

OFFICE LEASE AGREEMENT

1. Definitions and Basic Provisions.

- (a) "Base Year" means 2014.
- (b) "Commencement Date" means seventy (70) days following the date that Landlord and Tenant have fully executed this Lease (the "Effective Date").
- (c) "Expense Stop" means the Operating Expenses for 2014.
- (d) "First Month Rent" is \$15,416.67 (paid at lease execution).
- (e) "Fixed Base Rent" means from the Commencement Date through and including the 60<sup>th</sup> full calendar month after the Commencement Date, a monthly amount equal to Fifteen Thousand Four Hundred Sixteen and 67/100 Dollars (\$15,416.67).
- (f) "Landlord:" 14671-14683 Midway Road LP, a Texas limited partnership.  
c/o Franks Real Estate, Inc.  
8100 Lomo Alto, Suite 235  
Dallas, Texas 75225
- (g) "Lease Term" means a period of sixty (60) months commencing on the Commencement Date and, if not terminated otherwise, ending on the 60<sup>th</sup> full calendar month following the Commencement Date.
- (h) "Permitted Use" is general office.
- (i) "Premises" means approximately 14,800 rentable square feet (subject to audit) located at 14681 Midway Road, Suite No. 200 of Building 5 shown and designated on the attached Exhibit A in Office in the Park (the said Building 5 being one of seven [7] buildings located in the "Office in the Park," containing approximately 183,446 rentable square feet with all of such buildings being referred to herein collectively as the "Building") located on the tract of land in Addison, Dallas County, Texas more particularly described on the attached Exhibit B (the "Land").
- (j) "Rent" means all amounts due from Tenant to Landlord under this Lease including, without limitation, Fixed Base Rent, Operating Expenses, late charges, interest, attorneys' fees and all other amounts now or hereafter due Landlord under the Lease.
- (k) "Security Deposit" is \$15,416.67 (paid at lease execution).
- (l) "Tenant:" Town of Addison  
5300 Belt Line Road  
Dallas, Texas 75254

2. Grant and Lease Term.

(a) Landlord hereby leases to Tenant, and Tenant hereby accepts from Landlord, the Premises for the Lease Term unless sooner terminated as provided herein, to be continuously used and occupied, in whole or in part, by Tenant only for the Permitted Use (for purposes hereof, the Premises shall be deemed not to be continuously used and occupied only if Tenant fails to use and occupy the entire Premises for a period of 12 consecutive months after the Commencement Date. If this Lease is executed before the Premises become vacant, or if the Premises are otherwise unavailable or not ready for occupancy (including, without limitation, because the Landlord Finish Work on Exhibit C has not been substantially completed), or if any present tenant or occupant of the Premises holds over, and Landlord cannot

acquire possession of the Premises prior to the Commencement Date, Landlord shall not be in default of this Lease and Tenant shall accept possession of the Premises at such time (not to exceed ninety (90) days from the original Commencement Date) as Landlord tenders possession and such date shall be deemed to be the Commencement Date and this Lease shall continue for the same number of months as specified in the Lease Term (and all dates shall be adjusted accordingly). In the event the extended Commencement Date exceeds one hundred sixty (160) days from the original Commencement Date, this Lease shall be of no force and effect and any sums tendered to Landlord by Tenant shall be refunded and neither party shall have any obligation to the other hereunder. The Commencement Date shall not be extended, however, for the completion of any installations or improvements to the Premises which in any manner exceed or are in addition to the Landlord's work described on the attached Exhibit C (the "Finish Work"), if any, regardless of whether such items are installed or constructed by Landlord or by Tenant. The parties agree to sign a writing confirming the actual Commencement Date if it is other than the date specified in paragraph 1(b).

(b) Landlord covenants that, subject to acts of God, fire and other casualties, Tenant's payment of all Rent and Tenant's performance of all terms and conditions of this Lease, Tenant's peaceful and quiet enjoyment of its leasehold interest shall not be disturbed or interrupted by Landlord or anyone acting on behalf of or through Landlord.

(c) Tenant shall have an annual right to terminate this Lease solely for the failure of the Town of Addison's council to appropriate funds for this Lease on an annual basis. In the event such appropriation is not made in any calendar year during the Lease Term, Tenant shall (i) provide Landlord with at least one hundred twenty (120) days written notice of termination (the "Termination Notice"), (ii) payment of the Termination Payment (defined below), and (iii) return of the Premises in the condition required by this Lease. For purposes of this Lease, the "Termination Payment" shall be equal to one of the following: (i) if Tenant terminates the Lease within the first thirty six (36) months of the Lease Term, Tenant shall reimburse Landlord for one hundred percent (100%) of Landlord's leasing commissions, or (ii) if Tenant terminates the Lease after the thirty sixth (36<sup>th</sup>) month of paid rent, Tenant shall reimburse Landlord for the unamortized leasing commission costs utilizing an interest rate of seven percent (7%) to calculate final payoff number. Within 90 days after the Commencement Date, Landlord will provide to Tenant in writing the amount of all leasing commissions paid by Landlord directly in connection with this Lease (together with invoices and other documents information supporting such cost and Landlord's payment thereof) ("Leasing Commissions"). The Termination Payment shall be due and payable with delivery of the Termination Notice. If the Termination Payment is not delivered to Landlord within the time specified, Tenant shall pay a late charge of fifteen percent (15%) of the Termination Payment.

### 3. Rent and other Payments/Late Payment Charge.

(a) Tenant agrees to pay Landlord all Rent including, without limitation, Fixed Base Rent as specified in paragraph 1(e). The obligation of Tenant to pay Rent is an independent covenant and no act or circumstance whatsoever, including, without limitation, any breach by Landlord, shall release or excuse Tenant's obligation to timely pay Rent. The First Month Rent is due and payable on the execution hereof and the Fixed Base Rent is due and payable in advance on the first day of each succeeding month during the Lease Term. Rent for any fractional month at the beginning or end of this Lease shall be prorated. In addition to Rent, Tenant shall pay Landlord all charges for any services, goods or materials furnished by Landlord at Tenant's request which are not required to be furnished by Landlord under this Lease within ten (10) days after Landlord tenders a written statement to Tenant. If any installment of Rent is not paid within ten days of the due date, Tenant shall pay a late charge of five percent.

(b) Notwithstanding anything in this Lease stated or implied to the contrary, Tenant's obligation to pay Rent and all other charges, fees and amounts owing to Landlord is subject to Tenant's annual right to terminate pursuant to Section 2(c) above. Tenant therefore retains the continuing annual right to terminate this Lease for any fiscal year (October 1 through September 30); Tenant's exercise of such right of termination must be by written notice given to Landlord on or before September 1 of any calendar year during the Lease Term.

4. Security Deposit. The Security Deposit is not an advance payment of Rent. Upon an uncured Event of Default, Landlord may, without prejudice to any other remedy or notice to Tenant, use the Security Deposit towards any unpaid Rent. Following any application of the Security Deposit, Tenant shall pay to Landlord on demand an amount sufficient to restore the Security Deposit. If Tenant is not then in default hereunder, any remaining balance of the Security Deposit shall be returned to Tenant within thirty (30) days after expiration of the Lease Term or termination of the Lease, but

Landlord shall have the right to use the remaining balance for cleaning and repairing the Premises if Tenant fails to deliver the Premises in the condition required by this Lease.

5. Construction/No Warranty.

(a) Landlord shall with reasonable diligence prosecute the completion of any Landlord Finish Work (to be accomplished following the Tenant Work Notice [defined below]) set forth on Exhibit C, but this Lease shall not be affected by any delay in the completion of the Landlord Finish Work (except as provided by paragraph 2[a]), nor shall Tenant have any claim against Landlord by reason thereof, and all claims for damages arising out of any delay are hereby waived and released by Tenant. The Landlord Finish Work will be performed in a good and workmanlike manner. Any installations or improvements to the Premises which exceed or are in addition to the Landlord Finish Work, if any, shall be at Tenant's request or by Tenant with Landlord's prior written approval, and Tenant agrees to pay for such items upon demand. Landlord retains absolute control over the exterior appearance of the Building and the exterior of the Premises as viewed from public halls and passageways and Tenant shall not, without Landlord's prior written consent, which shall not be unreasonably withheld, install any lighting, decorations, painting, drapes, window coverings, blinds, shades, lettering, placards or advertising of any type which can be viewed from the exterior of the Building.

(b) Tenant's possession of the Premises shall be conclusive evidence that Tenant has inspected the Premises and accepted the Premises as being in good and satisfactory condition, suitable for the purposes intended by Tenant. **TENANT ACKNOWLEDGES AND AGREES THAT NEITHER LANDLORD NOR ANY OTHER PERSON WHOMSOEVER HAS MADE, AND TENANT IS NOT RELYING UPON, ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, AS TO THE HABITABILITY, SUITABILITY, ZONING QUALITY, CONDITION OR FITNESS OF THE PREMISES (INCLUDING, WITHOUT LIMITATION, ANY FINISH WORK OR OTHER IMPROVEMENTS THEREON EXCEPT THOSE LISTED ON EXHIBIT C) AND ANY AND ALL SUCH WARRANTIES, EXPRESS OR IMPLIED, ARE HEREBY DISCLAIMED. TENANT ACCEPTS THE PREMISES "AS-IS" AND WITH ALL FAULTS AND TENANT WAIVES ANY DEFECTS IN THE PREMISES AND ANY CLAIMS ARISING THEREFROM AND EXCEPT FOR ANY FINISH WORK, LANDLORD HAS NO OBLIGATION TO MAKE ANY IMPROVEMENTS OR REPAIRS WHATSOEVER TO THE PREMISES.**

(c) Notwithstanding anything to the contrary contained in this Lease, promptly after the Effective Date, Tenant hereby agrees to perform the Tenant Finish Work described on Exhibit C and Exhibit C-1, at Tenant's sole cost and expense. Landlord and Tenant acknowledge that Exhibit C-1 shall be attached after the execution of this Lease, following approval by Landlord of Tenant's proposed plans and specifications. Landlord and Tenant further acknowledge and agree that the Commencement Date shall not be extended as a result of Tenant's preparation of the plans and specifications to be attached as Exhibit C-1. Tenant shall give Landlord written notice (the "Tenant Work Notice") at such time as Tenant reasonably estimates it is 30 days from substantial completion of the Tenant Finish Work. After receipt of the Tenant Work Notice, Landlord shall use reasonable diligence to complete the Landlord Finish Work, and during such work, Landlord shall use reasonable efforts not to unreasonably interfere with the completion of the Tenant Finish Work.

