

RESOLUTION 23-172

A RESOLUTION TO APPROVE A LEASE AGREEMENT BETWEEN THE CITY OF SPRING HILL AND JOHN MAHER BUILDERS, INC. FOR OFFICE SPACE LOCATED AT 8060 STATION HILL DRIVE, SPRING HILL, TENNESSEE

WHEREAS, the City of Spring Hill has the need to acquire or lease office space to accommodate the City’s departments and staff; and

WHEREAS, John Maher Builders, Inc. has available office space located at 8060 Station Hill Drive ; and

WHEREAS, the City desires to lease 12,286 sq ft with a term of sixty-three months beginning on October 1, 2024 and an optional three year renewal after the initial term with costs detailed as; and

Months During Initial Term	Monthly Amount	Rate/SqFt (for reference only)
1 – 3	\$ 0.00	n/a
4 – 15	\$22,524.33	\$22.00/sqft
16 – 27	\$23,200.06	\$22.66/sqft
28 – 39	\$23,896.07	\$23.34/sqft
40 – 51	\$24,612.95	\$24.04/sqft
52 – 63	\$25,351.34	\$24.76/sqft

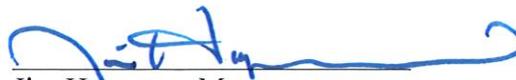
WHEREAS, the City would be additionally be fiscally responsible for the property taxes, insurance, building operating costs and utilities; and

WHEREAS, John Maher Builders, Inc. has presented the City with a lease agreement to these, but not limited to, terms and conditions, as detailed in Exhibit A, attached hereto.

NOW, THEREFORE BE IT RESOLVED, the City of Spring Hill Board of Mayor and Aldermen:

1. Approves the lease agreement between the City of Spring Hill and John Maher Builders, Inc. for office space located at 8060 Station Hill Drive, Spring Hill, Tennessee with terms and conditions detailed in the contract, Exhibit A, attached hereto.
2. Authorize the Mayor to sign the lease agreement.

Passed and Adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 16th day of October, 2023.

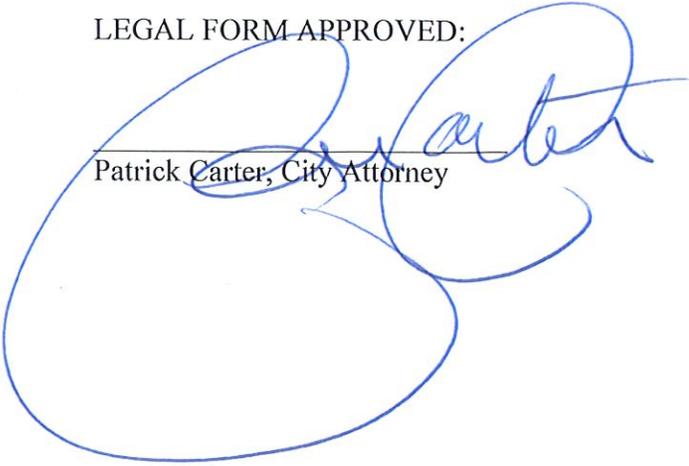

Jim Hagaman, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:


Patrick Carter, City Attorney



REQUEST: *Approval of Resolution 23-172*

SUBMITTED BY: Missy Stahl, CIP Manager
 Pete Hughes, Development Director

DATE: October 2, 2023

RE: To approve a lease agreement between the City and John
 Maher Builders, Inc. for office space

BACKGROUND:

The City's Development Department is currently located in leased offices in the World Wide Stages ("WWS") building on Northfield Drive. WWS has notified the City that the space will no longer be available for lease as of June 30, 2024. Therefore, office space needs to be purchased or leased to relocate the department. Additional City departments also require office space they do not currently have to accommodate current and future staff.

John Maher Builders, Inc. currently has open office space for lease located at 8060 Station Hill Drive. The City desires to lease both floors of approximately 12,286 sq ft. This would accommodate current staffing needs for offices, file rooms, conference rooms, break rooms and have office available for future growth. The term of the agreement is for sixty-three months, effective October 1, 2023, with an option to renew for three more years at the end of the initial term. The City would be fiscally responsible for: monthly rent, utilities, city and county property taxes, building operating expenses and insurance.

FINANCIAL IMPACT:

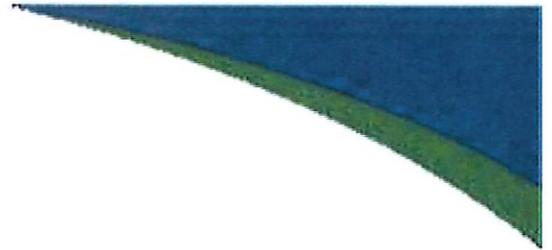
The monthly rent would be as follows:

Months During Initial Term	Monthly Amount	Rate/SqFt (for reference only)
1 – 3	\$ 0.00	n/a
4 – 15	\$22,524.33	\$22.00/sqft
16 – 27	\$23,200.06	\$22.66/sqft
28 – 39	\$23,896.07	\$23.34/sqft
40 – 51	\$24,612.95	\$24.04/sqft
52 – 63	\$25,351.34	\$24.76/sqft

STAFF RECOMMENDATION:



Staff recommends approval of Resolution 23-172, to approve a lease agreement between the City of Spring Hill and John Maher Builders, Inc. for 12,286 sq ft of office space located at 8060 Station Hill Drive.



STAFF MEMORANDUM

TO: Board of Mayor and Alderman
FROM: Pamela S Caskie, City Administrator
DATE: October 13, 2023
RE: Station Hill Lease

The City of Spring Hill does not currently have adequate space for its employees, nor does it provide appropriate and needed amenities that are required to support employees, such as conference meeting space, file storage, adequate bathrooms, showers (where appropriate), or bedrooms (where appropriate). It has been my goal to improve the physical facilities and space that the city needs to provide its employees for safe, comfortable, and inviting spaces to do their best work.

A status of each of our current facilities is attached. The Police Department issues are being addressed with the construction of the new headquarters which is being constructed to have a 20-year life. Our immediate concern is twofold: Development Services has less than nine months to go on their lease and the Public Works Building needs to be demolished within the next 12 months. The only currently available building in town is the Station Hill building owned by John Maher. There are a few buildings that are planned but they are not under construction at this time and therefore will not be ready for occupancy by the time we need them.

The Station Hill building is not ideal. It was built with the idea of being individually rented offices, with no overall reception and no security beyond the doors of the individual offices. If we are not going to take the whole building, the owners would like us to take the top floor so there is still a reasonable viability of renting the bottom floor out as intended in the design.

The reason that I believe we need the entire Station Hill building is as follows:

1. While the building is approximately twice as much in size as we need for Development Services, one floor alone gives us virtually no growth room for the next 5 years. By taking the entire building, we provide the following benefits:
 - A. the ability to manage staff over the next 5 years without worry about space constraints,
 - B. the ability to have presentable places for Public Works and Utilities staff to meet with officials and citizens in an area that is not the village.
 - C. By taking over the entire building, it will be easier for all to utilize. We can place inspectors near a door downstairs and place leadership team members in private offices which is conducive the type of conversations they have.



OFFICE OF THE CITY ADMINISTRATOR

199 Town Center Parkway • Spring Hill, Tennessee 37174

931-486-2252, ext 215

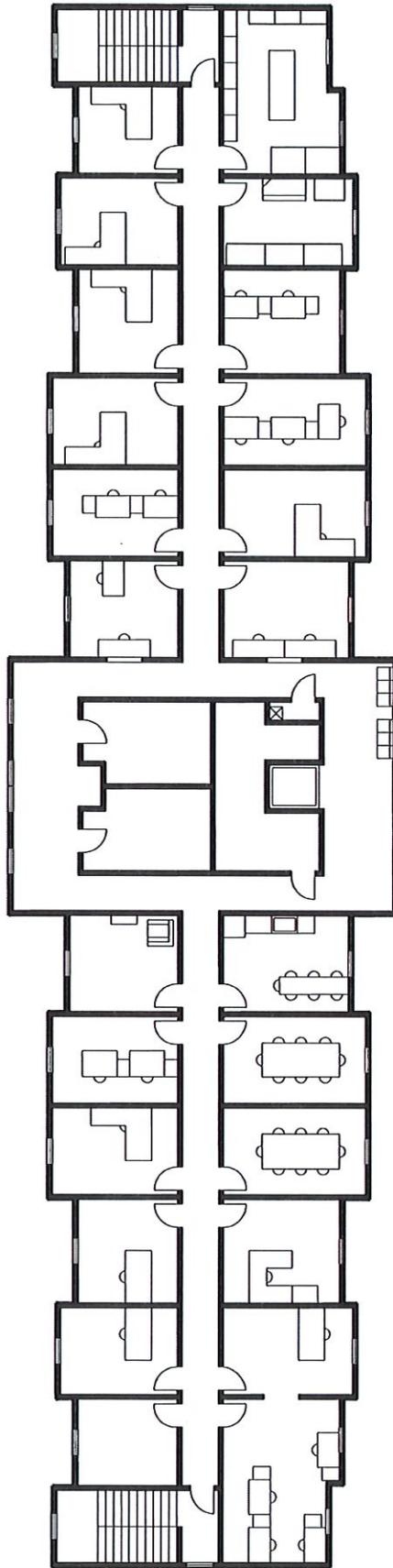
www.springhilltn.org

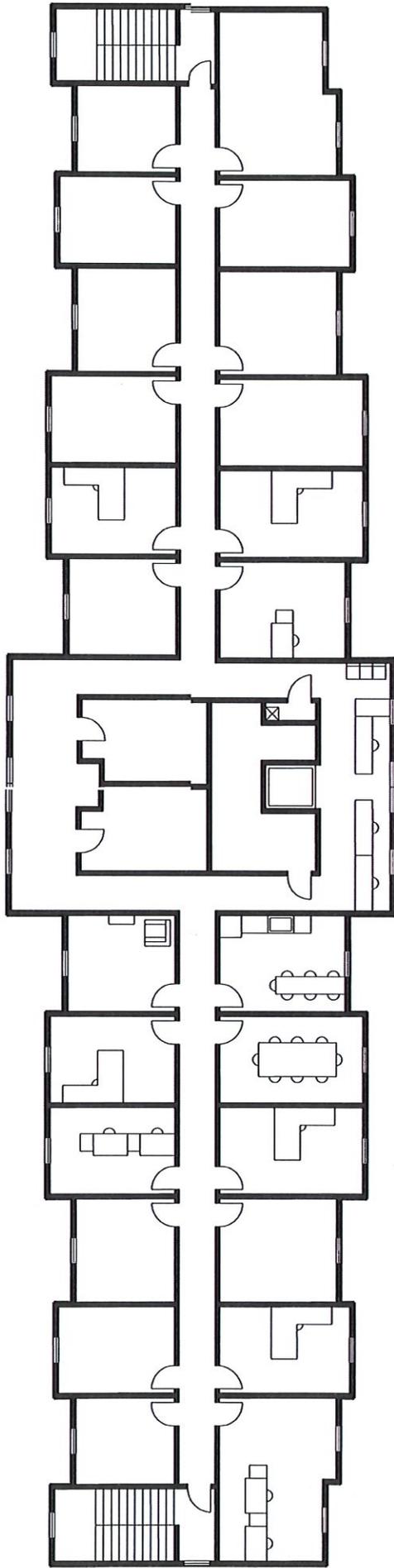
- D. The building was designed for tenants on the first floor who will have no knowledge of what we are doing in the building. That means our citizens and visitors are going to have a complicated approach to dealing with Development Services. By putting the city staff on the entire first floor, we can control the customer experience.
- E. We then must house the Public Works staff somewhere very soon and they will need to have climate-controlled office space. We cannot afford to build a Community Service Annex at the same time we are constructing the Police HQ and trying to fund roads, Fire Station #4, and road projects. We need to build something temporary. That means whatever we construct will be torn down. At \$22 a square foot for Station Hill over 5 years, that's \$110 a square foot; at best we may be able to construct Public Works office space for \$200 a square foot. Based on this calculation, we are financially better off to lease for 5 years than to try to construct for 5 years. Even if we move in 6 months before we need to, we are still better off.

