

ORIGINAL

PLD-C-001

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address):

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ATTORNEY FOR (Name): Plaintiff BEIM MAPLE PROPERTIES

FOR COURT USE ONLY

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46004
D14 GREEN

FILED

Superior Court of California
County of Los Angeles

SEP 07 2017

Sherril B. Carter, Executive Officer/Clerk

By Marion Gomez Deputy

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

STREET ADDRESS: 111 N. Hill Street

MAILING ADDRESS: 111 N. Hill Street

CITY AND ZIP CODE: Los Angeles, California 90012

BRANCH NAME: Central District

PLAINTIFF: BEIM MAPLE PROPERTIES, a California limited partnership

DEFENDANT: FARADAY & FUTURE INC, a California corporation

DOES 1 TO 10

CONTRACT

COMPLAINT

AMENDED COMPLAINT (Number):

CROSS-COMPLAINT

AMENDED CROSS-COMPLAINT (Number):

Jurisdiction (check all that apply):

ACTION IS A LIMITED CIVIL CASE

Amount demanded: does not exceed \$10,000

exceeds \$10,000 but does not exceed \$25,000

ACTION IS AN UNLIMITED CIVIL CASE (exceeds \$25,000)

ACTION IS RECLASSIFIED by this amended complaint or cross-complaint:

from limited to unlimited

from unlimited to limited

CASE NUMBER:

BC675282

1. Plaintiff (name or names): BEIM MAPLE PROPERTIES, a California limited partnership

alleges causes of action against defendant (name or names): FARADAY & FUTURE INC, a California corporation; and DOES 1 to 10, inclusive

2. This pleading, including attachments and exhibits, consists of the following number of pages: 57

3. a. Each plaintiff named above is a competent adult

except plaintiff (name): BEIM MAPLE PROPERTIES, a California limited partnership

(1) a corporation qualified to do business in California

(2) an unincorporated entity (describe):

(3) other (specify) a limited partnership

b. Plaintiff (name):

a. has complied with the fictitious business name laws and is doing business under the fictitious name (specify):

b. has complied with all licensing requirements as a licensed (specify):

c. Information about additional plaintiffs who are not competent adults is shown in Attachment 3c:

4. a. Each defendant named above is a natural person

except defendant (name): FARADAY & FUTURE INC except defendant (name):

(1) a business organization, form unknown

(2) a corporation

(3) an unincorporated entity (describe):

(4) a public entity (describe):

(5) other (specify):

(1) a business organization, form unknown

(2) a corporation

(3) an unincorporated entity (describe):

(4) a public entity (describe):

(5) other (specify):

CIT/CASE #: BC675282
LEA/OFF#:
RECEIPT #: CCH621759095
DATE PAID: 09/07/17 02:47 PM
PAYMENT: \$350.00
RECEIVED:
CHECKED:
CASH:
CARD:
CHANG:
AMERICAN LEGAL NET, INC.
www.FormsWorkflow.com
*Code of Civil Procedure, § 425.12
Page 1 of 2

* If this form is used as a cross-complaint, plaintiff means cross-complainant and defendant means cross-defendant.

SHORT TITLE: BEIM MAPLE PROPERTIES v. FARADAY & FUTURE INC.	CASE NUMBER:
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4. (Continued)

b. The true names of defendants sued as Does are unknown to plaintiff:

- (1) Doe defendants (specify Doe numbers): _____ were the agents or employees of the named defendants and acted within the scope of that agency or employment.
- (2) Doe defendants (specify Doe numbers): 1-10 are persons whose capacities are unknown to plaintiff.

c. Information about additional defendants who are not natural persons is contained in Attachment 4c.

d. Defendants who are joined under Code of Civil Procedure section 382 are (names): _____

5. Plaintiff is required to comply with a claims statute; and

- a. has complied with applicable claims statutes; or
- b. is excused from complying because (specify): _____

6. This action is subject to Civil Code section 1812.10 Civil Code section 2984.4.

7. This court is the proper court because:

- a. a defendant entered into the contract here.
- b. a defendant lived here when the contract was entered into.
- c. a defendant lives here now.
- d. the contract was to be performed here.
- e. a defendant is a corporation or unincorporated association and its principal place of business is here.
- f. real property that is the subject of this action is located here.
- g. other (specify): _____

8. The following causes of action are attached and the statements above apply to each (each complaint must have one or more causes of action attached):

- Breach of Contract
- Common Counts:
- Other (specify): _____

9. Other allegations:

10. Plaintiff prays for judgment for costs of suit; for such relief as is fair, just, and equitable; and for:

- a. damages of \$15,625,771.99
- b. interest on the damages:
 - (1) according to proof
 - (2) at the rate of (specify): 10 percent per year from (date): _____
- c. attorney's fees:
 - (1) of \$ _____
 - (2) according to proof.
- d. other (specify): Such other relief as this Court finds necessary and appropriate.

11. The paragraphs of this pleading alleged on information and belief are as follows (specify paragraph numbers): _____

Date: September 7, 2017

RICHARD G. STOLL
(TYPE OR PRINT NAME)


(SIGNATURE OF PLAINTIFF OR ATTORNEY)

(If you wish to verify this pleading, affix a verification.)

2017

SHORT TITLE:

BEIM MAPLE PROPERTIES v. FARADAY & FUTURE INC.

CASE NUMBER:

FIRST CAUSE OF ACTION—Breach of Contract

(number):

ATTACHMENT TO Complaint Cross-Complaint

(Use a separate cause of action form for each cause of action.)

BC-1. Plaintiff (name): BEIM MAPLE PROPERTIES, a California limited partnership;

alleges that on or about (date): September 29, 2016

a. written; oral; other (specify):

agreement was made between (name parties to agreement): Beim Maple Properties and Faraday & Future Inc.

A copy of the agreement is attached as Exhibit A; or

The essential terms of the agreement are stated in Attachment BC-1 are as follows (specify):

BC-2. On or about (dates): December 2, 2016

defendant breached the agreement by the acts specified in Attachment BC-2 the following acts (specify): Faraday & Future Inc. ("Faraday") breached the written industrial real estate lease by failing to deliver an irrevocable letter of credit to Plaintiff as required by the lease following service of a Thirty Day Notice to Cure or Quit. On December 6, 2016, Plaintiff commenced an unlawful detainer proceeding. On January 5, 2017, judgment for possession was entered against Faraday. On January 26, 2017, Faraday was evicted and possession of the premises was returned to Plaintiff. Despite its best efforts, Plaintiff has not been able to locate a new tenant to lease the premises. Plaintiff seeks damages for lost rent and other unpaid charges.

BC-3. Plaintiff has performed all obligations to defendant except those obligations plaintiff was prevented or excused from performing.

BC-4. Plaintiff suffered damages legally (proximately) caused by defendant's breach of the agreement

as stated in Attachment BC-4 as follows (specify): At least \$685,243.88 consisting of past due charges including, but not limited to, past due rents, expenses, and common area maintenance charges. In addition, future rent and common area maintenance charges due under the lease of at least \$14,940,528.11 (subject to taking into account the present value of this amount at the appropriate time).

BC-5. Plaintiff is entitled to attorney fees by an agreement or a statute

of \$

according to proof.

BC-6. Other: Such other relief as this Court finds necessary and appropriate.

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EXHIBIT A

09/07/2017

INDUSTRIAL REAL ESTATE LEASE

By and between

**BEIM MAPLE PROPERTIES,
a California limited partnership,**

as Landlord:

and

**FARADAY & FUTURE INC.,
a California corporation,**

as Tenant.

Dated: September 29, 2016.

09/07/2017

21085075-21729403

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213051015-217341003

ARTICLE ONE - BASIC TERMS

This Article One contains the Basic Terms of this Lease between the Landlord and Tenant named below. Other Articles, Sections and Paragraphs of this Lease referred to in this Article One explain and define the Basic Terms and are to be read in conjunction with the Basic Terms.

Section 1.01. Date of Lease:

September 29, 2016

Section 1.02. Landlord:

BEIM MAPLE PROPERTIES
a California limited partnership

Address of Landlord:

1515 Monaco Drive
Pacific Palisades, California 90272
Attention: Mr. Jesse Beim

Section 1.03. Tenant:

FARADAY & FUTURE INC.
a California corporation

Address of Tenant:

Prior to Commencement Date:

18455 S. Figueroa Street
Gardena, California 90248
Attention: Andrew Wolstan

On and after the Commencement Date:

525 Maple Avenue
Torrance, California 90503
Attention: Jeremy White

with a copy to:

18455 S. Figueroa Street
Gardena, California 90248
Attention: Chinyong Deng

Section 1.04. Property:

The Property is that approximately 119,934 square foot concrete tilt-up industrial building (Building) along with the surrounding property (totaling approximately 3.23 acres) commonly known as 525 Maple Avenue, Torrance, California 90503, as more particularly depicted on Exhibit "A" attached hereto and incorporated herein by this reference.

Section 1.05. Term:

(a) Lease Term:

One Hundred Twenty-Two (122) Lease Months.

(b) Lease Commencement Date:

The later of (i) October 1, 2016, and (ii) the date on which possession of the Property is delivered to Tenant with all of Landlord's Work (as defined in Section 6.03.3 below) substantially completed.

09/07/2017

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(as reflected in a Certificate of Substantial Completion delivered by Landlord's architect).

(c) Lease Expiration Date:

The last day of the one hundred twenty-second (122nd) Lease Month.

Section 1.06: Permitted Uses:

Only for the general office, research and development, design, testing, light manufacturing, warehousing, distribution and other legally permitted uses consistent with and related thereto (See Article Five)

Section 1.07: Initial Security:

\$210,000.00 cash security deposit, plus \$1,259,406.00 letter of credit (See Sections 3.03 and 3.04)

Section 1.08: Tenant's Guarantor:

None

Section 1.09: Brokers:

(See Article Thirteen)

Landlord's Broker:
Jones Lang LaSalle Brokerage, Inc.
2141 Rosecrans Avenue, Suite 6100
El Segundo, California 90245

Tenant's Broker:
CBRE
2221 Rosecrans Avenue, Suite 100
El Segundo, California 90245

Section 1.10: Base Rent:

Months During the Term:

Monthly Installment of Base Rent:

1-12*	\$104,950.50
13-24	\$108,099.02
25-36	\$111,341.99
37-48	\$114,682.25
49-60	\$118,122.71
61-72	\$121,666.39
73-84	\$125,316.39
85-96	\$129,075.88
97-108	\$132,948.15
109-122	\$136,936.60

*Subject to the terms of Section 3.02

ARTICLE TWO LEASE TERM

Section 2.01: Lease of Property. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Property. The parties hereto agree that the lease of the Property is upon and subject to the terms, covenants and conditions herein set forth, and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of such terms, covenants and conditions by it to be kept and performed and that this Lease is made upon the condition of such perform.

09:07:2017

Section 2.02 **Term.** The term of this Lease (the "Lease Term") shall be as set forth in Section 1.03(a) and shall commence on the date (the "Lease Commencement Date") set forth in Section 1.05(b) and shall terminate on the date (the "Lease Expiration Date") set forth in Section 1.05(c), unless sooner terminated or extended as hereinafter provided. At any time during the Lease Term, Landlord may deliver to Tenant a notice of Lease Term Dates in the form as set forth in Exhibit "D", attached hereto, which notice Tenant shall execute and return to Landlord within five (5) business days of receipt thereof. The terms and provisions of this Lease shall be effective as of the Date of Lease. Except as otherwise specifically provided herein, Landlord shall not be liable to Tenant if Landlord does not deliver possession of the Property to Tenant by any certain date. Landlord's non-delivery of the Property to Tenant by any date shall not affect this Lease nor the obligations of Tenant under this Lease except that the Lease Commencement Date shall be delayed until Landlord delivers possession of the Property to Tenant (unless such delay is the result of a delay caused by Tenant) and the Lease Term shall be extended for the number of days necessary to end the Lease Term on the last day of a calendar month.