6. Services by Landlord. Landlord will furnish (in a manner comparable to those furnished to properties of similar quality in Addison or Dallas, Texas) to the Premises (a) air conditioning, both heating and cooling, from 7:00 a.m. to 6:00 p.m. on weekdays and from 8:00 a.m. to 12:00 p.m. on Saturdays (except on holidays) and at such temperatures and in such amounts as may in the reasonable judgment of Landlord be required for comfortable use and occupancy under normal business operations. If Tenant requires air conditioning at any time other than the hours and the days specified above, Tenant shall deliver a written request to the superintendent of the Building before 3:00 p.m. of the business day preceding the extra usage, (b) cold water (at the normal temperature of the supply of water to the Building) for lavatory and toilet purposes and hot water (from the regular Building supply at prevailing temperatures) for lavatory purposes, (c) restroom facilities (including handicap restroom facilities), (d) electric lighting for all public areas and special service areas of the Building in the manner and to the extent deemed by Landlord to be reasonable and standard including replacement of Building standard light bulbs and tubes, (e) janitor and maid service to the Premises on weekdays other than holidays, (f) exterior window washing, (g) cleaning and maintenance of parking areas, exterior walkways and landscaping, (h) non-exclusive passenger elevator service, (i) routine maintenance and replacement of light bulbs in the Common Areas, (j) light and fluorescent bulb replacement in the Premises (at Tenant's cost), (k) access control cards (to include allowing Tenant access to the Building during other than normal business hours), (l) vermin and pest control services and (m) fire sprinkler systems. Electricity in such amounts as is customarily used for general office purposes will be furnished during normal business hours by Landlord at its sole cost as part of the Fixed Base Rent due under this

Lease, and Landlord shall install a sub-meter for the Premises to measure the after-hours electricity used at the Premises ("After-Hours Electricity"). Within ten (10) days of Landlord's delivery of a statement detailing the cost for After-Hours Electricity, Tenant shall reimburse Landlord for one hundred (100%) of such After-Hours Electricity costs. Notwithstanding the foregoing, in the event Landlord determines that Tenant is using after-hours HVAC service in excess of general office standards, Landlord shall have the right to charge Tenant a reasonable fee for the maintenance and repair commensurate with such after-hours HVAC use.

7. Common Area. The "Common Area" of the Building shall be the part of the Building and Land designated by Landlord for the common use of all tenants including, without limitation, halls, lobbies, delivery passages, drinking fountains, parking areas and restrooms which shall be subject to Landlord's sole management and control and shall be operated and maintained as Landlord shall determine. Landlord reserves the right to change from time to time the dimensions and location of the Common Area. Tenant, its employees, subtenants and invitees shall have the nonexclusive right to use the Common Area subject to the Rules and Regulations attached as Exhibit D. Tenant shall not solicit business or display merchandise within any Common Area, distribute handbills or take any action which would interfere with the rights of other persons to use the Common Area. Landlord may temporarily close any part of the Common Area for such periods of time as may be reasonably necessary to make repairs or alterations.

8. Adjustment of Rent.

(a) If, during any calendar year following the Base Year, the Operating Expenses (defined below) per square foot of rentable area in the Premises (obtained by dividing the total annual Operating Expenses by the then total Building Rentable Area [defined below]) exceeds the Expense Stop per square foot of rentable area in the Premises, Tenant shall pay to Landlord in accordance with paragraph 8(b) below and as additional Rent, an amount equal to the annual Operating Expenses per rentable square foot in excess of the Expense Stop per rentable square foot multiplied by the number of rentable square feet of the Premises stated in paragraph 1(i) above. Any payment made with respect to the calendar year in which this Lease commences or terminates that is a partial year shall be prorated. Landlord may at its option make reasonable monthly or other periodic charges based upon the estimated increase in annual Operating Expenses. As of the Commencement Date, the total net rentable area of the Building is 183,446 square feet (the "Building Rentable Area"). If the Building Rentable Area as of the Commencement Date is reduced, the calculation of the Operating Expenses per square foot of rentable area in the Premises for a calendar year shall be proportionately and equitably calculated so that the Tenant does not bear a payment of additional Rent pursuant to this paragraph that is inequitable or that is disproportionate to Tenant's occupancy of the Premises, it being the intent of the Parties that the Operating Expenses per square foot of rentable area in the Premises shall not deviate substantially, as a result of a reduction in the Building Rentable Area, from the Operating Expenses per square foot of rentable area in the Premises incurred as of the Commencement Date.

On or before July 1 of each year while this Lease is in effect, Landlord shall provide to Tenant a written good faith estimate of such additional Rent to be paid by Tenant for the following calendar year (or portion thereof). During each calendar year or partial calendar year after the Base Year, Tenant shall pay to Landlord, in advance concurrently with each monthly installment of Fixed Base Rent, an amount equal to such estimated additional Rent for such calendar year or part thereof divided by the number of months therein. Any amounts paid based on such an estimate shall be subject to adjustment as herein provided when actual Operating Expenses are available for each calendar year.

"Operating Expenses" means and includes, without limitation, any and all costs of ownership, management, operation and maintenance of any type whatsoever of the Premises, the Building, (including the Common Area) or the Land including, without limitation, wages, salaries, benefits and other related payroll expenses, utility charges, sewage charges, all insurance premiums, real estate ad valorem taxes, special assessments and any taxes in lieu of ad valorem taxes, franchise or margins taxes, accounting and legal fees incurred in connection with the operation and maintenance of the Building and the Land, janitorial and cleaning services, elevator services, licenses, permits and inspection fees, heating and cooling, maintenance, paint, landscaping, security, inspection, labor and supplies, lighting tubes, bulbs and fixtures, extermination, repairs and replacements including a reasonable allowance for Landlord's overhead costs and for depreciation of maintenance equipment, capital improvements, any and all general personal property taxes levied against any items necessary for the management and operation of the Building (including the Common Area) or the Land but such Operating Expenses shall not include depreciation of the acquisition cost of the Building or Land or Landlord's mortgage payments. Tenant agrees that the foregoing method of calculating its share of Operating Expenses meets the

requirements of Section 93.012 of the Texas Property Code.

(b) Notwithstanding the foregoing, Operating Expenses shall not include:

(i) any capital expenditures, including any capital replacements, capital repairs or capital improvements made to the Land or Building or Building systems and such costs shall be amortized over the reasonable life of the capital investment items (in accordance with generally accepted accounting principles), plus interest on the unamortized or undepreciated balance at 2% over the prime rate published in The Wall Street Journal on the publication date nearest the date on which the cost was incurred;

(ii) expenses for the preparation, alteration or repair of space or other work which Landlord performs for any tenant or prospective tenant of the Building other than Tenant;

(iii) expenses for insurable casualties, except for Landlord's insurance deductible;

(iv) expenses incurred in leasing or obtaining new tenants or retaining existing tenants, such as, but not limited to, leasing commissions, rent concessions, advertising or promotion;

(v) interest, amortization or other costs associated with any mortgages, loans or any refinancing of the Building or Land, bad debt loss, rent loss or reserves for either of them;

(vi) cost of any items for which Landlord is actually reimbursed by condemnation proceeds or by warranty;

(vii) all costs to maintaining Landlord's existence as a corporation, partnership or other entity, including the cost of filing tax returns;

(viii) expenses incurred for any necessary replacement for which Landlord is actually reimbursed or which is covered under warranty;

(ix) any cost associated with the business income of the Building or Land;

(x) Landlord's general overhead expenses not related to the Building;

(xi) cost incurred in the removal or abatement of asbestos or other hazardous substances within the Building or Land; and

(xii) Landlord's income taxes and penalties, interest and attorneys' fees on any income taxes.

(c) By March 1 of each calendar year, Landlord shall furnish to Tenant a statement of actual Operating Expenses, including the actual Operating Expenses applicable to the Premises determined as set forth in Paragraph 8(a) and 8(b) above, for the previous calendar year (the "Operating Expenses Statement"). If Tenant's estimated payments of Operating Expenses (if any) under this Paragraph 8 for the year covered by the Operating Expenses Statement exceed actual Operating Expenses applicable to the Premises (determined as set forth in Paragraph 8(a) and 8(b) above) as indicated in the Operating Expenses Statement, then Landlord shall credit (or reimburse Tenant if an excess is determined for the last year or partial year of this Lease upon termination or expiration of this Lease) Tenant for such excess within 30 days after Landlord furnishes the Operating Expenses Statement to Tenant; likewise, if Tenant's estimated payments of Operating Expenses under this Paragraph 8 for such year are less than the actual Operating Expenses applicable to the Premises (determined as set forth in Paragraph 8(a) and 8(b) above) as indicated in the Operating Expenses Statement, then Tenant shall promptly pay Landlord such deficiency within 30 days after Landlord furnishes the Operating Expenses Statement to Tenant. The provisions of this paragraph 8(c) shall survive the expiration or earlier termination of this Lease.

(d) (i) Tenant may, at its sole expense and within ninety (90) days after receiving the Operating Expenses Statement for a particular year, deliver to Landlord written notice of Tenant's intent to audit and inspect Landlord's

books and records with respect to charges for that year. If Tenant does not deliver to Landlord written notice within such ninety (90) day period of its intent to audit and inspect the books and records, Tenant shall be deemed to approve such Operating Expenses Statement for that particular year in all respects and Tenant shall have no further right to hire an accountant or otherwise challenge the Operating Expenses for that year. Tenant shall complete its audit within thirty (30) days after the date Landlord first provides Tenant access to Landlord's books and records. If Landlord and Tenant are not able to agree on the amount of any adjustments to the Operating Expenses within thirty (30) days following the delivery of Tenant's results, Tenant, at its sole cost, may hire an independent certified public accountant with a minimum of ten (10) years' experience mutually acceptable to both Landlord and Tenant that is not being compensated by Tenant on a contingency fee basis to audit the Operating Expenses in question. If Tenant fails to hire such an accountant within one hundred eighty (180) days after receiving the Operating Expenses Statement, Tenant shall be deemed to have approved the Operating Expenses Statement in all respects and Tenant shall have no further right to hire an accountant or otherwise challenge the Operating Expenses Statement for that year. Notwithstanding the foregoing, if the results of the audit reveal that Landlord overstated the Operating Expenses by more than seven percent (7%), Landlord shall reimburse Tenant for the reasonable out-of-pocket costs and expenses of the audit (not to exceed One Thousand Five Hundred and 00/100 Dollars (\$1,500.00)).

