) telephone and data equipment, and cabling.

(b) Tenant Repair. Tenant shall further, at its own cost and expense, repair or restore any damage or injury to all or any part of the Buildings caused by Tenant or Tenant's agents, employees, invitees, licensees, visitors or contractors, including but not limited to repairs or replacements necessitated by (i) the construction or installation of improvements to the Premises by or on behalf of Tenant and (ii) the moving of any property into or out of the Premises. If Tenant fails to make such repairs or replacement within fifteen (15) days after notice from Landlord (or if more than fifteen (15) days are reasonably required to complete such repairs or replacement, if Tenant has failed to commence such repairs or replacement within such 15-day period and thereafter diligently proceed to complete such repairs and replacement as soon as reasonably possible but in all events within ninety (90) days of such notice), then Landlord may, at its option, upon prior reasonable notice to Tenant (except in an emergency) make the required repairs and replacements and the costs of such repairs or replacement (including Landlord's administrative charge) shall be charged to Tenant as

Additional Rent and shall become due and payable by Tenant with the monthly installment of Base Rent next due hereunder.

11.2 Maintenance and Repair by Landlord. Landlord shall maintain in good repair (a) the structural elements of the Buildings, including structural elements of exterior walls and foundations; (b) the existing fire and life safety systems located in Building 11 and serving Buildings 11, 400, 400A, and 12; and (c) Common Areas provided such repairs are not necessitated by the actions or inactions of Tenant, Tenant's invitees or anyone in the employ or control of Tenant. Tenant hereby waives any and all rights under and benefits of subsection 1 of Section 1932, and Sections 1941 and 1942 of the California Civil Code or any similar or successor Laws now or hereby in effect. Tenant shall immediately give Landlord written notice of the need for repair of the items for which Landlord is responsible. Subject to the waiver of subrogation provision set forth in Article 15 below, if Tenant or Tenant's invitees or anyone in the employed or control of Tenant caused any damages necessitating such repair, then Tenant shall pay to Landlord the cost thereof, immediately upon demand therefor. Except as otherwise expressly set forth in this Lease, Tenant waives any right to terminate this Lease or offset or abate Rent by reason of any failure of Landlord to make repairs to the Premises or Building.

11.3 Self-Help. Notwithstanding any of the provisions of this Lease to the contrary, if Tenant provides written notice (except in the event of an Emergency in which event Tenant may provide telephonic notice to the Building's property management office) to Landlord of an event or circumstance which requires the action of Landlord with respect to Landlord's repair and/or maintenance obligations under this Lease, which event or circumstance materially and adversely affects the conduct of Tenant's business from the Premises (or any material portion), and Landlord fails to commence corrective action within a reasonable period of time, given the circumstances, after the receipt of such notice, but in any event not later than fifteen (15) business days after receipt of such notice, then Tenant may proceed to take the required action upon delivery of an additional one (1) business day's notice to Landlord specifying that Tenant is taking such required action (except in the event of an Emergency, in which event Landlord shall commence corrective action within forty-eight (48) hours of such verbal notice), and if such action is not commenced by Landlord within such one (1) business day period and thereafter diligently pursued to completion, then Tenant shall be entitled to take such action in the manner described below and shall be further entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in taking such action in a total amount not in excess of the Base Rent for four (4) months. In the alternative, except in the event of an Emergency, Landlord and Tenant may negotiate, during the aforementioned fifteen (15) business day period, for Tenant to undertake such work in accordance with the provisions of Article 10, and for a negotiated and mutually agreed upon budget, which may exceed the amount of four (4) months' Base Rent. If Tenant takes any such action, Tenant shall use only those contractors used by Landlord in the Building for work unless such contractors are unwilling or unable to perform, or timely perform such work, in which event Tenant may utilize the services of any other qualified contractor which normally and regularly performs similar work in Comparable Buildings. Promptly following completion of any work taken by Tenant pursuant to this Section 11.3, Tenant shall deliver a detailed invoice of the work completed, the materials used and the costs relating thereto. If Landlord does not deliver a detailed written objection to Tenant within thirty (30) days after receipt of an invoice from Tenant, then Tenant shall be entitled to deduct from Rent next due and payable by Tenant under this Lease, the amount set forth in such invoice. If,

however, Landlord delivers to Tenant, within thirty (30) days after receipt of Tenant's invoice, a written objection to the payment of such invoice, setting forth with reasonable particularity Landlord's reasons for its claim that such action did not have to be taken by Landlord pursuant to this Lease or that the charges are excessive (in which case Landlord shall pay the amount it contends would not have been excessive), then Tenant shall not then be entitled to such deduction from Rent, except for any undisputed amounts that are not paid within such thirty (30) day period. On the other hand, Tenant may submit such dispute to binding arbitration pursuant to the rules of and before an arbitrator selected from the panel of, ADR Services Inc. or JAMS, with such arbitration to be held in San Francisco or Oakland, California. The prevailing party in any such arbitration shall be entitled to an award of attorney's fees and costs in accordance with Section 27.3. The amount so determined by the arbitrator (which shall include interest at the interest rate specified in Section 4.4 above if Tenant is determined to be the prevailing party) may be deducted by Tenant from Base Rent next due and owing under this Lease. For purposes of this section, an "Emergency" shall mean a situation involving a serious risk of injury to persons or damage to property.

12. ENVIRONMENTAL PROTECTION PROVISIONS.

12.1 Hazardous Materials. "Hazardous Materials" shall mean any material, substance or waste that is or has the characteristic of being hazardous, toxic, ignitable, reactive, flammable, explosive, radioactive or corrosive, including, without limitation, petroleum, solvents, lead, acids, pesticides, paints, printing ink, PCBs, asbestos, materials commonly known to cause cancer or reproductive harms and those materials, substances and/or wastes, including wastes which are or later become regulated by any local governmental authority, the state in which the Premises are located or the United States Government, including, but not limited to, substances defined as "hazardous substances," "hazardous materials," "toxic substances" or "hazardous wastes" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §1801, et seq.; the Resource Conservation and Recovery Act; all environmental laws of the state where the Premises are located, and any other environmental law, regulation or ordinance now existing or hereinafter enacted. "Hazardous Materials Laws" shall mean all present and future federal, state and local laws, ordinances and regulations, prudent industry practices, requirements of governmental entities and manufacturer's instructions relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, presence, disposal or transportation of any Hazardous Materials, including without limitation the laws, regulations and ordinances referred to in the preceding sentence.

12.2 Hazardous Materials Uses. Except as permitted in this Article 12, Tenant hereby agrees that Tenant and Tenant's officers, employees, representatives, agents, contractors, subcontractors, successors, assigns, subtenants, concessionaires, invitees and any other occupants of the Premises by or through Tenant (for purposes of this Article 12, referred to collectively herein as "Tenant Parties") shall not cause or permit any Hazardous Materials to be used, generated, manufactured, refined, produced, processed, stored or disposed of, on, under or about the Premises or Buildings or transported to or from the Premises or Buildings without the express prior written consent of Landlord, which consent may be reasonably limited in scope and predicated on strict compliance by Tenant with all applicable Hazardous Materials Laws and such other reasonable rules, regulations and safeguards as may be required by Landlord in

connection with using, generating, manufacturing, refining, producing, processing, storing or disposing of Hazardous Materials on, under or about the Premises or the Building. In connection therewith, Tenant shall, at its own expense, procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for the storage or use by Tenant or any of Tenant Parties of Hazardous Materials on the Premises or the Buildings, including without limitation, discharge of (appropriately treated) materials or wastes into or through any sanitary sewer serving the Premises or the Building. The foregoing notwithstanding, Tenant may use ordinary and customary materials reasonably required to be used in the course of the Permitted 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 Hazardous Materials Laws and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage.

12.3 Remediation Obligations. If at any time during the Term, any contamination of the Premises by Hazardous Materials shall occur where such contamination is caused by the act or omission of Tenant or Tenant Parties ("**Tenant's Contamination**"), then Tenant, at Tenant's sole cost and expense, shall promptly and diligently remediate such Hazardous Materials from the Premises or the groundwater underlying the Premises to the extent required to comply with applicable Hazardous Materials Laws. Tenant shall not take any required remedial action in response to any Tenant's Contamination in or about the Premises or enter into any settlement agreement, consent, decree or other compromise in respect to any claims relating to any Tenant's Contamination without first obtaining the prior written consent of Landlord, which may be subject to conditions imposed by Landlord as determined in Landlord's reasonable discretion. Such prior written consent shall not be required to the extent the delay caused by the requirement to obtain consent may increase the damage to the Premises or the risk of harm to human health, safety, the environment or security caused by the Tenant Contamination. In addition to all other rights and remedies of Landlord hereunder, if Tenant does not promptly and diligently take all steps to prepare and obtain all necessary approvals of a remediation plan for any Tenant's Contamination, and thereafter commence the required remediation of any Hazardous Materials released or discharged in connection with Tenant's Contamination within thirty (30) days after all necessary approvals and consents have been obtained, and thereafter continue to prosecute such remediation to completion in accordance with the approved remediation plan, then Landlord, at its sole discretion, shall have the right, but not the obligation, to cause such remediation to be accomplished, and Tenant shall reimburse Landlord within thirty (30) business days of Landlord's demand for reimbursement of all amounts reasonably paid by Landlord (together with interest on such amounts at the highest lawful rate until paid), when such demand is accompanied by proof of payment by Landlord of the amounts demanded. Tenant shall promptly deliver to Landlord, copies of hazardous waste manifests reflecting the legal and proper disposal of all Hazardous Materials removed from the Premises as part of Tenant's remediation of any Tenant's Contamination. The foregoing notwithstanding, "Tenant's Contamination" shall not refer to or include any Hazardous Materials that were not clearly introduced to the Premises by Tenant or Tenant Parties. As an example, if lead dust or asbestos are found on the Premises, unless there is clear evidence that Tenant introduced those Hazardous Materials to the Premises, those Hazardous Materials shall not be considered "Tenant's Contamination," and it shall not be Tenant's responsibility to take remedial action relating to such Hazardous Materials.

12.4 Environmental Permits. Tenant and Tenant Parties shall be solely responsible for obtaining, at their cost and sole expense, any environmental permits required for Tenant's operations under this Lease, independent of any existing permits held by Landlord. Tenant shall not conduct operations or activities under any environmental permit that names Landlord as a secondary discharger or co-permittee. Tenant shall provide prior written notice to Landlord of all environmental permits and permit applications required for any of Tenant's operations or activities. Tenant acknowledges that Landlord will not consent to being named a secondary discharger or co-permittee for any operations or activities of Tenant or any Tenant Parties. Tenant shall strictly comply with any and all environmental permits (including any hazardous waste permit required under the Resource Conservation and Recovery Act or its state equivalent) and must provide, at its own expense, any hazardous waste management facilities complying with all Hazardous Material Laws.

12.5 Landlord's Inspection Right. Landlord shall have the right to inspect, upon reasonable notice to Tenant and subject to Tenant's security and confidentiality requirements as set forth at Section 27.8 below, the Premises for Tenant's compliance with this Article 12. Landlord normally will give Tenant twenty-four (24) hours' prior notice of its intention to enter the Premises unless it determines the entry is required for exigent circumstances related to health, safety, or security; provided, however, Landlord agrees to use its best commercial efforts to provide Tenant with the maximum advance notice of any such entrance and will, without representation or warranty, attempt to structure such entrance in the least intrusive manner possible. Tenant shall have no claim against Landlord, or any officer, agent, employee, contractor or subcontractor of Landlord by reason of entrance of such Landlord officer, agent, employee, contractor or subcontractor onto the Premises in compliance with this Section 12.5.

12.6 Hazardous Materials Handling Plan. Prior to the execution of this Lease, Tenant shall complete, execute and deliver to Landlord an Environmental Questionnaire Disclosure Statement (the "**Environmental Questionnaire**"), in the form of **Exhibit E** attached hereto. To the extent Tenant intends to store, use, treat or dispose of Hazardous Materials on the Premises for which a business plan is required to be filed with the local agency, Tenant shall deliver a copy thereof to Landlord when providing same to the local agency (the "**Hazardous Materials Handling Plan**"). Landlord's execution of this Lease constitutes Landlord's approval of the Environmental Questionnaire and Tenant's use of the Hazardous Materials set forth therein in compliance with Hazardous Materials Laws and the Hazardous Materials Handling Plan. Following submittal of the Hazardous Materials Handling Plan, Tenant shall comply therewith throughout the Term. Tenant shall comply with Hazardous Materials Laws and the Hazardous Materials Handling Plan (as same may be updated and amended by Tenant from time to time without notice to or approval of Landlord so long as Tenant's Hazardous Materials use does not materially change from that disclosed in the Environmental Questionnaire) and Tenant shall promptly provide Landlord with complete and legible copies of all the following environmental items relating thereto: reports filed pursuant to any self-reporting requirements; permit applications, permits, monitoring reports, workplace exposure and community exposure warnings or notices and all other reports, disclosures, plans or documents relating to water discharges, air pollution, waste generation or disposal, and underground storage tanks for hazardous materials; orders, reports, notices, listing and correspondence of or concerning the release, investigation of, compliance, cleanup, remedial and corrective actions, and abatement of hazardous materials; and all complaints, pleadings and other legal documents filed by or against

Tenant related to Tenant's use, handling, storage or disposal of Hazardous Materials at or from the Premises. If Tenant desires to materially alter its Hazardous Materials Handling Plan at any time during the Term of this Lease or any extensions thereof, Tenant shall prepare and submit to Landlord a new Environmental Questionnaire together with any new, updated, or revised plan submitted to the local agency. For a period of fifteen (15) days following Landlord's receipt thereof, Landlord shall have the right to approve of such documents. The failure of Landlord to approve such documents shall be deemed Landlord's disapproval thereof. The foregoing notwithstanding, if Landlord fails to timely notify Tenant of Landlord's approval or disapproval of any such Hazardous Materials Handling Plan, Tenant shall have the right to provide Landlord with a second written request for approval (a "**Second Request**") that specifically identifies the Hazardous Materials Handling Plan and contains the following statement in bold and capital letters: "**THIS IS A SECOND REQUEST FOR APPROVAL OF A HAZARDOUS MATERIALS HANDLING PLAN PURSUANT TO THE PROVISIONS OF SECTION 12.6 OF THE LEASE. IF LANDLORD FAILS TO RESPOND WITHIN FIVE (5) BUSINESS DAYS AFTER RECEIPT OF THIS NOTICE, THEN LANDLORD SHALL BE DEEMED TO HAVE APPROVED THE HAZARDOUS MATERIALS HANDLING PLAN DESCRIBED HEREIN.**" If Landlord fails to respond to such Second Request within five (5) business days after receipt by Landlord, the Hazardous Materials Handling Plan in question shall be deemed approved by Landlord. If Landlord timely delivers to Tenant a notice of Landlord's disapproval of any Hazardous Materials Handling Plan, Tenant may revise said Plan and resubmit the same to Landlord; in such event the scope of Landlord's review of such revised Hazardous Materials Handling Plan shall be limited to Tenant's correction of the items to which Landlord had previously objected. Landlord's review and approval (or deemed approval) of such revised Hazardous Materials Handling Plan shall be governed by the provisions as set forth above in this Section 12.6.