Section 2.03. **Early Occupancy.** To the extent that all of Landlord's Work has been substantially completed (as reflected in a Certificate of Substantial Completion delivered by Landlord's architect) prior to October 1, 2016, then on any date thereafter and prior to the Lease Commencement Date, Tenant shall have the right to access the Property for the purpose of installing its furniture, fixtures, equipment and special leasehold improvements in the Building and on the Property, subject to Tenant reasonably scheduling such entry and work with Landlord (and/or its general contractor) such that there shall be no interference with the final completion of Landlord's Work, provided that: (i) this Lease has been fully executed and delivered; (ii) Landlord has received all of the Initial Security and the third (3rd) month's Base Rent; (iii) such access only occurs during the times that Landlord or its general contractor is at the Property; (iv) Tenant and its agents do not interfere with the final completion of Landlord's Work, if any, on the Property; (v) Tenant has obtained its insurance policies as set forth in Section 1.01 of this Lease and Landlord is in receipt of Tenant's insurance binder naming Landlord as additional named insured; (vi) Tenant shall not commence conducting its business operations in the Building or on the Property; and (vii) all of the terms and conditions of this Lease shall apply, other than Tenant's obligation to pay Rent (as defined in Section 1.01, below), as though the Lease Commencement Date had occurred (although the Lease Commencement Date shall not actually occur until the occurrence of the same pursuant to the terms of Section 2.01) upon such entry into the Property by Tenant; provided, however, Tenant shall be liable for any utilities consumed at the Property during such period of early occupancy in accordance with Section 1.03, below. Tenant shall hold Landlord harmless from and indemnify, protect and defend Landlord against any loss or damage to the Property and against injury to any persons caused by Tenant's actions or anyone's actions who are directly or indirectly employed by the Tenant during its early occupancy pursuant to this Section 2.03. Tenant shall assume all risk of loss to Tenant's personal property, merchandise and fixtures other than if there is loss to such personal property, merchandise and fixtures as a result of the gross negligence or willful misconduct of Landlord or its agents.

Section 2.04. **Holding Over.** In the event (i) Tenant retains possession of the Property and holds over after the expiration of the Lease Term hereof, with or without the express or implied consent of Landlord, or (ii) Tenant has vacated the Property, but has failed to return exclusive possession of the Property in the manner required by this Lease, such tenancy shall be from month-to-month only and shall not constitute a renewal hereof or an extension for any further term, and in such case Base Rent shall be payable at a monthly rate equal to: (a) during the first three (3) months of any holdover, one hundred twenty-five percent (125%) of the Base Rent applicable during the last rental period of the Lease Term under this Lease; and (b) during any period thereafter, one hundred fifty percent (150%) of the Base Rent applicable during the last rental period of the Lease Term under this Lease. Such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein. Nothing contained in this Section 2.04 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Property to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Section 2.04 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Property upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, reasonable costs (including reasonable attorney's fees) and liability resulting from such

failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender and any lost profits to Landlord resulting therefrom.

Section 2.05: Option to Extend Lease Term

2.05.1 Option Right. Landlord hereby grants to the Tenant one (1) option ("Option") to extend the Lease Term for a period of ten (10) years ("Option Term") on the same terms and conditions as set forth in this Lease but with an increased Base Rent, as set forth below. The Option shall be exercisable only by written notice delivered by Tenant to Landlord no more than twelve (12) months nor less than nine (9) months prior to the expiration of the Lease Term. If Tenant fails to deliver Landlord written notice of the exercise of the Option by such deadline, such Option shall lapse and there shall be no further right to extend the Lease Term. The Option shall be exercisable by Tenant on the express condition that at the time of the exercise, and at all times prior to the commencement of such Option Term, Tenant shall not be in default under any of the provisions of this Lease, following Tenant's timely and valid exercise of the Option. Landlord shall prepare and Tenant shall execute and deliver to Landlord an amendment to this Lease confirming the Option Term and the amount of Base Rent payable by Tenant during such Option Term (as determined in accordance with Section 2.05.3 below).

2.05.2 Personal. The Option granted herein is personal to the Tenant named above and a Permitted Transferee (as defined in Section 9.08 below) if this Lease has been validly assigned to such Permitted Transferee in compliance with Section 9.08 below (the "Original Tenant") and shall not be transferable to any other person or entity including (but not limited to) any sublease of all or any portion of the Property and any assignee or other transferee of Tenant's interest in the Property, whether such interest was assigned or transferred intentionally or by operation of law. If Tenant subleases any portion of the Property or assigns or otherwise transfers any interest under this Lease to an entity prior to the exercise of the Option (whether with or without Landlord's consent), such Option shall lapse. If Tenant subleases any portion of the Property or assigns or otherwise transfers any interest of Tenant under this Lease to an entity after the exercise of the Option but prior to the commencement of the Option Term (whether with or without Landlord's consent), then such Option shall lapse, in Landlord's sole discretion, and the Lease Term shall expire as if such Option were not exercised.

2.05.3 Option Rent. The initial Base Rent payable by Tenant during the Option Term (the "Initial Option Rent") shall commence upon the first (1st) day of the first (1st) month of the Option Term ("Option Rental Adjustment Date") and shall be an amount equal to the greater of (i) the Base Rent being paid by Tenant under this Lease immediately prior to the Option Term and (ii) the Fair Market Value (as defined below). As used herein, "Fair Market Value" shall mean the fair market value rental rate that comparable tenants have paid and comparable landlords have accepted in an arms length transaction between parties for comparable non-subleased non-embarked space with a comparable use, size, and quality to the Building in comparable buildings for a term of ten (10) years in Torrance, Carson and Redondo Beach, California, provided however, with respect to any buildings used for comparison purposes in Carson, California, such buildings shall only be those A-rated buildings owned by the Watson Tank Company or the Carson Companies. In determining the Fair Market Value, no consideration shall be given to (a) annual rental rates per available square foot and (b) the number in which multiple expenses are being paid by tenants such that the available rates can be compared on an apples-to-apples basis. The Fair Market Value of the Property shall be determined in the following manner:

(a) Not later than two hundred forty (240) days prior to the Option Rental Adjustment Date, Landlord and Tenant shall negotiate in good faith the Fair Market Value of the Property as of such Option Rental Adjustment Date. If Landlord and Tenant have not agreed upon the Fair Market Value of the Property at least two hundred forty (240) days prior to the Option Rental Adjustment Date, the Fair Market Value shall be determined as set forth below in subsection (b).

(b) If Landlord and Tenant fail to reach an agreement on the Initial Option Rent at least two hundred forty (240) days prior to the Option Rental Adjustment Date (the "Outside Agreement Date"), then each party shall make separate determinations of the applicable Fair Market Value to be submitted to each other and to arbitration in accordance with the following provisions: (i) Landlord and Tenant shall each appoint within ten (10) business days of the applicable Outside Agreement Date, one arbitrator who shall, by profession, be a commercial real estate

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broker for commercial industrial properties working in the immediate vicinity of the Property, and who has been active in such field over the last fifteen (15) years. The determination of the arbitrators shall be limited solely to the issue of whether Landlord's or Tenant's submitted Fair Market Value for the Option Term is closer to the actual Fair Market Value as determined by the arbitrator, taking into account the requirements set forth above. (ii) The two (2) arbitrators so appointed shall within five (5) business days of the date of the appointment of the first appointed arbitrator in person and appoint a third arbitrator who shall be qualified under the same criteria set forth hereinabove for qualification of the initial two (2) arbitrators. (iii) The three (3) arbitrators shall within fifteen (15) days of the appointment of the third arbitrator reach a decision as to whether the parties shall use Landlord's or Tenant's submitted Fair Market Value for the Option Term, and shall notify Landlord and Tenant thereof. (iv) The decision of the majority of the three (3) arbitrators shall be binding upon Landlord and Tenant. (v) If either Landlord or Tenant fails to appoint an arbitrator within ten (10) business days after the applicable Outside Agreement Date, the arbitrator appointed by one of them shall reach a decision, notify Landlord and Tenant thereof, and such arbitrator's decision shall be binding upon Landlord and Tenant. (vi) If the two arbitrators fail to appoint and appoint a third arbitrator, then the parties shall mutually select the third arbitrator. If Landlord and Tenant are unable to agree upon the third arbitrator within ten (10) days after either party may, upon at least five (5) days prior written notice to the other party, request the presiding judge of the Los Angeles County Superior Court in accordance with the terms of Section 1281.6 of the California Code of Civil Procedure, to appoint the third arbitrator. Following the appointment of the third arbitrator, the panel of arbitrators shall within fifteen (15) days thereafter reach a decision as to whether Landlord's or Tenant's submitted Fair Market Value shall be used for the Option Term, and shall notify Landlord and Tenant thereof, and (vii) the cost of arbitration shall be paid by Landlord and Tenant equally. Within ten (10) business days following the determination of the Fair Market Value and the Initial Option Rent, the parties shall enter into an amendment to the Lease memorializing such Initial Option Rent for the Option Term (subject to the annual increases for the balance of the Option Term of three percent (3%) per annum).

(c) If the Fair Market Value is not determined prior to the Option Rent Adjustment Date then Tenant shall continue to pay to Landlord the Base Rent applicable to the Property immediately prior to the Option Term until the Fair Market Value is determined. When the Fair Market Value of the Property is determined, Landlord shall deliver notice thereof to Tenant and Tenant shall pay to Landlord, within ten (10) days after receipt of such notice, the difference between the Base Rent actually paid by Tenant to Landlord and the new Base Rent determined hereunder.

ARTICLE THREE: BASE RENT SECURITY

Section 3.01: **Time and Manner of Payment.** Upon execution of this Lease, Tenant shall pay Landlord the Base Rent in the amount stated in Section 1.0 above for the first (1) month of the Lease Term (which Landlord shall be permitted to credit against the Base Rent for the third (3) month of the Lease Term without any notice to Tenant). On the first (1) day of the fourth (4) month of the Lease Term and each month thereafter, Tenant shall pay to Landlord the Base Rent in advance, without objection or demand, to the Base Rent shall be payable to Landlord c/o Grechek & Blaine, C.A.S., 15260 Ventura Boulevard, Suite 1705, Sherman Oaks, California 91404. Any: Mr. Bill Osborn for all such other places as Landlord may designate in writing. If any rental payment date (including the Lease Commencement Date) falls on a day of the month other than the first (1) day of such month, or if any rental payment is for a period which is shorter than one (1) month, then the rental for any such period shall be a pro-rata amount of a full calendar month's rental. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis. As used herein, the term "Lease Month" shall mean each consecutive month during the Lease Term with the first (1) Lease Month commencing on the Lease Commencement Date. For purposes of this Lease, the term "Lease Year" shall mean each consecutive twelve (12) month period during the Lease Term commencing with the first (1) Lease Month.

Section 3.02: **Abatement of Base Rent.** Provided that Tenant is not in default under the terms of this Lease, Tenant shall be entitled to a one-time Base Rent credit for the first (1) and second (2) Lease Months (the "Abatement Period") of the initial Lease Term in an amount equal to One Hundred Four Thousand Nine Hundred

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Fifty and 50/100 Dollars (\$107,950.50) per Lease Month (for a total of Two Hundred Nine Thousand Nine Hundred One and No/100 Dollars (\$209,901.00)).