The proposed use of Station Hill provides offices for 32 staff members in appropriate private versus shared space, two conference rooms for larger groups, two small conference settings, a break room on each floor, and appropriate accessible file storage. This leaves 5 offices vacant which could accommodate no more than 10 new employees in Development Services, Public Works and Utility Administration and GIS.

By choosing to not take the entire building, we are severely cramping Development Services' capacity to expand and greatly limiting the citizens' ability to interact with Development Services. Those who see Development Services every day, or all the time, will quickly get the hang of it. The citizens who come for the occasional permit, or needed discussion, will be the losers in the way this building is set up. We will also increase the cost of construction in the Village, which will ultimately have to be demolished.

Please see the attached floor plan of Station Hill and the titles of who's going in what office to show the use of the entire building.





LEASE AGREEMENT

BETWEEN

JOHN MAHER BUILDERS, INC, LANDLORD

AND

CITY OF SPRING HILL, TENANT

DATED: November 1, 2023

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EXHIBIT A – SITE PLAN AND DESCRIPTION OF PREMISES

EXHIBIT B - DESCRIPTION OF LANDLORD'S WORK AND TENANT'S WORK

EXHIBIT C - PERMITTED SIGNAGE

LEASE SUMMARY SHEET

LANDLORD: John Maher Builders, Inc., a Tennessee corporation.

LANDLORD NOTICE ADDRESS: 1109 Old Kedron Road, Spring Hill, TN 37174.

TENANT: City of Spring Hill

TENANT NOTICE ADDRESS: 199 Town Center Parkway, Spring Hill, TN 37174.

PROJECT: A two story office building located at 8060 Station Hill Drive, Spring Hill, Tennessee 37174 containing a total of approximately 12,286 square feet.

PREMISES AND APPROXIMATE SQUARE FOOTAGE: The Premises is a part of the Project as shown on the site plan attached hereto as Exhibit A and made a part hereof, and containing approximately 12,286 square feet. Tenant shall have use of the entire Premises beginning on the Commencement Date. Tenant shall have access to the Premises during normal working hours, and as arranged with Landlord, for the purpose of build-out beginning upon execution of this Lease.

TERM; TERMINATION: The initial term (the "Initial Term") of the Lease shall be sixty-two (62) calendar months, commencing November 1, 2023 (the "Commencement Date"). Tenant shall have the option to extend the term for an additional period of three (3) years (the "Renewal Term"), as provided in Section 2(b) of the Lease. As used in this Lease, the term "Term" shall mean the Initial Term and, if applicable, the Renewal Term.

IMPROVEMENTS: Landlord shall, at its expense, construct improvements to the Premises described as Landlord's Work in Exhibit B. Tenant shall, at its expense, construct improvements to the Premises described as Tenant's Work in Exhibit B.

BASE RENT:

Tenant shall pay to Landlord Base Rent during the Initial Term as follows:

Months During Initial Term	Monthly Amount	Rate/SqFt (for reference only)
1 – 2	\$ 0.00	n/a
3 – 4	\$11,262.17	n/a
5 – 6	\$15,016.21	n/a
7 – 8	\$18,770.27	n/a
9 – 14	\$22,524.33	\$22.00/sqft
15 – 26	\$23,200.06	\$22.66/sqft
27 – 38	\$23,896.07	\$23.34/sqft
39 – 50	\$24,612.95	\$24.04/sqft
51 – 62	\$25,351.34	\$24.76/sqft

Tenant shall pay to Landlord Base Rent during the Renewal Term (if elected) as follows:

Months During Renewal Term	Monthly Amount
63 – 74	TBD (Then Market Rental Rate)
75 – 86	TBD (Then Market Rental Rate)
87 - 98	TBD (Then Market Rental Rate)

OTHER SUMS PAYABLE: Tenant's Proportionate Share of the actual Taxes, Insurance and Operating Costs. Tenant's Proportionate Share shall be 100.0% (12,286sf/12,286sf). Tenant shall pay all of its utilities.

PERMITTED USE: General office purposes, and for no other business or other purposes without the written consent of Landlord.

SECURITY DEPOSIT: \$25,351.34

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is made this _____ day of October, 2023 by and between John Maher Builders, Inc., a Tennessee corporation ("Landlord"), and City of Spring Hill ("Tenant").

WITNESSETH:

1. PREMISES.

(a) The "Premises," as used herein, shall mean the Premises described on the Lease Summary Sheet. Landlord, for and in consideration of the rents, covenants, agreements, and conditions hereinafter set forth, reserved and contained to be paid, kept, observed and performed by Tenant, does hereby demise and lease the Premises unto Tenant, and Tenant hereby takes and rents the Premises from Landlord upon the terms and conditions hereinafter set forth. The floor area of the Premises as used throughout the Lease shall mean and include the square footage of the Premises as set forth on the Lease Summary Sheet and hereby agreed by Landlord and Tenant to be correct. No deduction or exclusion shall be made in determining the floor area of the Premises by reason of stairs, elevators, escalators, interior partitions or other interior construction elements or equipment.

(b) Landlord reserves the use of the roof, exterior walls and the area above and below the Premises, together with the right to install, maintain, use, repair and replace pipes, ducts, conduits, wires and structural elements running through the Premises that serve other parts of the Project. Tenant shall have access to the Premises 24 hours a day, 7 days a week, 365/366 days a year. Concurrent with the Term, Landlord hereby agrees that Tenant shall have full use of the Premises. Under Landlord's supervision and reasonable requirements, Tenant may use and have access to any applicable portions of the roof of the building, maintenance, equipment and utility rooms and closets, conduits, wires and appurtenant equipment within the building, and utilities servicing the Premises. Furthermore, Landlord agrees to allow Tenant and Tenant's agents and contractors access for installation and maintenance with respect to any of the foregoing so long as such installation and/or maintenance is coordinated with Landlord in advance and provided Tenant follows Landlord's reasonable rules and requirements.

2. TERM.

(a) Tenant shall have and hold the Premises for the Initial Term set forth on the Lease Summary Sheet. The term "Lease Year," as used in this Lease, shall, in the case of the first Lease Year, mean the period from the Commencement Date through December 31, 2024. Each subsequent "Lease Year" shall mean the twelve (12) full calendar month period commencing on the first day of the calendar month next following the end of the first Lease Year, and commencing with each subsequent annual anniversary date thereof. The last "Lease Year" shall mean the period commencing with the then current Lease Year and terminating on the date of the termination or cancellation of the Term. The parties acknowledge and agree that the first Lease Year will include approximately sixteen (14) calendar months.

(b) Tenant shall have the right to extend the term of this Lease for one (1) additional three-year period. To exercise this right, Tenant shall provide written notice to Landlord at least 180 days prior to the expiration of the Initial Term. Base Rent during each year of the Renewal Term shall be at the then current market rental rate for the Project (as indicated on the Lease Summary Sheet). All other terms and conditions of this Lease shall apply during the Renewal Term.

3. BASE RENT AND ADDITIONAL RENT.

(a) "Base Rent," as used herein, shall mean the Base Rent described on the Lease Summary Sheet. During the Term, Tenant shall pay the Base Rent to Landlord in advance, in monthly installments, with the first such monthly installment being due and payable on or before the Commencement Date, and subsequent installments being due and payable on or before the first (1st) day of each succeeding calendar month thereafter. If, however, the Commencement Date occurs on a day other than the first day of a calendar month, then there shall be due and payable on or before the Commencement Date, as Base Rent for the balance of such calendar month a sum equal to one-thirtieth (1/30th) of the Base Rent for such calendar month times the number of days commencing on the Commencement Date and continuing through the end of such calendar month.

(b) Taxes, Insurance, Operating Costs, utilities and other expenses or sums that Tenant is required to pay hereunder, together with all interest and penalties that may accrue thereon in the event of Tenant's failure to pay such amounts, and all damages, costs and expenses which Landlord may incur by reason of any default of Tenant or failure on Tenant's part to comply with the terms of this Lease, shall be deemed to be additional rent ("Additional Rent") and, in the event of nonpayment by Tenant, Landlord shall have all the rights and remedies with respect thereto as Landlord has for nonpayment of the Base Rent. As used herein, the term "Rent" shall mean the Base Rent and Additional Rent.

(c) All payments of Rent shall be made by Tenant without notice or demand at the office of Landlord or at such other place as Landlord may from time to time designate in writing, and without set-off, deduction or abatement, except as expressly provided herein. Any payments of Rent not received by Landlord on or before five (5) days following the date when due shall be deemed delinquent. Tenant shall pay to Landlord on demand a late charge equal to ten percent (10%) of the amount of such Rent. Tenant acknowledges that such late charge is not a penalty, but is to compensate Landlord for the additional administrative expenses and other expenses incurred by Landlord in handling delinquent payments (which expenses are not readily ascertainable), and is in addition to, not in lieu of, interest on late payments as provided herein and any other remedies that Landlord may have by virtue of Tenant's failure to make payments when due. Interest on any payment of Rent not received by Landlord on or before the date when due shall accrue from the date when due to and including the date such payment is received by Landlord at the base or index rate established from time to time by Regions Bank in Nashville, Tennessee, or its successor, plus three percent (3%), but in no event in excess of the maximum interest rate permitted under applicable law from time to time (the "Default Rate").

4. TAXES AND INSURANCE.

(a) Tenant shall pay to Landlord Tenant's Proportionate Share of Taxes and Insurance in the manner set forth below.

(b) "Taxes" shall mean all taxes and assessments (special or otherwise), impact fees, sewage charges and other governmental impositions of every kind and nature whatsoever (whether in lieu of the same or not), extraordinary as well as ordinary, foreseen and unforeseen levied or assessed against the use and/or occupancy of the Project, together with any use or other tax levied, assessed or imposed upon the Base Rent or any other Rent reserved hereunder, imposed by any federal, state or local authority or any other authority having jurisdiction over the Project, and shall also include all costs and expenses, including reasonable attorney's fees, incurred by Landlord during negotiations for or contests of the amount of Taxes. In the event the methods of taxation prevailing at the commencement of this Lease shall thereafter be modified so that in lieu of or as a substitute for the whole or any part of the Taxes now levied, assessed or imposed, there shall be levied, assessed or imposed an income or other tax, then the same shall be included in the computation of Taxes. Notwithstanding anything herein to the contrary, Taxes shall not include any federal, state or local tax that is imposed on the income of individuals and/or businesses generally. Additionally, Tenant shall not be responsible for any Taxes assessed or imposed prior to the Commencement Date.

(c) "Insurance" shall mean all premiums and other costs paid by Landlord for insurance on the Project from time to time, including, but not limited to, property coverage, rental income insurance, malicious mischief and public liability insurance carried by Landlord on the Project.

(d) Taxes and Insurance shall be paid in equal monthly installments at the same place and on the same date on which the Base Rent is payable hereunder. Landlord shall notify Tenant from time to time of the amount which Landlord reasonably estimates will be the amount of Tenant's Proportionate Share of Taxes and Insurance for each calendar year (subject to adjustment by Landlord from time to time during such calendar year); such estimated amount will then be used to compute the monthly installments of Taxes and Insurance payable by Tenant hereunder. After the actual Taxes and Insurance for the current calendar year has been ascertained, Landlord shall send Tenant a statement setting forth the actual amount of Tenant's Proportionate Share of Taxes and Insurance for such calendar year and the amount of the resulting deficiency or overpayment, as the case may be. Tenant shall pay any deficiency within ten (10) days after mailing of such notice, and Landlord will refund any excess within ten (10) days after mailing of such notice.