12.7 Hazardous Materials Indemnity. In addition to any other provisions of this Lease, Tenant shall, and does hereby agree, to, indemnify and hold harmless Landlord from any costs, expenses, liabilities, fines or penalties resulting from discharges, emissions, spills, storage or disposal arising from Tenant's occupancy, use or operations, or any other action by Tenant or any Tenant Party giving rise to liability, civil or criminal, or any other action by Tenant or its contractors, employees, agents, assigns, or subtenants giving rise to responsibility under any Hazardous Materials Laws. Tenant's obligations hereunder shall apply whenever Landlord incurs costs or liabilities for Tenant's activities or for the activities of Tenant's Parties as provided hereunder. This provision shall survive the expiration or termination of this Lease. The foregoing notwithstanding, Tenant shall have no indemnity obligations hereunder for any costs, expenses, liabilities, fines or penalties resulting from any Hazardous Materials existing in or under the Premises or the Land prior to the Commencement Date or any Hazardous Materials used, brought upon, stored or handled at, released in or onto the Premises or the Land by Landlord or Landlord's employees, agents, contractors or tenants.

13. ASSIGNMENT AND SUBLETTING.

13.1 Landlord Consent Required. Subject to Sections 13.5 and 13.6 below, Tenant shall not voluntarily or by operation of law, (a) mortgage, pledge, hypothecate or encumber this Lease or any interest therein, (b) assign or transfer this Lease or any interest herein, sublease the Premises or any part thereof or any right or privilege appurtenant thereto, or allow any other

person (the employees and invitees of Tenant excepted) to occupy or use the Premises, or any portion thereof, without first obtaining the written consent of Landlord, which consent shall not be withheld or conditioned unreasonably provided that (i) Tenant is not then in Default under this Lease nor is any event then occurring, with the giving of notice or the passage of time, or both, would constitute a Default hereunder, and (ii) Tenant has not previously assigned or transferred this Lease except to a Tenant Affiliate. A transfer of greater than fifty percent (50%) interest (whether stock, partnership interest, membership interest or otherwise) of Tenant, either in one (1) transaction or a series of transactions which take place within any twelve (12) month period shall be deemed to be an assignment under this Lease.

13.2 Approved Subtenants. Notwithstanding anything to the contrary contained in Section 13.1, Tenant may, without obtaining the prior consent of Landlord and without payment of any amounts pursuant to Section 13.4 for the first two (2) years of any such sublease or license, sublet or license the use of a portion of the Premises to Natel Energy, Inc. (“**Natel**”), provided that (a) the subleased or licensed portion is substantially the same as the premises being subleased to Natel in connection with the Original Lease (as defined in Section 27.19 below), (b) Tenant shall continue to be fully obligated under this Lease, and (c) Natel shall expressly assume and agree to perform all the terms and conditions of this Lease to be performed by Tenant with respect to the subleased or licensed premises and to use the subleased or licensed premises only for a Permitted Use, excluding all rental obligations of Tenant hereunder. Within five (5) business days of the execution by all parties of any such sublease or license with Natel, Tenant shall deliver to Landlord a copy of such fully executed sublease or license.

13.3 Reasonable Consent. If Tenant intends to assign this Lease or sublet the Premises or any part thereof, Tenant shall give Landlord written notice of such intent (“**Transfer Notice**”). Tenant’s Transfer Notice shall be accompanied by a copy of the proposed assignment or sublease between Tenant and the proposed assignee or subtenant, together with current and three (3) years’ prior financial statements, if available, for the proposed assignee or subtenant, which financial statement shall be prepared in accordance with generally accepted accounting principles. Tenant shall provide Landlord with any additional information or documentation reasonably requested by Landlord within ten (10) business days after receiving Landlord’s request. Landlord shall then have a period of twenty (20) days following receipt of such additional information (or 20 days after receipt of Tenant’s Transfer Notice if no additional information is requested) within which to notify Tenant in writing that Landlord elects either (a) to permit Tenant to assign this Lease or sublet such space as described in the Transfer Notice or (b) to deny Tenant’s request to assign this Lease or sublet such space. Among other factors upon which Landlord may base a withholding of consent are the following: (i) the use of the Premises by such proposed assignee or subtenant would not be a Permitted Use; (ii) the financial condition of the proposed assignee or subtenant is such that, in Landlord’s reasonable determination, it would be unable to perform its obligations under the proposed sublease or assignment; (iii) the portion of the Premises proposed to be sublet is irregular in shape and/or does not permit safe or otherwise appropriate means of ingress and egress, or does not comply with other Laws or regulations; (iv) Landlord or Landlord’s agents have negotiated with the proposed assignee or subtenant with regard to the leasing of space at the Property, at any time within the preceding six (6) months, provided that Landlord has space available at the Property that is reasonably comparable to the space that would be subject to the proposed assignment or sublease; or (v) any other reasonable basis that Landlord may assert.

13.4 Transfer Premium. If Landlord consents to any requested assignment or sublease (each a “**Transfer**”) and the assignee or subtenant pays to Tenant an amount in excess of the Rent due under this Lease (after deducting Tenant’s reasonable, actual expenses in obtaining such assignment or sublease, such expenses being limited to (a) any Alterations to the subject space made in order to achieve the Transfer, or contributions to the cost thereof, amortized in equal monthly installments over the then remainder of the Term and (b) any commercially reasonable brokerage commissions, reasonable attorneys’ fees and reasonable advertising and marketing costs incurred by Tenant in connection with the Transfer) (“**Transfer Premium**”). Tenant shall pay fifty percent (50%) of such Transfer Premium to Landlord as and when the monthly payments are received by Tenant.

13.5 Tenant Affiliates. Notwithstanding anything to the contrary contained in Section 13.1, Tenant may, without obtaining the prior consent of Landlord, and without the payment of any amounts pursuant to Section 13.4, sublet or license the use of all or any part of the Premises or assign this Lease to a Tenant Affiliate, provided that (a) Tenant shall give not less than thirty (30) days’ prior written notice thereof to Landlord (to the extent such notice is permitted by applicable Law) and deliver to Landlord a copy of any such fully executed sublease or license, (b) Tenant shall continue to be fully obligated under this Lease, and (c) any such assignee or sublessee shall expressly assume and agree to perform all the terms and conditions of this Lease (as described in Section 13.6 below). As used herein, “**Tenant Affiliate**” means (i) an entity controlling, controlled by or under common control with Tenant, (ii) a successor corporation or other entity related to Tenant by merger, consolidation, nonbankruptcy reorganization, or government action, or (iii) a purchaser of substantially all of Tenant’s assets located in the Premises; and a party shall be deemed to “control” another party for purposes of the definition contained in the aforesaid clause (i) only if the first party owns more than fifty percent (50%) of the stock or other beneficial interests of the second party or has the power to direct or cause the direction of the management or policy of the second party, or the first and second party share the same, or substantially the same (defined as a majority of directors on the “controlled” entity’s board are also on the other entity’s board), board of directors.

13.6 No Release. No Transfer shall release or discharge Tenant of or from any liability, whether past, present or future, under this Lease, and Tenant shall continue to be fully liable hereunder. Each subtenant or assignee shall agree, in a form reasonably satisfactory to Landlord, to comply with and be bound by all of the terms, covenants, conditions, provisions and agreements of this Lease to be performed by Tenant and to use the Premises only for a Permitted Use (but with respect to a sublease, only with respect to that portion of the Premises that is the subject of the sublease and excluding all rental obligations of Tenant hereunder). The assignment or sublease agreement, as the case may be, after approval by Landlord, shall not be amended without Landlord’s prior written consent (except for an amendment that reflects the exercise by a party thereto of a right or option set forth in such sublease or assignment), and shall contain a provision directing the assignee or subtenant to pay the rent and other sums due thereunder directly to Landlord upon receiving written notice from Landlord that Tenant is in default under this Lease with respect to the payment of Rent. In the event that, notwithstanding the giving of such notice, Tenant collects any rent or other sums from the assignee or subtenant, then Tenant shall hold such sums in trust for the benefit of Landlord and shall immediately forward the same to Landlord. Landlord’s collection of such rent and other sums shall not constitute an acceptance by Landlord of attornment by such assignee or subtenant. Tenant shall

deliver to Landlord promptly after execution an executed copy of each Transfer and an agreement of compliance by each such subtenant or assignee.

13.7 Expenses and Attorneys' Fees. Tenant shall pay to Landlord all costs and expenses (including without limitation, the reasonable fees of Landlord's counsel) reasonably incurred in connection Landlord's review and processing of documents regarding any proposed Transfer (which under no circumstances shall be less than \$750 per proposed Transfer).

13.8 Limitations on Transfer Reasonable. Tenant acknowledges and agrees that the restrictions, conditions, and limitations imposed by this Article 13 on Tenant's ability to assign or transfer this Lease or any other interests herein, to sublet the Premises or any part thereof, are, for purposes of California Civil Code Section 1951.4, as amended from time to time, and for all other purposes, reasonable at the time this Lease was entered into and shall be deemed to be reasonable at the time that Tenant seeks to assign or transfer this Lease or any interest herein, to sublet the Premises or any part thereof, or transfer or assign any right or privilege appurtenant to the Premises.

14. INDEMNITY AND WAIVER OF CLAIMS.

14.1 Tenant Indemnification. Subject to Section 15.6, Tenant shall indemnify, defend and hold Landlord and Landlord Related Parties harmless against and from all liabilities, obligations, damages, penalties, claims, actions, costs, charges, judgment and expenses (including reasonable attorneys' fees, costs and disbursements) (collectively referred to as "Losses"), arising from (a) the use of, or any activity done, permitted or suffered in or about the Premises or the Buildings; (b) any negligence or willful misconduct of Tenant or Tenant's agents; or (c) from any breach or default in the terms of this Lease by Tenant or Tenant's agents, except to the extent such claims arise out of or relate to the gross negligence or willful misconduct of Landlord. If any action or proceeding is brought against Landlord by reason of any such claim, upon notice from Landlord, Tenant shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. As a material part of the consideration to Landlord, Tenant hereby releases Landlord and its trustees, members, principals, beneficiaries, partners, officers, directors, employees, property managers, Mortgagees and agents (individually, "**Landlord Related Party**" and collectively, "**Landlord Related Parties**") from responsibility for, waives its entire claim of recovery for and assumes all risks of (i) damage to property or injury to person in or about the Premises or the Building from any cause whatsoever except to the extent caused by the gross negligence or willful misconduct of Landlord, Landlord Related Parties or Landlord's contractors, or (ii) loss resulting from business interruption or loss of income at the Premises.

14.2 Landlord Indemnification. Subject to Section 15.6 below, Landlord shall indemnify, defend and hold Tenant and Tenant Related Parties harmless against and from all Losses arising from (a) the negligence or willful misconduct of Landlord or Landlord's agents in or about the Buildings or (b) from any breach or default in the terms of this Lease by Landlord or Landlord's agents, except to the extent such claims arise out of or relate to the negligence or willful misconduct of Tenant. If any action or proceeding is brought against Tenant by reason of any such claim, upon notice from Tenant, Landlord shall defend the same at Landlord's expense by counsel reasonably satisfactory to Tenant. As used herein the term "**Tenant Related**

Parties” shall mean Tenant and its shareholders, members, principals, beneficiaries, partners, officers, directors, employees and agents. The terms of this Section 14.2 shall not apply to the original Landlord, the City of Alameda.

14.3 Waiver of Claims. Except as otherwise set forth in Section 14.2 above or in the event of the gross negligence or willful misconduct of Landlord, Landlord Related Parties or Landlord’s contractors, Landlord shall not be liable to Tenant and Tenant hereby waives all claims against Landlord and Landlord Related Parties for any injury or damage to any person or property occurring or incurred in connection with or in any way relating to the Premises or Buildings from any cause. Without limiting the foregoing, neither Landlord nor any Landlord Related Party shall be liable for and there shall be no abatement of rent for (a) any damage to Tenant’s property stored with or entrusted to any Landlord Related Party, (b) loss of or damage to any property by theft or any other wrongful or illegal act, or (c) any injury or damage to person or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Premises or Buildings or from the pipes, appliances, appurtenance or plumbing works thereof or from the roof, street or surface or from any other place or resulting from dampness or any other cause whatsoever or from the acts or omissions of other tenants, occupants or other visitors to the Premises or Buildings or from any other cause whatsoever, (d) any diminution or shutting off of light, air or view by any structure which may be erected on lands adjacent to the Premises or (e) any latent or other defects in the Premises or the Buildings. Tenant agrees that in no case shall Landlord or any Landlord Related Party be responsible or liable on any theory for any injury to Tenant’s business, loss of profits, loss of income or any other form of consequential damage.

14.4 Survival/No Impairment. The respective obligations of Landlord and Tenant under this Article 14 shall survive any termination of this Lease. The foregoing indemnity obligations shall not relieve any insurance carrier of its obligations under any policies required to be carried by either party pursuant to this Lease, to the extent that such policies cover the peril or currents that results in the claims that is subject to the foregoing indemnity.

15. INSURANCE.

15.1 Tenant’s Insurance.

(a) Liability Insurance. Tenant shall maintain in full force throughout the Term, commercial general liability insurance providing coverage on an occurrence form basis with limits of not less than Two Million Dollars (\$2,000,000.00) each occurrence for bodily injury and property damage combined, or such larger amount as Landlord may prudently require from time to time, covering bodily injury and property damage liability and product liability if a product is sold from the Premises. Each policy of liability insurance required by this Section shall: (i) contain a cross liability endorsement or separation of insureds clause; (ii) provide that any waiver of subrogation rights or release prior to a loss does not void coverage; (iii) provide that it is primary to and not contributing with, any policy of insurance carried by Landlord covering the same loss; (iv) provide that any failure to comply with the reporting provisions shall not affect coverage provided to Landlord, its partners, property managers and Mortgagees; and (v) name Landlord, PM Realty Group L.P., and such other parties in interest as Landlord may from time to time reasonably designate to Tenant in writing, as

additional insureds. Such additional insureds shall be provided at least the same extent of coverage as is provided to Tenant under such policies as their interests may appear. The additional insured endorsement shall be in a form at least as broad as endorsement form number CG 20 11 01 96 promulgated by the Insurance Services Office

(b) Personal Property Insurance. Tenant shall maintain in full force and effect on all of its personal property, furniture, furnishings, trade fixtures and equipment from time to time located in, on or upon the Premises (“**Tenant’s Property**”), and any Alterations (as defined in Article 10) in an amount not less than one hundred percent (100%) of their full replacement value from time to time during the Term, providing protection against all perils, included within the standard form of “all-risk” (i.e., “Special Cause or Loss”) fire and casualty insurance policy. Landlord shall have no interest in the insurance upon Tenant’s Property or Alterations and will sign all documents reasonably necessary in connection with the settlement of any claims or loss by Tenant. Landlord will not carry insurance on Tenant’s Property or Alterations.