Section 3.03: Security Deposit

3.03.1 Upon the execution of this Lease, Tenant shall deposit with Landlord a cash Security Deposit in the amount set forth in Section 1.07 above. Landlord may apply all or part of the Security Deposit to any unpaid rent or other charges due from Tenant or to cure any other defaults of Tenant. In the event any bankruptcy, insolvency, reorganization, or other creditor-debtor proceedings shall be instituted by or against Tenant, or if any court or arbitrator or any judgment or award be rendered against Tenant, such deposit shall be deemed to be applied first to the payment of any rent and/or other charges due Landlord for all periods prior to the institution of such proceedings, and the balance, if any, of such deposit may be retained by Landlord in partial liquidation of Landlord's claims against Tenant. The Security Deposit shall not constitute a trust fund. If Landlord uses any part of the Security Deposit, Landlord shall restore the Security Deposit to its full amount within five (5) days after Landlord's written request. Tenant's failure to do so shall be a material default under this Lease. Tenant is not entitled to any interest on the Security Deposit. Landlord shall not be required to keep the Security Deposit separate from its other accounts and no trust relationship is created with respect to the Security Deposit.

3.03.2 Within sixty (60) days after the later of (i) the termination of this Lease, not resulting from Tenant's default, and (ii) Tenant has vacated the Property in the manner required by this Lease, Landlord shall refund or credit to Tenant (or Tenant's successor) the unused portion of the Security Deposit along with a statement setting forth in reasonable detail (including supporting documentation) the use made of the Security Deposit. Landlord's use of the Security Deposit will not be deemed to be a default under this Lease. Tenant hereby waives the provisions of Section 1951.2 of the California Civil Code or any successor statute. Tenant agrees that upon any termination resulting from Tenant's default, the Security Deposit may be held and applied against future damages.

Section 3.04: Letter of Credit

3.04.1 In addition to the cash Security Deposit, Tenant shall deliver to Landlord within five (5) business days following the initial execution and delivery of this Lease by Landlord and Tenant, an unconditional, irrevocable standby letter of credit (the "L/C") in the amount set forth in Section 1.07 above (the "L/C Amount"). The L/C shall be issued by a money center, solvent and nationally recognized bank (a bank which accepts deposits, maintains accounts, has a local Los Angeles office which will accept a letter of credit or if located outside of Los Angeles, will accept a letter of credit by Federal Express, and whose deposits are insured by the FDIC) reasonably acceptable to Landlord (such approval of lending bank being referred to herein as the "Bank"). The Bank must have a Short Term Letter Rating which rating which is not less than "A" and a Long Term Letter Rating which is not less than "A" or in the event such credit ratings are no longer available or comparable rating from Standard and Poor's Professional Rating Service or Moody's Professional Rating Service) at the time of issuance (collectively, the "Bank's Credit Rating Threshold") and which L/C shall be in such form approved by Landlord (such approval shall not be unreasonably withheld or conditioned) shall be granted or denied within five (5) business days. Notwithstanding the foregoing, Landlord hereby approves Chase Bank as the Bank if selected by Tenant. Landlord shall pay all expense, printing and/or fee incurred by Tenant in obtaining the L/C. The L/C shall (i) be payable at sight, irrevocable and unconditional, (ii) be maintained in effect, whether through renewal or extension, for the period commencing on the date of this Lease and continuing until the date of the Lease Termination Date, (iii) not be less than ninety (90) days after the expiration of the Lease, and (iv) be available to Landlord at any time for renewal or extension to Landlord at least thirty (30) days prior to the expiration of the L/C then held by Landlord. Without any action whatsoever on the part of Landlord, the L/C shall be available to Landlord, without any action whatsoever on the part of Landlord, until the expiration of the L/C then held by Landlord, and Landlord shall not be liable for any partial draws and multiple presentations and drawings, and (v) be otherwise subject to the International Standby Practices (ISP 98), International Chamber of Commerce Publication #590. Landlord shall have the right to draw down an amount up to the face amount of the L/C at any of the following shall have occurred or be applicable: (A) Tenant is in default under the Lease including, without limitation, any amount is owed to Landlord under the terms and conditions of the Lease, or (B) Tenant has filed a voluntary petition under the U.S. Bankruptcy Code or any other bankruptcy code (collectively, "Bankruptcy Code"), or (C) an involuntary petition has been filed against Tenant under the

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Bankruptcy Code, or (D) the Bank has notified Landlord that the L-C will not be renewed or extended through the L-C Expiration Date unless Tenant delivers a replacement L-C at least thirty (30) days prior to the expiration of the existing L-C, or (E) Tenant is placed into receivership or conservatorship, or becomes subject to similar proceedings under Federal or State law, or (F) Tenant executes an assignment for the benefit of creditors (each of the foregoing being an "L-C Draw Event"). The L-C shall be honored by the Bank regardless of whether Tenant disputes Landlord's right to draw upon the L-C. In addition, in the event the Bank is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation or any successor or similar entity, then, effective as of the date such receivership or conservatorship occurs, said L-C shall be deemed to fail to meet the requirements of this Article 26, and, within fifteen (15) days following Landlord's notice to Tenant of such receivership or conservatorship (the "L-C FDIC Replacement Notice"), and provided that Landlord returns to Tenant the L-C then being held by Landlord, Tenant shall replace such L-C with a substitute letter of credit from a different issuer (which issuer shall meet or exceed the Bank's Credit Rating Threshold and shall otherwise be acceptable to Landlord in its reasonable discretion) and that complies in all respects with the requirements of this Section 3.04.

3.04.2 Application of Letter of Credit. Tenant hereby acknowledges and agrees that Landlord is entering into this Lease in material reliance upon the ability of Landlord to draw upon the L-C upon the occurrence of any L-C Draw Event. In the event of any L-C Draw Event, Landlord may, but without obligation to do so, and without notice to Tenant, draw upon the L-C, in part or in whole, to cure any such L-C Draw Event and/or to compensate Landlord for any and all damages recoverable from Tenant under the Lease of any kind or nature sustained or which Landlord reasonably estimates that it will sustain resulting from Tenant's breach or default of the Lease or other L-C Draw Event and/or to compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code. The use, application or retention of the L-C, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by this Lease or by any Applicable Law (as defined in Section 5.02, below) (except as otherwise provided herein), it being intended that Landlord shall not first be required to proceed against the L-C, and such L-C shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. Tenant agrees not to interfere in any way with payment to Landlord of the proceeds of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw upon the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional to justify the issuer of the L-C in failing to honor a drawing upon such L-C in a timely manner. Tenant agrees and acknowledges that (i) the L-C constitutes a separate and independent contract between Landlord and the Bank, (ii) Tenant is not a third party beneficiary of such contract, (iii) Tenant has no property interest whatsoever in the L-C or the proceeds thereof, and (iv) in the event Tenant becomes a debtor under any chapter of the Bankruptcy Code, Tenant is placed into receivership or conservatorship, and/or there is an event of a receivership, conservatorship or a bankruptcy filing by, or on behalf of, Tenant, neither Tenant, any trustee, nor Tenant's bankruptcy estate shall have any right to restrict or limit Landlord's claim and/or rights to the L-C and/or the proceeds thereof by application of Section 502(b)(6) of the U. S. Bankruptcy Code or otherwise. In the event of an assignment by Tenant of its interest in this Lease (and irrespective of whether Landlord's consent is required for such assignment), the acceptance of any replacement or substitute L-C by Landlord from the assignee shall be subject to Landlord's prior written approval in accordance with this Section 3.04.

3.04.3 Transfer. The L-C shall also provide that Landlord may, at any time and without notice to Tenant and without first obtaining Tenant's consent thereto, transfer (one or more times) its entire interest in and to the L-C to another party, person or entity that has an interest in the Property or this Lease (including any lender with an interest in the Property). In the event of a transfer of Landlord's interest in under this Lease, Landlord shall transfer the L-C, in whole only, to the transferee and thereupon Landlord shall, without any further agreement between the parties, be released by Tenant from all liability therefor, and it is agreed that the provisions hereof shall apply to every valid transfer or assignment pursuant to the Lease of the whole of said L-C to a new landlord. In connection with any such transfer of the L-C by Landlord, Tenant shall, at Tenant's sole cost and expense, execute and submit to the Bank such applications, documents and instruments as may be necessary to effectuate such transfer and, Tenant shall be responsible for paying the Bank's transfer and processing fees in connection with the first transfer and Landlord shall be responsible for paying the Bank's transfer and processing fees in connection with any subsequent transfer.

3.04.4 Conditional Reduction of L-C Amount. Provided that, as of the first day of the fifth (5th) anniversary of the Lease Commencement Date and each anniversary of the Lease Commencement Date occurring thereafter during the initial Lease Term (each, a "Reduction Date"), no default under this Lease exists (provided that if a default does exist as of the Reduction Date, then Landlord shall not be obligated to agree to an amendment to the L-C reducing the L-C Amount until such default has been cured), the L-C Amount shall be reduced by an amount equal to the amount of one (1) month's Base Rent as of the Commencement Date (to wit, \$103,950.50). If the conditions for reduction set forth in the immediately preceding sentence are not satisfied on a Reduction Date, then the L-C Amount shall not be reduced until such default has been cured. In the event that the L-C Amount is reduced pursuant to this Section 3.04.4, then, at any time after the Reduction Date, Tenant shall have the right to tender to Landlord a replacement L-C or a certificate of amendment to the existing L-C, conforming in all respects to the requirements of this Section 3.04, in the amount of the reduced L-C Amount, in which event Landlord shall exchange the L-C then held by Landlord, if applicable, for the replacement or amended L-C tendered by Tenant. Tenant shall pay all expenses, points and fees incurred in connection with the replacement or amended L-C. Landlord shall promptly execute any commercially reasonable documentation required by the Issuing Bank to effectuate any such reduction.

3.04.5 In General. If, as a result of any valid drawing by Landlord pursuant to this Lease of all or any portion of the L-C, the amount of the L-C shall be less than the L-C Amount, Tenant shall, within five (5) business days thereafter, provide Landlord with additional letter(s) of credit in an amount equal to the deficiency or an amendment to the existing L-C or a new L-C, and any such additional letter(s) of credit or amendment or new L-C shall comply with all of the provisions of this Section 3.04. Tenant covenants that it will neither assign nor encumber the L-C or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. Without limiting the generality of the foregoing, if the L-C expires earlier than the L-C Expiration Date, Landlord will accept a renewal thereof (such renewal letter of credit to be in effect and delivered to Landlord, as applicable, not later than thirty (30) days prior to the expiration of the L-C), which shall be irrevocable and automatically renewable as above provided through the L-C Expiration Date upon the same terms as the expiring L-C or such other terms as may be acceptable to Landlord in its reasonable discretion. However, if the L-C is not timely renewed, or if Tenant fails to maintain the L-C in the amount and in accordance with the terms set forth in this Section 3.04, Landlord shall have the right to present the L-C to the Bank in accordance with the terms of this Section 3.04, and the proceeds of the L-C may be applied by Landlord against amounts recoverable from Tenant under the Lease and Applicable Law and/or to pay for all losses and damages that Landlord has suffered or that Landlord reasonably estimates that it will suffer as a result of any breach or default by Tenant under this Lease. In the event Landlord elects to exercise its rights under the foregoing, (I) any unused proceeds shall constitute the property of Landlord (and not Tenant's property or, in the event of a receivership, conservatorship, or a bankruptcy filing by Tenant, property of such receivership, conservatorship or Tenant's bankruptcy estate) and need not be segregated from Landlord's other assets, and (II) Landlord agrees to pay to Tenant within thirty (30) days after the L-C Expiration Date the amount of any proceeds of the L-C received by Landlord and not applied against any Rent payable by Landlord (or reasonably estimated by Landlord that it will suffer as a result of any breach or default by Tenant under this Lease; provided, however, that if prior to the L-C Expiration Date a voluntary petition is filed by Tenant, or an involuntary petition is filed against Tenant by any of Tenant's creditors, under the Bankruptcy Code, then Landlord shall not be obligated to make such payment in the amount of the unused L-C proceeds until either all preference issues relating to payments under this Lease have been resolved in such bankruptcy or reorganization case or such bankruptcy or reorganization case has been dismissed. Tenant shall, at any time Landlord has drawn down upon the L-C, be entitled to provide Landlord with a replacement L-C that complies in all respects with the requirements of this Section 3.04, and thereupon Landlord shall release to Tenant any funds so held in connection with such draw or draws.