5. OPERATING COSTS.

(a) "Common Areas," shall mean the portions of the Project, whether now or hereafter owned by Landlord or now or hereafter made available by Landlord for use by tenants, within or adjacent to the Project, that are or have been designated and approved by Landlord for common use by or for the benefit of all tenants of the Project and their respective employees, agents, subtenants, concessionaires, licensees, customers and invitees, including but not limited to parking lots, access and perimeter roads, truck passageways, loading platforms, fire corridors, service corridors, landscaped areas, exterior walks, arcades, stairways, ramps, interior corridors,

elevators, stairs, underground storm and sanitary sewers, utility lines, wash rooms, drinking fountains, toilets, equipment, signs and other public facilities and the like; but excluding all portions of the Project that are used or intended for the exclusive use by Landlord or any tenant under the terms of its lease. Any portion of the Project that may be included within the Common Areas may thereafter be excluded therefrom when designated by Landlord for a non-common use.

(b) Tenant shall pay to Landlord Tenant's Proportionate Share of Operating Costs. "Operating Costs," shall mean all commercially reasonable costs and expenses of every kind and nature incurred by Landlord in the operation, management, maintenance, and repair of all the Common Areas. Operating Costs shall include, without limitation: the cost of police and fire protection equipment and services, if provided; gardening and landscaping; repairs and painting; decorating and redecorating the Common Areas; striping, sweeping and lighting (including the cost of electricity and maintenance and replacement of fixtures and bulbs); regulating traffic; rubbish, garbage and other refuse removal; ice and snow removal; machinery, equipment and supplies used in the operation, maintenance and repair of the Common Areas and facilities; depreciation of machinery and equipment used in the operation and maintenance of the Common Areas; replacement of paving, curbs and walkways; utility, drainage and water systems, impact fees and charges; and the cost to Landlord of personnel to implement and perform the operation, maintenance and repairs of the Common Areas as provided above (including worker's compensation insurance, salaries and other benefits covering such personnel), provided, however, if such personnel do not work exclusively at the Project site, only that portion of such costs equivalent to the percentage of time spent by such personnel at the Project site shall be included in the Operating Costs. Landlord, in its sole discretion, may elect to employ security for the Common Areas and the cost of the same shall be included in Operating Costs; provided however, Landlord shall be under no obligation to do so, and Landlord's election to employ security shall not be deemed an undertaking by Landlord to ensure the safety of the tenants or any of their agents, employees, contractors, customers or invitees or the property of any such parties. Notwithstanding the foregoing, Operating Costs shall not include the following:

- (i) depreciation on the Project;
- (ii) costs of tenant improvements incurred in renovating leased space for the exclusive use of a particular tenant of the Project including permits, licenses and inspection fees;
- (iii) brokers' commissions;
- (iv) any mortgage (or comparable security) related principal or interest associated with the Project;
- (v) costs of repairs or other work to the extent Landlord is reimbursed by insurance, warranties or condemnation proceeds or directly by any tenant in the Project;
- (vi) utilities or other cost charged directly to, or paid directly by, a tenant of the Project other than those paid by Landlord for common areas as a part of the Operating Costs;

- (vii) fines, interest and penalties incurred due to Landlord's late payment
- (viii) organizational expenses associated with the creation and operation of the entity which constitutes Landlord, or Landlord's personal or corporate income or estate taxes;
- (ix) any penalties or damages that Landlord pays to Tenant under this Lease or to other tenants in the Project under their respective leases;
- (x) Costs incurred in conjunction with investigation, remediation and/or monitoring of hazardous substances, unless caused by Tenant;
- (xi) Costs incurred due to violations by other tenants of the Project or Landlord of any of the terms and conditions of the Lease or any other lease related to the Project;
- (xii) Rent or other related expenses incurred in leasing air conditioning systems, elevators or other equipment ordinarily considered to be of a capital nature, unless such equipment or systems are obtained temporarily to replace systems or equipment that have become nonfunctional or defective;
- (xiii) The cost incurred by Landlord to restore the Premises or the Project to the condition required under this Lease Agreement whether covered by insurance or not;
- (xiv) Costs arising from Landlord's charitable or political contributions;
- (xv) Costs incurred in connection with compliance of the Common Areas with the ADA and the Fair Labor Standards Act and all rules and regulations promulgated thereunder in effect as of the Commencement Date;
- (xvi) Legal fees incurred in the negotiation of leases associated with the Project or in connection with or arising out of leasing disputes with tenants;
- (xvii) Capital improvements or replacements; provided, that, repairs, refurbishments and replacements required to be made to the Common Areas and which are required to be capitalized in accordance with applicable U.S. federal income tax principles may be included in Operating Costs each year to the extent of depreciation and/or amortization deductions allowed for such year under applicable U.S. federal income tax principles;
- (xviii) Replacements or repairs required to be paid by other tenants or their insurers, or covered by construction contracts, or by insurance proceeds, including, without limitation, any repairs or replacements of defects in the initial construction of the Common Area improvements;
- (xix) Costs attributable to removing asbestos and any other Hazardous Materials, if any, located at the Project or the Premises (not installed or placed at the Project or the Premises by Tenant or its contractors) and complying with all laws, rules, orders and regulations

concerning Hazardous Materials (including asbestos) of all governmental, quasi- governmental or judicial authorities;

(xx) Costs incurred in repairing or replacing structural portions of the Project or the Premises; and

(xxi) Costs incurred in connection with acquiring property to be added to the Project and cost of any construction appertaining to any property so added.

(c) Operating Costs shall be paid in equal monthly installments at the same place and on the same date on which the Base Rent is payable hereunder. Landlord shall notify Tenant from time to time of the amount which Landlord reasonably estimates will be the amount of Tenant's Proportionate Share of Operating Costs for each calendar year (subject to adjustment by Landlord from time to time during such calendar year); such estimated amount will then be used to compute the monthly installments of Operating Costs payable by Tenant hereunder. After the actual Operating Costs for a calendar year has been ascertained, Landlord shall send Tenant a statement setting forth the actual amount of Tenant's Proportionate Share of Operating Costs for such calendar year and the amount of the resulting deficiency or overpayment, as the case may be. Tenant shall pay any deficiency within thirty (30) days after mailing of such notice. Landlord will credit any surplus payments of Operating Costs against the first monthly estimated payment of Operating Costs due for the next succeeding calendar year, until such surplus credit has been exhausted. In the event such surplus credit remains at the expiration of the Term, Landlord shall within five (5) days issue payment to Tenant for said surplus.

(d) Landlord warrants and represents that none of the expenses included in determining Tenant's Proportionate Share of Operating Costs shall be included in any other charge, fee, assessment or rent payable by Tenant under the Lease.

6. UTILITIES. Tenant shall pay all bills, costs and charges for water, gas, electricity, telephone, garbage and trash collection (for trash generated within the Premises), fuel, light, heat and power furnished to or used by Tenant on or about the Premises, and all sewage disposal or sewerage service charges for the Premises and any impact fees or utility fees as required by local governmental authorities and/or any utility company. If Tenant does not pay such bills and charges, Landlord may, but shall not be obligated to, pay the same, and such payment shall be Additional Rent payable upon demand by Landlord. Landlord may elect to furnish one or more utility services to Tenant, and, in such event, Tenant shall purchase such services from Landlord and shall pay, as Additional Rent, the charges for such services provided by Landlord, provided, however, that the cost for such service (including any fees assessed by Landlord) shall not exceed a rate that Tenant would otherwise pay for such service if Tenant obtained such utility service directly from the applicable utility provider, and further provided that in the event of any failure or delay in utility supply that is within Landlord's control, Landlord shall use all due diligence to restore such utilities as soon as possible so as to minimize any interruption in Tenant's activities at the Premises. If such interruption or failure in utility services is caused by Landlord, its agents, employees, or contractors and continues for a period of three (3) days, then Base Rent due hereunder shall equitably abate, beginning at the end of such third (3rd) day, to the extent and for so long as the Premises are rendered significantly unusable by such interruption or failure in

Tenant's reasonable and good faith judgment. Notwithstanding the preceding sentence, if such interruption or curtailment is caused by the gross negligence of Landlord, its agents or contractors and said utility is not restored within twenty-four (24) hours of the interruption, an equitable abatement of Rent shall be allowed from the time of such interruption until the time that said utility is restored. Landlord may at any time discontinue furnishing any service without obligation, other than to connect the Premises to the appropriate public utility. In no event shall Landlord be liable for any interruption or cessation in the supply of any such services or utility services not furnished by Landlord to the Premises nor for any interruption or cessation in the supply of any such services or utility services that are due to fire, accident, strike, acts of God or other causes beyond the control of Landlord, or in order to make alterations, maintenance, repairs or improvements. Except as expressly provided herein, no disruption or cessation of utility service to the Premises shall be construed as an eviction of Tenant, work an abatement of rent, or relieve Tenant from fulfillment of any covenant or agreement of this Lease, unless such interruption or cessation results from the gross negligence or fault of Landlord.

7. USE/CONDUCT OF BUSINESS.

(a) Tenant shall use and occupy the Premises exclusively for the Permitted Use, as set forth on the Lease Summary Sheet, and shall not use or permit the use of the Premises for any other purpose whatsoever. Tenant shall not commit waste on the Premises, and shall not use or permit to be used the Premises for any illegal purposes, nor in any manner to create any nuisance or trespass, or to disturb other tenants or occupants of the Project, or to injure the reputation of the Project (as determined by Landlord), or to vitiate the insurance or increase the rate of insurance for the Premises or the Project. No second-hand, auction, fire, distress or bankruptcy sales may be conducted on the Premises. Tenant shall not permit any business to be operated in or from the Premises by any concessionaire or licensee without the prior written consent of Landlord. Tenant shall, in performing hereunder, comply, to the extent applicable to Tenant, with all state and local laws in effect from time to time. Tenant shall not install any radio or television or other similar device exterior to the Premises and shall not erect any aerial on the roof or exterior walls of any building within the Project. Tenant shall not use, or permit the use of, any portion of the Premises as sleeping quarters, lodging rooms or for any unlawful purposes. Landlord acknowledges that the Permitted Use, in and of itself, does not constitute waste of the Premises, is not an illegal purpose, does not in any manner create any nuisance or trespass, would not disturb other tenants or occupants of the Project, and would not injure the reputation of the Project; provided, however, that Landlord makes no such acknowledgement regarding the manner in which Tenant will actually conduct the Permitted Use or otherwise operate its business.

(b) Tenant shall not knowingly use or permit to be used the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now or hereafter in force or any restrictions or prohibited uses contained in any other tenant lease or document of record affecting the Project, or which will violate the exclusive use of any other tenant in the Project. Landlord acknowledges that the Permitted Use, in and of itself, does not conflict with any restrictions or prohibited uses contained in any other tenant lease or document of record affecting the Project, or violate the exclusive use of any other tenant in the Project. Landlord further covenants that it will not enter into or implement any restrictions or prohibited or exclusive uses in any other tenant lease or document of record affecting the Project that will cause the Permitted

Use to violate the same. Tenant shall, at its cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now or hereafter in force, and with the requirements of any board of fire underwriters or other similar bodies relating to or affecting the condition, use or occupancy of the Premises whether now or hereafter in effect. Tenant shall pay for any increase in insurance premiums on insurance carried by Landlord to the extent resulting from Tenant's use or occupancy of the Premises or the Project within thirty (30) days after notice from Landlord.

8. USE OF COMMON AREAS. Tenant shall have the non-exclusive revocable right during the Term to use the Common Areas for itself, its employees, agents, customers, invitees and licensees for their intended purpose, subject, however, to all the provisions of this Lease and to reasonable rules and regulations as established by Landlord from time to time to insure the safe and efficient operation of the Project ("Rules"). Landlord shall have the right to modify, add or change such Rules as Landlord deems necessary or appropriate in its commercially reasonable discretion. Landlord shall have the right, at any time and from time to time, to change the size, location, elevation or nature of the Common Areas, or any part thereof, including, without limitation, the right to locate thereon structures and buildings of any type. All Common Areas shall be subject to the exclusive control and management of Landlord. Landlord shall have the right (a) to close, if necessary, all or any portion of the Common Areas to such extent as may, in the opinion of Landlord's counsel, be reasonably necessary to prevent a dedication thereof or the accrual of any rights to any person or to the public therein; (b) to close temporarily all or any portion of the Common Areas to discourage non-customer use; (c) to use portions of the Common Areas while constructing additional phases of the Project or while engaged in making additional improvements or repairs or alterations to the Project; and (d) to do and perform such other acts whether similar or dissimilar to the foregoing in, to and with respect to the Common Areas as, in the use of good business judgment, Landlord shall determine to be appropriate for the Project. Landlord shall use reasonable efforts to minimize the disruption of Tenant's business operations during such closure and repair. Tenant shall not be obligated to pay any additional amount of rent for access to the Common Areas.