(c) Worker’s Compensation Insurance; Employer’s Liability Insurance. Tenant shall, at Tenant’s expense, maintain in full force and effect during the Term of this Lease, worker’s compensation insurance with not less than the minimum limits required by law, and employer’s liability insurance with a minimum limit of coverage of One Million Dollars (\$1,000,000.00).

(d) Commercial Pollution Legal Liability. Commercial Pollution Legal Liability Insurance with coverage limits of not less than One Million Dollars (\$1,000,000).

(e) Business Interruption Insurance. Tenant shall, at Tenant’s expense, maintain in full force and effect during the Term of this Lease, Business Interruption Insurance with a limit of liability representing loss of at least approximately twelve (12) months of income.

(f) Automobile Liability. If Tenant owned vehicles are operated on or about the Building or Common Areas, Tenant shall, at Tenant’s expense, maintain in full force and effect during the Term of this Lease, Commercial Automobile Liability providing coverage for any vehicle owned by Tenant and used in the conduct of its business. Such policy shall be in an amount of not less than One Million Dollars (\$1,000,000) combined singled limit. Such policy of insurance shall be issued by an insurance company authorized to do business in the state of California and rated A-: VII or better in the Best’s Key Rating Guide.

15.2 Requirements For All Policies. Each policy of insurance required under Section 15.1 (but excluding any policy required under Section 15.1(b)(ii) shall: (a) be in a form, and written by an insurer, reasonably acceptable to Landlord, (b) be maintained at Tenant’s sole cost and expense, and (c) require at least thirty (30) days’ written notice to Landlord prior to any cancellation, nonrenewal or modification of insurance coverage; provided, however, that if Tenant’s insurers are unwilling to issue such endorsement, then Tenant agrees as follows: If Tenant is notified by any insurer of the insurance coverage required under this Article 15 that the insurer is canceling any required policy, Tenant shall immediately provide Landlord with written

notice of having received such notice from its insurer and shall take all reasonable action to either preserve the existing policy/policies or replace the canceled insurance with other such policy/policies of insurance meeting the requirements of this Article 15 before the effective date of such cancellation. Insurance companies issuing such policies shall have rating classifications of "A-" or better and financial size category ratings of "VII" or better according to the latest edition of the Best Key Rating Guide. All insurance companies issuing such policies shall be admitted carriers licensed to do business in the state where the Property is located. Tenant shall provide to Landlord, upon request, evidence that the insurance required to be carried by Tenant pursuant to this Section, including any endorsement affecting the additional insured status, is in full force and effect and that premiums therefore have been paid. Tenant shall, within ten (10) days of the renewal or replacement of each policy, furnish Landlord with certificates of renewal thereof and shall provide Landlord with at least thirty (30) days prior written notice of any cancellation or modification. Landlord and Tenant agree, to the extent such waivers are commercially reasonable, to have their respective insurance companies waive any rights of subrogation that such company may have against Landlord or Tenant, as the case may be.

15.3 Certificates of Insurance. Upon execution of this Lease by Tenant, and within ten (10) days of the renewal or replacement any policy thereafter, Tenant shall furnish to Landlord a certificate of insurance reflecting that the insurance required by this Article is in force, accompanied by an endorsement(s) showing the required additional insureds satisfactory to Landlord in substance and form.

15.4 Tenant's Self-Insurance. Tenant shall be entitled to self-insure its insurance requirements set forth in this Lease, including under this Article 15 (which, for purposes hereof, may include carrying such deductibles as Tenant may elect in its reasonable discretion), provided that Tenant has a net worth equal to or greater than Two Hundred Fifty Million Dollars (\$250,000,000.00). Tenant shall furnish Landlord with certificates of self-insurance for the insurance otherwise required herein. Any self-insurance shall be deemed to contain all of the terms and conditions applicable to such insurance as required under this Lease. All deductibles, retentions and/or uninsured amounts shall be paid by, assumed by and at Tenant's sole risk. If Tenant elects to so self-insure, then with respect to any claims that may result from incidents occurring during the Term, such self-insurance obligation shall survive the expiration or earlier termination of this Lease to the same extent as the insurance required would survive. Landlord may revoke the foregoing waiver of Tenant's obligation to carry third party insurance if (a) Tenant's net worth, as reported in its latest annual report, or audited financial statement prepared in accordance with GAAP, drops below Two Hundred Fifty Million Dollars (\$250,000,000); or (b) Tenant's Moody's rating on its long-term debt drops below investment grade.

15.5 Landlord's Insurance. During the Term, Landlord shall keep in effect property insurance covering the Buildings in amounts not less than the full insurance replacement value thereof (but not on any Alterations or any Tenant's Property) with customary limits and deductibles, together with such other types of insurance coverage, if any, as Landlord, in Landlord's sole discretion, may elect to carry.

15.6 Subrogation. Notwithstanding anything to the contrary set forth hereinabove, Landlord and Tenant do hereby waive any and all claims against one another for damage to or

destruction of real or personal property to the extent such damage or destruction can be covered by the property insurance of the type described in Sections 15.1(b) and 15.5 above. The risk to be borne by each party shall also include the satisfaction of any deductible amounts required to be paid under the applicable fire and casualty insurance carried by the party whose property is damaged, and each party agrees that the other party shall not be responsible for satisfaction of such deductible (this will not preclude Landlord from including deductible payments in Expenses). These waivers shall apply if the damage would have been covered by a customary "all risks" insurance policy, even if the party fails to obtain such coverage. The intent of this provision is that each party shall look solely to its insurance with respect to property damage or destruction which can be covered by "all risks" insurance of the type described in Section 15.1(b) and 15.5. To the extent available, each such policy shall include a waiver of all rights of subrogation by the insurance carrier against the other party, its agents and employees with respect to property damage covered by the applicable "all risks" fire and casualty insurance policy. The foregoing notwithstanding, it is understood that the insurance pool issuing the contractual property insurance to the City of Alameda does not include waiver of subrogation provisions in its pool coverage contracts, consequently, the terms of this Section 15.6 shall not apply so long as the Landlord is the City of Alameda.

16. DAMAGE OR DESTRUCTION.

16.1 Definitions.

(a) **"Premises Partial Damage"** shall mean damage or destruction to the improvements on the Premises, other than Tenant's Property (as defined at Section 15.1(b)), or Alterations (as defined at Article 10), which can reasonably be repaired in six (6) months or less from the date of the damage or destruction. Landlord shall notify Tenant in writing within thirty (30) days from the date of the damage or destruction as to whether or not the damage is Partial or Total and the estimated time for repairing said damage. Notwithstanding the foregoing, Premises Partial Damage shall not include damage to windows, doors, and/or other similar items which Tenant has the responsibility to repair or replace pursuant to the provisions of Section 11.1.

(b) **"Premises Total Destruction"** shall mean damage or destruction to the Premises, other than Tenant's Property (as defined at Section 15.1(b)) or Alterations (as defined at Article 10), which cannot reasonably be repaired in six (6) months or less from the date of the damage or destruction. Landlord shall notify Tenant in writing within thirty (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 Tenant's Property (as defined at Section 15.1(b)) or Alterations (as defined in Article 10), which was caused by an event required to be covered by the insurance described in Section 15.5, irrespective of any deductible amounts or coverage limits involved.

(d) **"Replacement Cost"** shall mean the cost to repair or rebuild the improvements owned by Landlord at the time of the occurrence to their condition

existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Laws governing the Premises, and without deduction for depreciation.

(e) **“Hazardous Material Condition”** shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Material (as defined in Section 12.1), in, on, or under the Premises which requires repair, remediation, or restoration.

16.2 Partial Damage - Insured Loss. If a Premises Partial Damage that is an Insured Loss occurs, Landlord shall, at Landlord’s expense, repair such damage (but not Tenant’s Property or Alterations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Tenant shall, at Landlord’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, Landlord shall make any applicable insurance proceeds available to Tenant 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, Landlord shall promptly contribute the shortage in proceeds (except as to the deductible (not to exceed \$10,000) which is Tenant’s responsibility) 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, Landlord shall have no obligation to fully restore the unique aspects of the Premises unless Tenant provides Landlord with the funds to cover same, or adequate assurance thereof, within twenty (20) business days following receipt of written notice of such shortage and request therefor. If Landlord receives said funds or adequate assurance thereof within said twenty (20) business 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 so received, Landlord may nevertheless elect by written notice to Tenant within ten (10) days thereafter to: (a) make such restoration and repair as is commercially reasonable with Landlord paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (b) have this Lease terminate thirty (30) days thereafter. Tenant shall not be entitled to reimbursement of any funds contributed by Tenant to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Section 16.3, 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 to this Lease. The foregoing notwithstanding, if Landlord’s notice delivered pursuant to Section 16.1(a) above shows an estimated time for repairing the damage in excess of one hundred twenty (120) days with respect to the Office Building and/or the Shed then Tenant may, within ten (10) business days of receipt of such notice, deliver written notice of its election to terminate this Lease with respect to the Office Building and/or the Shed only, in which event this Lease shall remain in full force and effect with respect to the Warehouse. Such termination with respect to the Office Building and/or Shed shall become effective on the tenth (10th) business day following such notice from Tenant.

16.3 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 Tenant (in which event Tenant shall make the repairs at Tenant’s expense), Landlord may either: (a) repair such damage as soon as reasonably possible at Landlord’s expense, in which event this Lease shall continue in full

force and effect, or (b) terminate this Lease by giving written notice to Tenant within thirty (30) days after receipt by Landlord of knowledge of the occurrence of such damage. Such termination shall be effective sixty (60) days following the date of such notice. In the event Landlord elects to terminate this Lease, Tenant shall have the right within ten (10) days after receipt of the termination notice to give written notice to Landlord of Tenant's commitment to pay for the repair of such damage without reimbursement from Landlord. Tenant shall provide Landlord with said funds or satisfactory assurance thereof within thirty (30) days after making such commitment. In such event this Lease shall continue in full force and effect, and Landlord shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Tenant does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

16.4 Total Destruction. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate sixty (60) days following such Destruction, unless Tenant elects, in its sole and absolute discretion, by notice to Landlord given within such 60-day period to restore the Premises at Tenant's sole cost and expense, except as otherwise set forth below, in which event Tenant shall restore the Premises as soon as reasonably possible. Tenant may make the foregoing election to keep this Lease in effect with respect to the Warehouse only or with respect to the Warehouse plus one of the other Buildings or with respect to the entire Premises. If Tenant elects to restore the Premises, then Landlord shall make any applicable insurance proceeds available to Tenant on a reasonable basis for the purpose of repairing such damage.

16.5 Damage Near End of Term. If at any time during the last twelve (12) months of the Lease Term (or the last twelve (12) months of any Renewal Term) there is damage to the Premises for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Landlord or Tenant may terminate this Lease effective sixty (60) days following the date of occurrence of such damage by giving a written termination notice to Tenant or Landlord within thirty (30) days after the date of occurrence of such damage. Landlord or Tenant may exercise the foregoing termination right with respect to the entire Premises or with respect to one or more of the Buildings; in the event of the latter, this Lease shall remain in effect with respect to all Building(s) not covered by such termination notice. Notwithstanding the foregoing, if Tenant at that time has an exercisable option to extend this Lease or to purchase the Premises, then Tenant may preserve this Lease by, (a) exercising such option and (b) providing Landlord 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 ten (10) days after Tenant's receipt of Landlord's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Tenant duly exercises such option during such period and provides Landlord with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Landlord shall, at Landlord's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Tenant 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 Tenant's option shall be extinguished.

16.6 Abatement of Rent. In the event of Premises Partial Damage, Premises Total Destruction or a Hazardous Material Condition for which Tenant is not responsible, commencing on the date of the damage or destruction and ending on the date that the repair, remediation or

restoration is substantially completed or the termination of this Lease, the Rent payable by Tenant shall be abated in proportion to the degree to which Tenant's use of the Premises is impaired. All other obligations of Tenant hereunder shall be performed by Tenant, and Landlord shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

17. CONDEMNATION.

If the whole or if any material part of the Premises or Buildings are taken or condemned for any public or quasi-public use under either state or federal law, by eminent domain or purchase in lieu thereof (a "Taking"), and (a) such Taking renders the Premises or Buildings unsuitable, in Landlord's reasonable opinion, for the purposes for which they were constructed; or (b) the Premises or Buildings cannot be repaired, restored or replaced at reasonable expense to an economically profitable unit, then Landlord may, at its option, terminate this Lease as of the date possession vests in the condemning party. If twenty-five percent (25%) or more of the Premises is taken and if the Premises remaining after such Taking and any repairs by Landlord would be untenable (in Tenant's reasonable opinion) for the conduct of Tenant's business operations, Tenant shall have the right to terminate this Lease as of the date possession vests in the condemning party. The terminating party shall provide written notice of termination to the other party within 30 days after it first receives notice of the Taking. The termination shall be effective as of the effective date of any order granting possession to, or vesting legal title in, the condemning authority. If this Lease is not terminated, Base Rent shall be appropriately adjusted to account for any reduction in the square footage of the Premises. If only a part of the Premises is subject to a Taking and this Lease is not terminated, Landlord, with reasonable diligence, will restore the remaining portion of the Premises as nearly as practicable to the condition immediately prior to the Taking. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of the California Code of Civil Procedure, or any similar or successor Laws. Unless Landlord is the condemner, Landlord shall be entitled to any and all compensation, damages, income, rent, awards or any interest thereon which may be paid or made in connection with any such Taking, and Tenant shall have no claim against Landlord for the value of any expired term of this Lease or otherwise; provided, however, that Tenant shall be entitled to receive any award separately allocated by the condemning authority to Tenant for Tenant's relocation expenses, the value of Tenant's fixture, equipment and personal property (specifically excluding components of the Premises which under this Lease or by law are or at the expiration of the Term will become the property of Landlord, including, without limitation, fixtures and Alterations), or Tenant's loss of business goodwill, provide that such award does not reduce any award otherwise allocable or payable to Landlord.

18. DEFAULT.

18.1 Events of Default. The occurrence of any of the following shall constitute a "Default" by Tenant:

(a) Tenant fails to make any payment of Rent when due, if payment in full is not received by Landlord within five (5) days after written notice that it is past due.

(b) Tenant abandons the Premises as defined in Section 1951.3 of the California Civil Code.

(c) Tenant fails timely to deliver any subordination document or estoppel certificate requested by Landlord within the applicable time period specified hereinbelow, and such failure continues for an additional five (5) business days following notice of such failure from Landlord.