3.04.6 Letter of Credit Not a Security Deposit. Landlord and Tenant (1) acknowledge and agree that in no event or circumstance shall the L-C or any renewal thereof or substitute therefor or any proceeds thereof be deemed to be or treated as a "security deposit" under any law applicable to security deposits in the commercial context, including, but not limited to, Section 1950.7 of the California Civil Code, or such Section now exists or as it may be hereafter amended or succeeded (the "Security Deposit Laws"); (2) acknowledge and agree that the L-C (including any renewal thereof or substitute therefor or any proceeds thereof) is not intended to serve as a security deposit, and

the Security Deposit Laws shall have no applicability or relevancy thereto, and (3) waive any and all rights, duties and obligations that any such party may now, or in the future will, have relating to or arising from the Security Deposit Laws. Tenant hereby irrevocably waives and relinquishes the provisions of Section 1950.7 of the California Civil Code and any successor statute, and all other provisions of law, now or hereafter in effect, which (x) establish the time frame by which a landlord must refund a security deposit under a lease, and/or (y) provide that a landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by a tenant or to clean the premises, it being agreed that Landlord may, in addition, claim those sums specified in this Section 3.04 and/or those sums reasonably necessary to (a) compensate Landlord for any loss or damage caused by Tenant's breach of this Lease, including any damages Landlord suffers following termination of this Lease, and/or (b) compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code.

3.04.7 Waiver of Certain Relief. Tenant unconditionally and irrevocably waives (and as an independent covenant hereunder, covenants not to assert) any right to claim or obtain any of the following relief in connection with the L-C: a temporary restraining order, temporary injunction, permanent injunction, or other order that would prevent, restrain or restrict the presentment of sight drafts drawn under any L-C or the Bank's honoring or payment of sight draft(s).

ARTICLE FOUR OTHER CHARGES PAYABLE BY TENANT

Section 4.01. Additional Rent. All charges payable by Tenant other than Base Rent are called "Additional Rent." Unless this Lease provides otherwise, Tenant shall pay all Additional Rent then due with the next monthly installment of Base Rent. The term "rent" or "Rent" shall mean Base Rent and Additional Rent. Without limitation on other obligations of Tenant which shall survive the expiration or earlier termination of the Lease Term, the obligations of Tenant to pay Rent shall survive the expiration or earlier termination of the Lease Term. The failure of Landlord to timely furnish Tenant the amount of the Rent shall not preclude Landlord from enforcing its rights to collect such Rent.

Section 4.02. Property Taxes.

4.02.1 Real Property Taxes. Tenant shall pay all real property taxes and assessments levied against the Property, as well as any improvements thereon (including any fees, taxes or assessments against, or as a result of, any tenant improvements installed on the Property by or for the benefit of Tenant) during the Lease Term. Subject to Section 4.02.3 and Section 4.08 below, such payment shall be made at least twenty (20) days prior to the delinquency date of the taxes. Landlord shall bill Tenant (accompanied by supporting documentation) in advance for such taxes (no later than forty-five (45) days prior to the delinquency date of the taxes), and Tenant shall pay Landlord the amount of such taxes, as Additional Rent, no later than thirty (30) days prior to the delinquency date of the taxes. Landlord shall pay such taxes prior to such delinquency date, provided that Tenant has timely made such payments to Landlord. Any penalty caused by Tenant's failure to timely make such payments shall also be Additional Rent owed by Tenant immediately upon demand.

4.02.2 Definition of "Real Property Taxes." "Real Property Taxes" means: (i) any fee, license fee, license tax, business license fee, commercial rental tax, levy, charge, assessment, penalty or tax imposed by any taxing authority against the Property; (ii) any tax on the Landlord's right to receive, or the receipt of, rent or income from the Property or against Landlord's business of leasing the Property; (iii) any tax or charge for fire protection, street sidewalks, road maintenance, refuse or other services provided to the Property by any governmental agency; (iv) any tax imposed upon this transaction or based upon a re-assessment of the Property due to a change of ownership, as defined by applicable law, or other transfer of all or part of Landlord's interest in the Property; and (v) any charge or fee that is or is reasonably apparent that it is levied to replace any tax previously included within the definition of real property tax. "Real Property Taxes" do not, however, include (a) Landlord's federal or state income, franchise, capital gains, recording, inheritance gift, succession or estate taxes; or (b) any delinquency charge imposed on Landlord if it fails to pay any Real Property Taxes when due, other than if such failure to pay is caused by Tenant's non-compliance with Section 4.02.1.

4.02.3 Joint Assessment: If the Property is not separately assessed, Landlord shall reasonably determine Tenant's share of the Real Property Taxes payable by Tenant under Section 4.02.1 from the Assessor's work sheet or other reasonably available information and shall provide Tenant a reasonably detailed accounting of the basis of such determination. Tenant shall pay such share to Landlord within fifteen (15) business days after receipt of Landlord's written statement.

4.02.4 Right to Contest Real Property Taxes: Landlord shall have the right to contest the reasonableness of the value assessment of the Property on which Real Property Taxes have been determined. Provided, however, if and only if Landlord has not decided to contest the value assessment of the Property on which Real Property Taxes have been determined and Tenant wishes to do so, then (and only then), Tenant shall have the right to initiate proceedings to contest the reasonableness of the value assessment of the Property on which Real Property Taxes have been determined as follows: (a) Tenant shall provide Landlord with written notice of Landlord of its interest in contesting the value assessment of the Property on which Real Property Taxes have been determined; (b) within ten (10) business days after Landlord's receipt of such written notice, Landlord shall not notified Tenant in writing that it will contest the reasonableness of the value assessment of the Property on which Real Property Taxes have been determined or notified Tenant in writing that Landlord declines to contest the reasonableness of the value assessment of the Property on which Real Property Taxes have been determined; (c) if required by law, Landlord shall join in the proceedings brought by Tenant; and (d) Tenant shall promptly pay all costs of the proceedings, including any out-of-pocket costs or fees incurred by Landlord.

4.02.5 Personal Property Taxes:

(a) Tenant shall pay all taxes charged against trade fixtures, furnishings, equipment or any other personal property belonging to Tenant. Tenant shall try to have personal property taxed separately from the Property.

(b) If any of Tenant's personal property is taxed with the Property, Tenant shall pay Landlord the taxes for the personal property within fifteen (15) business days after Tenant receives a written statement from Landlord for such personal property taxes, which shall be provided along with documentation showing that such personal property has been taxed with the Property and to the extent that Landlord will pay the taxes for the personal property, Landlord shall timely make such payments, subject to Tenant's compliance with this Section 4.02.5(b).

Section 4.03 Utilities: Tenant shall pay directly to the appropriate supplier the cost of all natural gas, heat, light, power, sewer service, telephone, water, refuse disposal, fire sprinkler maintenance, landscape irrigation and other utilities and services applied to the Property. However, if any services or utilities are jointly made up with other properties, Landlord shall make a reasonable determination of Tenant's proportionate share of the cost of such utilities and services and Tenant shall pay such share to Landlord within fifteen (15) business days after receipt of Landlord's written statement with reasonable supporting detail indicating Tenant's proportionate share of the cost. Tenant shall warrant and agree that (1) this Tax is entirely separate and distinct from and independent of any and all any other taxes that Tenant may at any time have into with any local, state, or federal utility services or any other services; and (2) other than as set forth hereon, Landlord has no obligation of any kind concerning the provision of any utility services. Landlord shall not be liable for any failure to furnish, stoppage of, or interruption in the delivery of any of the services or utilities described in this Section 4.03 (when such failure is caused by a utility, fire, flood, strike, lockouts, labor disputes, labor disturbances, governmental regulation, civil disturbances, natural acts, acts of war, terrorism, or other governmental action) or any other cause beyond Landlord's reasonable control; and in such event, Tenant shall not be entitled to any abatement nor shall any failure to furnish or suspend Tenant's obligation to pay rent as required under this lease or constitute or be construed as a constructive or other eviction of Tenant. Further, in the event any governmental authority or public utility promulgates or enacts any law, ordinance, rule or regulation, or state, mandatory control or voluntary controls relating to the use or conservation of energy, water, gas, light or electricity, the ability to maintain or other emissions, or the provision of any utility or service, Landlord may take any reasonably appropriate action to comply with such law, ordinance, rule, regulation, mandatory control or voluntary guideline without

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accepting Tenant's obligations under this Lease. Tenant hereby authorizes each utility company providing utilities to the Property to provide/release utility consumption or other similar data to Landlord for purposes of Landlord's compliance with applicable lead disclosure requirements, including without limitation, Section 25402.10 of the Public Resources Code or any successor statute. Tenant recognizes that security services, if any, provided by Landlord at the Property are for the protection of Landlord's property and under no circumstances shall Landlord be responsible for and Tenant waives any rights with respect to, providing security or other protection for Tenant or its employees, invitees or property in or about the Property.

Section 4.04 Insurance Policies

4.04.1 Landlord Insurance. During the Lease Term, Landlord shall maintain policies of insurance covering the loss of or damage to the Property in the full amount of its replacement value. Such policy shall provide protection against loss or damage due to fire or other casualties covered within the classification of the insured extended coverage, vandalism, malicious mischief, sprinkler leakage and any other perils which Landlord, Landlord's lender or mortgagee or deems reasonably necessary. Landlord shall have the right to obtain terrorism, wind, flood and earthquake insurance and other forms of insurance as Landlord or any mortgagee, deed of trust beneficiary or ground lessor holding security covering any or other interest in the Property may require. Landlord shall not obtain insurance for Tenant's fixtures or equipment or building improvements installed by or on behalf of Tenant on the Property. During the Lease Term, Landlord shall also maintain a rental income insurance policy with loss payable to Landlord in an amount equal to the annual total of Base Rent, estimated rent, property taxes and insurance premiums. Tenant shall be liable for the payment of any deductible amount under Landlord's or Tenant's insurance policies maintained pursuant to this Section 4.04. Tenant shall not do or permit anything to be done which invalidates any such insurance policies. Landlord, at its sole option, may also obtain non-primary comprehensive public liability insurance in an amount and with coverage determined by Landlord, insuring Landlord against liability arising out of ownership, operation, use, or occupancy of the Property. The policy obtained by Landlord shall not be contributory or primary as to Tenant's liability insurance hereunder.