(ii) All information obtained through the Tenant's audit with respect to financial matters (including, without limitation, costs, Operating Expenses and income) and any other matters pertaining to Landlord or the Building as well as any compromise, settlement or adjustment reached between Landlord and Tenant relative to the results of the audit shall be held in strict confidence by Tenant and its officers, agents and employees and Tenant shall cause its auditor and any of its officers, agents and employees to be similarly bound. As a condition precedent to Tenant's exercise of its right to audit, Tenant must deliver to Landlord a signed covenant from the auditor selected by Landlord and Tenant in a form reasonably acceptable to Landlord acknowledging that all of the results of such audit as well as any compromise, settlement or adjustment reached between Landlord and Tenant shall be held in strict confidence and shall not be revealed in any manner or to any person except upon prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion, except if required pursuant to any litigation between Landlord and Tenant or if required by law.

Notwithstanding the foregoing provisions of this paragraph 8(d)(ii) or any other provision of this Lease, the requirement to hold as confidential information obtained through Tenant's audit (or otherwise obtained under or in connection with this Lease) is subject to all laws, statutes, ordinances, directives, codes, rules, and regulations of any governmental entity, agency, or authority, including but not limited to the Texas Public Information Act (Chapter 552, Tex. Gov. Code and any successor statute thereto (the "Act")) (collectively, including the Act, "Open Government Laws"). If Tenant receives a request from a third party for any such information, Tenant will, before providing any such information to the requestor, first request a decision from the Texas Attorney General as to whether such information must be provided to the requestor in accordance with the Act and provide to Landlord a notice of such request in accordance with Section 552.305(d) of the Act. Such information may be disclosed if required by any Open Government Laws or pursuant to a valid order or subpoena (or similar instrument) of a court, or pursuant to any order or directive of or direction from any governmental body, agency, office, or entity (including, without limitation, any order or directive of or direction from the office of the Texas Attorney General, whether pursuant to the Act or otherwise).

(iii) No subtenant or assignee shall have any right to conduct an audit. Tenant's audit or inspection shall be conducted in the Town of Addison, Texas (where Landlord shall provide its books and records) and shall be conducted during normal business hours (8:00 a.m. to 5:00 p.m., Monday through Friday, excluding holidays) for the preceding calendar year. Landlord or Tenant shall promptly make any payment to correct any error proven to exist in connection with any audit under this paragraph 8(d). The provisions of this paragraph 8(d) shall survive the expiration or earlier termination of this Lease.

(e) Notwithstanding any other provision of this Lease, solely for the purpose of calculating Tenant's share of Operating Expenses in excess of the Expense Stop, any annual increase in Controllable Operating Expenses for any calendar year within the Lease Term commencing with calendar year 2015 shall not be more than four percent (4%) over the actual Operating Expenses (determined as set forth in paragraphs 8(a) and 8(b) above) for the preceding calendar year calculated on a cumulative basis over the term of this Lease. Controllable Operating Expenses means all Operating Expenses exclusive of all Operating Expenses that are not within the reasonable control of Landlord including, without

limitation, taxes, utilities, repairs and maintenance, insurance premiums, security, snow and ice removal, and emergency repairs.

9. Tenant's Electricity Charge. Landlord will furnish sufficient power for lighting and standard office equipment or machines of low electrical consumption, but not including electricity for equipment or special lighting in excess of Building standard or which require voltage of more than 110 volts single phase. If Tenant has excess requirements for electricity, Tenant shall give Landlord written notice of Tenant's requirements, and Landlord, at Tenant's expense to be reimbursed to Landlord as additional Rent upon demand, will make reasonable efforts to supply such service through the then existing feeders servicing the Building. Landlord may also, at its sole option, install a separate electricity meter(s), at Tenant's expense to be reimbursed to Landlord as additional Rent upon demand. If Tenant has excess electricity requirements for which Landlord does not elect to install separate meter(s), Landlord shall determine the amount of electricity to be allocated to Tenant based on the power requirements of any such equipment, machines or special lighting. If Tenant does not agree with the allocation, Tenant may require Landlord to install a separate meter at Tenant's sole expense by giving written notice to Landlord the cost of such separate meter shall be paid to Landlord in advance by Tenant. Landlord shall not be liable to Tenant for any failure or defect in the supply or character of electricity furnished to the Premises. All replacement lighting tubes and bulbs required in Building standard fixtures in the Premises will be furnished and installed by Landlord. If Tenant's heat-generating computers or other equipment affect the temperatures otherwise maintained by the air conditioning system, Landlord may install supplemental air conditioning in the Premises and the cost thereof, including the cost of installation, operation, use and maintenance shall be paid as additional Rent by Tenant to Landlord on demand. Tenant agrees that at all times its use of electric current shall never exceed the capacity of existing feeders to the Building, the risers or wiring installations.

10. Service Interruptions. Landlord does not warrant that the services provided for in paragraphs 6, 8 and 9 above will be free from any slow-down, interruption or stoppage caused by the maintenance, repair, substitution, renewal, replacement or improvement of any of the equipment involved in the furnishing of any such services or caused by changes of services, alterations, strikes, lock-outs, labor controversies, fuel shortages, accidents, acts of God, the elements or any other cause but Landlord shall use reasonable efforts to restore any required services, however, no such slow-down, interruption or stoppage of any services shall constitute an eviction, actual or constructive, of Tenant, nor shall Tenant be entitled to any abatement of Rent or relieved from any of its obligations hereunder. If, however, and notwithstanding any other provision of this Lease, any interruption or cessation of service caused by Landlord continues for four (4) consecutive business days after written notice from Tenant to Landlord (and to any mortgagee of Landlord of whom Tenant has received written notice, designating a specific address for notice to such mortgagee) identifying the problem with reasonable specificity, and if such interruption or cessation continues after the fourth business day and causes the Premises to be wholly untenable in the reasonable judgment of Tenant, then notwithstanding any provision of this Lease to the contrary, Rent under this Lease will abate as of the fifth (5<sup>th</sup>) business day and continue abated until the Premises are tenable.

11. Repairs.

(a) Landlord shall keep the Common Area in a good repair, clean and neat condition. Subject to paragraph 11(b) below, Landlord shall make all necessary repairs, within a reasonable period following receipt of notice from Tenant, to the roof, exterior walls, exterior doors, exterior locks on exterior doors and windows of the Building and to the Common Areas. There shall be no abatement of Rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements to any portion of the Premises or the Building.

(b) Tenant, at its sole expense, (i) shall keep the Premises and all fixtures contained therein in a safe, clean and neat condition and (ii) shall bear the cost of maintenance and repair by contractors reasonably approved by Landlord of all facilities which are not expressly required to be maintained or repaired by Landlord and which are located in or outside of and which serve only the Premises including, without limitation, lavatory, toilet, wash basin and kitchen facilities and supplemental heating and air conditioning systems including all plumbing connected to such facilities or systems installed by or on behalf of Tenant or existing in the Premises at the time of Landlord's delivery of the Premises to Tenant. Tenant shall pay for the cost of any repairs to the Premises or the Building arising from any negligence or misconduct of Tenant or any of its assignees, subtenants, employees or their respective agents, representatives, contractors or other persons permitted in or invited to the Premises or the Building by Tenant. If Tenant fails to make

such repairs or replacements within fifteen days after written notice from Landlord, Landlord may at its option make such repairs or replacements and Tenant shall upon demand pay Landlord for the reasonable cost thereof plus an administrative fee of fifteen percent of such cost.

12. Assignment and Subletting.

(a) Except as provided in paragraph 12(c) below, Tenant shall not, without Landlord's prior written consent, assign this Lease or any interest herein or sublet any part of the Premises.

(b) If Tenant desires to assign or sublet all or any part of the Premises, Landlord shall have the option of reacquiring the Premises which Tenant desires to assign or sublet. Upon Landlord reacquiring the Premises, this Lease thereon shall terminate as of the time the Premises are leased to a new tenant or the time when the Premises are occupied by Landlord, whichever comes first. If Landlord consents to an assignment or sublease, such consent shall not relieve the Tenant of its obligation to comply with this Lease including, without limitation, payment of all Rent and other amounts due hereunder.

(c) As of the Commencement Date, Tenant is leasing the Premises in conjunction with Tenant's objective of promoting economic development, including its participation with Baylor University in a program called Accelerated Ventures ("Accelerated Ventures Program") and similar business start-up/incubator programs. In connection with the Accelerated Ventures Program and/or similar business start-up/incubator programs, Tenant will sublease a portion of the Premises to business start-ups for general office purposes pursuant to written subleases which shall be submitted to Landlord and which shall not contain any term or provision that is contrary to this Lease. Notwithstanding paragraphs 12(a) or 12(b) (and without Tenant having to comply therewith), Landlord acknowledges that Tenant may sublease the Premises to such business start-ups and consents to such subleases. Notwithstanding any sublease under the Accelerated Ventures Program and similar business start-up/incubator programs, Tenant shall remain responsible and liable for compliance with all terms of this Lease. If the rent received from any sublessee exceeds the pro-rata Rent due hereunder based upon the ratio of the square footage of subleased space over the total square footage of the Premises, Tenant shall pay such excess to Landlord within fifteen days of Tenant's receipt of the excess.

(d) Landlord shall have the right to transfer and assign, in whole or in part, any of its rights under this Lease and in the Premises, the Building and Land and shall be released from its obligations under this Lease to the extent of such transfer or assignment arising after the date of such transfer or assignment, provided that the transferee or assignee assumes in writing Landlord's obligations hereunder arising from and after the transfer or assignment date and provided that Landlord promptly delivers a copy thereof to Tenant.