(d) Tenant violates the restrictions on Transfer set forth in Article 13 and does not cure such violation within ten (10) business days following notice of such violation from Landlord.

(e) Tenant ceases doing business as a going concern; makes an assignment for the benefit of creditors; is adjudicated an insolvent, files a petition (or files an answer admitting the material allegations of a petition) seeking relief under any state or federal bankruptcy or other statute, law or regulation affecting creditors' rights; all or substantially all of Tenant's assets are subject to judicial seizure or attachment and are not released within thirty (30) days, or Tenant consents to or acquiesces in the appointment of a trustee, receiver or liquidator for Tenant or for all or any substantial part of Tenant's assets.

(f) Tenant fails to perform or comply with any provision of this Lease other than those described in (a) through (e) above, and does not fully cure such failure within thirty (30) days after notice to Tenant or, if such failure cannot be cured within such thirty (30) day period, Tenant fails within such thirty (30)-day period to commence, and thereafter diligently proceed with, all actions necessary to cure such failure as soon as reasonably possible but in all events within ninety (90) days of such notice.

18.2 Remedies. Upon the occurrence of any Default under this Lease, whether enumerated in Section 18.1 or not, Landlord shall have the option to pursue any one or more of the following remedies without any notice (except as expressly prescribed herein) or demand whatsoever. Without limiting the generality of the foregoing, and except as otherwise expressly prescribed herein, Tenant hereby specifically waives notice and demand for payment of Rent or other obligations, and waives any and all other notices or demand requirements imposed by applicable Law:

(a) Terminate this Lease and Tenant's right to possession of the Premises and recover from Tenant an award of damages equal to the sum of the following:

(i) The Worth at the Time of Award of 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 Rent loss that Tenant affirmatively 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 Rent loss that Tenant affirmatively proves could be reasonably avoided discounted to the then present value;

(iv) Any other amount necessary to compensate Landlord for all the detriment either proximately caused by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; and

(v) All such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time under applicable law.

The "**Worth at the Time of Award**" of the amounts referred to in parts (i) and (ii) above, shall be computed by allowing interest at the rate specified in Section 4.4 above.

(b) Employ the remedy described in California Civil Code § 1951.4 (Landlord may continue this Lease in effect after Tenant's breach and abandonment and recover Rent as it becomes due, if Tenant has the right to sublet or assign, subject only to reasonable limitations); or

(c) Notwithstanding Landlord's exercise of the remedy described in California Civil Code § 1951.4 in respect of an event or events of Default, at such time thereafter as Landlord may elect in writing, to terminate this Lease and Tenant's right to possession of the Premises and recover an award of damages as provided above.

18.3 No Waiver. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No waiver by Landlord of any breach hereof shall be effective unless such waiver is in writing and signed by Landlord.

18.4 Waiver of Redemption, Reinstatement, or Restoration. Tenant hereby waives any and all rights conferred by Section 3275 of the Civil Code of California and by Sections 1174 (c) and 1179 of the Code of Civil Procedure of California and any and all other laws and rules of law from time to time in effect during the Lease Term or thereafter providing that Tenant shall have any right to redeem, reinstate or restore this Lease following its termination as a result of Tenant's breach.

18.5 Remedies Cumulative. No right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing by agreement, applicable Law or in equity. In addition to other remedies provided in this Lease, Landlord shall be entitled, to the extent permitted by applicable Law, to injunctive relief, or to a decree compelling performance of any of the covenants, agreements, conditions or provisions of this Lease, or to any other remedy allowed to Landlord at law or in equity. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an event of Default shall not be deemed or construed to constitute a waiver of such Default.

18.6 Landlord's Right to Perform Tenant's Obligations. If Tenant is in Default of any of its non-monetary obligations under this Lease, in addition to the other rights and remedies of Landlord provided herein, then Landlord may at Landlord's option, but without any obligation to do so and upon notice to Tenant, perform any such term, provision, covenant or condition or make any such payment and Landlord by reason of doing so shall not be liable or responsible for any loss or damage thereby sustained by Tenant. If Landlord performs any of Tenant's obligations hereunder in accordance with this Section 18.6, the full amount of the costs and expense incurred or the payments so made or the amount of the loss so sustained shall be immediately be owed by Tenant to Landlord, and Tenant shall promptly pay to Landlord upon demand, as Additional Rent, the full amount thereof with interest thereon from the day of payment by Landlord the lower of ten percent (10%) per annum, or the highest rate permitted by applicable law.

18.7 Severability. This Article 18 shall be enforceable to the maximum extent such enforcement is not prohibited by applicable Law, and the unenforceability of any portion thereof shall not thereby render unenforceable any other portion.

19. LIMITATION OF LIABILITY.

Notwithstanding anything to the contrary contained in this Lease, the liability of Landlord (and of any successor landlord) shall be limited to the interest of Landlord in the Buildings as the same may from time to time be encumbered. Tenant shall look solely to Landlord's interest in the Buildings for the recovery of any judgment. Neither Landlord nor any Landlord Related Party shall be personally liable for any judgment or deficiency, and in no event shall Landlord or any Landlord Related Party be liable to Tenant for any lost profit, damage to or loss of business or a form of special, indirect or consequential damage. Before filing suit for an alleged default by Landlord, Tenant shall give Landlord and the Mortgagee(s) whom Tenant has been notified hold Mortgages (defined in Article 22 below), notice and reasonable time (not to exceed thirty (30) days, unless the nature of the default is such that more than thirty (30) days are reasonably necessary to cure such default) to cure the alleged default.

20. SURRENDER OF PREMISES.

At the termination of this Lease or Tenant's right of possession, Tenant shall remove Tenant's personal property including any furniture, trade fixtures, equipment or cabling installed by or for the benefit of Tenant from the Premises, and quit and surrender the Premises to Landlord, broom clean, and in good order, condition and repair, ordinary wear and tear and damage which Landlord is obligated to repair hereunder excepted. Landlord may, by notice to Tenant not less than sixty (60) days prior to the Expiration Date (except in the event of a termination of this Lease prior to the scheduled Expiration Date, in which event no advance notice shall be required) require Tenant, at Tenant's expense, to remove any Alterations (except as otherwise provided at Section 10.2, above) and repair any damage caused by such removal. If Tenant fails to remove any of Tenant's personal property, or to restore the Premises to the required condition, Landlord, at Tenant's sole cost and expense, shall be entitled (but not obligated) to remove and store Tenant's personal property and/or perform such restoration of the Premises. Landlord shall not be responsible for the value, preservation or safekeeping of Tenant's personal property. Tenant shall pay Landlord, upon demand, the expenses and storage

charges incurred. If Tenant fails to remove Tenant's personal property from the Premises or storage, within thirty (30) days after notice, Landlord may deem all or any part of Tenant's personal property to be abandoned and, at Landlord's option, title to Tenant's personal property shall vest in Landlord or Landlord may dispose of Tenant's personal property in any manner Landlord deems appropriate.

21. HOLDING OVER.

If Tenant fails to surrender all or any part of the Premises at the termination of this Lease, occupancy of the Premises after termination shall be that of a tenancy at sufferance. Tenant's occupancy shall be subject to all the terms and provisions of this Lease and Tenant shall pay an amount (on a per month basis without reduction for partial months during the holdover) equal to one hundred fifty percent (150%) of the sum of the Base Rent due for the period immediately preceding the holdover ("**Holdover Rent**"). No holding over by Tenant shall operate to extend the Term. If prior to or following the end of the Term or sooner termination of this Lease Landlord notifies Tenant of any successor tenant (prospective or otherwise) that desires possession of the Premises, and if Tenant does not surrender possession of the Premises by the later of (i) within sixty (60) days after such notice or (ii) the expiration or sooner termination of this Lease then, in addition to any other remedies Landlord may have, Tenant shall indemnify and hold Landlord harmless from and against any and all losses or liability resulting from delay in Tenant so surrendering the Premises including, without limitation, any loss or liability resulting from any claim against Landlord made by any succeeding tenant or prospective tenant founded on or resulting from such delay. Any holding over by Tenant with the written consent of Landlord shall thereafter constitute a lease from month to month. The provisions of this Article 21 shall be applied separately to each of the Buildings constituting the Premises (i.e., the Warehouse, the Office Building and the Shed). For example, if Tenant surrenders the Office Building and the Shed at the termination of this Lease, but fails to surrender the Warehouse, then the holdover rent shall be based only on the Base Rent due for the Warehouse for the period immediately preceding the holdover.

22. MORTGAGES; ESTOPPEL CERTIFICATE.

22.1 Subordination to Mortgages. Tenant accepts this Lease subject and subordinate to any mortgage(s), deed(s) of trust, ground lease(s) or other lien(s) now or subsequently arising upon the Premises, or Buildings and any ground lease(s) or other agreements or covenants running with the land now or subsequently arising upon the Buildings, and to renewals, modifications, refinancing and extensions thereof (collectively referred to as a "**Mortgage**"), provided Tenant receives a Non-Disturbance Agreement (as defined below). The party having the benefit of a Mortgage shall be referred to as a "**Mortgagee**". This clause shall be self-operative, but upon request from a Mortgagee, Tenant shall, within ten (10) business days after written request therefor from Landlord, execute a commercially reasonable subordination agreement in favor of the Mortgagee that includes a Non-Disturbance Agreement. As an alternative, a Mortgagee shall have the right at any time to subordinate its Mortgage to this Lease. Upon request, Tenant, shall attorn to any successor to Landlord's interest in this Lease. As a condition to any such subordination, Landlord shall deliver to Tenant for execution a non-disturbance agreement from Landlord's Mortgagee in form and substance reasonably satisfactory to Tenant (a "**Non-Disturbance Agreement**"), which may be based on the Mortgagee's standard

form of subordination, non-disturbance and attornment agreement with such commercially reasonable revisions as may be required by Tenant; such Non-Disturbance Agreement shall provide that (i) Tenant will not be named or joined in any proceeding (or trustee's sale) to enforce such Mortgage unless required by law to perfect the proceeding (or sale), and (ii) that so long as this Lease is in full force and effect and there exists no Default hereunder, Tenant's rights under this Lease shall not be disturbed by reason of such subordination or by reason of foreclosure or termination of such Mortgage, or exercise of the statutory power of sale, or receipt of a deed in lieu of foreclosure. Landlord hereby represents and warrants to Tenant that there is currently no Mortgage encumbering all or any portion of the Buildings.

22.2 Mortgage Protection. Tenant shall give to any Mortgagee, in accordance with the notice requirements set forth in Article 25 below, at the same time as it is given to Landlord, a copy of any notices of default given to Landlord, provided that, prior to such notice, Tenant has been notified in writing (by way of notice of assignment of rent and leases, or otherwise) of the existence and address of such Mortgagee. Tenant further agrees that, if Landlord shall have failed to cure such default within the time provided for in this Lease and the Mortgagee has notified Tenant, prior to the expiration of Landlord's cure period, that such Mortgagee intends to attempt to cure Landlord's default hereunder, then the Mortgagee shall have an additional reasonable period of time within which to cure such default, or if such default cannot be cured without Mortgagee pursuing its remedies against Landlord, then such additional time as may be necessary to commence and complete a foreclosure proceeding.

23. TENANT'S ESTOPPEL CERTIFICATE.

Within ten (10) business days after written request therefor, Tenant shall execute and deliver to Landlord, in a form provided by or satisfactory to Landlord (which may be revised with such modifications as may reasonably be required by Tenant), an estoppel certificate stating, that this Lease is in full force and effect, describing any amendments or modifications thereto, acknowledging that this Lease is subordinate or prior, as the case may be, to any Mortgage and stating any other information Landlord may reasonably request, including the Term, the monthly Base Rent, the date to which Rent has been paid, the amount of any security deposit or prepaid rent, whether either party hereto is in default under the terms of the Lease, and whether Landlord has completed any construction obligations hereunder. Any such estoppel certificate may be relied upon by any person or entity purchasing, acquiring an interest in or extending finance with respect to the Buildings, or any part thereof. If Tenant fails to provide such certificate within ten (10) business days as herein provided, and such failure continues for an additional five (5) business days following notice of such failure from Landlord as provided at Section 18.1(c), then such failure shall at Landlord's election, constitute a Default and Tenant shall be deemed to have given such certificate as above provided without modification and shall be deemed to have admitted the accuracy of any information supplied by Landlord to a prospective purchaser or mortgagee or deed of trust holder.

24. [INTENTIONALLY OMITTED]

25. NOTICE.

All notices shall be in writing and delivered by hand or sent by registered, express, or certified mail, with return receipt requested or with delivery confirmation requested from the U.S. postal service, or sent by overnight or same day courier service to the party's respective notice address(es) set forth in the Basic Lease Information ("Notice Address"). Each notice shall be deemed to have been received on the earlier to occur of actual delivery (unless delivery occurs on a weekend or holiday, in which case notice will be deemed given on the next-succeeding business day) or upon the date on which delivery is refused, or, if either party has vacated its Notice Address without providing a new Notice Address to the other party, three (3) business days after notice is deposited in the U.S. mail or with a courier service in the manner described above. Either party may, at any time, change its Notice Address (other than to a post office box address) by giving the other party written notice of the new address.

26. LABOR PROVISIONS.

26.1 Equal Opportunity. During the Term of this Lease, and with respect only to employment or employees at the Premises, Tenant agrees as follows:

(a) Tenant will not discriminate against any employee of Tenant or applicant for employment because of race, color, religion, sex or national origin. The employees of Tenant shall be treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, selection for training, including apprenticeship. Tenant agrees to post in conspicuous places, notices to be provided by the applicable government agencies, setting forth the provisions of this nondiscrimination provision.

(b) Tenant will, in all solicitations or advertisements for employees placed by or on behalf of Tenant, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(c) Tenant will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice to be provided by Landlord, advising the labor union or worker's representative of Tenant's commitments under this Equal Opportunity Clause and shall post copies of notice in conspicuous places available to employee and applications for employment.

26.2 Convict Labor. In connection with the performance of work required by this Lease, Tenant agrees not to employ any person undergoing a sentence of imprisonment at hard labor.

27. MISCELLANEOUS.

27.1 Governing Law. This Lease shall be interpreted and enforced in accordance with the Laws of the State of California and Landlord and Tenant hereby irrevocably consent to the jurisdiction and proper venue of such state.

27.2 Severability. If any section, term or provision of this Lease is held invalid by a court of competent jurisdiction, all other sections, terms or severable provisions of this Lease shall not be affected thereby, but shall remain in full force and effect.

27.3 Attorneys' Fees. In the event of an action, suit, arbitration or proceeding brought by Landlord or Tenant to enforce any of the other's covenants and agreements in this Lease, the prevailing party shall be entitled to recover from the non-prevailing party any costs, expenses (including out of pocket costs and expenses) and reasonable attorneys' fees incurred in connection with such action, suit or proceeding. Without limiting the generality of the foregoing, if Landlord utilizes the services of an attorney for the purpose of collecting any Rent that is past due and unpaid by Tenant or in connection with any other breach of this Lease by Tenant following a written demand of Landlord to pay such amount or cure such breach, Tenant agrees to pay Landlord reasonable actual attorneys' fees for such services, irrespective of whether any legal action may be commenced or filed by Landlord.