4.04.2 Tenant Insurance. During this Lease Term, Tenant, at its sole cost and expense, shall maintain: (1) Statutory Workers' Compensation (or state employed self-insurance) and Employer's Liability Insurance with a limit of Two Million and 00/100 Dollars (\$2,000,000.00), each accident Two Million and 00/100 Dollars (\$2,000,000.00) policy limit, and Two Million and 00/100 Dollars (\$2,000,000.00) and employee for all persons employed by Tenant who may come into or occupy the Property; (2) Commercial Auto Liability with a limit of Two Million and 00/100 Dollars (\$2,000,000.00) Combined Single Limit for bodily injury and property damage (such coverage shall include Owned, Non-Owned, and Hired Auto Liability for all vehicles driven on and around the Property. If Tenant does not own company vehicles, a letter shall be filed from an officer or principal of Tenant in addition to proof of Non-Owned and Hired Auto Liability as stated above as required); (3) All Risks Personal Property insurance covering the full replacement cost of Tenant's personal property whether owned, leased, or rented, including but not limited to inventory, tools, fixtures, furniture, equipment, office contents, any interior improvements constructed within the Property and any alterations to the Property made by or on behalf of Tenant once such improvements and alterations are completed (including such alterations made by Tenant which according to the terms and conditions of this Lease shall become property of Landlord at the termination of this Lease); and (4) a policy of Commercial General Liability Insurance (including known as broad form comprehensive general liability insurance) insuring against liability for bodily injury, property damage (including loss of use of property) and personal injury arising out of the operation, use or occupancy of the Property, with the annual amount of such insurance to be Three Million and 00/100 Dollars (\$3,000,000.00) per occurrence and in the aggregate (collectively, "Tenant Insurance"); Tenant Insurance limits shall be subject to periodic increases based upon inflation, increased liability awards, recommendations of Landlord's professional insurance advisors, and other relevant factors. Tenant Insurance shall (i) be primary and non-contributory; (ii) contain no separation of insureds clause (or equivalent); (iii) contain contractual liability coverage respecting Tenant's indemnity obligations under Section 4.04 below; (iv) not have a deductible amount in excess of Fifty Thousand Dollars (\$50,000.00); (v) contain cross liability endorsements; (vi) name Landlord, Landlord's lender (if any) and any affiliate of Landlord designated by Landlord as "Additional Named Insured" and "Loss Payee" or its interests may appear, and (vii) contain an agreed amount endorsement in lieu of a cash insurance clause. The amount and coverage of such Tenant Insurance shall not limit Tenant's liability nor relieve Tenant of any other obligation under this Lease.

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4.04.3 Payment of Premium: Subject to Section 4.05, Tenant shall pay all premiums for the insurance policies described in Sections 4.04.1 and 4.04.2 (whether obtained by Landlord or Tenant) within fifteen (15) days after Tenant's receipt of a copy of the premium statement or other evidence of the amount due, except Landlord shall pay all premiums for non-primary comprehensive public liability insurance with limits in excess of \$2,000,000 per occurrence and in the aggregate, Tenant to be responsible for the cost of such insurance with a limit of up to \$2,000,000 per occurrence and in the aggregate, which Landlord elects to obtain as provided in Section 4.04.1. If insurance policies maintained by Landlord cover improvements on real property other than the Property, Landlord shall deliver to Tenant a statement of the premium applicable to the Property, showing at least a fair and honest Tenant's share of the premium was computed. If the Lease term expires before the expiration of an insurance policy maintained by Landlord, Tenant shall be liable for Tenant's prorated share of the insurance premiums.

4.04.4 General Insurance Provisions:

(a) Before the Lease Commencement Date, Tenant shall deliver to Landlord a copy of any policy of insurance which Tenant is required to maintain under this Section 4.04.

(b) Any insurance which Tenant is required to maintain under this Lease shall include a provision which requires the insurance carrier to give Landlord not less than thirty (30) days' written notice prior to any cancellation or modification of such coverage, including the cancellation or modification of any required endorsements. If Tenant fails to carry the required insurance, such failure shall automatically be deemed to be a covenant by Tenant to self-insure such required coverage, with a full waiver of subrogation in favor of Landlord (in the case of deemed self-insurance of Tenant's required property insurance).

(c) If Tenant fails to deliver any policy, certificate or renewal to Landlord required under this Lease within the prescribed time period or if any such policy is canceled or modified during the Lease Term without Landlord's prior written consent, Landlord may obtain such insurance, in which case Tenant shall reimburse Landlord for the cost of such insurance within fifteen (15) days after receipt of a statement that indicates the cost of such insurance.

(d) Tenant shall maintain all insurance required under this Lease with companies holding a General Policy Rating of A-12 or better, as set forth in the most current issue of Best Key Rating Guide. Landlord and Tenant acknowledge the insurance markets are rapidly changing and that insurance in the form and amounts described in this Section 4.04 may not be available in the future. At any time during the Lease Term, if Tenant is unable to maintain the insurance required under this Lease, Tenant shall nevertheless maintain insurance coverage which is customary and commercially reasonable in the insurance industry for Tenant's type of business, as that coverage may change from time to time. Landlord makes no representation as to the adequacy of such insurance to protect Landlord's or Tenant's interests. Therefore, Tenant shall obtain any such additional property or liability insurance which Tenant deems necessary to protect Landlord and Tenant. As an alternative to providing a policy of insurance, Tenant shall have the right to provide Landlord a certificate of insurance issued by an authorized officer of the insurance company, showing that the insurance which Tenant is required to maintain under this Section 4.04 is in full force and effect and containing such other information which Landlord reasonably requires.

(e) Landlord and Tenant each hereby waives any and all rights of recovery against the other, or against the officers, employees, agents or representatives of the other, for loss of, or damage to, its property or the property of others under its control, if such loss or damage is covered by any insurance policy in force (whether or not described in this Lease) at the time of such loss or damage. Landlord and Tenant shall each require their respective insurance companies to include a standard waiver of subrogation provision in their respective policies.

Section 4.05: Intentionally omitted.

Section 4.06: Late Charges: Tenant's failure to pay Rent promptly may cause Landlord to incur unanticipated costs. The exact amount of such costs is impractical or extremely difficult to ascertain. Such costs

may include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord by any ground lease, mortgage or trust deed encumbering the Property. Therefore, if Landlord does not receive any rent payment within five (5) business days after the same is due, Tenant shall pay Landlord a late charge equal to five percent (5%) of the overdue amount (Late Charge). Provided, however, with respect to the first delinquent payment of a monthly installment of Base Rent, the Late Charge will be waived if Tenant pays the amount owed within five (5) days of its receipt of a written notice that such amount is past due. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of such late payment.

Section 4.07: Interest on Past Due Obligations. Any amount owed by Tenant to Landlord which is not paid when due shall bear interest ("Interest") at the rate of ten percent (10%) per annum (the "Interest Rate") from the due date of such amount. Tenant, however, shall not pay interest on a Late Charge. The payment of interest by Tenant shall not excuse or cure any default by Tenant under this Lease. If the interest rate specified in this Lease is higher than the rate permitted by law, the interest rate is hereby decreased to the maximum legal interest rate permitted by law.

Section 4.08: Impounds for Insurance Premiums and Real Property Taxes. If requested by any ground lessor or lender to whom Landlord has granted a security interest in the Property, and if Tenant is more than ten (10) days late in the payment of rent more than once in any consecutive twelve (12) month period, Tenant shall pay Landlord an amount equal to one-twelfth (1/12) of the annual Real Property Taxes and insurance premiums payable by Tenant under this Lease, together with each monthly payment of Base Rent (the "Impound Account"). Tenant shall not earn any interest on the impound account. If unknown, Landlord shall reasonably estimate the amount of Tenant's Real Property Taxes and insurance premiums when due. Tenant shall pay any deficiency of funds in the impound account to Landlord upon written request. If Tenant defaults under this Lease, Landlord may apply any funds in the impound account to any obligation then due under this Lease.

Section 4.09: Application of Payments. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

ARTICLE FIVE USE OF PROPERTY

Section 5.01: Permitted Uses. Tenant may use the Property only for the Permitted Uses set forth in Section 1.06 above and for no other purpose whatsoever, provided that such Permitted Use will not create any structural or excessive wear and tear on the building, decrease the value of the Property, or result in any cost, threat, or other harm, what is incidental to a Permitted Use, does not involve the fabrication or packaging of fluids, oil, or other hazardous material (defined in Section 5.01 (c) below), does not create any risk of Environmental Damage (defined in Section 5.01 (c) below), or reasonably be expected from such Permitted Use; (v) does not create obnoxious (as to a reasonable person) odors or noises; (vi) beyond what is incidental to a Permitted Use, does not include usage of the space primarily for storage of fire, highly flammable or toxic products, chemicals, food products, explosives or other products made with like materials; and (vii) does not exceed the load capacity of the floor slab, as modified in accordance with plans approved by the Landlord.

Section 5.02: Manner of Use

5.02.1: Notwithstanding anything to the contrary herein including, without limitation, the terms of Section 5.01 above, Tenant shall not cause or permit the Property to be improved, developed or used in any way which constitutes a violation of any law, ordinance or governmental regulation or order, or other governmental requirement now in force or which may hereafter be enacted or promulgated (collectively, "Applicable Laws"), or which constitutes a nuisance or waste. Tenant shall obtain and pay for all permits required for Tenant's occupancy of the Property (other than an initial certificate of occupancy for its legal equivalent to the extent a certificate of occupancy is not issued by the local authority) which shall be obtained and paid for by Landlord following the substantial completion of Landlord's Work, alterations and improvements made to the Property in accordance with

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and shall promptly take all actions necessary to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements regulating the use by Tenant of the Property, including without limiting, the Americans with Disabilities Act (as may be amended or supplemented) ("ADA"), and the Occupational Safety and Health Act (29 U.S.C. Section 651 et seq.), as it has been amended or supplemented ("OSHA"). Tenant, at Tenant's sole cost and expense, shall be responsible for, if any, fire hose valves, draft curtains, smoke venting, emergency lighting/exit signage, exit doors and any additional fire protection systems, which may be required by the fire department or any governmental agencies; provided, however, Landlord shall be responsible, at its sole cost and expense, for ensuring that the Building and Property comply with all Applicable Laws as of the Lease Commencement Date including ADA and OSHA (subject to applicable variances and grandfathering). Tenant shall have the right of access to the Property twenty-four (24) hours a day, seven (7) days a week during the Lease Term except when and where Tenant's right of access is excluded as a result of (i) any Force Majeure event or emergency, (ii) a requirement of Applicable Laws, (iii) maintenance thereof pursuant to the terms of this Lease, or (iv) a specific provision set forth in this Lease.

5.02.2 Tenant shall, at its sole cost and expense, promptly comply with any Applicable Laws which relate to or are triggered by (i) Tenant's use of the Property, and (ii) any alteration or any tenant improvements made by Tenant or at the request of Tenant after the Lease Commencement Date. Should any standard or regulation now or hereafter be imposed on Tenant by any federal, state or local governmental body charged with the establishment, regulation and enforcement of occupational, health or safety standards, then Tenant agrees, at its sole cost and expense, to comply promptly with such standards or regulations. The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial action, regardless of whether Landlord is a party thereto, that Tenant has violated any Applicable Laws, shall be conclusive of that fact as between Landlord and Tenant. Tenant shall immediately notify Landlord in writing of any water infiltration at the Property.