13. Alterations/Additions. Tenant shall not make any alterations or additions to the Premises without the prior written consent of Landlord. Upon termination of this Lease, Tenant shall, if Landlord so elects, remove all alterations, additions, improvements and attached furniture and trade fixtures erected or installed by Tenant with the consent of Landlord and restore the Premises to their original condition (subject to ordinary wear and tear and to casualty damage), otherwise, such items shall be delivered to Landlord with the Premises. All unattached and movable furniture, personal property, and trade fixtures installed or provided by or for Tenant may be removed by Tenant prior to termination of this Lease if Tenant so elects and Tenant is not in default hereunder, and shall be so removed if requested by Landlord. All such removals and restoration shall be accomplished in a good workmanlike manner so as not to damage the Premises or the Building, and Tenant agrees to promptly repair any damage caused to the Premises and the Building by such removal. If Tenant fails to remove all personal property and trade fixtures, then Landlord is authorized to seize such property, notify Tenant at Tenant's last known address of the seizure and sell or otherwise dispose of the property as Landlord, in its sole discretion, deems appropriate. All proceeds of sale shall first be applied to charges for removal, repair, storage and sale as may be determined by the Landlord. Alterations, improvements and additions to the Premises requested by Tenant shall be in accordance with plans and specifications which have been previously submitted to and approved in writing by Landlord. All work on any such alterations, improvements and additions shall be performed at Tenant's expense and accomplished either by Landlord or by reputable insured contractors and subcontractors approved in writing by Landlord in its sole discretion.

14. Liens. Tenant will not permit any lien or liens to be placed upon the Premises, the Building or the Land. If any lien is filed based upon any act or omission of Tenant, Tenant shall have the lien discharged of record within twenty (20)

days after the filing of the lien. If Tenant fails to timely discharge the lien, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, discharge the lien either by paying the amount claimed to be due, by cash deposit in court or by a bond. Any amount paid by Landlord for any of the foregoing, or for the satisfaction of any other lien not caused by Landlord, and all reasonable attorneys' fees and other expenses of Landlord, with interest thereon at the rate of ten percent per annum from the date of payment shall be paid by Tenant to Landlord on demand.

15. Use of the Premises. Tenant will not occupy or use, nor permit any portion of the Premises to be occupied or used, for any business or purpose except the Permitted Use or for any other business or purpose which is unlawful or deemed to be disreputable in any manner including, without limitation, extra hazardous risk or permit anything to be done which will in any way increase the rate of insurance on the Building or the Land. If, by reason of any acts or omissions of Tenant, there is any increase in the rate of insurance, then Tenant shall pay such increase to Landlord upon demand as additional Rent.

16. Governmental Requirement.

(a) Tenant will maintain the Premises in a clean and safe condition and comply with all laws, ordinances, orders, rules and regulations regarding the use, condition or occupancy of the Premises. Tenant will conduct its business and control its agents, employees and invitees in such manner as not to create any nuisance or interference with, annoy or disturb other tenants or Landlord.

(b) Tenant shall not use any portion of the Premises for the placement, storage, manufacture, disposal or handling of any hazardous materials unless Tenant complies with all applicable environmental laws.

17. Tenant's Indemnity/Insurance.

(a) Tenant's Indemnity. (1) Subject to the provisions of paragraph 17(a)(2), to the extent allowed by and subject to law (including, but not limited to, the laws of the State of Texas, including the Texas Constitution), Tenant shall indemnify, defend and hold Landlord harmless from and against (i) all claims, demands, causes of action, investigations, fines, suits, losses, costs, liabilities, damages, penalties and judgments of every kind and type whatsoever to the proportionate extent arising from or related to, directly or indirectly, any negligent breach, violation or non-performance of any term, provision, covenant, agreement under this Lease by or any other negligent act or omission of Tenant hereunder and (ii) all claims, demands, actions, damages, losses, costs, liabilities, expenses including, without limitation, attorneys' fees and legal disbursements and judgments asserted against or incurred by Landlord, its employees, owners, managers and agents on account of injury or damage to person or property to the proportionate extent arising from or related to, directly or indirectly, (x) Tenant's negligent use or occupancy of the Premises, the Building, the Common Areas or (y) any negligent act or omission, or misconduct by Tenant or any of its agents, servants, employees, contractors, patrons, guests, licensees or invitees entering upon the Premises, the Building (including the Common Area) or the Land or (z) Tenant's violation of any law, ordinance or governmental order of any kind applicable to this Lease, or of any of the Rules and Regulations included in the Lease (as such Rules and Regulations may be amended or supplemented).

(2) Notwithstanding any other provision of this Lease, any obligation of Tenant to indemnify, defend, and hold harmless under or as provided for or set forth in this Lease: (i) is provided only to the extent permitted by and is subject to law (including, without limitation, the Texas Constitution), (ii) is limited by, subject to and given without waiving any immunity (including, without limitation, sovereign immunity and governmental immunity) or any defense or any tort or other limitation to which Tenant (and any of Tenant's officials, officers, employees, representatives, or agents) is or may be entitled, (iii) is limited by and subject to, and shall in no event exceed, the monetary limitations set forth in the Texas Tort Claims Act, Chapter 101, Tex. Civ. Prac. & Rem. Code (and any successor statute thereto) (the "Tort Claims Act"), and (iv) there is specifically excluded herefrom, and in no event shall there be, any obligation of Tenant hereunder to indemnify, defend, or hold harmless for punitive, special, consequential, or exemplary damages of whatever kind or nature, and any defense obligation shall be limited to the lesser of any tort limitation amount and the amount paid out from Tenant's insurance policies. Further, in no event shall Tenant have any duty or obligation to indemnify, defend, or hold harmless hereunder from or against any claims, demands, actions, causes of action, investigations, fines, suits, losses, costs, expenses including, without limitation, attorneys' fees and legal disbursements, liabilities, damages, penalties, and judgments arising from or related to any act or omission of Landlord. The provisions of this paragraph 17(a)(2) shall survive the expiration or termination of this Lease.

(b) Tenant's Insurance. Tenant shall, at its sole cost and expense, maintain throughout the Lease Term a policy or policies of insurance insuring Tenant against any and all liability for injury to or death of a persons and for damage to or destruction of property occasioned by or arising out of or in connection with the use or occupancy of the Premises, the Building or the Land or by the condition of the Premises, the Building or the Land (including the contractual liability of Tenant to indemnify Landlord as provided herein) with a combined single limit of \$1,000,000.00 for bodily injury and property damage, and to be written by an insurance company or companies satisfactory to Landlord and licensed to do business in Texas (and Landlord agrees that the Texas Municipal League Intergovernmental Risk Pool is satisfactory to Landlord) with Landlord named as an additional insured or indemnitee. The policies or duly executed certificates of insurance shall promptly be delivered to Landlord at least thirty days prior to the expiration of the policies. If Tenant fails to comply with the foregoing insurance requirements, Landlord may obtain such insurance and Tenant shall pay as additional Rent to Landlord on demand the cost thereof plus interest at the rate of ten percent per annum from the date of payment by Landlord until repaid by Tenant.

18. Liability of Landlord. LANDLORD SHALL NOT BE LIABLE TO TENANT OR TO ANY OF TENANT'S EMPLOYEES, INVITEES, AGENTS, LICENSEES OR VISITORS OR TO ANY OTHER PERSON FOR (i) ANY INJURY OR DAMAGE TO PERSON OR PROPERTY DUE TO THE PREMISES, THE BUILDING (INCLUDING THE COMMON AREA) OR THE LAND OR RELATED IMPROVEMENTS OR ANY PART THEREOF BECOMING OUT OF REPAIR OR BY DEFECT IN OR FAILURE OF THE ROOF, PIPES OR WIRING, OR BY THE BACKING UP OF DRAINS OR BY THE BURSTING OR LEAKING OF PIPES, FAUCETS AND PLUMBING FIXTURES OR BY GAS, WATER, STEAM, ELECTRICITY, OIL LEAKING, ESCAPING OR FLOWING INTO THE PREMISES UNLESS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE LANDLORD, ITS OWNERS, EMPLOYEES, MANAGERS, REPRESENTATIVES, CONTRACTORS, OR AGENTS, (ii) ANY LOSS OR DAMAGE CAUSED, IN WHOLE OR IN PART, BY THE ACTS OR OMISSIONS OF ANY OTHER TENANTS OR ANY OTHER PERSONS WHATSOEVER, EXCEPT TO THE EXTENT CAUSED BY THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF LANDLORD, ITS OWNERS, EMPLOYEES, MANAGERS, REPRESENTATIVES, CONTRACTORS, OR AGENTS, OR (iii) FOR ANY LOSS OR DAMAGE TO ANY PROPERTY OR PERSON ARISING FROM THEFT, FIRE, ACT OF GOD, INJUNCTION, RIOT, INSURRECTION, WAR, COURT ORDER OR ORDER OF GOVERNMENTAL AUTHORITY, OR ANY OTHER MATTER BEYOND THE REASONABLE CONTROL OF LANDLORD. TENANT AGREES THAT ALL OF TENANT'S PERSONAL PROPERTY UPON THE PREMISES SHALL BE AT THE RISK OF TENANT ONLY AND THAT LANDLORD SHALL NOT BE LIABLE FOR ANY DAMAGE OR THEFT OF ANY SUCH PERSONAL PROPERTY.

19. Waiver of Subrogation. Each party waives any claim against the other party, or anyone claiming through or under them, by way of subrogation or otherwise, for any and all loss or damage to any of its property (whether or not such loss or damage is caused by the fault or negligence of the other party), which loss or damage is covered by the insurance. These waivers shall be in addition to, and not in limitation of, any other waiver or release contained in this Lease with respect to any loss or damage to property of the parties. Tenant shall immediately give its insurance company written notice of these mutual waivers and shall have the insurance policies endorsed, if necessary, to include or acknowledge these waivers.

20. Subordination/Attornment/Estoppel.

(a) This Lease shall be subordinate to any deed of trust, mortgage or other security instrument (a "Mortgage") that now or hereafter covers all or any part of the Premises (the mortgagee under any Mortgage is referred to as "Landlord's Mortgagee"), including any modifications, renewals or extensions of such Mortgage. Notwithstanding the foregoing, Tenant agrees that any such Landlord's Mortgagee shall have the right at any time to subordinate a Mortgage to this Lease on such terms and subject to such conditions as Landlord's Mortgagee may deem reasonably appropriate in its reasonable, sole discretion. Tenant agrees to execute such further instruments subordinating this Lease or attorning to the Landlord's Mortgagee within ten days of Landlord's request, provided such instruments contain a provision that, absent default (beyond any applicable cure period) by Tenant under this Lease, Tenant's use and occupancy of the Premises under this Lease will not be disturbed by such entity.

(b) As of the Commencement Date, Landlord represents that the only the holder of mortgages, ground or underlying leases and security instruments is:

Employees' Retirement Plan of Consolidated  
Electrical Distributors, Inc.