9. CONDITION OF PREMISES/CONSTRUCTION. Landlord shall expeditiously commence and diligently perform such of its obligations contained in Exhibit B in a good and workmanlike manner, in accordance with all applicable governmental requirements and the plans and specifications therefore as are to be performed by it ("Landlord's Work") on or before the date specified in Exhibit B. Except as may expressly set forth in Exhibit B, Tenant accepts the Premises in "as is, where is" condition, and agrees the same are suited for the use intended by Tenant, without any warranties whatsoever by Landlord. Tenant shall expeditiously commence and diligently perform such of its obligations contained in Exhibit B as are to be performed by it ("Tenant's Work"), and shall complete its work prior to the expiration of the time allowed to Tenant for completion of Tenant's Work, as provided in Exhibit B. Tenant shall perform or cause to be performed Tenant's Work in a good and workmanlike manner, in accordance with all applicable governmental requirements and the plans and specifications therefore, and in such manner as to cause a minimum of interference with other construction in progress and with the transaction of business in the Project. Tenant shall also observe and perform all of its obligations under this Lease (except its obligation to pay Base Rent and Additional Rent) from the date upon which the Premises are made available to perform Tenant's Work until the Commencement Date in the same

manner as though the Term began when the Premises were so made available to Tenant for Tenant's Work.

10. ALTERATIONS AND ADDITIONS. Tenant shall not make or allow to be made any alterations, additions, or improvements to the Premises or any part thereof without the prior written consent of Landlord which shall not be unreasonably withheld or delayed. Any alterations, additions or improvements to the Premises, excepting movable furniture and trade fixtures, shall, on the expiration of this Lease, at Landlord's option become a part of the realty and belong to Landlord or shall be removed by Tenant. Tenant shall make all such alterations and additions at Tenant's sole cost and expense. Tenant agrees to use Landlord's designated roofing contractor to perform any permitted roof penetrations. If Tenant violates the provisions of this Section relating to roof penetrations or performs any other work that impairs the roof warranty, in addition to any other damages to which Landlord may be entitled, Tenant shall indemnify Landlord for all repairs to the roof that would have been covered by Landlord's roof warranty, and this indemnity shall survive the expiration or earlier termination of this Lease.

11. REPAIRS BY LANDLORD.

(a) Landlord shall repair and maintain the roof, floor slab, foundation, and structural portions of the Premises, unless such maintenance or repairs are caused in part or in whole by the act, neglect, fault or omission of any duty by Tenant, its agents, servants, employees or invitees, in which case Tenant shall pay to Landlord the costs of such maintenance and repairs. Landlord's obligation to repair shall include the obligation to maintain, service and replace any known defects. Landlord shall not be liable for any failure to make any such repairs or to perform any maintenance required of Landlord hereunder unless such failure shall persist for any unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant. Landlord covenants and agrees to take such reasonable steps as are necessary with respect to such repair, maintenance, alterations or improvements in order to avoid any material interruption of Tenant's use of the Premises. Landlord's work in connection with the Premises and all other work undertaken by Landlord in the Premises, including but not limited to repairs as required herein, shall be performed in a first-class and workmanlike manner and all materials, equipment, fixtures and installation shall be new and in usable condition.

(b) During the period beginning on the Commencement Date and ending June 30, 2024 (the "Initial Maintenance Period"), Landlord shall repair and maintain the heating and air conditioning systems servicing the Premises. For this purpose, the heating and air conditioning systems shall be deemed to have been properly maintained so long such systems maintain a temperature of not less than 65 degrees and no more than 79 degrees (Fahrenheit) at floor level (assuming no significant thermal input by Tenant). After the Initial Maintenance Period, Tenant shall repair and maintain all heating and air conditioning systems.

12. REPAIRS BY TENANT.

(a) Tenant shall, during the Term, at Tenant's sole cost and expense, maintain the Premises and every part thereof in good condition and repair, excluding only such repairs as Landlord is expressly obligated to make under this Lease unless such maintenance or repairs are

caused in part or in whole by the act, neglect, fault or omission of any duty by Landlord, its agents, servants, employees or invitees, in which case Landlord shall pay to Tenant the costs of such maintenance and repairs. Tenant's obligation to repair shall include the obligation to maintain, service and replace any known defects. Without limiting the generality of the foregoing, but subject to the provisions of Section 11(a) and (b), Tenant agrees that its obligation to repair, maintain, service and replace shall extend to all electrical, air conditioning and heating systems, plumbing and plumbing fixtures and sewerage pipes serving the Premises (including the free flow to the main sewer line), fire sprinkler systems and fire alarms, all Tenant fixtures, interior non-structural walls, floor coverings, ceilings, the exterior and interior portion of all doors, windows, plate glass and store front in, upon or forming a part of the Premises, and any tenant finish work or other alterations or improvements performed by Tenant. Tenant shall be responsible for damage, from whatever causes, to all glass or plate glass in the Premises, for all damages to water, steam or fire sprinkler pipes in the Premises caused by freezing or neglect by Tenant and for damages to the property of other tenants caused by the overflow or breakage of any such pipes.

(b) Except as specifically set forth in this Lease, Landlord shall have no obligation whatsoever to alter, remodel, improve, repair, decorate or paint the Premises or any part thereof and the parties hereto affirm that Landlord has made no representations to Tenant respecting the condition of the Premises except as specifically provided herein. Landlord may, but shall not be obligated to, make any repairs to be made by Tenant hereunder, if not promptly made by Tenant and all such payments made and incurred by Landlord shall be treated as Additional Rent payable upon demand by Landlord.

13. NO LIENS. Landlord's interest in the Premises shall not be subject to liens for improvements, repairs or alterations made by Tenant, and Tenant shall have no power or authority to create any lien or permit any lien to attach to the Premises or the present estate, reversion or other interest of Landlord in the Premises, the Project, or other improvements thereon as a result of improvements made by Tenant or by reason of any other work done on Tenant's behalf or any other act or omission of Tenant. All materialmen, contractors, artists, mechanics and laborers and other persons contracting with Tenant with respect to the Premises or any part thereof, are hereby charged with notice that such liens are expressly prohibited and that they must look solely to Tenant to secure payment for any work done or material furnished for improvements made at the request of Tenant. Tenant agrees to provide notice to such effect to any such persons doing work or supplying materials to the Premises. Tenant shall indemnify Landlord against any loss or expenses incurred as a result of the assertion of any such lien, and Tenant covenants and agrees to remove such lien or transfer such lien to a bond or such other security, as may be permitted by applicable law, within thirty (30) days of its assertion. In the event Tenant fails to have such lien removed as required hereunder, Landlord shall have the right to pay such lien and Tenant shall reimburse Landlord for such sum as Additional Rent, plus an administrative fee of ten percent (10%) upon demand.

14. INDEMNITY AND INSURANCE.

(a) Tenant agrees to, and hereby does, indemnify and save Landlord harmless from and against any and all claims, actions, damages, liability, costs and expenses (including attorney's fees, expenses, liability incurred and court costs incurred by Landlord) for any injury

(including death) to any persons or damage to any property to the extent arising from, caused by or in connection with (i) any occurrence in, upon or at the Premises, or in any way related to or arising out of Tenant's use or occupancy of the Premises, the Common Areas, in or about the Project, or any part thereof, except to the extent caused by Landlord or its agents, employees, contractors; (ii) the negligence, misconduct or any act or omission to act of Tenant, its agents, employees, contractors, subcontractors, subtenants, licensees or concessionaires; or (iii) any breach or default by Tenant in the performance of its obligations under this Lease, or any contract or agreement to which Tenant is a party, or any restriction, law, ordinance or regulation affecting the Premises or any part thereof or the ownership, occupancy or use thereof. If any case, action or proceeding be brought against Landlord by reason of any such claim(s), Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Similarly, Landlord agrees to, and hereby does, indemnify and save Tenant harmless from and against any and all claims, actions, damages, liability, costs and expenses (including attorney's fees, expenses, liability incurred and court costs incurred by Tenant) for any injury (including death) to any persons or damage to any property to the extent arising from, caused by or in connection with (i) the negligence, misconduct or any act or omission to act of Landlord or its agents, employees, or contractors; or (ii) any breach or default by Landlord in the performance of its obligations under this Lease, or any contract or agreement to which Landlord is a party, or any restriction, law, ordinance or regulation affecting the Project or any part thereof or the ownership or use thereof by Landlord. If any case, action or proceeding be brought against Tenant by reason of any such claim(s), Landlord, upon notice from Tenant, shall defend the same at Landlord's expense by counsel reasonably satisfactory to Tenant.

(b) Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon, or about the Premises from any cause other than Landlord's willful misconduct or negligence, and Tenant hereby waives all claims in respect thereof against Landlord.

(c) Landlord shall not be liable for any loss or damage to any property by theft or otherwise, nor for any injury to or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain, unless caused by or due to the negligence of Landlord, its agents, servants, contractors or employees. Except as expressly provided in this Lease, Landlord shall not be liable for any failure or interruption of utility services to the Premises and the same shall not be considered a constructive eviction of Tenant, nor shall the same entitle Tenant to an abatement of rent, unless caused by or due to the gross negligence of Landlord and exceeds thirty (30) days. Landlord shall not be liable for loss of business by Tenant. Except as expressly set forth in this Lease, Landlord shall not be liable for any defects in the Premises. Tenant shall give prompt notice to Landlord in case of fire or accident in the Premises or in the Project.

(d) Tenant shall, at its sole cost, maintain the following insurance at all times during this Lease and at all times when Tenant is in possession of the Premises:

(i) Commercial general liability insurance with a combined single limit for personal injury, loss of life and property damage of not less than Three Million and No/100 Dollars (\$3,000,000.00) per occurrence.

(ii) Property insurance insuring Tenant's leasehold improvements, furnishings, personal property, inventory, fixtures and equipment on an "all risk" basis written on a "special form" policy, or the equivalent, against loss by reason of fire, hazard or other casualty, with extended coverage, to the extent of at least eighty percent (80%) of the value thereof.

(iii) Worker's compensation insurance as may be required by applicable law.

(iv) In the event Tenant is permitted to make any improvements or alterations on the Premises, builders risk insurance written on a completed value (non-reporting) basis.

(e) All insurance required of Tenant hereunder shall be carried with insurance companies and in form reasonably satisfactory to Landlord. Tenant shall deliver to Landlord prior to the Commencement Date original policies or certificates of all of such insurance. Landlord will be given not less than ten (10) days written notice prior to cancellation or expiration of the insurance evidenced thereby. Renewals of all of such insurance shall be delivered to Landlord at least thirty (30) days prior to the expiration date of such insurance.

(f) All insurance required of Tenant hereunder shall be on a non-contributory basis and shall name Landlord, Landlord's property manager and at Landlord's option any mortgage lender on the Project, as an additional insured or insured mortgagee as the case may be. Notwithstanding the designation of any party as additional insured under Tenant's insurance policy, such party shall not be considered an additional insured under such policy for purposes of its own negligence or willful misconduct. The limits of said insurance shall not, however, limit the liability of Tenant hereunder. Tenant may carry such insurance under a blanket policy; provided, however, such insurance by Tenant shall have a Landlord's protective liability endorsement attached thereto. Tenant may satisfy the limits of coverage required under this Lease using one or more policies, including excess coverage policies. If Tenant shall fail to procure and maintain such insurance, Landlord may, but shall not be required to, procure and maintain the same, and Tenant shall reimburse Landlord for the cost thereof as Additional Rent upon demand. Landlord may require periodic increases in the amounts of Tenant's insurance coverage in accordance with sound and prudent business practice.