5.02.3 In connection with Tenant's use of the Property, Tenant and Landlord hereby acknowledge and agree as follows: (a) the Property is immediately adjacent to that certain industrial building and surrounding property currently owned by Landlord and commonly addressed as 20605 Madrona Avenue, Torrance, California 90501 (the "Madrona Property"); (b) there are currently no physical separations (fences, gates, barriers, etc.) between the Property and the Madrona Property; (c) the Madrona Property is currently occupied by another tenant; (d) Tenant shall allow the current and any future tenant of the Madrona Property pedestrian and vehicular access across the Property from Maple Avenue to the Madrona Property; (e) until such time as Landlord no longer owns both the Property and the Madrona Property (i) Tenant shall have the right to use, in a commercially reasonable manner and subject to all Applicable Laws and any reasonable rules and regulations that Landlord may establish, those exterior, asphalt portions of the Madrona Property for pedestrian and vehicular access across the Madrona Property from Madrona Avenue to the Property, (ii) Tenant shall indemnify, defend, and hold any tenant of the Madrona Property free and harmless against and from any and all claims, damages, liabilities, losses, actions or causes of action, costs and expenses (other than consequential damages), including reasonable attorneys' fees, investigation costs and costs of court (if any) (hereinafter collectively referred collectively to as "Claims") by reason of death, bodily or personal injury (including death or injury to Tenant's employees) or property damage arising out of or relating to (A) the use of the Madrona Property by Tenant or the Tenant Group (other than to the extent such Claim directly arises from the grossly negligent or willful acts of Landlord or the tenant of the Madrona Property or their respective agents), and/or (B) any negligence or willful acts or misconduct of Tenant or the Tenant Group on the Madrona Property, and (iii) any future tenant of the Madrona Property shall have the right to use, in a commercially reasonable manner and subject to all Applicable Laws and any reasonable rules and regulations that Landlord may establish, those exterior, asphalt portions of the Property for pedestrian and vehicular access across the Property from Maple Avenue to the Madrona Property; and (f) if, and only if, (i) any future tenant of the Madrona Property requires that a physical separation be created between the Property and Madrona Property such that pedestrian and vehicular access between the Madrona Property and the Property will be precluded, or (ii) Landlord no longer owns both the Property and the Madrona Property, then (and only then) Tenant's rights under Section 5.02.3 (e)(i) and the rights of any future tenant of the Madrona Property under Section 5.02.3 (e)(iii) shall, upon written notice from Landlord to Tenant, become null, void and of no further force or effect. Notwithstanding the foregoing, Tenant shall have the right to secure the truck court and parking adjacent to the western side of the Building.

Section 5.03 - Hazardous Materials

5.03.11 Definitions

a. "Hazardous Material" means any substance, whether solid, liquid or gaseous in nature

(i) the presence of which requires investigation or remediation under any federal, state or local statute, regulation, ordinance, order, action, policy or common law; or

(ii) which is or becomes defined as a hazardous waste, hazardous substance, pollutant or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.), the Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), the Clean Air Act (42 U.S.C. Section 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.) and/or the Occupational Safety and Health Act (29 U.S.C. Section 651 et seq.) as these laws have been amended or implemented; or

(iii) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous or is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, the State of California or any political subdivision thereof; or

(iv) the presence of which on the Property causes or threatens to cause a nuisance upon the Property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Property; or

(v) the presence of which on adjacent properties could constitute a trespass by tenant; or

(vi) without limitation which contains gasoline, diesel fuel or other petroleum hydrocarbons; or

(vii) without limitation which contains polychlorinated biphenyls (PCBs), asbestos, or urea formaldehyde foam insulation; or

(viii) without limitation which contains radon gas.

b. "Environmental Requirements" means all applicable present and future

(i) statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, concessions, franchises, and similar items (including, but not limited to those pertaining to zoning, licensing, permitting, investigation and remediation), of all Governmental Agencies (defined in Section 5.03.1(d) below); and

(ii) all applicable judicial, administrative, and regulatory decrees, judgments, and orders relating to the protection of human health and/or the environment including, without limitation, all requirements pertaining to emissions, discharges, releases, or threatened releases of Hazardous Materials or chemical substances into the air, surface water, groundwater, or land; or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of Hazardous Materials or chemical substances.

c. "Environmental Damages" means all claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability), obligations, liens, costs, and expenses (including, but not limited to the expense of the investigation and defense of any claim, whether or not such claim is ultimately defeated, or the amount of any final judgment or settlement arising from any such claim) of whatever kind or nature, contingent or otherwise, actual or anticipated, foreseeable or unforeseeable (including, but not limited to,

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reasonable attorneys' fees, disbursements and consultants' fees) any of which are incurred at any time as a result of the existence of Hazardous Material on, above or beneath the Property or migrating or threatening to migrate to or from the Property or the existence of a violation of Environmental Requirements pertaining to the Property and the activities thereon, regardless of whether the existence of such Hazardous Material or the violation of Environmental Requirements arose prior to the present ownership or operation of the Property. Environmental Damages include, without limitation:

(i) Damages for personal injury or injury to property or natural resources occurring upon or off the Property, including, without limitation, loss of profits, consequential damages, the cost of demolition and rebuilding of any improvement on the Property, the cost of relocation and damages to health from claims brought by or on behalf of employees of Tenant (with respect to which Tenant waives any right to pursue a defense against landlord's liability to which it may be entitled under any industrial or worker's compensation laws).

(ii) Reasonable documented fees, costs or expenses incurred for the services for attorneys, consultants, contractors, experts, laborers and all other costs incurred in connection with the investigation or remediation of such Hazardous Material or violation of such Environmental Requirements, including, but not limited to, the preparation of any feasibility studies or reports or the performance of any cleanup, remediation, removal, response, abatement, containment, closing, restoration or monitoring work required by any Governmental Agency or reasonably necessary to make full economic use of the Property or any other property in a manner consistent with its current use or otherwise expended in connection with such conditions, and including, without limitation, any attorneys' fees, costs and expenses incurred in enforcing the provisions of this Lease or collecting any sums due hereunder.

(iii) Liability to any third person or Governmental Agency to indemnify such person or Governmental Agency for costs expended in connection with the items referenced in subsection (ii) above; and

(iv) Diminution in the fair market value of the Property including, without limitation, any reduction in fair market rental value or life expectancy of the Property or the improvements located thereon or the restriction on the use of or adverse impact on the marketing of the Property or any portion thereof.

d. "Governmental Agency or Governmental Agencies" means all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states, counties, cities and political subdivisions thereof.

e. The "Tenant Group" means Tenant, Tenant's successors, assigns, affiliates, officers, members, managers, directors, agents, employees, contractors, invitees, permittees or other parties (i) under the supervision or control of Tenant (ii) or which Tenant is legally liable, and/or (iii) entering the Property during the lease term with the permission or knowledge of Tenant other than landlord, landlord's agents or employees and those persons on the Madrona Property and its assigned guarantors, officers, members, managers, directors, agents, employees, contractors, invitees, permittees or other parties under the supervision or control of the tenant on the Madrona Property).

5.03.2 Prohibitions

a. Other than normal quantities of general office and cleaning supplies or other incidental uses, Tenant shall not cause, permit or allow any Hazardous Material to be brought upon, treated, kept, stored, disposed of, discharged, released, produced, manufactured, generated, refined or used upon, above or beneath the Property or the Madrona Property by the Tenant Group or any other person, without the prior written consent of Landlord. From time to time during the Lease Term, Tenant may request Landlord's approval of Tenant's use of other Hazardous Material, which approval may be withheld by Landlord's, but reasonable alternatives provided, however, notwithstanding anything to the contrary in the Lease, Landlord shall not be required to approve the use of any Hazardous Material, to the extent such Hazardous Material or the use thereof conflicts with any Environmental Requirements.

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b. Notwithstanding anything to the contrary herein, Tenant shall not cause, permit or suffer the existence or the commission by Tenant Group of a violation of any Environmental Requirements upon, about or beneath the Property or the Madrona Property.

c. Tenant shall neither create or suffer to exist, nor permit Tenant Group to create or suffer to exist any lien, security interest or other charge or encumbrance of any kind with respect to the Property or the Madrona Property, including without limitation any lien imposed pursuant to Section 107(b) of the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. Section 10607(b)) or any similar state statute (an "Environmental Lien").

d. Other than as set forth on plans approved by Landlord (as required hereunder), Tenant shall not install, operate or maintain any above or below grade tank, sump, pit, pond, lagoon or other storage or treatment vessel or device on the Property without Landlord's prior written consent which may be withheld in Landlord's sole discretion.

e. Notwithstanding anything to the contrary contained herein, violation of any Environmental Requirements or Environmental Liens caused, permitted or suffered by the tenant of the Madrona Property or by any assignees, guarantors, officers, members, managers, directors, agents, employees, contractors, subcontractors, permittees, or other parties under the supervision or control of the tenant of the Madrona Property, shall not be deemed to have been caused by Landlord or by Tenant Group.

5.03.3 Indemnity.

Tenant, its successors, assigns and guarantors, agree to indemnify, defend, reimburse and hold harmless (i) Landlord, (ii) any other person who requires all or a portion of the Property in any manner (including purchase at a foreclosure sale) or who becomes entitled to exercise the rights and remedies of Landlord under this Lease, and (iii) the directors, officers, shareholders, employees, partners, agents, contractors, subcontractors, experts, licensees, affiliates, licensees, obligees, trustees, heirs, devisees, successors, assigns and invitees of such persons, from and against any and all Environmental Damages which exist as a result of the activities or negligence of Tenant Group or which exist as a result of the breach of any warranty or covenant or the inaccuracy of any representation of Tenant contained in this Lease, or by Tenant's remediation of the Property or failure to meet the obligations contained in this Lease.

The obligations contained in this Section 5.03 shall include, but not be limited to, the burden and expense of defending all claims, suits and administrative proceedings, even if such claims, suits or proceedings are groundless, false or fraudulent and conducting all negotiations of any description, and paying and defending (when and in the same become due, any and all judgments, penalties or other sums due against such indemnified persons), Landlord, at its sole expense, any employ, additional counsel of its choice to associate with counsel representing Tenant.

Landlord shall have the right and the obligation to join, participate in and control, if it so elects, any legal proceedings or actions initiated in connection with Tenant's activities. Landlord may also negotiate, defend, approve and appeal any action taken or issued by any applicable Governmental Agency with regard to contamination of the Property by a Hazardous Material.

5.03.4 Obligation to Remediate. In addition to the obligation of Tenant to indemnify Landlord pursuant to this Lease, Tenant shall, upon approval and demand of Landlord, at its sole cost and expense and using contractors approved by Landlord, promptly take all actions to remediate the Property which are required by any Governmental Agency, or which are reasonably necessary to mitigate Environmental Damages or to allow full economic use of the Property, which remediation is necessitated from the presence upon, about or beneath the Property, at any time during or upon termination of this Lease (whether discovered during or following the Lease Term), of a Hazardous Material or violation of Environmental Requirements existing as a result of the activities or negligence of the Tenant Group. Such actions shall include, but not be limited to, the investigation of the environmental condition of the Property, the preparation of any feasibility studies, reports or remedial plans, and the performance of any cleanup, remediation, containment, operation, maintenance, monitoring or restoration work.

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whether on or off the Property, which shall be performed in a manner approved by Landlord. Tenant shall take all actions necessary to restore the Property to the condition existing prior to the introduction of Hazardous Material upon, about or beneath the Property, notwithstanding any lesser standard of remediation allowable under applicable law or governmental policies.

5.03.5 Right to Inspect. Subject to the restrictions set forth in Section 5.06 below, Landlord shall have the right in its sole and absolute discretion, but not the duty, to enter and conduct an inspection of the Property, including the performance of invasive tests at any reasonable time to determine whether Tenant is complying with the terms of this Lease, including but not limited to the compliance of the Property and the activities thereon with Environmental Requirements and the existence of Environmental Damages as a result of the condition of the Property or surrounding properties and activities thereon. Landlord shall have the right, but not the duty, to retain any independent professional consultant (the "Consultant") to enter the Property to conduct such an inspection or to review any report prepared by or for Tenant concerning such compliance. The cost of the Consultant shall be paid by Landlord, unless such investigation discloses a violation of any Environmental Requirement by the Tenant Group or the existence of a Hazardous Material upon, about or beneath the Property (or any other property) caused by the activities or negligence of the Tenant Group (other than Hazardous Materials used in compliance with all Environmental Requirements and previously approved by Landlord) in which case, Tenant shall pay the reasonable cost of the Consultant. Tenant hereby grants to Landlord and Landlord's agents, employees, consultants and contractors the right to enter the Property and to perform such tests on the Property as is reasonably necessary to conduct such reviews and investigations. Landlord shall use commercially reasonable efforts to minimize interference with the business of Tenant.