Attn: David D. Dunham  
2250 Midway Road, Suite 183  
Carrollton, Texas 75006

("Existing Lender") and Tenant shall be entitled to rely on such representation until such time as Landlord shall have notified and informed Tenant in writing of any change thereto, and thereafter Tenant shall be entitled to rely upon the latest information regarding such names and addresses that has been provided to Tenant by Landlord.

(c) Tenant shall attorn to any party succeeding to Landlord's interest in the Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, or otherwise and shall execute such instruments confirming the attornment as such party may reasonably request, provided such instruments contain a provision that, absent default (beyond any applicable cure period) by Tenant under this Lease, Tenant's use and occupancy of the Premises under this Lease will not be disturbed by such entity.

(d) Tenant shall not seek to enforce any remedy it may have for any default on the part of the Landlord without first giving written notice by certified mail, return receipt requested, specifying the default in reasonable detail, to any Landlord's Mortgagee whose address has been given to Tenant, and affording such Landlord's Mortgagee a reasonable opportunity to perform Landlord's obligations hereunder.

(e) Tenant agrees that, within ten days of request by Landlord, from time to time, it will execute one or more customary tenant estoppel certificates, a copy of which is attached hereto as Exhibit "H."

(f) Notwithstanding the foregoing, Landlord shall use its best efforts to furnish to Tenant, a Subordination, Non-Disturbance and Attornment Agreement ("SNDA") in recordable form from the Existing Lender (which SNDA shall contain a provision that, absent default [beyond any applicable cure period] by Tenant under this Lease, Tenant's use and occupancy of the Premises under this Lease will not be disturbed by the Existing Lender). Further, Landlord shall use its best efforts to furnish to Tenant, after the execution of new loans to lenders or of other instruments that encumber the Premises, Building or Land after the Effective Date, SNDAs in recordable form from each of such lenders or holders or beneficiaries of such other instruments, in commercially reasonable form and content.

21. Rules and Regulations. Tenant and Tenant's agents, employees and invitees will comply with all of the Rules and Regulations attached to this Lease as Exhibit "D". Landlord shall at all times have the right to reasonably change the Rules and Regulations as Landlord deems advisable, but Tenant shall not be bound by any such changes until Landlord has given written notice of such changes to Tenant.

22. Access to Premises. Landlord, its agents and representatives may enter the Premises upon first giving Tenant reasonable notice (and in case of repairs necessitated by an emergency condition, without prior notice, but in such instance, promptly following entry into the Premises, Landlord shall notify Tenant of such entry and the nature of the emergency) at all reasonable hours to inspect or make repairs or alterations or show to prospective purchasers, tenants or lenders.

23. Eminent Domain/Damages. If the entirety of the Premises are taken or condemned, in whole or in part, then this Lease Term shall, at the option of each of Landlord and Tenant, cease and terminate, and Tenant shall have no claim whatsoever to the condemnation award; provided, however, Tenant shall have the right to make a separate claim against the condemning authority which does not, in any way, diminish or reduce Landlord's claims.

24. Casualty. If the Building is totally destroyed by fire, tornado or other casualty or if the Premises or the Building is so damaged that rebuilding or repairs cannot be completed within ninety days after the date of such damage, Landlord may, at its option, terminate this Lease, in which event the Rent shall be abated during the unexpired Lease Term effective with the date of such damage. If the Building or the Premises is damaged by fire, tornado or other casualty (whether or not covered by Landlord's insurance), but only to such extent that rebuilding or repairs can be completed within ninety days after the date of such damage, or if the damage is more serious (i.e., the damage cannot be completed within ninety days after the date of such damage), and Landlord does not elect to terminate this Lease, in either such event Landlord shall within thirty days after the date of such damage commence to rebuild or repair the Building and the Premises to substantially the same condition as existed immediately prior to the casualty, except that

Landlord shall not be required to rebuild, repair or replace any furniture, equipment (including computer hardware or software), fixtures and other improvements placed by Tenant or other tenants within the Building or the Premises. Landlord shall allow Tenant a fair and proportionate diminution of Rent during the time the Premises are unfit for occupancy. In the event any mortgagee under a deed of trust, security agreement or mortgage on the Building requires the insurance proceeds be used to retire the mortgage debt, Landlord shall have no obligation to rebuild and this Lease shall terminate upon notice to Tenant. Any insurance which may be carried by Landlord or Tenant against loss or damage to the Building or the Premises shall be for the sole benefit of the party carrying such insurance and Landlord's entire obligation to rebuild or restore shall be limited to the extent of any insurance proceeds actually received. Landlord shall have no obligation to insure Tenant's contents, business disruption or loss of profits or business.

25. Holding Over. If Tenant holds over the Premises, or any part thereof, after the expiration of the Lease Term, such holding over shall constitute a month to month tenancy at a rental equal to the rental paid for the last month of the Lease Term including not only the Fixed Base Rent but also Operating Expenses, plus fifty percent.

26. Personal Property Taxes. Tenant shall be liable for taxes levied or assessed against personal property, furniture or fixtures in the Premises and its pro rata share of personal property taxes for such personal property, furniture or fixtures owned by Landlord which shall be included as part of the Operating Expenses.

27. Default.

(a) Each of the following shall be an "Event of Default:"

(i) Tenant fails to pay any installment of Rent when due and such failure continues for a period of ten days after written notice to Tenant of such failure; however, Landlord shall only be required to give one written notice during any twelve month period, and during the eleven month period following the month for which notice is given, Tenant's failure to pay any installment of Rent when due and the continuation of such failure for a period of ten days thereafter shall constitute an Event of Default;

(ii) Tenant fails to comply with any term, provision or other covenant or agreement in this Lease, other than the payment of Rent, and fails to cure such failure within thirty (30) days after written notice to Tenant;

(iii) Tenant or any guarantor of Tenant's obligations makes an assignment for the benefit of creditors;

(iv) a receiver or trustee shall be appointed for all or substantially all of the assets of Tenant or any guarantor of Tenant's obligations and such receivership shall not be terminated or stayed within thirty days;

(v) Tenant's failure to remove, within twenty (20) days' notice, of any lien placed upon the Building or any part thereof, including the Premises as provided in paragraph 14 above.

(b) Upon the occurrence of an Event of Default and in addition to all other rights and remedies available to Landlord under applicable law, Landlord shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

(i) terminate this Lease by a written instrument signed by Landlord in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or damages, enter upon and take possession and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof without being liable for prosecution or any claim for damages and Tenant agrees to pay to Landlord, on demand, all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise;

(ii) terminate Tenant's right to possession of the Premises, without terminating this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or damages, enter upon and take possession of

the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof without being liable for any damages and Tenant agrees to pay to Landlord, on demand, all reasonable loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise;

(iii) enter upon the Premises, without terminating this Lease or Tenant's right to possession and without being liable for prosecution or any claim for damages therefor, and do whatever Tenant is obligated to do under this Lease, and Tenant agrees to reimburse Landlord on demand for any reasonable expenses which Landlord may incur in effecting compliance with Tenant's obligations under this Lease, plus an administrative fee equal to fifteen percent of any such expenses and Tenant further agrees that Landlord shall not be liable for any damages resulting to the Tenant for such action; or

(iv) allow Tenant to remain in the Premises and bring suit against Tenant to collect the monthly Rents and other charges provided in this Lease as they accrue. Landlord shall have a right to allow such deficiencies of monthly Rents and other charges provided in this Lease to accumulate and to bring an action on several or all of the accrued deficiencies at one time. Any such suit shall not prejudice in any way the right of Landlord to bring a similar action for any subsequent deficiency or deficiencies.

(c) The following provisions shall also apply to an Event of Default:

(i) Landlord and Tenant shall each use commercially reasonable efforts to mitigate any damages resulting from a default of the other party under this Lease.

(ii) Landlord's obligation to mitigate damages after an Event of Default by Tenant shall be satisfied in full if Landlord attempts to lease the Premises to another tenant (a "Substitute Tenant") in accordance with the following criteria:

(A) Landlord shall have no obligation to solicit or entertain negotiations with any other prospective tenant for the Premises until Landlord obtains full and complete possession of the Premises.

(B) Landlord shall not be obligated to lease the Premises to a Substitute Tenant for a rental less than the current fair market rental then prevailing for similar space, nor shall Landlord be obligated to enter into a new lease under other terms and conditions that are unacceptable to Landlord under Landlord's then current leasing policies for comparable space.

(C) Landlord shall not be obligated to enter into a lease with any proposed Substitute Tenant (a "Substitute Lease") which does not have, in Landlord's reasonable opinion, sufficient financial resources or operating experience to operate the Premises in a first-class manner.

(D) Landlord shall not be required to expend any amount of money to alter, remodel or otherwise make the Premises suitable for use by a proposed Substitute Tenant unless:

(aa) Tenant pays any such sum to Landlord in advance of Landlord's execution of a Substitute Lease with such Substitute Tenant (which payment shall not be in lieu of any damages or other sums to which Landlord may be entitled as a result of Tenant's default under this Lease); or

(bb) Landlord, in Landlord's sole discretion, determines that any such expenditure is financially justified in connection with entering into any such Substitute Lease.

(f) All rights and remedies of Landlord under this Lease or otherwise available by law are cumulative and the exercise of one or more rights or remedies shall not preclude or waive the right to the exercise of any other.

(g) Any payment due under this Lease not paid within ten days after the date herein specified to be paid shall bear interest from the date such payment is due to the date of actual payment at the lesser of ten percent per annum or the maximum lawful rate.

(h) If, within any twelve month period, Tenant fails to timely make two payments of Rent or any two such payments are returned for insufficient funds, then, in addition to any other available remedy, Landlord may require all future payments to be made by cashier's check or money order.

28. Landlord's Default.

(a) Landlord shall be in default under this Lease if Landlord has not commenced and pursued with reasonable diligence to cure any failure of Landlord to perform its material obligations under this Lease within thirty (30) days of the receipt by Landlord of written notice from Tenant. Tenant hereby waives any right to terminate or rescind this Lease as a result of Landlord's default as to any covenant or agreement contained in this Lease and Tenant hereby agrees that Tenant's sole remedies for Landlord's default shall be limited to a suit for damages. In addition, Tenant hereby covenants that, prior to the exercise of any such remedies, it will give each Landlord's Mortgagee written notice and a reasonable time to cure any default by Landlord.

(b) Landlord shall have no personal liability to Tenant under this Lease and Tenant agrees to look solely to the estate and interest of Landlord in the Building and Land, and all other buildings and improvements on and within the Land, and no other assets of Landlord.