(g) Tenant acknowledges and agrees that Landlord will not obtain or carry insurance on Tenant's personal property, fixtures, equipment, inventory or Tenant's leasehold improvements, and Tenant agrees that Tenant shall be responsible for obtaining and carrying insurance on the foregoing, at its sole cost and expense.

(h) Anything in this Lease to the contrary notwithstanding, Landlord and Tenant each hereby waives any and all rights of recovery, claim, action or cause of action against the other for any loss or damage that may occur to the Premises or any improvements thereto, the Project or any personal property of Landlord or Tenant, arising from any cause that (i) would be insured against under the terms of any property insurance required to be carried hereunder; or (ii) is insured against under the terms of any property insurance actually carried, regardless of whether the same is required hereunder. The foregoing waiver shall apply regardless of the cause or origin

of such claim, including but not limited to the negligence of a party, or such party's agents, officers, employees or contractors. The foregoing waiver shall not apply if it would have the effect, but only to the extent of such effect, of invalidating any insurance coverage of Landlord or Tenant. The foregoing waiver shall also apply to any deductible or any self-insured retention, as if the same were a part of the insurance recovery.

(i) Landlord shall, at its sole cost (which costs shall be passed thru to Tenant on a prorata basis), maintain the following insurance at all times during this Lease and at all times when Tenant is in possession of the Premises:

(i) Commercial general liability insurance with a combined single limit for personal injury, loss of life and property damage of not less than Three Million and No/100 Dollars (\$3,000,000.00) per occurrence.

(ii) Property insurance insuring the Project on an "all risk" basis written on a "special form" policy, or the equivalent, against loss by reason of fire, hazard or other casualty, with extended coverage, to the extent of at least seventy percent (70%) of the replacement value thereof.

(iii) Worker's compensation insurance as may be required by applicable law.

(j) Landlord may satisfy the limits of coverage required under this Lease using one or more policies, including excess coverage policies.

15. CASUALTY.

(a) Subject to the other provisions of this Section, in the event the Premises or the Project are damaged by fire or other casualty, this Lease shall remain in full force and effect, and Landlord shall forthwith repair the Premises to a state ready for restoration by Tenant of Tenant's improvements.

(b) Notwithstanding the foregoing, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises or the Project when (i) the cost of restoration of the Premises (whether or not compensated for by insurance) shall exceed the annual Base Rent then payable for the balance of the Initial Term or Renewal Term, as the case may be; (ii) the Premises are damaged to the extent of fifty percent (50%) or more thereof; (iii) the Premises are damaged during the last year of the Initial Term or the Renewal Term, as the case may be; (iv) twenty-five percent (25%) or more of the Project is damaged; (v) the insurance available to Landlord is not sufficient to cover the cost of such repair, reconstruction or restoration; or (vi) the holder of a deed of trust or mortgage encumbering the Project elects not to permit use of insurance proceeds for reconstruction. Landlord shall notify Tenant in writing within forty-five (45) days after the occurrence of such casualty if Landlord intends to so terminate this Lease. Any such termination shall be effective as of the date specified in such notice, which date shall be no more than thirty (30) days after giving such notice, and all Rent shall be accounted for as between Landlord and Tenant as of the date of the termination of the Lease.

(c) The provisions of this Section with respect to repair by Landlord shall be limited to such repair as is necessary to place the Premises in the condition specified for Landlord's Work in Exhibit B and when placed in such condition the Premises shall be deemed restored and rendered tenantable. Promptly following Landlord's restoration work Tenant, at Tenant's expense, shall perform the work required to place the Premises in the condition specified for Tenant's Work in Exhibit B, and Tenant shall also repair or replace its stock in trade, fixtures, personal property, furniture, furnishings, floor coverings and equipment.

(d) Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any repairs or replacement of any improvements, or any other property installed in or located on the Premises by Tenant.

(e) Tenant shall be entitled to an abatement in Base Rent in proportion to the portion of the Premises that is rendered untenable as a result of such damage; provided, however, if the damage is due to the acts or omissions of Tenant or its employees, there shall be no such abatement. Such abatement shall commence as of the date of such damage and shall terminate on the date Landlord delivers the Premises with Landlord's restoration work completed.

16. CONDEMNATION.

(a) As used in this Section "Taking" shall mean the taking of, or damage to, the Premises or the Project or any portion thereof, as the case may be, as the result of the exercise of any power of eminent domain, condemnation, or sale or purchase under threat or in lieu thereof by any public or quasi-public authority. The term "Award" means the award for, or proceeds of, any Taking, less all expenses in connection therewith including reasonable attorney's fees.

(b) If the whole of the Premises, or such portion thereof as will make the Premises untenable for the purposes for which it was leased, be taken, Landlord and Tenant shall each have the right, at its option, to terminate this Lease from the date of such Taking upon prompt written notice to the other within thirty (30) days following the date of such Taking and all Rent shall be accounted for as between Landlord and Tenant through such date. If less than the whole of the Premises are taken, and the remaining portion of the Premises are tenantable for the purposes for which it was leased, then this Lease shall not cease and Base Rent shall abate in such proportion as the Premises have been so taken. Landlord shall, as diligently as practicable following the receipt of the Award, restore the Premises as nearly as is reasonably possible to the condition existing prior to such taking, but only to the extent of Landlord's Work, if any, specified in Exhibit B. Tenant, at Tenant's expense, shall make the remaining repairs and restorations to the Premises to place the same in the condition specified for Tenant's Work in Exhibit B, and shall also repair or replace its stock in trade, personal property, equipment and fixtures.

(c) Notwithstanding the foregoing, Landlord shall have no obligation to undertake any repairs or restoration in the event of a Taking if the cost thereof exceeds that portion of the Award for such purpose, and Landlord shall have the right to terminate this Lease in such event. Further, if more than twenty-five percent (25%) of the parking areas or of the Common Areas from time to time designated by Landlord for the Project, or more than twenty-five percent (25%) of the gross rentable square footage of the Project, is taken, or if any mortgagee of Landlord

requires that the Award be applied to the payment of the mortgage debt, Landlord shall also have the option to terminate this Lease regardless of whether or not such Taking damages the Premises. Landlord shall notify Tenant within ninety (90) days after such Taking if Landlord intends to so terminate this Lease. Any such termination shall be effective as of the date specified in such notice, which date shall be no more than thirty (30) days after giving such notice, and all Rent shall be accounted for as between Landlord and Tenant as of the date of the termination of this Lease.

(d) The entire Award, whether for the whole or a part of the Premises or of the Project, shall be the property of Landlord, and Tenant shall have no claim against Landlord for the value of the unexpired Term or any part of the fee of the Premises or of the Project, or otherwise; however, Landlord shall not be entitled to any award payable to Tenant for Tenant's individual and separate damages, including but not limited to moving or relocation expenses, business interruption, damage or loss to or obsolescence of trade fixtures, or unamortized leasehold improvements; provided such award to Tenant does not reduce the Award otherwise payable to Landlord.

17. ASSIGNMENT AND SUBLETTING. Tenant shall not, without the prior written consent of Landlord, which shall not be unreasonably withheld, delayed, either voluntarily or by operation of law, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest hereunder, or sublet the Premises or any part thereof nor assign this Lease or any part thereof or any right or privilege appurtenant thereto, or suffer any other person to occupy or use the Premises, or any portion thereof, or permit the use of the Premises by any party other than Tenant. Landlord's consent to any assignment, transfer, mortgage or encumbrance or sublease shall not constitute a waiver of the rights of Landlord under this Section, and all subsequent assignments, transfers, mortgages, encumbrances or subleases shall be made only with the prior written consent of Landlord. Any assignee or transferee of Tenant, at the option of Landlord, shall become directly liable to Landlord for all obligations of Tenant hereunder, but no sublease, assignment, or transfer by Tenant shall relieve Tenant of any liability hereunder. Landlord may consent to subsequent assignments of this Lease or sublettings or amendments or modifications to the Lease with assignees of Tenant without notifying Tenant, or any successor tenant, and without obtaining its or their consent thereto, and any such actions shall not relieve Tenant of liability under this Lease. Any assignment, transfer, mortgage, encumbrance or subletting by Tenant without the prior written consent of Landlord shall be void and shall be deemed a Default. If Landlord consents to a proposed sublease or assignment, Tenant shall submit to Landlord a copy of the executed sublease or assignment, which must provide for the assumption of all of Tenant's obligations under this Lease. At any time, Landlord may require that any Rent or other sums paid by a sublessee or assignee be paid directly to Landlord. Notwithstanding any provision of this Lease to the contrary, Landlord shall consent to any assignment or sublease of this Lease by Tenant to any entity (a) that is majority owned and controlled by Tenant or (b) that shall have acquired all or substantially all of the operational control or all or substantially all of the assets of Tenant as a result of a consolidation, merger or sale; provided, in any case, Tenant is not relieved of any liability hereunder.

18. DEFAULT. This Lease is made upon the condition that Tenant shall punctually and faithfully perform all of the covenants, conditions and agreements by it to be performed as in

this Lease set forth. The following shall each be deemed to be an event of default (each of which is sometimes referred to as a "Default" in this Lease):

(a) Tenant shall fail to pay within five (5) days of when due any Rent or other sums due any other party under the terms and provisions of this Lease, and the same shall remain unpaid five (5) days after notice of nonpayment.

(b) Tenant or any other party liable for the obligations of Tenant under this Lease shall have a permanent receiver appointed for such party's property and such receiver is not removed within thirty (30) days after appointment of such receiver.

(c) Tenant or any other party liable for the obligations of Tenant under this Lease shall have filed against it any proceedings under any present or future state or federal insolvency or bankruptcy laws or other laws of similar purpose, and such proceeding is not dismissed within thirty (30) days.

(d) Tenant or any other party liable for the obligations of Tenant under this Lease shall voluntarily commence any debtor relief proceedings, or shall be adjudicated as bankrupt or insolvent, or shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state, or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant or any such guarantor, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay or shall fail to pay its debts generally as they become due, under any present or future state or federal insolvency or bankruptcy laws or other laws of similar purpose.

(e) Tenant or any other party liable for the obligations of Tenant under this Lease shall make an assignment for the benefit of creditors, without prior written consent of Landlord.

(f) Tenant or any other party liable for the obligations of Tenant under this Lease shall have its property levied upon or attached under process that is not satisfied or dissolved within thirty (30) days after inception of such levy or attachment.

(g) A court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Tenant or any guarantor seeking any reorganization, dissolution or similar relief under any present or future federal, state, or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors or Tenant or any such guarantor shall be the subject of an order for relief entered by such a court, and such order, judgment or decree shall remain unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive) from the first date of entry thereof, or any trustee, receiver, custodian or liquidator of Tenant or any such guarantor shall be appointed without the consent or acquiescence of Tenant or any such guarantor and such appointment shall remain unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive).

(h) Tenant shall fail to perform any other covenant, agreement, provision or condition of this Lease, which failure is not cured within thirty (30) days after written notice from Landlord; provided, however, if such failure by its nature cannot reasonably be cured within such thirty (30) day period then no Default shall be deemed to exist as long as Tenant commences curing the failure within such thirty (30) day period and thereafter continuously and diligently prosecutes cure to completion.