5.03.6 Notification. If Tenant shall become aware of, or receive notice of, or other communication concerning any actual, alleged, suspected or threatened violation of Environmental Requirements, or liability of Tenant for Environmental Damages, in connection with the Property or past or present activities of any person thereon, including but not limited to notice or other communication concerning any actual or threatened investigation, inquiry, lawsuit, claim, citation, directive, summons, proceeding, complaint, notice, order, writ, or injunction, relating to same, then Tenant shall deliver to Landlord within ten (10) days of the receipt of such notice or communication by Tenant, a written description of said violation, liability, or actual or threatened event or condition, together with copies of any documents evidencing same. Receipt of such notice shall not be deemed to create any obligation on the part of Landlord to defend or otherwise respond to any such notification. If requested by Landlord, Tenant shall disclose to Landlord the names and amounts of all Hazardous Materials other than general office and cleaning supplies referred to in Section 5.03.2 of this Lease, which were used, generated, treated, banded, stored or disposed of upon, about or beneath the Property or which Tenant intends to use, generate, treat, handle, store or dispose of upon, about or beneath the Property. The foregoing in no way shall limit the requirement that Tenant obtain Landlord's consent pursuant to Section 5.03.2 of this Lease.

5.03.7 Surrender of Property. In the ninety (90) days prior to the expiration or termination of the Lease Term and for up to ninety (90) days after the date to occur of: (i) Tenant's full surrender to Landlord of exclusive possession of the Property, and (ii) the termination of the Lease, Landlord may have an environmental assessment of the Property performed in accordance with Section 5.03.5 of this Lease. Tenant shall perform, at its sole cost and expense, any clean-up or remedial work recommended by the Consultant which is necessary to remove, mitigate or remediate any Hazardous Materials and/or contamination of the Property caused by the activities or negligence of the Tenant Group.

5.03.8 Assignment and Subletting. In the event this Lease provides that Tenant may assign this Lease or sublet the Property subject to Landlord's consent and/or certain other conditions, and all the proposed assignees or sublessees' activities upon, about or beneath the Property involve the use, handling, storage or disposal of any Hazardous Materials other than those used by Tenant and in quantities and processes similar to Tenant's uses in compliance with this Lease, (i) it shall be reasonable for Landlord to withhold its consent to such assignment or sublease in light of the risk of contamination posed by such activities and/or (ii) Landlord may impose an additional condition to such assignment or sublease which requires Tenant to reasonably establish that such assignees or sublessees' activities pose no commercially greater risk of contamination to the Property than do Tenant's permitted activities in view of: (a) the quantities, toxicity and other properties of the Hazardous Materials

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to be used by such assignee or sublessee; (d) the precautions against a release of Hazardous Materials such as signage or sublessee agreed to implement; (e) such a sign or sublessee's financial condition as it relates to its ability to fund a major clean-up; and (f) such a sign or sublessee's policy and historical record respecting its willingness to respond to the cleanup of a release of Hazardous Materials.

5.03.9 Survival of Hazardous Materials Obligation. Tenant's breach of any of its covenants or obligations under this Lease shall constitute a material default under this Lease. The obligations of Tenant under this Section 5.03 shall survive the expiration or earlier termination of this Lease without any limitation, and shall constitute obligations that are independent and severable from Tenant's covenants and obligations to pay rent under this Lease. The obligations of Tenant under this Section 5.03 shall not be affected by any investigation by or on behalf of Landlord or by any information which Landlord may have or obtain with respect thereto.

5.03.10 Landlord's Representations and Indemnification. Landlord represents to Tenant that to its actual knowledge as of the Date of Lease: (a) there are no Hazardous Materials located in, on, under, upon or affecting the Property; (b) no notice has been received by or on behalf of Landlord from any governmental authority or any person or entity claiming any violation of or requiring compliance with any environmental law and no investigation, governmental litigation or settlement is threatened or pending in regard to the Property; and (c) no investigation, administrative order, consent order or agreement, litigation or settlement with respect to Hazardous Materials located in, on, under, upon or affecting the Property is pending, threatened or anticipated. Landlord agrees to indemnify and hold Tenant and Tenant's officers, directors, employees, affiliates, agents, attorneys and successors and assigns from and against all liabilities (including sums paid in settlement or claims), losses, costs (including, without limitation, investigation and remediation requirements), demands, suits, fees, damages and fine in connection with any claims (including, without limitation, assessments, penalties, forfeitures, actions, defenses, administrative proceedings, judgments, orders, compulsory and non-compulsory proceedings) that arise in, on, under, upon or affecting the Property, sought from or asserted against Tenant or the Tenant Group in connection with (i) the breach of any representation of Landlord contained herein, or (ii) the presence of any Hazardous Materials in, on, under, upon or affecting the Property as of the Lease Commencement Date (other than for any Hazardous Materials for which Tenant or any member of the Tenant Group caused or permitted to be located on the Property during its early entry into the Property pursuant to its rights under Section 5.03). This indemnification obligation shall survive the expiration or earlier termination of this Lease.

Section 5.04. Awnings and Signs. Tenant shall not produce or permit any awnings or signs to be placed on the Property. Subject to Landlord's prior written approval, which approval shall not be unreasonably withheld, delayed or conditioned, Tenant, at its sole cost and expense, may install an identification sign ("Sign") on the Property, provided, however, that (a) the size, color, location, materials, and design of such Sign shall be subject to Landlord's prior written consent which consent shall not be unreasonably withheld, delayed or conditioned; (b) such Sign shall comply with all applicable governmental rules, codes, ordinances and regulations and the Property's covenants, conditions, restrictions and signage of record; (c) such Sign shall not be painted directly on the building or attached to be placed on the roof of the building; and (d) Tenant's continuing signage right shall be contingent upon Tenant maintaining such Sign in a first class condition. Tenant shall be responsible for all costs incurred in connection with the design, construction, installation, repair and maintenance of the Sign. Upon the expiration or earlier termination of this Lease, Tenant shall cause the Sign to be removed and shall repair any damage caused by such removal (including, but not limited to, spackling and painting). Any signs, notices, logos, pictures, names or advertisements installed by Tenant without Landlord's approval, may be removed by Landlord, without notice, by Landlord to Tenant at Tenant's sole cost and expense.

Section 5.05. Indemnity.

5.05.1 Tenant shall indemnify, defend (with counsel reasonably acceptable to Landlord) or, at Landlord's election, Tenant shall reimburse Landlord for any reasonable legal fees or costs Landlord incurs in any such claim or action, and hold Landlord, together with its parent and all affiliated companies, and/or constituent parts, officers, its and their respective officers, directors and employees, the indemnified parties, free and harmless against and

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Section 505 of the Internal Revenue Code provides that a trust is treated as a separate taxpayer and is subject to the same tax rules as an individual. The trust's income is reported on a separate Form 1041, and the trust pays tax on that income. The trust's beneficiaries are not taxed on the trust's income until they receive distributions from the trust. If a beneficiary receives a distribution from the trust, the trust will file a Form 1041-ES to report the distribution to the IRS. The trust's income is also reported on the trust's Form 1041, and the trust pays tax on that income. The trust's beneficiaries are not taxed on the trust's income until they receive distributions from the trust. If a beneficiary receives a distribution from the trust, the trust will file a Form 1041-ES to report the distribution to the IRS.

505. The provision of this Section shall survive the expiration or termination of this lease with respect to any change in ownership of the property.

506. The provisions of this Section shall survive the expiration or termination of this lease with respect to any change in ownership of the property.

507. The provisions of this Section shall survive the expiration or termination of this lease with respect to any change in ownership of the property.

entry into the Property in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Property, or an actual or constructive eviction of Tenant from any portion of the Property.

Section 5.07. Vehicle Parking. Tenant shall be entitled to exclusive use of the vehicle parking area on the Property, subject to the rights of the tenant of the Madrona Property (as provided in Section 5.02.3).

Section 5.08. Quiet Possession. If Tenant pays the rent and complies with all other terms of this Lease, Tenant may occupy and enjoy the Property for the full Lease Term, against any party claiming by, through or under Landlord subject to the provisions of this Lease.

ARTICLE SIX CONDITION OF PROPERTY; MAINTENANCE, REPAIRS AND ALTERATIONS

Section 6.01. Existing Conditions.

6.01.1 Tenant accepts the Property in its "as-is" condition as of the execution of this Lease, subject to Landlord's obligation to complete Landlord's Work, other warranties and obligations specifically set forth in this Lease and all recorded matters, laws, ordinances, and governmental regulations and orders. Except as specifically provided herein, Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranties, express or implied, whatsoever with respect to the condition of the Property or the Building, nor with respect to the fitness or suitability thereof for any particular use or purpose, and Tenant hereby waives any and all such warranties, express or implied, including specifically but without limitation any warranty or representation of suitability. Tenant represents and warrants that Tenant has made its own inspection of and inquiry regarding the condition of the Property (or has had the opportunity to do so) and is not relying on any representations by Landlord or any Broker with respect thereto.

6.01.2 Landlord and Tenant acknowledge that, in accordance with the provisions of ADA, responsibility for compliance with the terms and conditions of Title III of the ADA may be allocated as between Landlord and Tenant. Notwithstanding anything to the contrary contained in this Lease, but subject to the provisions of Section 5.02.1, Landlord and Tenant agree that the responsibility for compliance of the physical aspects of the Property and Building with the ADA will be allocated as follows: (i) Tenant will be responsible for compliance with the provisions of Title III of the ADA for any construction, renovations, alterations and repairs made within the Property after the Substantial Completion of Landlord's Work; and (ii) Landlord will be responsible for compliance with the provisions of Title III of the ADA for all interior improvements on the Property prior to the Substantial Completion of Landlord's Work. Landlord and Tenant each agree that the allocation of responsibility for ADA compliance will not require Landlord or Tenant to supervise, monitor or otherwise review the compliance activities of the other with respect to its assumed responsibilities for ADA compliance as set forth in this section. The allocation of responsibility for ADA compliance between Landlord and Tenant, and the obligations of Landlord and Tenant established by such allocations, will supersede any other provisions of this Lease that may contradict or otherwise differ from requirements of this section. As of the Date of Lease, the Property has not undergone inspection by a CASp.

Section 6.02. Exemption of Landlord from Liability. Landlord shall not be liable for any damage or injury to the person, business (or any loss of income therefrom), goods, wares, merchandise or other property of Tenant, Tenant's employees, invitees, customers or any other person in or about the Property, whether such damage or injury is caused by or results from: (i) fire, steam, electricity, water, gas or rain; (ii) the breakage, leakage, obstruction or other defect of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures; or any other cause; (iii) conditions arising in or about the Property, or from other sources or places; (iv) criminal acts or entry by unauthorized persons onto the Property; or (v) any act or omission of any other tenant of Landlord. Landlord shall not be liable for any such damage or injury even though the cause of or the means of repairing such damage or injury are not accessible to Tenant. The provisions of this Section 6.02 shall not, however, exempt Landlord from liability to the extent of Landlord's gross negligence or willful misconduct and are subject to Section 4.04.4(c) of this Lease.