29. No Waiver. The receipt by Landlord of Rent with knowledge of the breach of any covenant contained in this Lease shall not be deemed a waiver of such breach. The receipt by Landlord of rent from any assignee, subtenant or occupant of the Premises shall not be a consent to any assignment and subletting of this Lease. Any such waiver by Landlord must be signed by Landlord. Any waiver by Tenant of any term or provision of this Lease, or of any law, rule, or regulation must be in writing and signed by an authorized representative of Tenant.

30. Landlord's Lien. In addition to the statutory landlord's lien, Landlord shall have a security interest to secure payment of all Rent and performance of all other obligations of Tenant upon all goods, equipment, fixtures, furniture, improvements and other property of Tenant now or hereafter placed on the Premises, and all proceeds therefrom, and such property shall not be removed without the consent of Landlord until all amounts due to Landlord have been paid in full and all the covenants, agreements and conditions of this Lease have been fully performed by Tenant. Upon the occurrence of an event of default by Tenant, Landlord, in addition to any other remedies as provided herein, may enter the Premises and take possession of such collateral without liability for trespass or conversion, and sell them at public or private sale.

31. Premises Security. **FROM AND AFTER THE COMMENCEMENT DATE OF THIS LEASE, LANDLORD AND TENANT AGREE THAT TENANT SHALL HAVE SOLE RESPONSIBILITY FOR TAKING ALL MEASURES AS TENANT MAY DEEM NECESSARY OR ADVISABLE FOR THE SECURITY OF THE PREMISES AND ITS OCCUPANTS, INCLUDING WITHOUT LIMITATION, ALL OF TENANT'S EMPLOYEES, LICENSEES AND INVITEES AND LANDLORD SHALL NOT BE RESPONSIBLE OR LIABLE FOR SECURITY.**

32. Miscellaneous.

(a) Attorneys' Fees. In any proceeding to enforce or interpret this Lease, the prevailing party shall recover its reasonable attorneys' fees and legal disbursements in addition to any other available relief.

(b) No Brokers. Landlord and Tenant each warrant to the other that it has not dealt with any broker or agent in connection with the negotiation or execution of this Lease for which a fee or any other payment is due or owing. Landlord and Tenant each agree to indemnify the other against all costs, expenses, attorneys' fees, and other liability for commissions or other compensation claimed by any other broker or agent claiming by, through or under the indemnifying party.

(c) Force Majeure. Neither party shall be liable or responsible for any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations, or restrictions or any other causes of any kind whatsoever beyond the reasonable control of the affected party but none of the foregoing events or conditions shall excuse Tenant from its obligations to pay all Rent due under this Lease.

(d) Notices. All notices and other communications given by one party to the other under this Lease shall be in writing, addressed to the party at the address provided in the Definitions and Basic Provisions, and shall be by one of the following: (a) mailed by first class, United States Mail, postage prepaid, certified, with return receipt requested, (b) hand delivered by courier to the intended address, or (c) the next business day if sent by overnight courier. Notice sent by certified mail shall be effective three business days after being deposited in the United States Mail and all other notices shall be effective upon delivery.

(f) Severability. If any provision of this Lease is unenforceable under applicable law, the remainder of this Lease shall not be affected.

(g) Amendments/Binding Effect. This Lease may not be amended except by a written instrument signed by the party against whom enforcement is sought. This Lease shall inure to the benefit of and be binding upon the parties hereto, and upon their respective successors and permitted assigns. This Lease is for the sole benefit of Landlord and Tenant and there are no third party beneficiaries of this Lease. For purposes of this Lease, "includes" and "including" are terms of enlargement and not of limitation or exclusive enumeration, and use of the terms does not create a presumption that components not expressed are excluded.

(h) Joint and Several Liability. If there is more than one Tenant, the obligations of Tenant shall be joint and several.

(i) Recording. Tenant shall not record or permit to be recorded in the records of the county where the Premises are located this Lease or any memorandum of lease.

(j) Time of Essence. Time is of the essence to this Lease.

(k) Governing Law. This Agreement shall be governed by and enforced under the laws of Texas, without regard to choice of law rules of any jurisdiction. Venue for any action, suit, or proceeding under this Lease shall lie exclusively in Dallas County, Texas, and each party hereto consents to the jurisdiction of the courts located therein

(l) Authority. Each of the persons executing this Lease on behalf of Landlord and Tenant hereby represents and warrants that (i) he is duly authorized and empowered to execute this Lease, (ii) such party has full right and authority to enter into this Lease and (iii) upon full execution, this Lease constitutes a valid and binding obligation of such party.

(m) Approval. Any approval or consent of Landlord or Tenant required under this Lease must be signed by Landlord or Tenant, as applicable.

(n) No Offer. The submission of this Lease by Landlord to Tenant for examination shall not constitute as an offer to lease the Premises. Landlord shall not be bound and Tenant shall not have any rights under this Lease unless and until Landlord executes this Lease and delivers it to Tenant.

(o) Exhibits. The following attached exhibits are incorporated herein.

|             |                         |
|-------------|-------------------------|
| Exhibit A   | Premises                |
| Exhibit B   | Legal Description       |
| Exhibit C   | Finish Work             |
| Exhibit D   | Rules and Regulations   |
| Exhibit E   | Renewal Option          |
| Exhibit F   | Right of First Refusal  |
| Exhibit F-1 | Refusal Space           |
| Exhibit G   | Sign Depiction          |
| Exhibit H   | Form of Tenant Estoppel |

(p) Entire Agreement. This Lease, including the attached exhibits, constitutes the entire agreement

between Landlord and Tenant regarding the subject matter hereof and supersedes all oral statements and prior writings. Except for those set forth in this Lease, no representations, warranties or agreements have been made by Landlord or anyone acting on behalf of Landlord with respect to this Lease.

(q) Counterparts. This Lease may be executed in counterparts which shall constitute the same document.

(r) Waiver of Right to Trial by Jury. EACH PARTY TO THIS LEASE HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS LEASE OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THIS LEASE OR THE SUBJECT MATTER HEREOF WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE, AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY.

(s) Special Provisions.

(i) Except as set forth below, all parking at the Building is surface and is unreserved. It is available for Tenant's non-exclusive use on a first come-first served basis at a ratio of three and one half (3.5) spaces per one thousand rentable square feet leased. In addition, Landlord shall provide to Tenant five (5) reserved, covered spaces at no charge to Tenant throughout the initial Lease Term. Additional reserved, covered spaces may be obtained by Tenant on a monthly basis at a charge of \$25.00 per space per month, based upon availability.

(ii) Tenant may install a monument sign as depicted on the attached **Exhibit G**. Landlord shall reimburse Tenant for its actual out of pocket costs to fabricate and install the sign up to a maximum of Three Thousand and 00/100 Dollars (\$3,000.00). Any installation and fabrication costs in excess of Three Thousand and 00/100 Dollars (\$3,000.00) and all costs of maintaining the sign shall be Tenant's sole responsibility. Upon expiration or termination of this Lease, Landlord shall have the option of requiring Tenant, at Tenant's sole expense, to remove the sign and restore the place where the sign was located to its condition prior to installation of the sign.

Landlord:

**14671-14683 MIDWAY ROAD, LP,**  
a Texas limited partnership

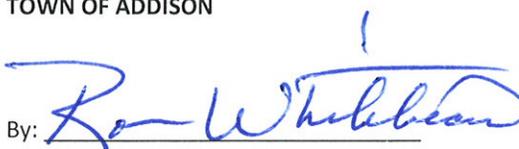
By: MIDWAY DEVCOR-EY, LLC,  
a Texas limited liability company,  
its general partner

By:   
Daniel W. Stansbury, Jr.  
Manager

02-28-14  
date

Tenant:

**TOWN OF ADDISON**

By: 

Attest:

By:   
Matt McCombs

City Secretary

2-27-14

date



Ron Whitehead

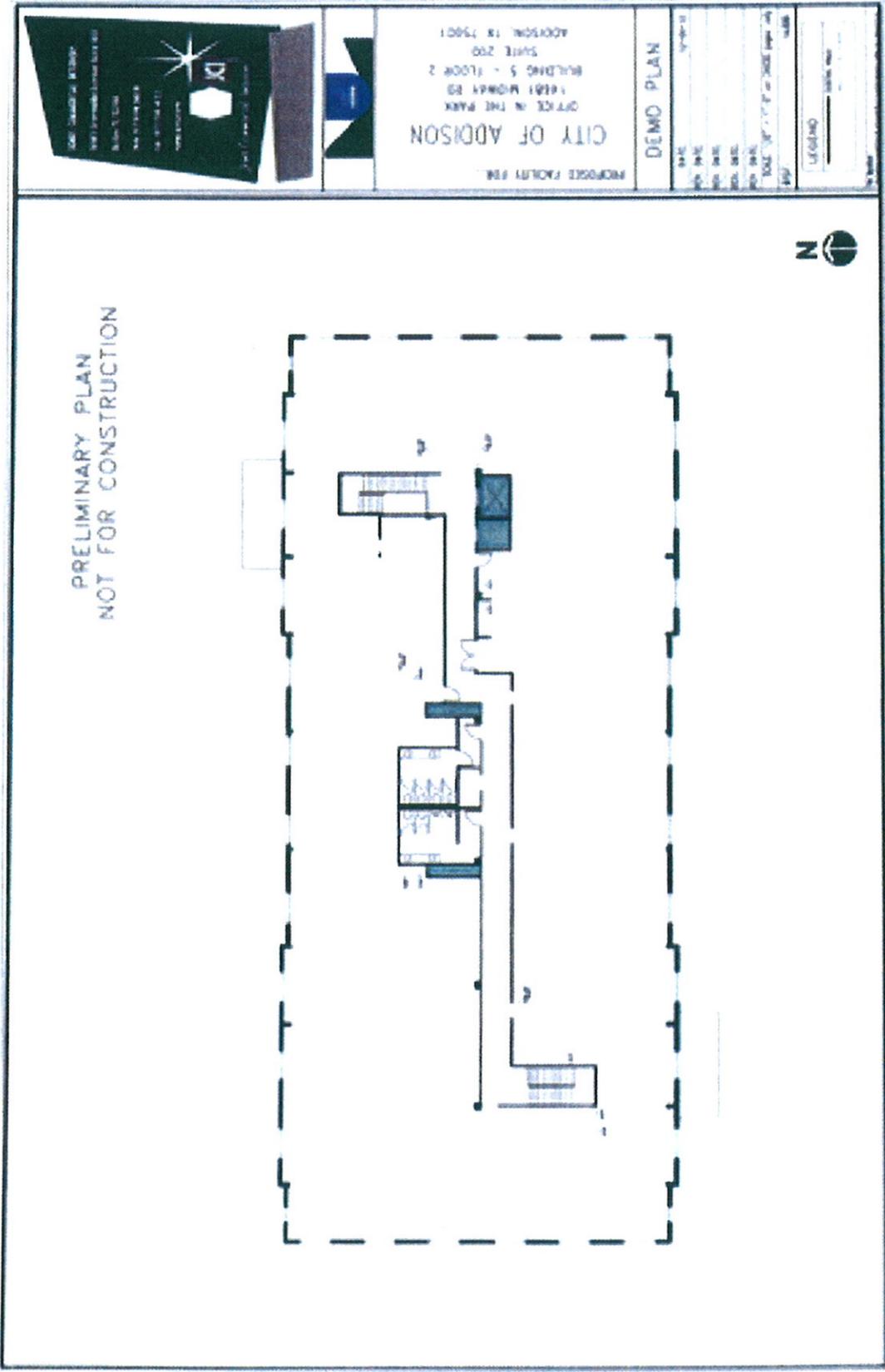
City Manager

2-27-14

date

EXHIBIT A

PREMISES



**EXHIBIT B**

**LEGAL DESCRIPTION**

BEING a tract of land situated in the Thomas L. Chenoweth Survey, Abstract No. 173, City of Addison, Dallas County, Texas, and being all of Office in the Park Addition, an Addition to the City of Addison, Dallas County, Texas, according to the Map thereof recorded in Volume 78118, Page 1, Deed Records, Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a point in the West line of Midway Road (100 feet wide), said point being the Northeast corner of Tract No. Two of Littlebrook No. 1, an Addition to the City of Addison, according to the plat thereof recorded in Volume 77093, Page 2372, Deed Records, Dallas County, Texas, said point also being the most Easterly Southeast corner of said Office in the Park Addition, a  
1/2 inch iron rod found for corner;

THENCE South 89 degrees 26 minutes 54 seconds West, leaving the said West line of Midway Road and proceeding with the North line of Tract No. Two of Littlebrook No. 1, a distance of 436.0 feet to the Northwest corner of said Tract No. Two, an "X" found in concrete corner;

THENCE South 00 degrees 16 minutes 00 seconds East with the West line of said Tract No. Two, a distance of 975.00 feet to a point in the North line of a Dallas Power and Light Company's 100 foot ROW, a 1/2 inch iron rod found for corner;

THENCE South 89 degrees 26 minutes 54 seconds West with the North line of said Dallas Power and Light Company's 100 foot ROW, same being the South line of Office in the Park Addition, a distance of 422.72 feet (429.73 feet per plat) to the Southeast corner of Midway Meadows Addition, an Addition to the City of Addison, Texas, according to the plat thereof recorded in Volume 79206, Page 1546, Deed Records, Dallas County, Texas, a 1/2 inch iron rod found for corner;

THENCE North 00 degrees 42 minutes 18 seconds West with the common line of said addition, a distance of 715.11 feet (North 00 degrees 08 minutes 39 seconds West, 715.17 feet per plat) , a 1/2 inch rod found for corner;

THENCE South 89 degrees 55 minutes 31 second East with the North line of said Office in the Park Addition, a distance of 864.19 feet to a point in the west line of Midway Road, a 1/2 inch iron rod found for corner;

THENCE: South 00 degrees 16 minutes 00 seconds East with the West line of Midway Road, a distance of 430.71 feet to the PLACE OF BEGINNING and containing 11.2967 acres of land or 492,084 square feet of land, more or less.

EXHIBIT C

LANDLORD FINISH WORK

- 1) Replaced damaged or missing ceiling tiles.
- 2) Ensure all HVAC, mechanical and buildings systems are in good working order including common area bathrooms and elevators.
- 3) Install a sub-meter(s) to monitor after hours electricity usage.

TENANT FINISH WORK

Other than Landlord Finish Work above, Tenant shall be responsible for all work necessary to fully buildout the Premises in accordance with the space plan attached hereto as Exhibit C-1.

EXHIBIT C-1

FINAL BUILDOUT

[To Be Attached Following Landlord Approval]

## EXHIBIT D

### RULES AND REGULATIONS

The following rules and regulations shall apply to the Premises, the Building, the parking lots and the appurtenances thereto:

1. Sidewalks, doorways, vestibules, halls, stairways and other similar areas shall not be obstructed by tenants or used by any tenant for purposes other than ingress and egress to and from their respective leased premises and for going from one to another part of the Building.
2. Plumbing, fixtures and appliances shall be used only for the purposes for which designed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or deposited therein. Damage resulting to any such fixtures or appliances from misuse by a tenant or its agents, employees or invitees, shall be paid by such tenant.
3. No signs, advertisements or notices shall be painted or affixed on or to any windows or doors or other part of the Property without the prior written consent of Landlord, which shall not be unreasonably withheld. No curtains or other window treatments shall be placed between the glass and the Building standard window treatments.
4. Landlord may provide and maintain an initial directory for all tenants in the main lobby of the Building and any changes and/or additions shall be in the Landlord's discretion and at the cost of \$50.00 per line.
5. Landlord shall provide all door locks in each tenant's leased premises, at the cost of such tenant, and no tenant shall place any additional door locks in its leased premises without landlord's prior written consent. Landlord shall furnish to each tenant a reasonable number of keys to such tenant's leased premises, at such tenant's cost.
6. Movement in or out of the Building of furniture or office equipment or dispatch or receipt by tenants of any bulky material, merchandise or materials which require use of elevators or stairways, or movement through the Building entrances or lobby shall be conducted under Landlord's supervision with prior written notice by Tenant, and at such times and in such a manner as Landlord may reasonably require. Each tenant assumes all risks of and shall be liable for all damage to articles moved and injury to persons or public engaged or not engaged in connection with carrying out this service for such tenant. Tenant must provide Landlord with a Certificate of Insurance in such amount as reasonably required by Landlord, and naming Landlord as an additional, named insured before Tenant shall move any furniture, files, office equipment or other items into or out of the Building or Premises.
7. Landlord may prescribe rules for total number of occupants of the Premises, and weight limitations and determine the locations for safes and other heavy equipment or items, which shall in all cases be placed in the Building so as to distribute weight in a manner acceptable to Landlord which may include the use of such supporting devices as Landlord may require. All damages to the Building caused by the installation or removal of any property of a tenant, or done by a tenant's property while in the Building, shall be repaired at the expense of such tenant.
8. Corridor doors, when not in use, shall be kept closed. Nothing shall be swept or thrown into the corridors, halls, elevator shafts or stairways. No birds or animals (other than dogs used by the visually impaired) shall be brought into or kept in, on or about any tenant's leased premises. No portion of any tenant's leased premises shall at any time be used or occupied as sleeping or lodging quarters.
9. Tenant shall cooperate with Landlord's employees in keeping its leased premises neat and clean. Tenants shall not employ any person for the purpose of such cleaning other than the Building's cleaning and maintenance personnel.

10. Tenant shall not make or permit any vibration or improper, objectionable, loud, excessive or unpleasant noises or odors in the Building or otherwise interfere in any way with other tenants or persons having business with them.

11. No machinery of any kind (other than normal office equipment) shall be operated by any tenant on its leased area without Landlord's prior written consent, nor shall any tenant use or keep in the Building any flammable or explosive fluid or substance.

12. Landlord will not be responsible for lost or stolen personal property, equipment, money or jewelry from Tenant's area or public rooms regardless of whether such loss occurs when area is locked against entry or not. It is Tenant's sole responsibility to obtain property insurance to protect Tenant from theft, fire, damage, and other casualty to person or property in, on, upon or adjacent to the Premises and the Building. TENANT UNDERSTANDS AND AGREES THAT LANDLORD SHALL NOT BE RESPONSIBLE FOR THE UNFORESEEABLE CRIMINAL ACTS OF THIRD PARTIES.

13. No vending or dispensing machines of any kind may be maintained in any leased premises without the prior written permission of Landlord.

14. Tenant shall not conduct any activity on or about the Premises or Building which will draw pickets, demonstrators, or the like.

15. All vehicles are to be currently licensed, in good operating condition, parked for business purposes having to do with Tenant's business operated in the Premises, parked within designated parking spaces, one vehicle to each space. No vehicle shall be parked as a "billboard" vehicle in the parking lot. Any vehicle parked improperly may be towed away. Tenant, Tenant's agents, employees, vendors and customers who do not operate or park their vehicles as required shall subject the vehicle to being towed at the expense of the owner or driver. Landlord may place a "boot" on the vehicle to immobilize it and may levy a charge of \$50.00 to remove the "boot."

**EXHIBIT E**

**RENEWAL OPTION**

Provided Tenant is not in default hereunder, Tenant shall have the right to renew this Lease for one additional five (5) year term (the "Renewal Term") provided that Tenant must exercise its option to renew by delivery of written notice to Landlord on or before 180 days prior to the expiration of the then current term. Tenant's failure to timely deliver the notice of exercise shall cause the option to renew to automatically terminate and be null and void. The Base Rent for the Renewal Term shall be at the prevailing market rate for comparable properties as determined by Landlord. All other terms and conditions of this Lease shall remain the same during the Renewal Term.

## EXHIBIT F

### RIGHT OF FIRST REFUSAL

Reference is made to approximately 14,800 square feet of rentable area on Floor 1 of Building 5 depicted as the cross-hatched space on the attached Exhibit F-1 (the "Refusal Space").

A. Offer. If, during the first three (3) years of the Lease Term, Landlord receives a bona fide offer from a third party (the "Third Party Offer") to lease all or any portion of the Refusal Space (the "Offer Space") and Landlord is willing to accept the terms of the Third Party Offer, Landlord shall first offer to lease to Tenant the Offer Space on the same terms and conditions as the Third Party Offer; such offer shall be in writing, specify the rent to be paid for the Offer Space, contain the other basic terms and conditions of the Third Party Offer and the date on which the Offer Space shall be included in the Premises, and shall include a true and correct copy of the Third Party Offer (the "Offer Notice"). Tenant shall notify Landlord in writing whether Tenant elects to lease the Offer Space subject to the Third Party Offer on the same terms and conditions as the Third Party Offer in the Offer Notice, within ten (10) business days after Landlord delivers to Tenant the Offer Notice. Tenant shall not have the option of leasing only a portion of the Offer Space covered by the Third Party Offer or Offer Notice. Tenant's right of first refusal shall immediately (without further documentation) expire (i) upon the expiration of the third (3<sup>rd</sup>) Lease Year, and/or (ii) upon Tenant's refusal to properly accept an Offer Notice from Landlord.