19. REMEDIES FOR DEFAULT. In event of a Default, Landlord at its option may, without further demand or notice, at once, or any time thereafter during continuance of such Default, do one or more of the following:

(a) Landlord may terminate this Lease by written notice to Tenant in which event Tenant shall immediately surrender possession of the Premises to Landlord. If the Lease is so terminated, Tenant shall be obligated to and shall pay Landlord all Rent that would have been payable by Tenant from the date of termination to the date when this Lease would have expired if it had not so terminated, less the fair rental value of the Premises for the same period, both discounted to present value at the discount rate of the Federal Reserve Bank of Atlanta, Georgia, in effect at the time of termination, plus all costs and expenses incurred by Landlord by reason of such Default, including reasonable attorney's fees. Except for any period as to which Landlord has not been able to secure a replacement tenant, Additional Rent after termination shall be deemed offset by the amount of additional rent payable by a replacement tenant. The fair rental value of the Premises shall be based upon the then prevailing rent obtainable for the Premises or for comparable space over comparable periods in the Project. Except in the case of Landlord's default, no termination of this Lease prior to the scheduled expiration thereof shall affect Landlord's right to collect Rent or Landlord's costs and expenses incurred by reason of such Default, including reasonable attorney's fees, for the period prior to the termination thereof.

(b) Landlord, as Tenant's agent, without terminating this Lease, may enter upon, retake and relet the Premises at the best price obtainable exercising commercially reasonable efforts, for any term Landlord deems appropriate, and Tenant shall be liable immediately to Landlord for all costs Landlord incurs in reletting the Premises, including without limitation, reasonable attorneys' fees, brokers' commissions, reasonable expenses of remodeling the Premises and like costs and Tenant's right to possession of the Premises shall immediately be terminated. Tenant shall be liable to Landlord for the deficiency, if any, between all Rent due hereunder and the rent received by Landlord as a result of such reletting or receivership (after first deducting from the rents received from such reletting or receivership the costs incurred by Landlord in connection with such entry, retaking, reletting or receivership). Tenant shall have no right to any rent received by Landlord from any such reletting in excess of the Rent due hereunder. No act by Landlord with respect to the Premises in such instance shall terminate this Lease, including but not limited to acceptance of the keys, institution of an action for detainer or other dispossessory proceedings; it being understood that this Lease may only be terminated in such instance by express written notice from Landlord to Tenant, and any reletting of the Premises shall be presumed to be for and on behalf of Tenant, and not Landlord, unless Landlord expressly provides otherwise in writing to Tenant.

(c) In addition to all other remedies available to Landlord under this Lease and to Landlord's rights of self-help set forth elsewhere in this Lease, Landlord may, at Landlord's option, but is not obligated to, upon Default, pay any sum of money on behalf of Tenant that Tenant has failed to pay in accordance with the terms hereof, or perform on behalf of Tenant any covenant or obligation of Tenant that Tenant has failed duly to keep, observe and perform, and all sums so paid by Landlord and all costs incurred by Landlord in connection with such performance shall become Additional Rent payable hereunder, and shall be repaid by Tenant to Landlord upon demand, together with interest thereon at the Default Rate.

(d) Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of Landlord obtaining possession of the Premises by reason of the Default by Tenant.

(e) No remedy herein or otherwise conferred upon or reserved to Landlord shall be considered exclusive of any other remedy but the same shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute, and every power and remedy given by this Lease to Landlord may be exercised from time to time and as often as occasion may arise or as may be deemed expedient. No delay or omission of Landlord to exercise any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein. No waiver of any breach of any of the covenants of this Lease shall be construed or held to be a waiver of any other breach nor waiver, acquiescence in or consent to any further or succeeding breach of the same covenant. Neither the rights herein given to receive, collect, sue for or distrain for any Rent or to enforce the terms, provisions and conditions of this Lease or to prevent the breach of any other right or remedy hereunder or otherwise granted or arising shall in any way affect, impair or toll the right or power of Landlord to declare the Term ended and to terminate this Lease as otherwise herein provided. No failure of Landlord to insist upon strict compliance by Tenant with the terms and provisions of this Lease, and no custom or practice of the parties at variance with the terms and provisions hereunder, shall constitute a waiver of Landlord's rights to demand strict compliance by Tenant with the terms and provisions hereof. No receipt of money by Landlord from or on behalf of Tenant after a default, nor the application by Landlord of any security for the obligations of Tenant after default shall (i) reinstate, continue, or extend the Term, if the same has been terminated; (ii) affect any notice given to the Tenant; (iii) operate as a waiver of the right of the Landlord to enforce the payment of Rent then due or falling due thereafter; or (iv) operate as a waiver of the right of the Landlord to recover possession of the Premises by proper suit, action, proceeding or a waiver of any other remedy to which Landlord may be entitled on account of such default. The acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any breach by Tenant of any term, covenant or condition of this Lease.

(f) A termination of this Lease by Landlord or the recovery of possession of the Premises by Landlord or any voluntary or other surrender of this Lease by Tenant or a mutual cancellation thereof, shall not work a merger and shall at the option of Landlord, terminate all or any existing franchises or concessions, licenses, permits, subleases, subtenancies or the like between Tenant and any third party with respect to the Premises, or may, at the option of Landlord, operate as an assignment to Landlord of Tenant's interest in same.

(g) The rights given to Landlord in this Section are cumulative and shall be in addition and supplemental to all other rights or remedies that Landlord may have under this Lease, under laws then in force or in equity.

20. LIABILITY OF LANDLORD.

(a) Notwithstanding anything elsewhere in this Lease to the contrary, the term "Landlord" as used in this Lease means, with regard to the obligations and liabilities of Landlord hereunder, only the owner from time to time of the real property of which the Project and the Premises are a part, and upon the sale of said real property, Landlord and each successive owner shall be relieved of all liability hereunder except for liability which arose or accrued while such owner was Landlord, provided, however, that if any default by any Landlord hereunder creates or vests in Tenant any rights, including a right of set off or termination of this Lease, then Tenant may exercise such rights against any then current Landlord. Landlord and, in case Landlord shall be a joint venture, partnership, tenancy-in-common, association or other form of joint ownership, the members of any such joint venture, partnership, tenancy-in-common, association or other form of joint ownership, shall have absolutely no personal liability with respect to any provision of this Lease or any obligation or liability arising from this Lease or in connection with this Lease in the event of a breach or default by Landlord of any of its obligations. In no event shall Landlord be in default hereunder unless it has failed to cure such default within thirty (30) days after receipt of written notice (or if more than thirty (30) days shall be required because of the nature of the default, if Landlord shall fail to proceed diligently to cure such default after receipt of written notice). Except as otherwise provided herein or as is available under insurance policies required to be maintained by Landlord hereunder, Tenant shall look solely to the equity of the owner in the Project at the time of the breach or default for the satisfaction of any claims of Tenant. Such exculpation of liability shall be absolute and without any exception whatsoever. Notwithstanding the foregoing, in the event of failure by Landlord to give any consent, as provided in this Lease, Tenant's sole remedy shall be an action for specific performance at law, but in no event shall Landlord be responsible in monetary damages for failure to give such consent.

(b) Anything in this Lease to the contrary notwithstanding, providing such cause is not due to the willful act or gross neglect of a party, neither party shall be deemed in default with respect to the performance of any of the terms, covenants and conditions of this Lease if same shall be due to any strike, lockout, civil commotion, war-like operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain any material, service or financing, through Act of God or other cause beyond the control of such party. Such party shall not be responsible or liable for any such delays and the doing or performing of any such act or thing shall be excused for the period of the delay and the period for the performance of any such act shall be extended for the period equal to the period of such delay.

21. SURRENDER OF PREMISES.

(a) Tenant may (if not in Default) immediately prior to the expiration or earlier termination of this Lease or any extension thereof, remove all personal property, furnishings, trade fixtures, merchandise and equipment which Tenant has placed in the Premises and all debris and

rubbish, provided Tenant within a reasonable time prior to Lease expiration or earlier termination repairs all damage to the Premises caused by such removal. Notwithstanding the foregoing, Tenant shall not be permitted to remove any other alterations, additions or improvements to the Premises without Landlord's consent, including but not limited to wall coverings, floor coverings, fixtures (other than trade fixtures).

(b) Upon the expiration or earlier termination of this Lease or the reentry by Landlord of the Premises following Default, Tenant shall at once surrender possession of the Premises to Landlord in the same condition as upon delivery of possession to Tenant hereunder, reasonable wear and tear excepted and damage or loss by casualty or condemnation excepted, shall surrender all keys for the Premises to Landlord, and shall remove all Tenant's effects therefrom subject to and as provided in subsection (a). Should any property of Tenant remain in or about the Premises following such expiration or termination (or upon reentry by Landlord following Default), then such property shall be conclusively deemed to have been abandoned by Tenant, and Landlord shall have the right, at the expense of Tenant, to dispose of said property without liability for damages or otherwise. Any proceeds from such disposition may be applied by Landlord to the expense of removal, storage or sale and to any amounts due under this Lease, with the balance to be retained by Landlord.

22. EXTERIOR SIGNS. Tenant shall place no signs, awnings, canopies, advertising matter or other thing of any kind on any exterior door, wall or window, or upon the roof of the Premises except with the prior written consent of Landlord, or as specified in Exhibit C attached hereto and made a part hereof. Any and all signs placed on the Premises by Tenant shall be maintained in compliance with all governmental ordinances, rules and regulations governing such signs, and Tenant shall be responsible to Landlord for any damage caused by the installation, use, removal or maintenance of the same or violation of any ordinance, rule or regulation with regard thereto. All such signs, awnings, canopies, advertising matter or other thing of any kind shall be removed by Tenant upon the expiration or termination of this Lease, and upon such removal Tenant shall simultaneously repair all damage incidental to such removal. All pylon and monument signs serving the Premises shall be deemed to be part of the land, shall not be removed by Tenant and shall be surrendered to Landlord as part of the Premises at the expiration of this Lease.

23. RIGHT OF ENTRY. Landlord or Landlord's agents shall have the right to enter the Premises at any and all times, upon at least 24 hour prior notice to Tenant, except in case of an emergency, to examine and inspect the same, to show them to prospective purchasers of the Project or within the last six (6) months of the Lease Term, to show them to prospective tenants of the Project or the Premises, to post notices of non-responsibility and to make such repairs, alterations, improvements or additions as Landlord may deem necessary or desirable or which result from Default. Landlord shall be allowed to take all material into and upon the Premises that may be required for repairs, alterations, improvements or additions without the same constituting an eviction of Tenant in whole or in part, including but not limited to, erecting scaffolding and any other necessary structures where required by the character of the work to be performed, always providing that the entrance to the Premises shall not be blocked thereby and Tenant's business and its enjoyment of the Permitted Use shall not be interfered with unreasonably, and the Rent shall in no event abate while said repairs, alterations, improvements, or additions are being made, by reason of loss or interruption of business of Tenant, or otherwise. During the six (6) months prior

to the expiration of the Term, Landlord may exhibit the Premises to prospective tenants or purchasers, and place upon the Premises the usual notices "To Let" or "For Sale," which notices Tenant shall permit to remain thereon without molestation. Tenant hereby waives any claim for damages or for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby, provided that Landlord performs all such actions in a commercially reasonable manner. For each of aforesaid purposes, Landlord shall at all times have and retain a key to all doors in, upon and about the Premises, excluding Tenant's vaults, safes and files, and Landlord shall have the right to use any and all means that Landlord may deem proper to gain access to the Premises in an emergency, without liability to Tenant except for any failure to exercise due care for Tenant's property. Landlord's entry on the Premises shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or a constructive eviction of Tenant from the Premises or any portion thereof.