27.4 Force Majeure. Whenever a period of time is prescribed for the taking of an action by Landlord or Tenant (other than the payment of Rent), the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed due to strikes, acts of God, shortages of labor or materials, war, terrorist acts, pandemics, civil disturbances and other causes beyond the reasonable control of the performing party ("**Force Majeure**"). Notwithstanding the foregoing, in no event will the provisions of this Section 27.4 delay (i) the trigger date for Tenant's right to abatement of Rent hereunder pursuant to the provisions of Section 8.2 above or (ii) the date upon which Tenant shall have the right to terminate this Lease pursuant to the provisions of Article 16 above. In the event that either party hereto is delayed in performing any obligation hereunder by Force Majeure, such party shall promptly notify the other of such delay, the cause thereof, and, without warranty, such party's good faith best estimate of the extent of the delay in question.

27.5 Sale. Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations under this Lease and in the Buildings, subject to Article 29, below. Upon transfer, provided that Landlord has complied with Article 29 below, Landlord shall be released from any further obligations hereunder arising after the effective date of such transfer and Tenant agrees to look solely to the successor in interest of Landlord for the performance of such obligations, provided that any successor pursuant to a voluntary, third party transfer (but not as part of an involuntary transfer resulting from a foreclosure or deed in lieu thereof) shall have assumed Landlord's obligations under this Lease.

27.6 Signs. Tenant shall not place any sign upon the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. All signage shall comply with Landlord's signage design criteria, as exist from time to time. In addition, any style, size, materials and attachment method of any such signage shall be subject to Landlord's prior written consent. The installation of any sign on the Premises by or for Tenant shall be subject to the provisions of this Lease. Tenant shall maintain any such signs installed on the Premises.

27.7 Brokers. Landlord and Tenant each represents and warrants to the other that neither it nor its officers or agents nor anyone acting on its behalf has dealt with any real estate

broker except the Broker(s) specified in the Basic Lease Information in the negotiating or making of this Lease. Each party agrees to indemnify and hold harmless the other from any claim or claims, and costs and expenses, including attorneys' fees, incurred by the indemnified party in conjunction with any such claim or claims of any other broker or brokers to a commission in connection with this Lease as a result of the actions of the indemnifying party. Provided that this Lease is fully executed by the parties hereto, Landlord shall pay a commission to Landlord's Broker pursuant to a separate written agreement between Landlord and Landlord's Broker, and Landlord's Broker shall be responsible for any fee or commission payable to Tenant's Broker, if any.

27.8 Access by Landlord. In addition to access provided by this Lease, Landlord shall be allowed access to the Premises at all reasonable times throughout the term of this Lease, for any reasonable purpose upon prior written notice to Tenant and subject to Tenant's reasonable access protocol consistent with this Section 27.8 and reasonably approved by Landlord. Tenant shall have the right to have a representative accompany Landlord during any access to the Premises, except in an emergency. Landlord acknowledges that in exercising its rights under this Section 27.8, Landlord, its agents, employees, contractors or assigns may be exposed to or have access to, documents, equipment or other materials containing confidential proprietary information that is the intellectual property of Tenant ("**Confidential Information**") Landlord agrees that Landlord and its agents, employees, contractors and assigns, in exercising the rights afforded Landlord under this Section 27.8, shall take reasonable steps to ensure that such Confidential Information to which it has access remains confidential, private and secure. Landlord agrees that Landlord or its agents, employees, contractors and assigns will not use or disclose such Confidential Information for any purpose unless expressly authorized by Tenant or as required by a court of competent jurisdiction or by any governmental authority or by any state or federal law. Landlord agrees to give Tenant a minimum of one (1) business day's prior notice of an intention to enter the Premises, unless the entry is reasonably required on an emergency basis for health, safety or security purposes. Tenant shall ensure that a telephone roster is maintained at all times for on-call persons representing Tenant who will be available on short notice, 24 hours a day, 365 days per year, and have authority to use all keys or codes for Tenant's Security System necessary to gain access to the Premises to facilitate entry in time of emergency. Tenant shall ensure that Landlord has a current roster of such on-call personnel and their phone numbers. Tenant shall not change any existing locks, or attach any additional locks or similar devices to any door or window, without providing to Landlord one set of keys therefor. The foregoing notwithstanding, Tenant may, at its sole cost and expense, install its own security system ("**Tenant's Security System**") in the Premises; provided, however, that Tenant's Security System shall at all times be fully compatible with all base Building systems. Tenant shall, at Tenant's sole cost and expense, cause Tenant's Security System to be properly installed, monitored, maintained and operated. Notwithstanding anything to the contrary set forth in this Lease, Tenant agrees to remove Tenant's Security System upon the expiration or sooner termination of this Lease. All keys must be returned to Landlord at the expiration or termination of this Lease. Tenant shall have no claim against Landlord for exercise of its rights of access hereunder. Landlord will provide Tenant with reasonable prior notice of any of the actions set forth in this Section 27.8, to be taken by Landlord if such action will substantially interfere with Tenant's ability to (i) conduct its business in the Premises, (ii) gain access to and from the Premises, or (iii) use or have access to and egress from the Parking Areas. Landlord shall use commercially reasonable efforts to ensure that the performance of any such work of repairs or

alterations shall not materially interfere with Tenant's use of the Premises (or any portion thereof) for Tenant's business purposes. To the extent that Landlord installs, maintains, uses, repairs or replaces pipes, cables, ductwork, conduits, utility lines, and/or wires through hung ceiling space, exterior perimeter walls and column space, adjacent to and in demising partitions and columns, in or beneath the floor slab or above, below, or through the Premises, then in the course of making any such installation or repair: (w) Landlord shall not interfere unreasonably with or interrupt the business operations of Tenant within the Premises; (x) Landlord shall not reduce Tenant's usable space, except to a de minimus extent, if the same are not installed behind existing walls or ceilings; (y) Landlord shall box in any of the same installed adjacent to existing walls with construction materials substantially similar to those existing in the affected area(s) of the Premises; and (z) Landlord shall repair all damage caused by the same and restore such area(s) of the Premises to the condition existing immediately prior to such work.

27.9 Waiver of Right to Jury Trial. Landlord and Tenant waive their respective rights to trial by jury of any contract or tort claim, counterclaim, cross-complaint, or cause of action in any action, proceeding, or hearing brought by either party against the other on any matter arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, or Tenant's use or occupancy of the Premises, including without limitation any claim of injury or damage or the enforcement of any remedy under any current or future law, statute, regulation, code, or ordinance. Landlord and Tenant agree that this paragraph constitutes a written consent to waiver of trial by jury within the meaning of California Code of Civil Procedure Section 631(f)(2), and Tenant does hereby authorize and empower Landlord to file this paragraph and/or this Lease, as required, with the clerk or judge of any court of competent jurisdiction as a written consent to waiver of jury trial. If the waiver set forth in this Section 27.9 is determined by any court to be invalid because it was executed prior to the commencement of any action, then Landlord and Tenant each covenant and agree to execute and deliver to the other, within five (5) days of a written request by the other, a waiver of the right to trial by jury similar in terms and scope to the waiver set forth in this Section 27.9 at such time following the commencement of such action as such waiver, if then made, would be valid.

27.10 Recordation. Neither this Lease, nor any memorandum, affidavit nor other writing with respect thereto shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant without the prior written consent of Landlord which may be granted or withheld in Landlord's sole and absolute discretion. Any recording thereof in violation of this provision shall make this Lease null and void at Landlord's election.

27.11 Paragraph Titles. The paragraph titles use herein are not to be consider a substantive part of this Lease, but merely descriptive aids to identified the paragraph to which they referred. Use of the masculine gender includes the feminine and neuter, and vice versa.

27.12 Authority. If Tenant is a corporation, partnership, trust, association or other entity, Tenant does hereby covenant and warrant that (a) Tenant is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation, (b) Tenant has and is duly qualified to do business in California, (c) Tenant has full corporate, partnership, trust, association or other power and authority to enter into this Lease and to perform all Tenant's obligations hereunder, and (d) each person (and all of the persons if more than one signs) signing this Lease on behalf of Tenant is duly and validly

authorized to do so. Upon Landlord's request, Tenant shall provide evidence reasonably satisfactory to Landlord confirming the foregoing.

27.13 Quiet Possession. Landlord covenants and agrees with Tenant that, upon Tenant's payment of Rent and observing and performing all of the terms, covenants, conditions, provisions and agreements of this Lease on Tenant's part to be observed or performed, Tenant shall have the quiet possession of the Premises throughout the Term.

27.14 Asbestos Notification for Commercial Property Constructed Before 1979. Tenant acknowledges that Landlord has advised Tenant that, because of their age, the Buildings may contain asbestos-containing materials ("ACMs"). If Tenant undertakes any Alterations as may be permitted by Article 10, Tenant shall, in addition to complying with the requirements of Article 10, undertake the Alterations in a manner that avoids disturbing ACMs present in the Building. If ACMs are likely to be disturbed in the course of such work, Tenant shall encapsulate or remove the ACMs in accordance an approved asbestos-removal plan and otherwise in accordance with all applicable Environmental Laws, including giving all notices required by California Health & Safety Code Sections 25915-25919.7.

27.15 Lead Warning Statement. Tenant acknowledges that Landlord has advised Tenant that buildings built before 1978 may contain lead-based paints ("LBP"). Lead from paint, paint chips and dust can pose health hazards if not managed properly. Subject to Article 10 of this Lease, Tenant may at its sole cost and expense, have a state certified LBP Inspector complete a LBP inspection and abatement and provide an abatement certification to Landlord. Landlord has no specific knowledge of the presence of lead-based paint in the Premises.

27.16 OFAC Certification. Tenant represents, warrants and covenants that: (a) Tenant and its principals are not acting, and will not act, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, "**Specially Designated and Blocked Person,**" or other banned or blocked person, entity, nation, or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; (b) Tenant acknowledges that the breach of this representation, warranty and covenant by Tenant shall be an immediate Default under the Lease.

27.17 Certified Access Specialist Disclosure. In accordance with Civil Code Section 1938, Landlord hereby discloses that the Premises have not undergone inspection by a Certified Access Specialist for purposes of determining whether the property has or does not meet all applicable construction related accessibility standards pursuant to Civil Code Section 55.53.

27.18 Time of the Essence. Time is of the essence of this Lease and each and all of its provisions.

27.19 Entire Agreement; Termination of Existing Lease. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understandings pertaining to any such matter shall be effective for any purpose. It is specifically understood and agreed that this Lease supersedes and replaces that certain Lease Agreement dated October 4, 2006, between Landlord and Tenant (as successor-in-

interest to Makani Power, Inc.), covering the Office Building, as amended by that certain First Amendment to Lease Agreement dated July 1, 2009 (as so amended, the “**Original Lease**”), which Original Lease shall terminate at 11:59 p.m. on the day immediately preceding the Commencement Date. No provision of this Lease may be amended or added except by an agreement in writing signed by the parties hereto or their respective successors-in-interest.

27.20 Rules and Regulations. Tenant shall faithfully observe and comply with the non-discriminatory rules and regulations attached hereto as **Exhibit F** and incorporated herein by this reference, as the same may be modified from time to time by Landlord. Any additions or modifications to those rules shall be binding upon Tenant’s upon Landlord’s delivery of a copy to Tenant.

27.21 Financial Statement. Within thirty (30) days after Landlord’s written request, Tenant shall deliver to Landlord the then current financial statements of Tenant, including a balance sheet and profit and loss statement for the most recent prior year, all prepared in accordance with generally accepted accounting principles consistently applied and shall be certified as accurate in all material respect by an officer of Tenant. The foregoing notwithstanding, Tenant shall not be obligated to deliver such financial statements for so long as it remains a publically traded corporation.

27.22 Relocation Benefits. Tenant acknowledges that upon the expiration or earlier termination of this Lease, for any reason other than a Taking as defined at Article 17, Tenant shall, and hereby does, waive any and all claims for relocation benefits, assistance and/or payments under Government Code Sections 7260 et seq., California Code of Regulations Sections 600 et seq., 42 U.S.C. 4601 et seq., 29 C.F.R. Sections 121 et seq. and 49 C.F.R. Sections 24.1 et seq. (collectively the “**Relocation Assistance Laws**”). Tenant further acknowledges and agrees that upon the expiration or earlier termination of this Lease for any reason, other than a Taking as hereinabove defined, no claim shall arise, nor shall Tenant assert any claim for loss of business goodwill (as that term is defined at CCP §1263.510) and no compensation for loss of business goodwill shall be paid by Landlord.

27.23 NAS Historic District. Tenant acknowledges that the Buildings are located within the NAS Alameda Historic District and have been designated as contributing to the Historic District. In granting, denying or conditioning its consent to any Alterations in accordance with Section 10.1 or the placement of any signs in accordance with Section 27.6, Landlord’s decision will be guided by the terms and conditions of the City’s Historic Preservation Ordinance and other planning and regulatory documents governing properties located within the NAS Alameda Historic District.

27.24 Counterparts. This Lease may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

27.25 Standard for Approval and Consent. Whenever either party’s approval or consent is required under this Lease, including any exhibits attached hereto, such party shall not unreasonably withhold, condition or delay such approval or consent, unless otherwise expressly provided in this Lease.

27.26 Days. Unless otherwise indicated, all references herein to a number of days shall mean and refer to calendar days. As used herein, the term “**business day**” shall mean any day other than a Saturday, Sunday or a day that is designated as a holiday in Section 6700 or Section 6701 of the California Government Code.

27.27 Subdivision of Property. Tenant acknowledges that, without any form of representation or warranty, Landlord (or its successor) may cause the Property to be subdivided or existing parcels to be assembled to facilitate the sale, development or redevelopment of portions of Property which may or may not include those portions of the Property upon which the Buildings, Land and Parking Areas are located. As a material inducement for Landlord to enter into this Lease (including, but not limited to, the Right of First Negotiation granted by Article 29), Tenant agrees not to take any actions, oral or in writing, in opposition to such activities, or the planning thereof by Landlord (or its successor) unless such activity threaten to materially disrupt Tenant’s rights under this Lease.