B. Acceptance. If Tenant timely irrevocably elects in writing to lease the Offer Space within the fifteen (15) business day period (during which time Tenant shall have the right to inspect the Offer Space and perform any testing approved by Landlord), then Landlord and Tenant shall execute an amendment to this Lease, effective as of the date the Offer Space is to be included in the Premises, on the same terms as the Lease except (1) regardless of the Base Rental in the Offer Notice, Base Rental for the Offer Space shall be Twelve and 50/100s Dollars (\$12.50), (2) the Lease Term for the Offer Space shall be that specified in the Offer Notice (subject to Tenant's rights with respect to the Town of Addison's appropriations for rent as referenced in paragraph 2[c]) but if the lease term for the Offer Space set forth in the Offer Notice expires prior to the expiration of the Lease Term of this Lease, Tenant shall have the option to extend the lease term of the Offer Space to be coterminous with the Lease Term of this Lease and if the lease term for the Offer Space set forth in the Offer Notice expires after the expiration of the Lease Term of this Lease, Tenant shall have the option to exercise its renewal options as set forth in Exhibit E to this Lease, to extend the Lease Term of this Lease (and the lease term for the Offer Space set forth in the Offer Notice shall be coterminous with the Lease Term of this Lease as extended), (3) the Offer Space shall be delivered to Tenant and Tenant shall take same in "as-is" condition and Landlord shall not be required to construct or pay for any tenant improvements in the Offer Space or provide to Tenant any allowances, (4) the number of parking spaces shall be the ratio contained in the Offer Notice, and (5) any other terms set forth in the Lease which are inconsistent with the terms of the Offer Notice shall be modified accordingly with respect to the Offer Space. Notwithstanding the foregoing, if the Offer Notice includes space in excess of the Refusal Space, Tenant must exercise its right hereunder, if at all, as to all of the space contained in the Offer Notice. If the Offer Notice is for less than all the Refusal Space, then the Right of First Refusal shall continue for the remainder of any of the Refusal Space.

C. Rejection. If Tenant fails to timely exercise its right of first refusal hereunder, then such right shall lapse with regard to the entire Refusal Space (even if the Offer Space was less than the entirety of the Refusal Space), and Landlord may thereafter lease the Refusal Space without further notice or offer to Tenant.

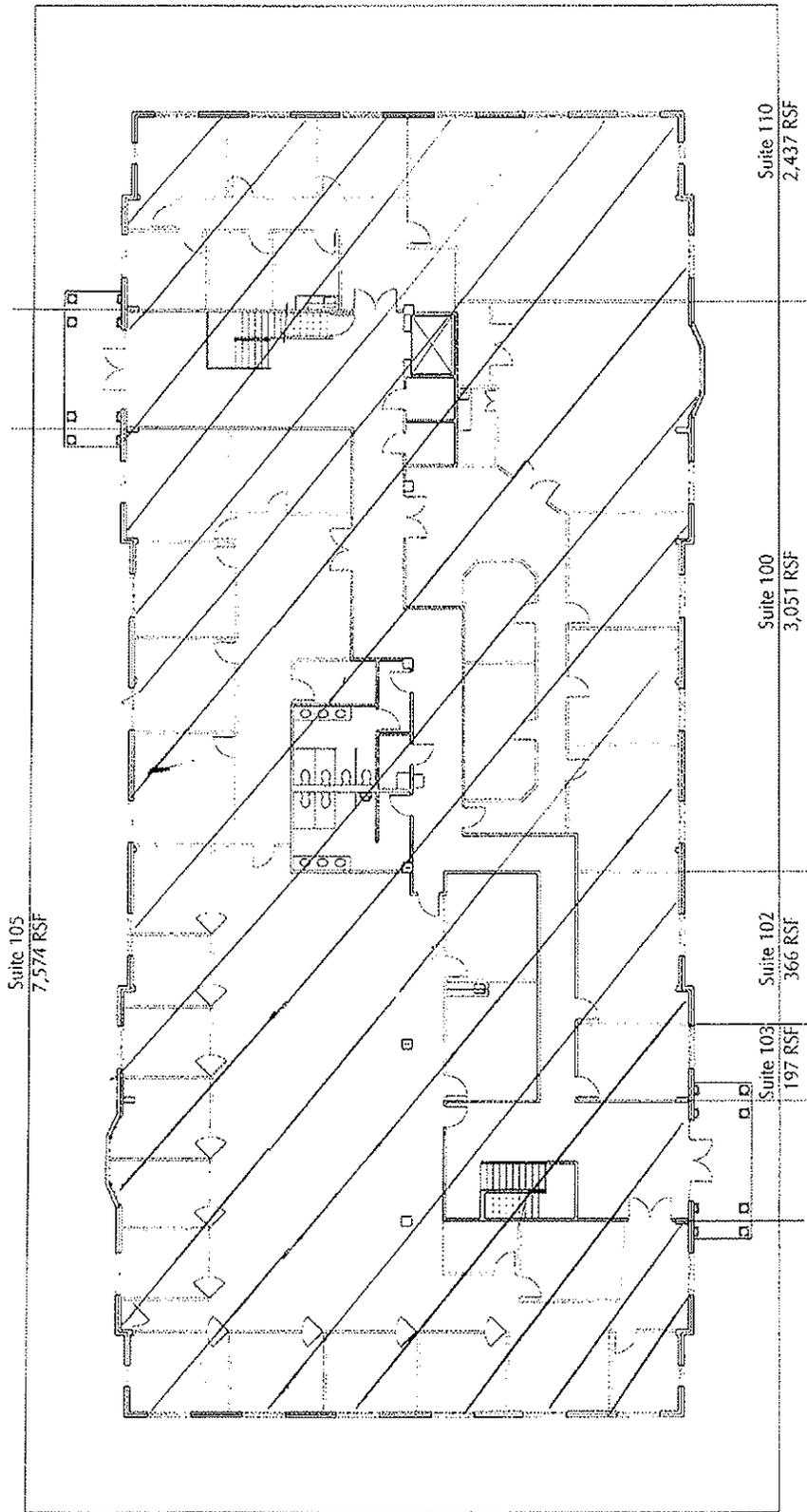
D. Commissions. Unless agreed to in writing by Landlord, Landlord shall not be obligated to pay a commission with respect to any space leased by Tenant under this right of first refusal, and Tenant and Landlord shall each indemnify the other against all costs, expenses, attorneys' fees, and other liability for commissions or other compensation claimed by any broker or agent claiming the same by, through, or under the indemnifying party.

E. Restrictions. The right of first refusal herein granted is subject to all existing leases in the Building on the date of this Lease, and any rights granted to tenants under the existing leases to the Refusal Space, including, without limitation, rights of first refusal, expansion and renewal. Furthermore, Tenant's rights of first refusal is personal to Tenant and shall terminate if (1) an uncured Event of Default occurs under this Lease, (2) the Lease or Tenant's right to

possession of the Premises is terminated, (3) Tenant is not in occupancy of the entire Premises other than by reason of a casualty (for a period of 12 consecutive months) or a sublessee permitted under paragraph 12(c) of this Lease or (4) Tenant transfers any of its interest in this Lease or any portion of the Premises to any person or entity other than a permitted sublessee under paragraph 12(c) of this Lease, except as may be otherwise authorized in writing by Landlord.

EXHIBIT F-1

REFUSAL SPACE



Chris Lipscomb  
 972-267-7000  
 clipscomb@johnbowles.com

Building 5 - First Floor  
 14681 Midway Road  
 Addison, TX 75001



EXHIBIT G

SIGN DEPICTION

EXHIBIT H

FORM OF TENANT ESTOPPEL

[Date]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: Lease dated \_\_\_\_\_, \_\_\_\_\_ (the "Lease") executed between \_\_\_\_\_ ("Landlord"), and \_\_\_\_\_ ("Tenant"), for those premises located at \_\_\_\_\_.

Gentlemen:

The undersigned Tenant understands that \_\_\_\_\_ intends to \_\_\_\_\_ for the property known as the Office in the Park, located at 14673, 14675, 14677, 14679, 14681 and 14683 Midway Road, Addison, Texas 75001 ("Property"). The undersigned Tenant hereby certifies to \_\_\_\_\_ and \_\_\_\_\_:

1. Tenant has entered into the lease together with all amendments ("Lease") as described on the attached Schedule 1.
2. The Lease is in full force and effect. The amount of square feet leased by Tenant under the Lease is \_\_\_\_\_.
3. Tenant has not given Landlord written notice of any dispute between Landlord and Tenant or that Tenant considers Landlord in default under the Lease, except as set forth on Schedule 1.
4. Tenant does not claim any offsets or credits against rents payable under the Lease or defaults under the Lease, except as set forth on Schedule 1 and no such default is deemed material or otherwise giving rise to a right upon notice or with the passage of time to determine the Lease. Tenant is not due any work (or allowance, credit or payment on account of work) from Landlord except as set forth in Schedule 1.
5. Tenant has not paid a security or other deposit with respect to the Lease, except as follows: \_\_\_\_\_.
6. Tenant has fully paid rent to and including the month of \_\_\_\_\_, \_\_\_\_\_.
7. Tenant has not paid any rentals in advance except for the current month of \_\_\_\_\_, \_\_\_\_.
8. Rent currently due under the Lease is \$ \_\_\_\_\_ per annum (consisting of twelve monthly payments each in the amount, as of the date hereof, of \$ \_\_\_\_\_ per base rent, \$ \_\_\_\_\_ on account of real estate tax and operating expense pass-through).
9. The term of the Lease expires on \_\_\_\_\_. There are no renewal, expansion, termination or extension, except as set forth in the Lease.
10. Tenant has no options, rights of first offer or rights of first refusal to lease or purchase any portion of the Property, except as set forth in the Lease.

TENANT

\_\_\_\_\_  
a \_\_\_\_\_

by: \_\_\_\_\_  
name: \_\_\_\_\_  
title: \_\_\_\_\_