24. SUBORDINATION/ATTORNMENT/ESTOPPEL.

(a) At Landlord's election, this Lease shall be subordinate or superior to any lien of any present or future mortgage, deed of trust or other security instrument (collectively an "encumbrance") placed by Landlord upon the Premises or the Project, irrespective of the time of execution or the time of recording of the encumbrance. Provided that Tenant is not in default hereunder beyond any applicable period of cure, Tenant's agreement to subordinate to any deed of trust is subject to Tenant's occupancy under this Lease not being disturbed by such lien holder put in place after the execution of this Lease Agreement. From time to time, Landlord may elect that this Lease be subordinate to the lien of any encumbrance, or that this Lease be paramount to the lien of any encumbrance, by giving notice to Tenant. Landlord initially elects and gives notice to Tenant that this Lease shall be subordinate to the lien of any present or future encumbrance placed by Landlord upon the Premises or the Project. The exercise of any of the elections provided in this Section shall not affect Landlord's right to elect differently thereafter from time to time; provided, however, Landlord may not change its initial election without the consent of the holder or beneficiary of such encumbrance. The foregoing provisions shall be self-operative and no further instrument shall be required. Tenant shall, within ten (10) days after request therefore by Landlord, execute an instrument confirming that this Lease is subordinate or paramount (as Landlord may elect) to the encumbrance, in a form as may be required by the holder or beneficiary thereof, provided, however, that such instrument contains statements that are true and accurate and otherwise expressly provide that so long as Tenant is not in default under this Lease beyond any applicable cure periods, Tenant's (including any permitted subtenant's and/or assignee's) possession and quiet enjoyment shall not be disturbed and further provided that the terms thereof do not materially alter the economic terms of this Lease or materially diminish the rights, or materially increase the obligations, of Tenant.

(b) If the Premises or the Project is encumbered, and the encumbrance is foreclosed, or if the Premises or Project is sold pursuant to foreclosure or by reason of a default under any encumbrance, the following shall apply notwithstanding the foreclosure, the sale, or the default: (i) Tenant shall not disaffirm this Lease or any of its obligations under this Lease; (ii) at the request of the applicable mortgagee or purchaser at the foreclosure or sale, Tenant shall attorn to the ground lessor, mortgagee or purchaser, and execute a new lease for the Premises

setting forth all of the provisions of this Lease, except that the term of the new lease shall be for the balance of the Term, provided, however, that such instrument expressly provides that so long as Tenant is not in default under such Lease beyond any applicable cure periods, Tenant's (including any permitted subtenant's and/or assignee's) possession and quiet enjoyment shall not be disturbed and further provided that the terms thereof do not materially alter the economic terms as provided in this Lease or materially diminish the rights, or materially increase the obligations, of Tenant as provided in this Lease.

(c) Within ten (10) days after request therefor by Landlord, or in the event of any sale, assignment or hypothecation of the Premises, the Project and/or the land thereunder by Landlord, Tenant agrees to deliver in recordable form, an estoppel certificate to any proposed ground lessor, mortgagee or purchaser, or to Landlord, certifying that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified, and stating the modifications), that there are no defenses or offsets thereto (or stating those claims by Tenant), the dates to which Base Rent and other Rent has been paid, and such other matters as may be requested to the extent the certificate is consistent with industry standards and the terms thereof are true, correct and ascertainable and do not attempt to alter the terms of the Lease. If Tenant fails to deliver such certificate as required herein, Tenant shall be deemed to have conclusively agreed to and be bound by all matters set forth in the certificate as submitted by the requesting party.

(d) Any document to be delivered under this Section may be relied upon by a prospective purchaser or encumbrancer of all or any portion of the Project.

(e) If in connection with obtaining financing for the Project, Landlord's lender shall request reasonable modifications in this Lease as a condition to such financing, Tenant will not unreasonably withhold, delay, or defer its consent thereto, provided that such modifications do not increase the monetary obligations of Tenant hereunder or materially impair the leasehold interest hereby created or materially diminish the rights, or materially increase the obligations, of Tenant.

(f) Tenant agrees to give any mortgage and/or deed of trust holder, as to all or a portion of the Project, by certified mail, return receipt requested, a copy of any notice of default served upon Landlord, provided that prior to such notice Tenant has been notified in writing (by way of notice or assignment of rents and leases, or otherwise) of the addresses of such parties. Tenant agrees not to exercise any remedies available by virtue of a Landlord's failure to cure a default within thirty (30) days after receipt of notice of default (or such additional time as may be reasonably necessary to cure such default) unless Tenant has also given such parties a reasonable opportunity to cure such default (including but not limited to foreclosure proceedings if necessary to effect such cure).

25. NO ESTATE IN LAND. This Lease shall only create the relationship of Landlord and Tenant between the parties hereto and the parties state that they have not created and do not intend to create any relationship between them other than as landlord and tenant.

26. PARKING. Tenant shall have the right to occupy on a nonassigned, nonexclusive basis, and without charge, all parking spaces in the parking lot adjacent to the building. Tenant agrees to abide by such rules and regulations for parking use as Landlord may from time to time impose.

27. HOLDING OVER. If Tenant remains in possession of the Premises after the expiration or termination of the Term, without the execution of a new lease, Tenant shall be a tenant at will, and Landlord shall have no obligation to notify Tenant of any termination of Tenant's possession. Commencing on the date following the date of such expiration or termination, the Base Rent shall, for each month or fraction thereof that Tenant so remains in possession, be one hundred and fifty percent (150%) of the Base Rent in effect at the expiration or termination of this Lease, subject to all the other terms and provisions of this Lease. Tenant shall indemnify and hold Landlord harmless from all losses or liability, including any claim made by any successor tenant, arising from Tenant's failure to surrender the Premises on a timely basis.

28. HAZARDOUS MATERIALS. Tenant shall not cause or permit the use, generation, storage or disposal in or about the Premises of any substances, materials or wastes subject to regulation under any federal, state or local law from time to time in effect concerning hazardous, toxic or radioactive materials (hereinafter "Hazardous Materials") unless Tenant shall have received Landlord's prior written consent, which consent Landlord may withhold or at any time revoke at its sole discretion. If Tenant uses, generates, stores or disposes of any Hazardous Materials in or about the Premises, Tenant shall obtain all necessary permits and comply with all statutes, regulations and rules applicable to such activity. Furthermore, Landlord shall have the right to require that Tenant deliver periodic environmental audits of the Premises evidencing that no violations have occurred. Tenant shall indemnify and hold Landlord harmless from and against all liability, cost, claim, penalty, expense and fees (including court costs and attorney's fees) arising from Tenant's use, generation, storage, or disposal of Hazardous Materials in or about the Premises. This section shall survive the expiration or earlier termination of this Lease.

29. NOTICES. Any notice required or permitted to be given hereunder shall be deemed sufficient if in writing and sent by United States registered or certified mail, postage prepaid, nationally recognized overnight courier, hand-delivery or telecopy followed by another copy sent in one of the preceding fashions to the party being given notice, at the addresses set forth on the Lease Summary Sheet. Either party hereto may change its address for notices or may designate other or additional persons to receive such notices by giving the other party notice of such change. Notice given as herein above provided shall be deemed received by the party to whom it is addressed on the day on which said notice, properly addressed and bearing sufficient postage, is deposited in the United States mail, the day after deposit with an overnight courier, or when hand-delivered or telecopied to such party at the address set forth herein. The refusal to accept delivery shall constitute acceptance.

30. QUIET ENJOYMENT. Upon payment by Tenant of the Rent herein provided, and upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed under this Lease, Tenant shall peaceably and quietly hold and enjoy the Premises for the Term without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under Landlord, subject, nevertheless, to

the terms and conditions of this Lease and subject to all the provisions of any mortgage, deed of trust, ground lease or other encumbrance affecting all or any portion of the Project.

31. INTENTIONALLY OMITTED.

32. MISCELLANEOUS.

(a) The term "Landlord" as used in this Lease shall include the party signing this Lease as Landlord and its assigns and successors in title to the Premises. The term "Tenant" shall include the party signing this Lease as Tenant and his or its heirs, executors, administrators, legal representatives, successors, and, if this Lease shall be validly assigned or if the Premises should be sublet, shall also include Tenant's assignees or sublessees, as to the Premises covered by such assignment or sublease. "Landlord" and "Tenant" shall include male and female, singular and plural, corporation, partnership or individual, as may fit the particular parties.

(b) The marginal captions in this Lease are for convenience of reference only, and are not to be considered a part hereof and shall not limit or otherwise affect any of the terms of this Lease.

(c) This Lease shall not be recorded without the prior written consent of Landlord.

(d) Time is of the essence of this Lease.

(e) If any provision of this Lease or the application of any provision of this Lease to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Lease, or the application of such provision to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby; and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

(f) This Lease and the exhibits attached hereto set forth all the terms, conditions, provisions and agreements between Landlord and Tenant concerning the Premises, and there are no promises, agreements or undertakings, either oral or written, between the parties concerning the Premises other than as set forth herein. No amendment, modification or addition to this Lease shall be binding upon the parties unless in writing and executed by the parties.

(g) This Lease shall be governed by and construed in accordance with the laws of the State of Tennessee.

(h) Tenant warrants that it has had no dealings with any broker or agent in connection with the negotiation or execution of this Lease other than with Landlord's broker, Freeman Webb Company Realtors, and Tenant covenants to pay, hold harmless and indemnify Landlord from and against any and all cost, expense or liability for any compensation, commissions or charges claimed by any broker or agent with respect to the negotiation or execution of this Lease on Tenant's behalf.

(i) Each individual executing this Lease on behalf of Tenant represents and warrants that such individual has been duly authorized by Tenant to do so. Each individual executing this Lease on behalf of Landlord represents and warrants that such individual has been duly authorized by Landlord to do so. Tenant agrees to provide Landlord with all documentation requested by Landlord in order to satisfy Landlord that Tenant is a duly organized entity, with the power and authority to enter into this Lease, and the financial ability to meet its obligations hereunder.

(j) This Lease may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Lease shall not be deemed fully executed until a fully executed document has been delivered to Tenant.

(k) The waiver by Landlord or Tenant of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained. The acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any breach by Tenant of any term, covenant or condition of this Lease.

(l) The covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

(m) Whenever a day is appointed herein on which, or a period of time is appointed within which, either party hereto is required to do or complete any act, matter or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such party is prevented from, or is interfered with, the doing or completion of such act, matter or thing because of strikes, lock outs, embargoes, unavailability of labor or materials, wars, insurrections, rebellions, civil disorder, declaration of national emergencies, acts of God, or other causes beyond such party's reasonable control (financial inability excepted); provided however, nothing contained in this section shall excuse Tenant from the prompt payment of any Rent or Landlord from the prompt payment of any amounts due to Tenant hereunder, except as may be expressly provided elsewhere in this Lease.

(n) In the event of any sale of the Project or any part thereof, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring on or after the consummation of such sale, and the purchaser at such sale or any subsequent sale shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out any and all of the covenants and obligations of the Landlord under this Lease.

33. SECURITY DEPOSIT. As security for the full and faithful performance of every covenant or condition of this Lease to be performed by Tenant, Tenant has paid to Landlord the Security Deposit, an amount equal to Twenty-Five Thousand Three Hundred Fifty-One dollars and Thirty-Four cents (\$25,351.34), receipt of which is hereby acknowledged. If Tenant shall

default with respect to any covenant or condition of this Lease, including but not limited to the payment of Rent, or any other payment due under this Lease, Landlord may apply all or part of the Security Deposit to the payment of any sum in default or any other sum which Landlord may be required to spend or incur by reason of Tenant's default. In such event, Tenant shall upon demand, deposit with Landlord the amount so applied to replenish said Security Deposit. If Tenant shall have fully complied with all of the covenants and conditions of this Lease, but not otherwise, the amount of the Security Deposit then held by Landlord shall be repaid to Tenant within thirty (30) days after the expiration or termination of the Lease. In the event of the Tenant's default, Landlord's right to retain the Security Deposit shall be deemed to be in addition to any and all other rights and remedies at law or in equity available to Landlord for Tenant's default under this Lease.

34. INTENTIONALLY OMITTED.

35. ATTORNEYS' FEES. Except as set forth specifically herein, if Tenant or Landlord brings any action for any relief against the other, declaratory or otherwise, arising out of this Lease, the losing party shall pay to the prevailing party a reasonable sum for attorneys' fees, which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not the action is prosecuted to judgment or otherwise settled among the parties, provided, however, that any claims for attorney's fees in the case of settlement shall be addressed in the settlement.