28. RIGHT OF FIRST OFFER.

28.1 Right of First Offer. Subject to the terms of Section 28.2 below, Tenant shall have during the Term (including any Renewal Terms), a right of first offer (the “**Right of First Offer**”) to lease the contiguous space in Units 400 and 400A and Building 12 (the “**Additional Space**”) as the same becomes vacant or available (as reasonably determined by Landlord) prior to Landlord marketing the Additional Space to the general public; provided, however, Tenant’s rights with respect to the Additional Space shall be subordinate and subject to (i) the rights of Natel Energy, Inc. or its affiliate if Landlord enters into a lease with Natel Energy, Inc. or its affiliate covering Unit 400A within six (6) months after the Lease Date, and (ii) the rights of Artemis Racing USA, Inc. (“**Artemis**”) or its affiliate if Landlord extends the term of its existing lease with Artemis covering Building 12, or enters into a new lease with Artemis or its affiliate covering Building 12, within six (6) months after the Lease Date. When Landlord becomes aware that Units 400 and/or 400A and Building 12 is or will become vacant and available, it shall promptly provide Tenant with written notice (the “**Availability Notice**”) which shall specify the terms under which Landlord would be willing to lease such Additional Space, including, but not limited to (i) the specific unit or units of Available Space available; (ii) the length of the proposed lease term, which shall in all events be coterminous with the Term of this Lease for the Premises; (iii) the proposed Base Rent for the Additional Space and annual increases thereto (which shall be Landlord’s reasonable determination of Fair Market Rent), rent abatement and any other economic concessions (collectively, “**ROFO Economics**”), and (iv) the date that the Additional Space will become available for Tenant’s occupancy. Notwithstanding the foregoing, except in the case of an unexpected vacancy of the Additional Space arising out of the default by the then-current tenant under its lease for such space, Landlord shall not deliver an Availability Notice less than four (4) months, or more than twelve (12) months, prior to the date on which the Additional Space will become available for Tenant’s occupancy. Tenant shall, within fourteen (14) business days following the date the Availability Notice is given, notify Landlord in writing that either (a) Tenant elects to accept the terms stated in the Availability Notice, in which case the parties shall promptly enter into an amendment to this Lease (other than the ROFO Economics, the amendment to the Lease to incorporate the Additional Space shall be upon the same terms and conditions as the Lease) or (b) Tenant does not elect to lease the Additional Space. If Tenant fails for any reason to respond to the Availability Notice, then

Tenant shall be deemed to have elected not to lease the Additional Space. If Tenant does not elect to lease the Additional Space, then Landlord may market the Additional Space to others without further notice or offer to Tenant, and may enter into any lease with respect to the Additional Space; provided that if at any time after Tenant's election (deemed or otherwise) not to lease the Additional Space Landlord causes the listing amount for the Base Rent to be reduced by an amount greater than ten percent (10%), Landlord shall re-offer the Additional Space to Tenant by delivery of a new Availability Notice specifying the ROFO Economics and Tenant shall have a new fourteen (14) business day period to respond, all as set forth above. All payments of Rent with respect to the Additional Space, or any portion thereof, shall be made to Landlord at the same time, place and manner as set forth in the Lease.

28.2 Additional Terms for Right of First Offer. The Right of First Offer granted herein may be exercised only by the entity identified as the Tenant in the Basic Lease Information or an assignee that is a Tenant Affiliate and may not be exercised by any other sublessee or assignee. Tenant shall have the right to exercise the Right of First Offer if Tenant (a) is in Default under this Lease at the time of exercise or (b) has received more than two (2) written notices of any monetary event of Default during the immediately preceding twelve (12) month period.

29. **RIGHT OF FIRST NEGOTIATION FOR PURCHASE.**

29.1 Marketable Parcel. Subject to the terms and conditions set forth hereinbelow, during the Term (including any Renewal Terms), Tenant shall have a one-time right of first negotiation for the purchase of the Marketable Parcel as defined below ("**Right of First Negotiation**"). Tenant acknowledges that neither the Premises, nor any portion thereof, have been surveyed, subdivided or assigned an assessor parcel number by the State of California or any agency including the County of Alameda or the City of Alameda. Tenant's Right of First Negotiation is therefore contingent upon Landlord, at its sole and absolute discretion, causing a marketable parcel or parcels to be created in compliance with California law including the Subdivision Map Act (Government Code Sections 66410 *et seq.*) consisting of the Premises, Land and Additional Space, or any portion thereof, that are occupied by Tenant and subject to the leasehold estate created hereby (each a "**Marketable Parcel**").

29.2 Negotiation. If Landlord, in its sole and absolute discretion, determines to market a Marketable Parcel or Marketable Parcels to non-governmental third party buyers (other than as a multi-parcel or portfolio sale to a master developer), Landlord shall provide Tenant with written notice thereof which shall specify the terms under which Landlord would be willing to sell the Marketable Parcel(s), including, but not limited to (a) the purchase price; (b) any "backbone infrastructure" costs (which include streets, utilities and public benefits) to be borne by the Marketable Parcel(s); (c) other material terms and conditions of such proposed sale transaction ("**Offer Notice**"). Tenant shall, within thirty (30) days following receipt of such notice, notify Landlord in writing that either (a) Tenant desires to commence negotiations for the purchase of the Marketable Parcel(s) ("**Negotiation Notice**") or (b) Tenant does not elect to enter into negotiations for the Marketable Parcel(s). If Tenant fails for any reason to timely respond to the Offer Notice, then Tenant shall be deemed to have elected not to enter into negotiations for the Marketable Parcel(s). If Tenant does not elect to enter into negotiations for the Marketable Parcel, Landlord may market said parcels to others without further notice or offer to Tenant. If Tenant timely provides its Negotiation Notice, then for a period of ninety (90) days thereafter

(the “**Negotiation Period**”), Landlord and Tenant agree to work exclusively and in good faith to negotiate and execute a purchase and sale agreement prior to the expiration of the Negotiation Period. Until the expiration of the Negotiation Period, Landlord agrees not to actively solicit, accept or consider any other offers to purchase the Marketable Parcel(s), nor to engage any broker to list or market the Marketable Property. If a binding purchase and sale agreement has not been executed and ratified by both parties, upon the expiration of the Negotiation Period, neither party shall have any further rights or obligations under this Article 29 and Landlord shall be free to list the Marketable Parcel(s) for sale to third parties at any time, and from time to time, thereafter, unless the Negotiation Period has been mutually extended by the parties hereto by means of a writing signed by both Landlord and Tenant.

[signatures on next page]

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

LANDLORD:

City of Alameda,
a charter city and municipal corporation

By: _____

John Russo
City Manager

TENANT:

Google Inc.
a Delaware corporation

By: _____

Name: David Radcliffe
Title: VP. Real Estate

3/4/14

Approved as to Form

By: _____

Janet Kern
City Attorney



EXHIBIT A

PREMISES: BUILDING 11 (WAREHOUSE)

Exhibit A: Premises - Bldg. 11

Dated: February 18, 2014
By and Between: (Lessor) City of Alameda
(Lessee) Google, Inc., a Delaware corporation
Address of Premises: 1050 W. Tower Avenue (Building 11) and 2175 Monarch Street (Building 19), Alameda, CA 94501

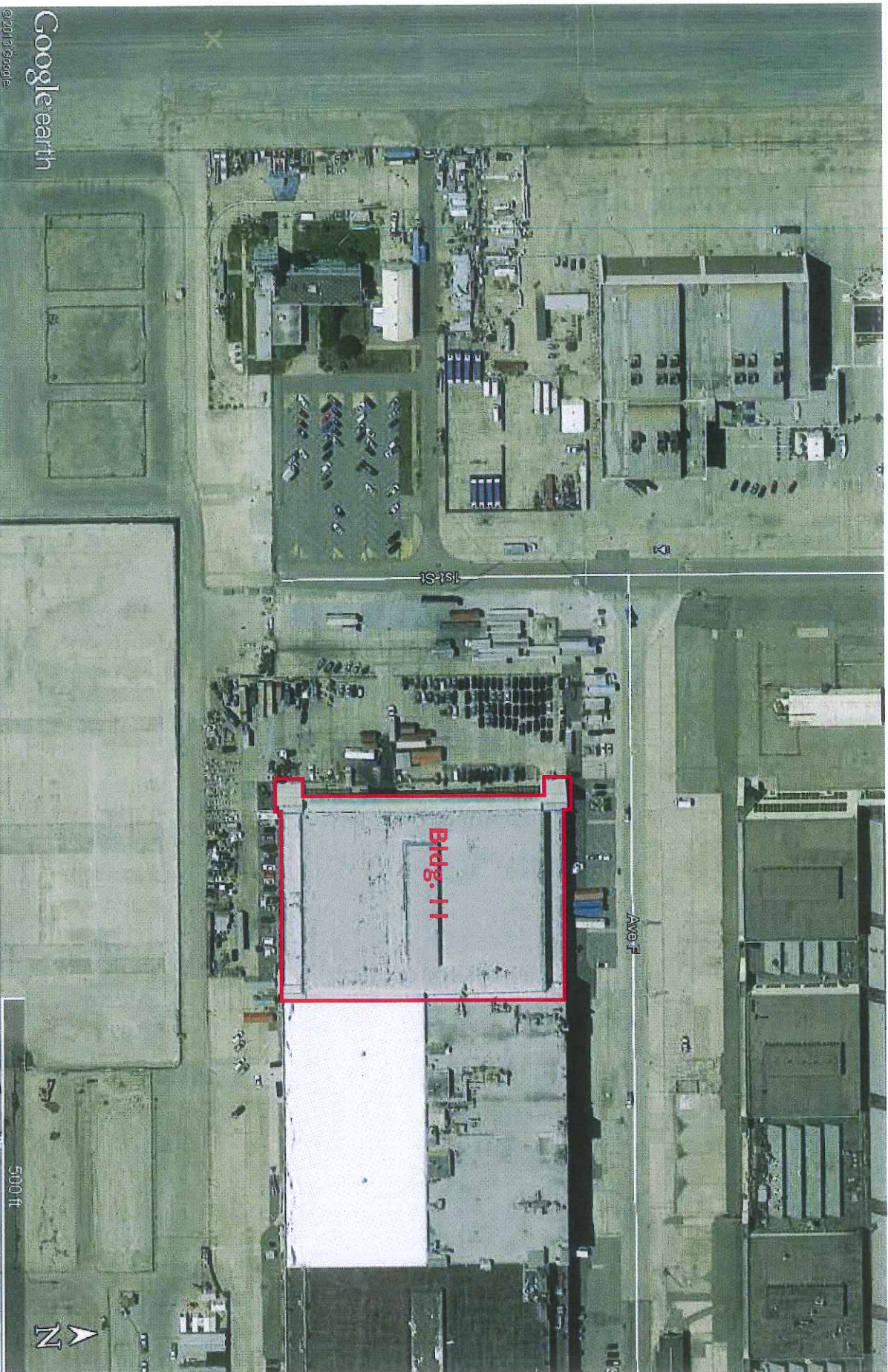


EXHIBIT A-1

PREMISES: BUILDING 19 (OFFICE BUILDING) AND SHED

Exhibit A-1: Premises - Bldg. 19

Dated: February 18, 2014
By and Between: (Lessor) City of Alameda
(Lessee) Google, Inc., a Delaware corporation
Address of Premises: 1050 W. Tower Avenue (Building 11) and 2175 Monarch Street (Building 19), Alameda, CA 94501

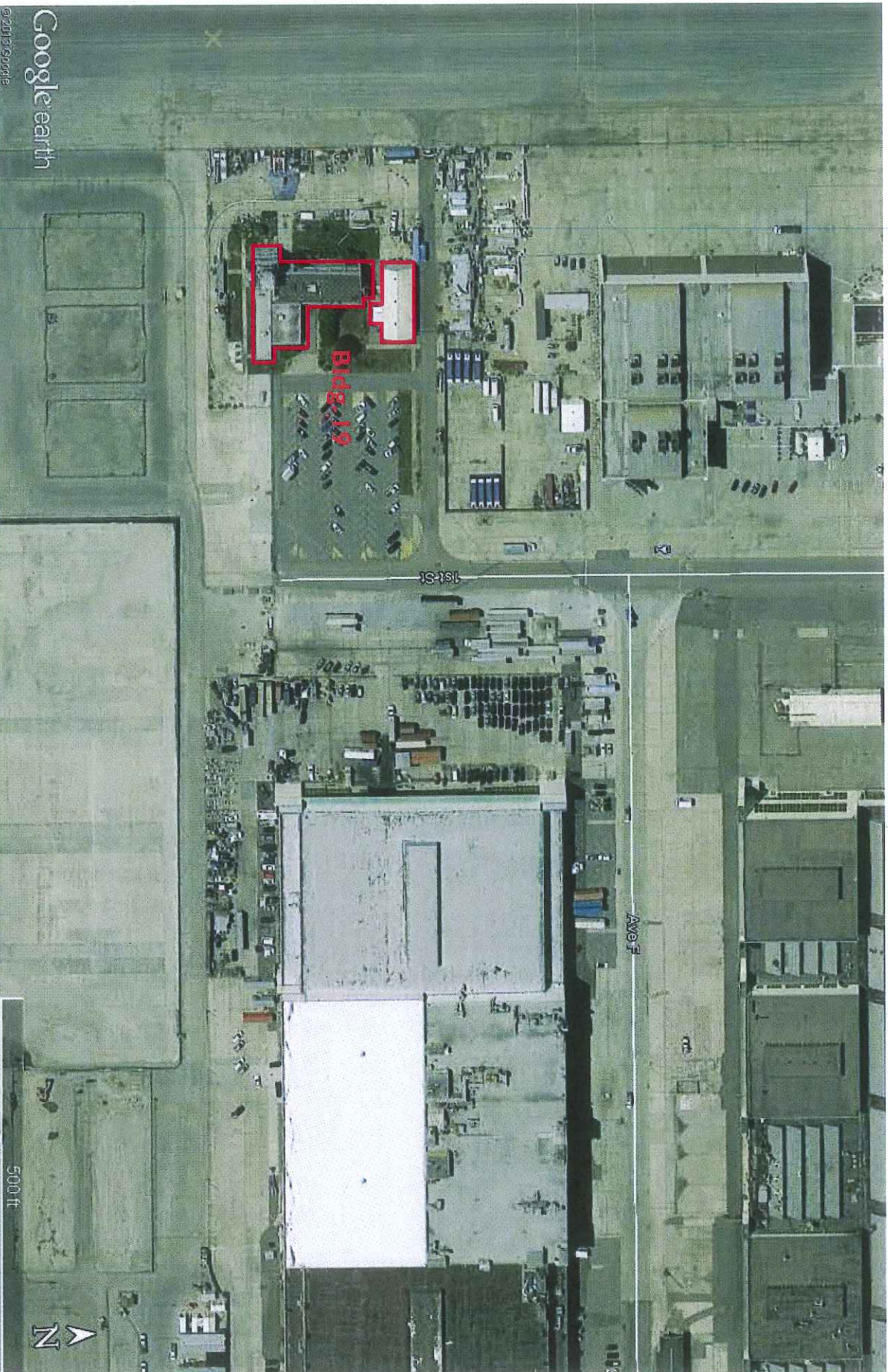


EXHIBIT A-2

LAND AREA

Exhibit A-2: Land Area

Dated: February 18, 2014
By and Between: (Lessor) City of Alameda
(Lessee) Google, Inc., a Delaware corporation
Address of Premises: 1050 W. Tower Avenue (Building 11) and 2175 Monarch Street (Building 19), Alameda, CA 94501

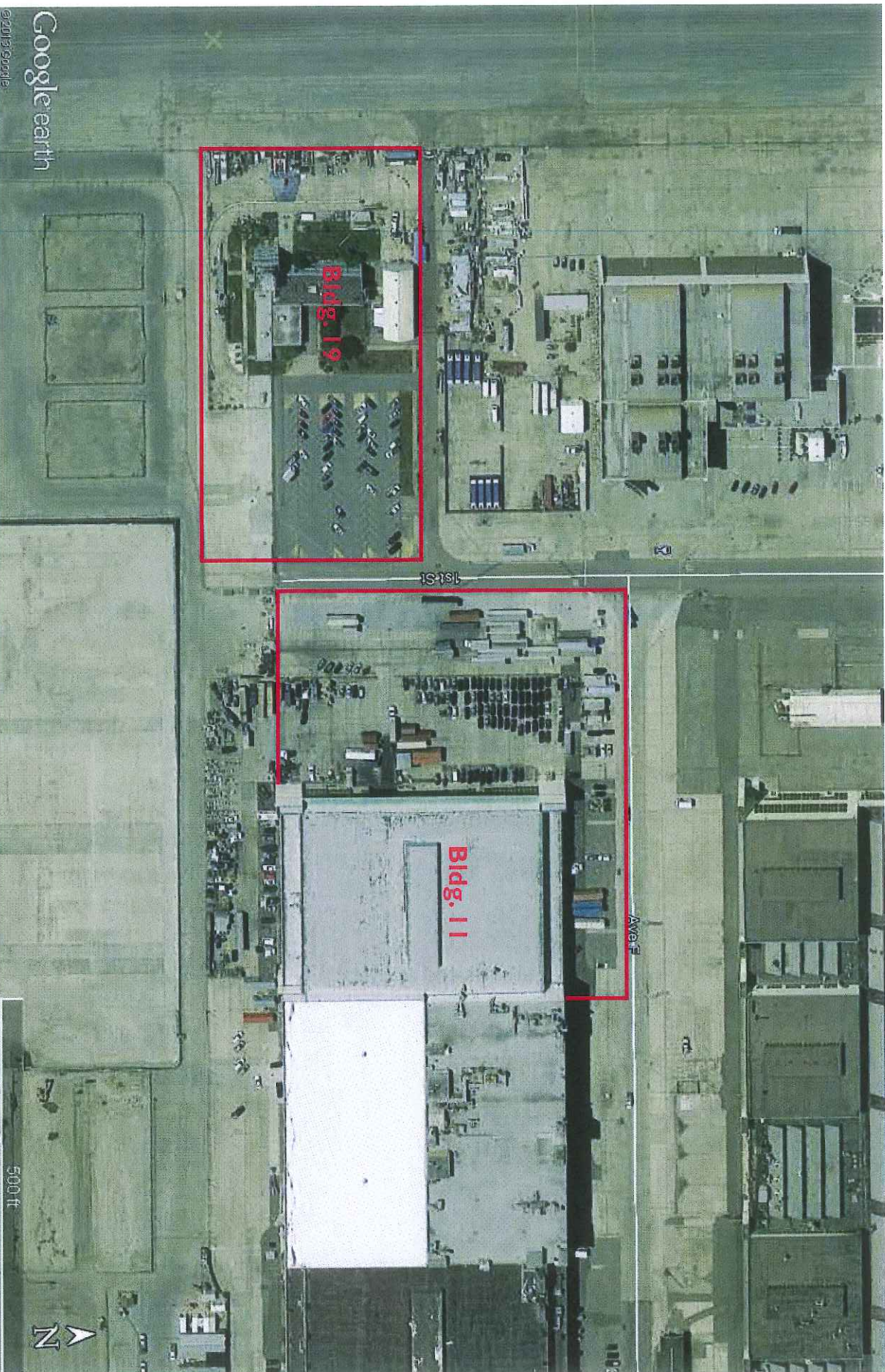


EXHIBIT A-3
PARKING AREAS

Exhibit A-3: Parking Areas

Dated: February 18, 2014
By and Between: (Lessor) City of Alameda
(Lessee) Google, Inc., a Delaware corporation
Address of Premises: 1050 W. Tower Avenue (Building 11) and 2175 Monarch Street (Building 19), Alameda, CA 94501

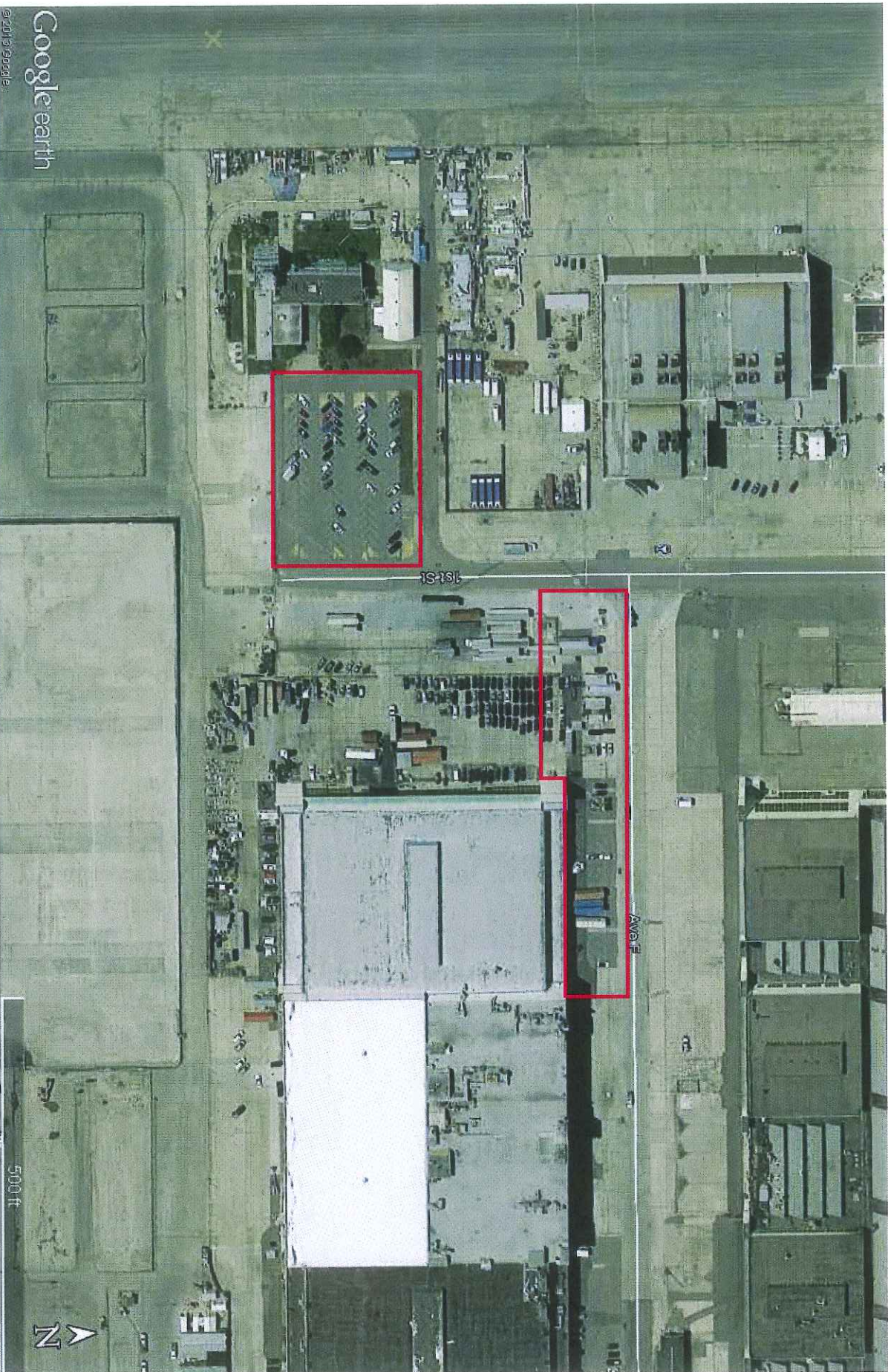


EXHIBIT A-4

NEW LOCATION OF CHAIN LINK FENCE

Exhibit A-4: New Location of Chain Link Fence

Dated: February 18, 2014
By and Between: (Lessor) City of Alameda
(Lessee) Google, Inc., a Delaware corporation
Address of Premises: 1050 W. Tower Avenue (Building 11) and 2175 Monarch Street (Building 19), Alameda, CA 94501

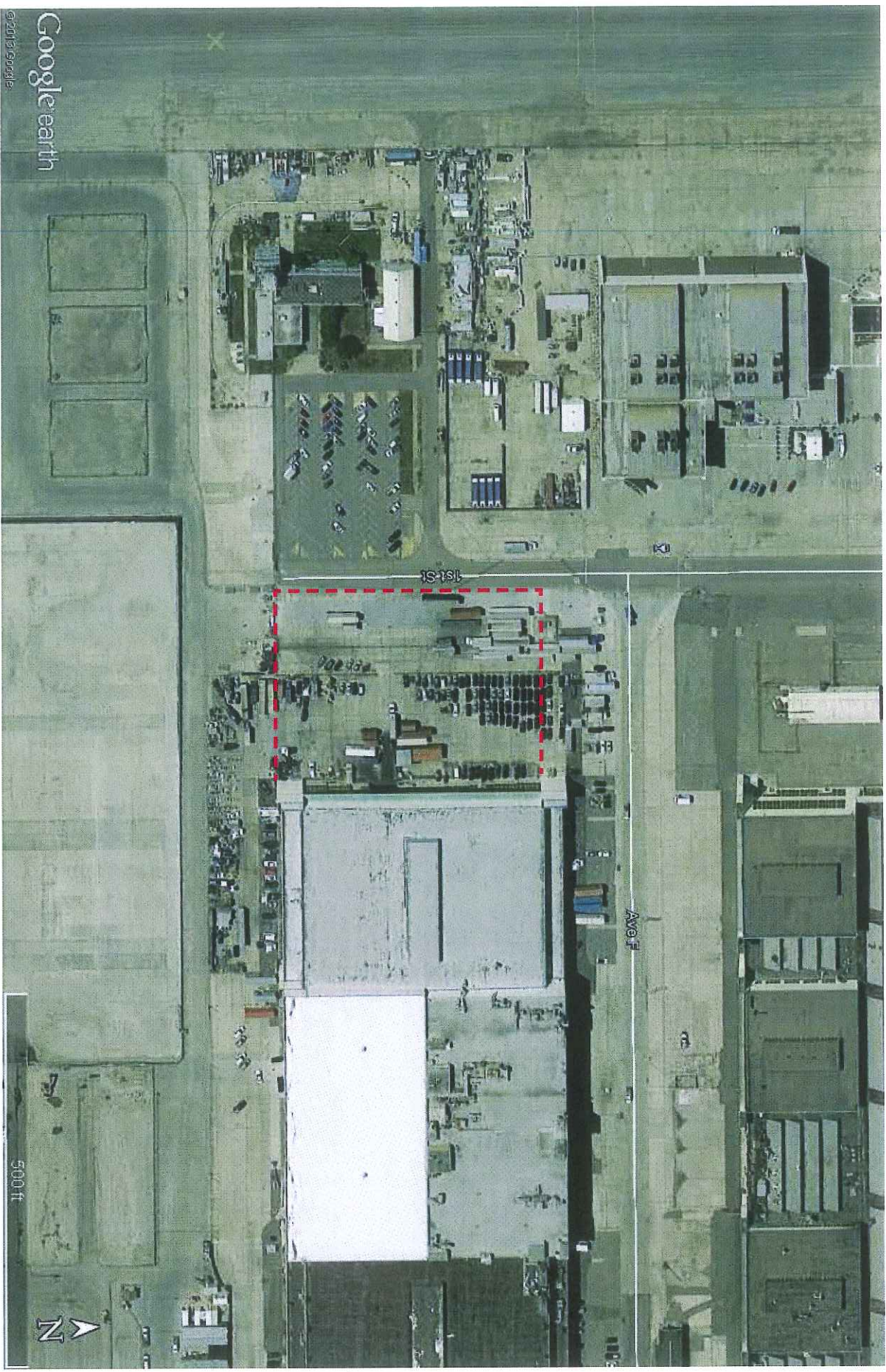


EXHIBIT B

COMMENCEMENT LETTER

Date: _____

Re: Lease dated as of _____, 2014, by and between City of Alameda, as Landlord, and Google, Inc., a Delaware corporation, as Tenant, for Buildings 11 and 19 and the shed located at _____ W. Tower Avenue, Alameda, California, containing an aggregate of 131,442 rentable square feet.

Dear _____:

In accordance with the terms and conditions of the above referenced Lease, Tenant accepts possession of the Premises and agrees:

1. The Commencement Date of the Lease is _____;
2. The Expiration Date of the Lease is _____.

Please acknowledge your acceptance of possession and agreement to the terms set forth above by signing all 3 counterparts of this Commencement Letter in the space provided and returning 2 fully executed counterparts to my attention.

Sincerely,	Agreed and Accepted:
LANDLORD: City of Alameda By: _____ Name: _____ Title: _____	TENANT: Google, Inc. By: _____ Name: _____ Title: _____

[Exhibit -- Do Not Sign]

EXHIBIT C
RENEWAL NOTICE

Date: _____

Re: Lease dated as of _____, 2014, by and between City of Alameda, as
Landlord, and _____, a(n) _____ as Tenant.

Dear _____:

In accordance with Section 3.4 (a) of the above referenced Lease, by this notice Tenant hereby irrevocably exercises its Renewal Option for the Renewal Term that will commence on _____, at the Renewal Rate and upon the terms and conditions specified in Section 3.4.

Sincerely :

[Name of Tenant]

By: _____

Its: _____

[Exhibit -- Do Not Sign]

EXHIBIT D

ACKNOWLEDGMENT OF RECEIPT

Pursuant to that certain Lease Agreement entered into by and between City of Alameda, a charter city and municipal corporation ("Landlord") and Google Inc., a Delaware corporation ("Tenant") dated as of April ____, 2014 ("Lease") Tenant hereby acknowledges that Landlord has provided it with copies of the following documents:

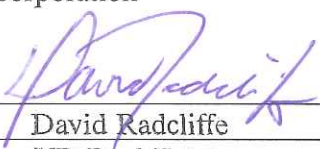
- Quitclaim Deed from the United States of America, acting by and through the Department of the Navy to the City of Alameda, dated June 4, 2013, recorded June 6, 2013 as Series No. 2013-199806 of Official Records in the Office of the County Recorder, Alameda County, California ("Quitclaim Deed");
- Declaration of Restrictions (Former Naval Air Station Alameda) dated June 4, 2013, recorded June 6, 2013 as Series No. 2013-199782 in the Office of the County Recorder of Alameda County ("Declaration of Restrictions").