36. LANDLORD DEFAULT. If Landlord fails to comply with any term, provision or covenant of this Lease, and such failure continues for thirty (30) days following Landlord's receipt of notice from Tenant (or if Landlord cannot comply within thirty (30) days, within such additional time frame needed to cure, provided Landlord is diligently pursuing the cure of the same), Landlord shall be deemed in default of this Lease. In the event of a Landlord default, Tenant shall have the following remedies:

(a) Tenant may proceed in equity or at law to compel Landlord to perform its obligations and/or to recover damages proximately caused by such failure to perform (except to the extent Tenant has waived its right to damages resulting from loss to property as provided herein); or

(b) Tenant may elect to cure Landlord's default, in which event, Tenant may deduct any reasonable costs associated with curing Landlord's default against future installments of Base Rent and Additional Rent, together with interest at the same rate that Landlord may recover from Tenant as provided in this Lease, from the date of such expenditure until Tenant is reimbursed in full; if the future installments of Base Rent and Additional Rent are insufficient to satisfy Landlord's indebtedness to Tenant, Landlord shall pay to Tenant in a lump sum the excess of the amount of the indebtedness then due.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or equity, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rights of Tenant hereunder or of any damages accruing to Tenant by reason of the violation of any of the covenants and provisions

herein contained, but the same shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute, and every power and remedy given by this Lease to Tenant may be exercised from time to time and as often as occasion may arise or as may be deemed expedient.

37. MITIGATION OF DAMAGES. Notwithstanding anything contained herein to the contrary, Landlord and Tenant covenant to use good faith and commercially reasonable efforts to mitigate any damages resulting from a default on the part of the other party under this Lease, regardless of which remedy Landlord or Tenant, however the case may be, is pursuing under this Lease. Nothing in this Section shall be construed to require or compel Landlord, in the event of any Default by Tenant, to rent to or accept any replacement tenant that Landlord, in its good faith judgment, determines would significantly adversely affect the Project or present business, health, legal, regulatory or other risks significantly greater than those inherent in the Permitted Use or other users historically permitted by Landlord in the Project.

38. LIMITATION OF DAMAGES. Liability is limited to direct actual damages and all other remedies or damages (except for equitable remedies) are expressly waived. In no event shall either party be liable to the other for any incidental, consequential, or punitive damages, lost profits or other business interruption damages.

39. LANDLORD REPRESENTATIONS. As of the Effective Date hereof, Landlord represents, warrants and covenants to Tenant as follows:

(a) Landlord has good and marketable fee simple title to the Premises, possesses full power and authority to deal therewith in all respects, and no other party has any right or option thereto or in connection therewith;

(b) there are no pending or, to the knowledge of Landlord, threatened condemnation proceedings or actions affecting the Premises;

(c) there are no pending or, to the knowledge of Landlord, threatened actions or legal proceedings affecting the Premises or Landlord's interest therein that would impair Landlord's ability to enter into this Lease;

(d) this Lease and the consummation of the transactions contemplated hereby shall be valid and binding upon Landlord and shall not constitute a default (or an event which with notice or passage of time or both will constitute default) under any contract or lease to which Landlord is a party or by which Landlord is bound;

(e) the Permitted Use, in and of itself, does not violate any rules or regulations imposed by Landlord or any lender or ground leasor and does not conflict with any other uses at the Project;

(f) any use granted after the date this Lease is executed shall not be effective to prohibit or limit the Permitted Use.

40. PRE-NEGOTIATED PURCHASE PRICE. Tenant has expressed a possible interest in purchasing the real property and improvements that comprise the Project; and Landlord has expressed a willingness to consider a sale to Tenant of said real property and improvements. Any such purchase and sale transaction shall be governed by mutually agreed upon terms and conditions which shall be negotiated and documented in a separate purchase and sale agreement. In the event Tenant and Landlord pursue such a purchase and sale agreement, both parties hereby agree to the pre-negotiated purchase price within the time periods outlined in the table below:

Pre-Negotiated Purchase Price	Time period of closing of purchase and sale transaction
\$5,500,000.00	On or before December 31, 2023
\$5,775,000.00	From January 1, 2024 thru December 31, 2024
\$6,063,750.00	From January 1, 2025 thru December 31, 2025

IN WITNESS WHEREOF, the parties have hereunto set their hands or caused this instrument to be executed, by and through their duly authorized officers, officials or representatives, as of the day and year first above written.

LANDLORD:

JOHN MAHER BUILDERS, INC., a Tennessee corporation

By: John Maher

Its: 

TENA

CITY (Signatory: John Maher

Email of signatory: johnmaher1@johnmaherbuilders.com

By: City of Spring Hill

Its: 

Signatory: Jim Hagaman

Email of signatory: jhagaman@springhilltn.org

EXHIBIT A

SITE PLAN AND DESCRIPTION OF PREMISES

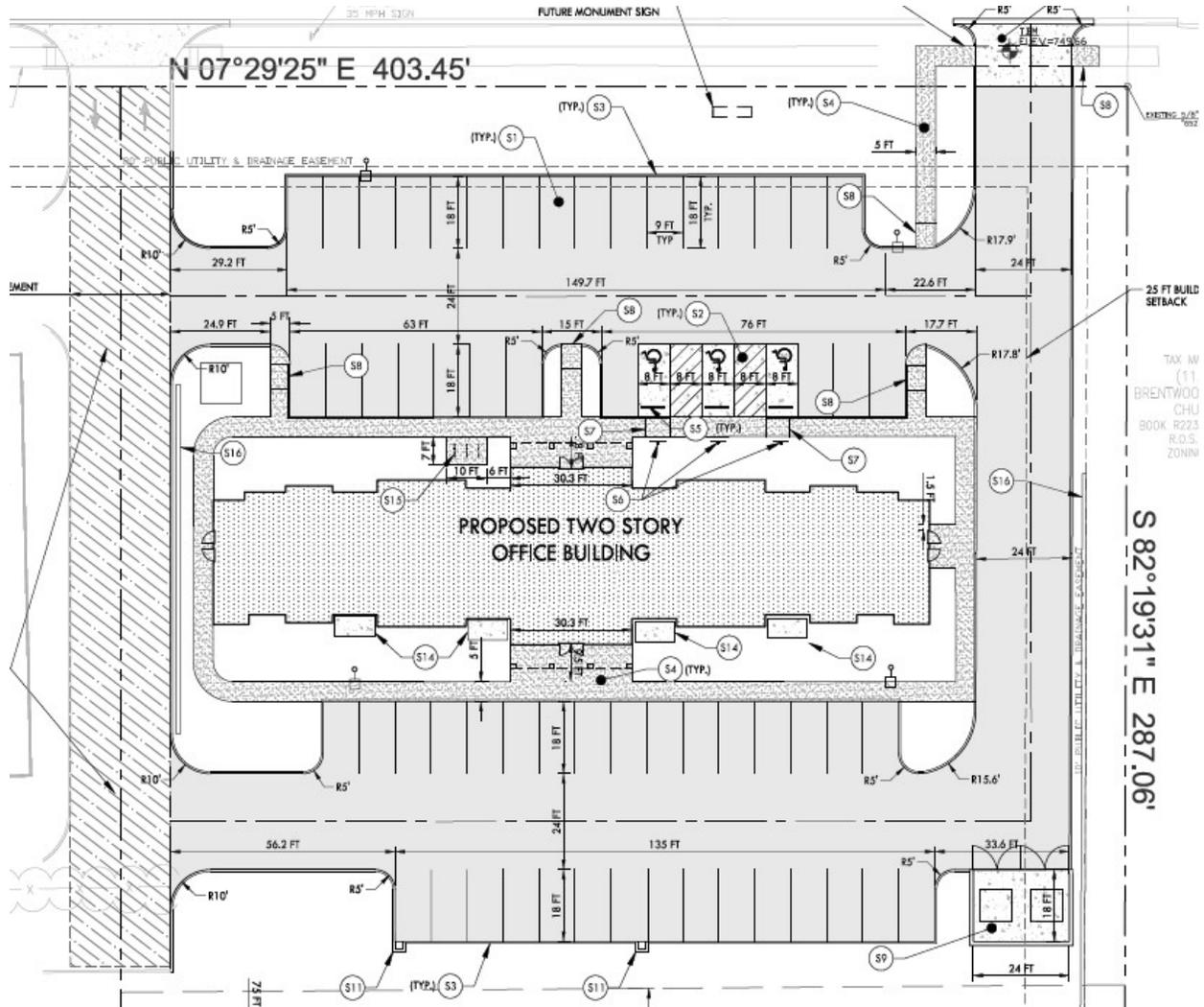


EXHIBIT B

DESCRIPTION OF LANDLORD'S WORK AND TENANT'S WORK

Other than as set forth in this Exhibit B, Landlord shall deliver the Premises to Tenant in "AS IS-WHERE IS" condition without warranty, express or implied. All improvements to the Premises in addition to Landlord's Work shall be made by Tenant, shall be made at Tenant's Expense and shall be "Tenant's Work".

LANDLORD'S WORK: Landlord shall, at its cost and expense, make the following alterations and improvements to the Premises:

1. None, no alterations or improvements will be provided by Landlord.

Landlord will use its best efforts to complete Landlord's Work by no later than October 31, 2023. Landlord shall have unrestricted access to the Premises for the purpose of performing Landlord's Work.

TENANT'S WORK: Any and all additional improvements to the Premises, other than the improvements outlined above and provided by the Landlord, shall be made by Tenant at Tenant's Expense and shall be "Tenant's Work".

Tenant shall require its contractors to obtain and maintain appropriate builder's risk insurance naming Landlord and Landlord's property manager as additional insured and to furnish Landlord with evidence thereof and of such other insurance coverage as Landlord deems necessary prior to Tenant's contractors performing any work in the Premises.

EXHIBIT C

PERMITTED SIGNAGE

Size and location(s) of Tenant's signage to be mutually determined by Landlord and Tenant.

Lease agreement with John Maher Builders 8060 Station Hill Drive

Contract ID
65316d4e34e86692e0960ac3

Filename
lease agreement, john maher.pdf

City of Spring Hill



Signatory: Jim Hagaman
Email of signatory: jhagaman@springhilltn.org
Timestamp: Monday, October 30th, 2023 11:46 PM UTC

John Maher



Signatory: John Maher
Email of signatory: johnmaher1@johnmaherbuilders.com
Timestamp: Monday, November 6th, 2023 8:18 PM UTC

What	When	Where
 Signed by John Maher johnmaher1@johnmaherbuilders.com	Nov 6, 2023 8:18 PM UTC	IP 76.122.226.168 Mozilla/5.0 (Windows NT 10.0; Win64; x64) AppleWebKit/537.36 (KHTML, like Gecko) Chrome/118.0.0.0 Safari/537.36
 Signed by Jim Hagaman jhagaman@springhilltn.org	Oct 30, 2023 11:46 PM UTC	IP 76.9.164.5 Mozilla/5.0 (Windows NT 10.0; Win64; x64) AppleWebKit/537.36 (KHTML, like Gecko) Chrome/118.0.0.0 Safari/537.36 Edg/118.0.2088.76
 Sent for signing by April Goad agoad@springhilltn.org	Oct 30, 2023 9:30 PM UTC	IP 76.9.164.5 Mozilla/5.0 (Windows NT 10.0; Win64; x64; rv:109.0) Gecko/20100101 Firefox/119.0
 Viewed by John Maher johnmaher1@johnmaherbuilders.com	Oct 23, 2023 8:45 PM UTC	IP 74.133.151.2 Mozilla/5.0 (Windows NT 10.0; Win64; x64) AppleWebKit/537.36 (KHTML, like Gecko) Chrome/118.0.0.0 Safari/537.36
 Sent for signing by April Goad agoad@springhilltn.org	Oct 19, 2023 6:00 PM UTC	IP 76.9.164.5 Mozilla/5.0 (Windows NT 10.0; Win64; x64; rv:109.0) Gecko/20100101 Firefox/118.0
 Created by April Goad agoad@springhilltn.org	Oct 19, 2023 5:54 PM UTC	IP 76.9.164.5 Mozilla/5.0 (Windows NT 10.0; Win64; x64; rv:109.0) Gecko/20100101 Firefox/118.0