Pursuant to Section 6.3 of the Lease, Tenant acknowledges receipt of the above referenced documents and agrees that its use of the Premises (as defined in the Lease) shall comply with the restrictions set forth in said documents and failure to do so that is not cured within any applicable cure period shall constitute a Default under the Lease.

Google Inc.,
a Delaware corporation

By: _____

Its: _____


David Radcliffe
VP. Real Estate

Date: _____

3/4/14



EXHIBIT E

ENVIRONMENTAL QUESTIONNAIRE

The purpose of this form is to obtain information regarding the use, if any, of hazardous substances in the process proposed on the premises to be leased. Any such use must be approved in writing by Landlord. Prospective tenants should answer the questions in light of their proposed operations on the premises. Existing tenants should answer the questions as they relate to ongoing operations on the premises and should update any information previously submitted. If additional space is needed to answer the questions, you may attach separate sheets of paper to this form.

Your cooperation in this matter is appreciated. Any questions should be directed to, and when completed, the form should be mailed to:

PM Realty Group L.P.
Attn: Property Manager
101 West Atlantic Avenue
Alameda, California 94501
(510) 749-0304; (510) 749-1095 fax

1. General Information.

Name of Responding Company: _____

Check the Applicable Status: _____

Prospective Tenant Existing Tenant

Mailing Address: _____

Contact Person and Title: _____

Telephone Number: (____) _____

Alameda Point Address of Proposed Premises to be Leased: _____

Length of Lease Term: _____

Your Standard Industrial Classification (SIC) Code Number: _____

Describe the proposed operations to take place on the property, including principal products manufactured, services and a brief process flow description to be conducted. Existing tenants should describe any proposed changes to ongoing operations.

2. Use and/or Storage of Hazardous Materials.

2.1 Will any hazardous materials be used or stored onsite?

Hazardous Wastes Yes No
Hazardous Chemical Products Yes No

2.2 Attach the list of any hazardous materials/wastes to be used, stored, or generated the quantities that will be onsite at any given time, and the location and method of storage (e.g., 55-gallon drums on concrete pad).

2.3 Does your company handle hazardous materials in a quantity equal to or exceeding an aggregate of 500 pounds, 55 gallons, or 200 cubic feet?

Yes No

If yes please provide Material Safety Data Sheets (MSDS) on such materials.

2.4 Has your business filed for a Consolidated Hazardous Materials Permit from the Alameda County Environmental Management Department?

Yes No

If so, attach a copy of the permit application.

2.5 Are any of the chemicals used in your operations regulated under Proposition 65?

Yes No

If so, describe the actions taken, or proposed to be taken, to comply with Proposition 65 requirements. _____

2.6 Do you store or use or intend to store or use acutely hazardous materials above threshold quantities requiring you to prepare a risk management plan (RMP)?

Yes No

2.7 Describe the procedures followed to comply with OSHA Hazard Communication Standard requirements. _____

3. Storage Tanks and Pumps.

3.1 Are any above or below ground storage of gasoline, diesel, or other hazardous substances in tanks or pumps being used as a part of your present process or proposed for use on this leased premises?

Yes No

If yes, describe the materials to be stored, and the type, size and construction of the pump or tank. Attach copies of any permits obtained for the storage of such substances.

3.2 If you have an above ground storage tank (AST), do you have a spill prevention containment and countermeasures (SPCC) plan?

Yes No Not Applicable

3.3 Have any tanks, pumps or piping at you existing facilities been inspected or tested for leakage?

Yes No Not Applicable

If so, attach the results.

3.4 Have any spills or leaks occurred from such tanks, pumps or piping?

Yes No Not Applicable

If so, describe.

3.5 Were any regulatory agencies notified of any spills or leaks?

Yes No Not Applicable

If so, attach copies of any spill reports filed, any clearance letters or other correspondence from regulatory agencies relating to the spill or leak.

3.6 Have any underground storage tanks, sumps or piping been taken out of service or removed at the proposed facility or facilities that you operate?

Yes No Not Applicable

If yes, attach copies of any closure permits and clearance obtained from regulatory agencies relating to closure and removal of such tanks.

4. Spills.

4.1 During the past year, have any spills occurred on any site you occupy?

Yes No Not Applicable

If so, please describe the spill and attach the results of any process conducted to determine the extent of such spills.

4.2 Were any agencies notified in connection with such spills?

Yes No Not Applicable

If no, attach copies of any spill reports or other correspondence with regulatory agencies.

4.3 Were any clean-up actions undertaken in connection with the spills?

Yes No Not Applicable

If so, briefly describe the actions taken. Attach copies of any clearance letters obtained from any regulatory agencies involved and the results of any final soil or groundwater sampling done upon completion of the clean-up work. _____

5. Waste Management.

5.1 Has your business filed a Hazardous Material Plan with the Alameda County Environmental Management Department?

Yes No

5.2 Has your company been issued an EPA Hazardous Waste Generator I.D. Number?

Yes No

If yes: EPA ID# _____

5.3 Has your company filed a biennial report as a hazardous waste generator?

Yes No

If so, attach a copy of the most recent report filed.

5.4 Are hazardous wastes stores in secondary containments?

Yes No

5.5 Do you utilize subcontractors for lighting/electrical, plumbing, HVAC, pest services, landscaping and/or building maintenance services?

Yes No

If yes, do any of these subcontractors store, mix or utilize chemicals on site?

Yes No

If yes, what types and quantities? _____

Attach the list of the hazardous waste, if any, generated or to be generated at the premises, its hazard class and the quantity generated on a monthly basis.

Describe the method(s) of disposal for each waste. Indicate where and how often disposal will take place. _____

Indicate the name of the person(s) responsible for maintaining copies of hazardous waste manifests completed for offsite shipments of hazardous waste. _____

Is any treatment, processing and recycling of hazardous wastes currently conducted or proposed to be conducted at the premises:

Yes No

If yes, please describe any existing or proposed treatment, processing or recycling methods. _____

Attach copies of any hazardous waste permits or licenses issued to your company with respect to its operations on the premises.

6. Wastewater Treatment/Discharge.

6.1 Will your proposed operation require the discharge of wastewater to (answer Yes or No to each of the following)?

_____ storm drain _____ sewer
_____ surface water _____ no industrial discharge

6.2 Does your business have a Sewer Use Questionnaire on file with Alameda County Sanitation District?

Yes No

6.3 Is your wastewater treated before discharge?

Yes No Not Applicable

If yes, describe the type of treatment conducted.

6.4 Does your business conduct operations outside the building or store materials outside?

Yes No Not Applicable

6.5 Do you have a Storm Water Pollution Prevention Plan (SWPPP)?

Yes No Not Applicable

6.6 Does your business have a General Permit for storm water discharge associated with industrial activity?

Yes No Not Applicable

6.7 Does your business operate under a National Pollution Discharge Elimination System (NPDES) Permit?

Yes No Not Applicable

Attach copies of any wastewater discharge permits issued to your company with respect to its operations on the premises.

7. Air Discharges. 1

7.1 Do you have or intend to have any air filtration systems or stacks that discharge into the air?

Yes No

7.2 Do you operate or plan to operate any of the following types of equipment, or any other equipment requiring an air emissions permit (answer Yes or No to each of the following)?

Spray booth	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Dip tank	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Drying oven	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Incinerator	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Other (please describe)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Boiler	Yes <input type="checkbox"/>	No <input type="checkbox"/>
I/C Engine	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Emergency Backup Generator	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Processes that apply coatings, inks,	Yes <input type="checkbox"/>	No <input type="checkbox"/>

¹ NOTE: Businesses will have to comply with prohibitory rules regardless of whether they have or need a permit.

adhesives or use solvents

7.3 Do you emit or plan to emit any toxic air contaminants?

Yes

No

7.4 Are air emissions from your operations monitored?

Yes

No

If so, indicate the frequency of monitoring and a description of the monitoring results. _____

Attach copies of any air emissions permits pertaining to your operations on the premises.

8. Enforcement Actions, Complaints.

8.1 Has your company, within the past five years, ever been subject to any agency enforcement actions, administrative orders, or consent decrees?

Yes

No

If so, describe the actions and any continuing compliance obligations imposed as a result of these actions. _____

8.2 Has your company ever received requests for information, notice or demand letters, or any other inquiries regarding its operations?

Yes

No

8.3 Have there ever been, or are there now pending, any lawsuits against the company regarding any environmental or health and safety concerns?

Yes

No

8.4 Has any environmental audit ever been conducted at your company's current facility?

Yes

No

If so, discuss the results of the audit. _____

8.5 Have there been any problems or complaints from neighbors at the company's current facility?

Yes

No

Please describe: _____

The undersigned hereby certifies that all of the information contained in this questionnaire is accurate and correct.

a _____

By: _____

Title: _____

Date: _____

EXHIBIT F

RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the non-performance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Building. In the event of any conflicts between the Rules and Regulations and other provisions of this Lease, the latter shall control.

1. Landlord shall have the right to control and operate the Common Areas, as well as facilities furnished for the common use of the tenants, in such manner as it deems best for the benefit of the tenants generally.

2. No advertisements, pictures or signs of any sort shall be displayed on or outside the Premises or Building without the prior written consent of Landlord. This prohibition shall include any portable signs or vehicles placed within the parking lot, common areas or on streets adjacent thereto for the purpose of advertising or display. Landlord shall have the right to remove any such unapproved item without notice and at Tenant's expense.

3. Storage of forklift propane tanks, whether interior or exterior, shall be in secured and protected storage and enclosure approved by the local fire department and, if exterior, shall be located in areas specifically designated by Landlord. Tenant shall protect electrical panels and building mechanical equipment from damage from forklift trucks.

4. Machinery, equipment and apparatus belonging to Tenant which causes noise or vibration that may be transmitted to the structure of the Building to such a degree as to be objectionable to Landlord or other tenants (taking into account Tenant's Permitted Use of the Premises) or to cause harm to the Building, shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate the transmission of such noise and vibration. Tenant shall cease using any such machinery which causes objectionable noise and vibration which cannot be sufficiently mitigated.

5. All goods, including materials used to store goods, delivered to the Premises shall be immediately moved into the Premises and shall not be left in parking or exterior loading areas overnight.

6. Tractor trailers which must be unhooked or parked with dolly wheels beyond the concrete loading areas must use steel plates or wood blocks of sufficient size to prevent damage to the asphalt paving surfaces. No parking or storage of such trailers will be permitted in the auto parking areas adjacent to the Premises or on streets adjacent thereto.

7. Tenant is responsible for the safe storage and removal of all pallets. Pallets shall be stored behind screen enclosures at locations approved by Landlord.

8. Tenant shall not store or permit the storage or placement of merchandise in or around the common areas surrounding the Premises. No displays or sales of merchandise shall be allowed in the parking lots or other common areas.

9. Tenant is responsible for the storage and removal of all trash and refuse. All such trash and refuse shall be contained in suitable receptacles stored behind screen enclosures at locations approved by Landlord.

10. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substances of any kind whatsoever shall be thrown therein. The expense of the repair of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees, agents, visitors or licensees shall have caused the same.

11. Tenant shall cooperate fully with Landlord to ensure the effective operation of the Building's air conditioning systems. If Tenant shall so use the Premises that noxious or objectionable fumes, vapors and/or odors are created, then Tenant shall provide proper ventilation equipment for the discharge of such fumes, vapors and odors so that they shall not enter into the air conditioning system or be discharged into other vents or flues of the building or annoy any of the other tenants of the Building or adjacent property. The design, location and installation of such equipment shall be subject to the Landlord's approval.

12. All window coverings installed by Tenant and visible from the outside of the Building require the prior written approval of Landlord.

13. The sashes, sash doors, skylights, windows and doors that reflect or admit light or air into the halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant without Landlord's prior written consent, except for coverings installed inside the Building to protect Tenant's Confidential Information (as defined at Section 27.8 of the Lease) which may be installed by Tenant subject to Landlord's reasonable consent, which consent shall not be unreasonably withheld, conditioned or delayed. The provisions for deemed approval with respect to Alterations set forth in Section 10.2 of the Lease shall apply to this provision.

14. Tenant shall not overload the floor of the Premises, unless Tenant has taken appropriate measures to reinforce the floor.

15. No awnings or other projections over or around the windows or entrances of the Premises shall be installed by any tenant without the prior written consent of Landlord.

16. Except as expressly set forth in the Lease, Tenant shall not permit any animals, including, but not limited to, household pets (but excluding service animals, which are permitted), to be brought or kept in or about the Premises or Building or any of the common areas.

17. Tenant hereby acknowledges that Landlord shall have no obligation to provide guard service or other security measures for the benefit of the Premises or Building. Tenant hereby assumes all responsibility for the protection of Tenant and its agents, employees, contractors, invitees and guests, and the property thereof, from acts of third parties, including keeping doors locked and other means of entry to the Premises closed.

18. No auction, liquidation, fire sale, going out of business or bankruptcy sale shall be conducted in or about the Premises without the prior written consent of Landlord.

19. No tenant shall use or permit the use of any portion of the Premises for living quarters, sleeping apartments or lodging rooms.

20. Tenant, Tenant's agents, servants, employees, contractors, licensees, or visitors shall not park any vehicles in driveways, service entrances, or areas posted as "No Parking."

21. If the Premises are or become infested with vermin as a result of the use or any misuse or neglect of the Premises by Tenant, its agents, employees, contractors, visitors or licensees, Tenant shall forthwith, at Tenant's expenses, cause the same to be exterminated from time to time to the satisfaction of Landlord and shall employ such licensed exterminators as shall be approved in writing in advance by Landlord.

22. Tenant shall not use the name of the Building for any purpose other than as the address of the business to be conducted by Tenant in the Premises, nor shall Tenant use any picture of the Building in its advertising, stationary or in any other manner without the prior written permission of Landlord. Landlord expressly reserves the right at any time to change said name without in any manner being liable to Tenant therefor.

23. Tenant, its employees and agents shall not loiter in or on the entrances, corridors, sidewalks, lobbies, courts, halls, stairways, elevators, vestibules or any common areas of the building for the purpose of smoking tobacco products or for any other purposes, nor in any way obstruct such areas, and shall use them only as a mean of ingress and egress from the Premises.

24. Landlord reserves the right to exclude from the Buildings or Common Areas any person who, in the reasonable judgment of Landlord, is intoxicated or under the influence of liquor or illegal drugs, or who shall in any manner do any act in violation of these Rules and Regulations.

25. Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, common areas of the Building and Building, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants thereof. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all tenants of the Building. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition to its occupancy of the Premises.