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Section 6.03 Landlord's Obligations

6.031 Subject to the provisions of Article Seven (Damage or Destruction) and Article Eight (Condemnation) and except for damage caused by any negligence, willful acts or misconduct of Tenant or Tenant's employees, agents, contractors or invitees which is not covered by insurance maintained by Landlord, or as a result of Tenant's alterations (all of which shall be Tenant's obligation to maintain in good order and condition), Landlord shall keep the foundation, roof and exterior walls of the Building in good order, condition and repair (including any latent defects). Landlord, however, shall not be obligated to maintain or repair floor, windows, doors, plate glass or surfaces of exterior walls. The above-referenced items shall be at Landlord's sole cost and expense. Landlord shall maintain a preventive maintenance contract ("HVAC Maintenance Contract") providing for the regular inspection and maintenance of the HVAC units on top of the Building during the entire lease term and Tenant shall reimburse Landlord for the cost of such HVAC Maintenance Contracts within ten (10) business days of Landlord's written request (accompanied by supporting documentation). Notwithstanding anything to the contrary herein, any required replacement of any HVAC unit serving the Building (as reasonably deemed necessary by Landlord or HVAC contractor) shall be at Tenant's sole cost and expense. Landlord shall not be obligated to make any repairs under this Section 6.03 until a reasonable time after written receipt from Tenant of the need for such repairs. During the Lease Term, Landlord shall also maintain a contract or contracts (each a "Landscaping Contract") providing for regular landscaping maintenance and tree trimming on the Property and the sealing, slurry coating and restriping of the asphalt paved areas on the Property no more than twice during the initial Lease Term (which work shall be reasonably scheduled with Tenant) and Tenant shall reimburse Landlord for the cost of such Landscaping Contracts within thirty (30) days of Landlord's written request (accompanied by supporting documentation). Tenant waives the benefit of any provision of law which might give Tenant the right to repair the Property at Landlord's expense or to terminate this lease because of the condition of the Property.

6.032 Notwithstanding the foregoing, Landlord shall, at Landlord's expense, cause Landlord's Work (the existing plumbing, lighting, air conditioning, heating and ventilating systems, fire sprinkler system, and loading docks in the Property (collectively, the "Warranted Items")) to be in good operating condition on the Lease Commencement Date. Upon written request from Tenant received within six (6) months of the Lease Commencement Date, Landlord shall repair any Warranted Items not delivered in good operating condition unless such repairs are required due to the negligence, willful acts or misconduct of Tenant or as a result of alterations, additions or improvements to the Property made by Tenant or for Tenant. Landlord shall be deemed to have delivered the Property in the condition required by this Section 6.03 until Tenant gives Landlord written notice and sets forth with specificity the nature and extent of any items requiring repair, within six (6) months after the Lease Commencement Date. Landlord agrees to assign any construction and equipment warranties or guarantees that it has (written copies of which (a) the extent received) shall be delivered to Tenant) effective (i) as of the Lease Commencement Date with respect to all aspects of the Property other than foundations, roof and exterior walls, and (ii) as of six (6) months after the Lease Commencement Date for all Warranted Items.

6.033 Landlord, at its sole cost and expense, shall also place the Building in the condition and with the improvements reflected on Exhibit C attached hereto and incorporated herein by this reference (collectively, "Landlord's Work").

Section 6.04 Tenant's Obligations

6.041 Except as provided in Section 6.01, Article Seven (Damage or Destruction) and Article Eight (Condemnation), all costs of a Tenant's sole cost and expense shall keep all portions of the Property (including electrical, interior, exterior systems and equipment) in good order, condition and repair (including but not limited to repairing the interior walls and repaving the paved areas, as needed). If any portion of the Property or any system or equipment in the Property, which Tenant is obligated to repair, cannot be fully repaired or restored, Tenant shall promptly replace (subject to Landlord's right to make or make such responsibility) such portion of the Property or system or equipment in the Property. If any part of the Property is damaged by any negligence, willful acts or misconduct of Tenant that is not covered by insurance maintained by Landlord, Tenant shall pay Landlord the cost of repairing or replacing such damaged property, whether or not Landlord would otherwise be obligated to pay the

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cost of maintaining or repairing such property. It is the intention of Landlord and Tenant that, at all times during the lease term, Tenant shall maintain the Property in an attractive, first-class and fully operative condition. Tenant shall contract directly for and pay the costs associated with the fire alarm monitoring (including telephone line charges) for the Property. Without limiting the generality of the provisions contained above in this Section 6.04, Tenant agrees to those not covered by the insurance maintained by Landlord, (except any damage caused by the transportation and storage of its product on or about the Property including but not limited to any damage to the Property's concrete floor slab adjoining concrete ramps, adjoining concrete truck aprons and adjoining concrete or asphalt parking and access areas due to the use of forklifts handling Tenant's products or otherwise). Tenant's repair obligation described above shall include the replacement of any damaged areas of the Property, if repair is impracticable, to a to restore such areas to the condition existing prior to such damage.

6.04.2. Tenant shall fulfill all of Tenant's obligation under Section 6.04 and Tenant's sole expense. If Tenant fails to maintain, repair or replace those portions of the Property as required by Section 6.04.1, Landlord may, upon ten (10) days' prior notice to Tenant (except that no notice shall be required in the case of an emergency) enter the Property and perform such maintenance or repair (including replacement as needed) on behalf of Tenant. In such case, Tenant shall reimburse Landlord for all costs incurred in performing such maintenance or repair immediately upon demand.

Section 6.05: Alterations, Additions and Improvements

6.05.1. Tenant shall not make any alterations, additions, or improvements to the Property ("Alterations") without Landlord's prior written consent, except for non-structural alterations that (i) do not exceed twenty-five thousand and 00/100 Dollars (\$25,000.00) in cost during the Lease Term, (ii) are not visible from the outside of the building, and (iii) do not alter or penetrate the floor, slab or roof. Landlord may require Tenant to provide demolition and/or clean and completion bonds in form and amount satisfactory to Landlord. Tenant shall promptly remove any Alterations constructed in violation of this Section 6.05.1 upon Landlord's written request. All Alterations shall be done in a good and workmanlike manner in conformity with all applicable law and regulations and all contractors and subcontractors shall be licensed by the State where the Property is located for their particular trade and approved by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed). Upon completion of any such Alterations, Tenant shall provide Landlord with six (6) sets, plus copies of all construction contracts, and proof of payment for all labor and materials. Notwithstanding anything to the contrary in this Section, Tenant must obtain Landlord's prior written consent for any of Tenant's Alterations that will (or may) be visible from the outside of the building on the Property. Landlord shall have the right, in its sole discretion, to determine the location of any such visible Tenant's Alterations and require the screening of such items at Tenant's sole cost and expense. Notwithstanding the foregoing or anything to the contrary herein, Tenant's initial improvements to the Building and/or Property, if any, shall be made pursuant to Exhibit "B" attached hereto.

6.05.2. Tenant shall pay when due all claims for labor and material furnished to the Property. Tenant shall give Landlord at least ten (10) days' prior written notice of the commencement of any work on the Property, regardless of whether Landlord's consent to such work is required. Landlord may elect to record and post notices of non-responsibility on the Property.

6.05.3. To the extent Landlord's prior consent is required by this Section 6.05, Landlord may condition its consent to any proposed Tenant's Alterations on such requirements as Landlord, in its reasonable discretion deems necessary or desirable, including, without limitation: (i) Tenant's submission to Landlord for Landlord's prior written approval of all plans and specifications relating to Tenant's Alterations; (ii) Landlord's prior written approval of the contractor and subcontractors performing Tenant's Alterations; (iii) Tenant's written notice of whether Tenant's Alterations include the use or handling of any hazardous materials; (iv) Tenant's obtaining, to Landlord's benefit and protection, of such insurance as Landlord may reasonably require (in addition to that required under Section 4.04 of this Lease); and (v) Tenant's payment to Landlord of all costs and expenses incurred by Landlord because of Tenant's Alterations, including, but not limited to, costs incurred in reviewing the plans and specifications for and the progress of Tenant's Alterations, and costs of engaging outside consultants (whether for structural engineering review or otherwise).

Section 203. (a) The holder of a mortgage shall have the right to prepay the mortgage at any time without penalty, except as provided in this section. (b) The amount of the penalty shall be the greater of the following: (1) the amount of the interest which would have accrued on the mortgage during the term of the mortgage; (2) the amount of the interest which would have accrued on the mortgage during the term of the mortgage, plus the amount of the interest which would have accrued on the mortgage during the term of the mortgage, plus the amount of the interest which would have accrued on the mortgage during the term of the mortgage.

SECTION 204. (a) The holder of a mortgage shall have the right to prepay the mortgage at any time without penalty, except as provided in this section. (b) The amount of the penalty shall be the greater of the following: (1) the amount of the interest which would have accrued on the mortgage during the term of the mortgage; (2) the amount of the interest which would have accrued on the mortgage during the term of the mortgage, plus the amount of the interest which would have accrued on the mortgage during the term of the mortgage.

Section 205. (a) The holder of a mortgage shall have the right to prepay the mortgage at any time without penalty, except as provided in this section. (b) The amount of the penalty shall be the greater of the following: (1) the amount of the interest which would have accrued on the mortgage during the term of the mortgage; (2) the amount of the interest which would have accrued on the mortgage during the term of the mortgage, plus the amount of the interest which would have accrued on the mortgage during the term of the mortgage.

Section 206. (a) The holder of a mortgage shall have the right to prepay the mortgage at any time without penalty, except as provided in this section. (b) The amount of the penalty shall be the greater of the following: (1) the amount of the interest which would have accrued on the mortgage during the term of the mortgage; (2) the amount of the interest which would have accrued on the mortgage during the term of the mortgage, plus the amount of the interest which would have accrued on the mortgage during the term of the mortgage.

Section 207. (a) The holder of a mortgage shall have the right to prepay the mortgage at any time without penalty, except as provided in this section. (b) The amount of the penalty shall be the greater of the following: (1) the amount of the interest which would have accrued on the mortgage during the term of the mortgage; (2) the amount of the interest which would have accrued on the mortgage during the term of the mortgage, plus the amount of the interest which would have accrued on the mortgage during the term of the mortgage.

forth in more detail in Section 6.07). In no event, however, shall Tenant remove any of the following materials or equipment (which shall be deemed Landlord's property) without Landlord's prior written consent: any power wiring or power panels, lighting or lighting fixtures, wall coverings, drapes, blinds or other window coverings, carpets or other floor coverings, heaters, air conditioners or any other heating and air conditioning equipment, fencing or security gates, level levels, dumb lights, dock locks or dock seals, or other similar building operating equipment and decorations.

Section 6.07 Floor Bolts. Prior to anchoring any racking or equipment to the floor of the Property, Tenant shall drill the holes for any anchor bolts to a depth that is one inch (1") deeper than normally required for such anchoring mechanism. Upon the expiration or earlier termination of this Lease, Tenant shall cut the top of the anchor bolts, pour the remaining bolt into the one inch (1") space described above, and pour epoxy filler into the existing hole so that the epoxy filler is flush with the floor, all at Tenant's sole cost and expense.

ARTICLE SEVEN DAMAGE OR DESTRUCTION

Section 7.01 Damage or Destruction to Property

7.01.1 Tenant shall notify Landlord in writing ("Damage Notice") immediately upon the occurrence of any damage to the Property. If the insurance proceeds received by Landlord from the insurance policies described in Section 4.04 are not sufficient to pay for the necessary repairs, this Lease shall remain in effect and Landlord shall repair the damage as soon as reasonably possible, including repairs to Landlord's Work. Landlord may elect (but is not required) to repair any damage to Tenant's fixtures, equipment or improvements.

7.01.2 If the insurance proceeds received by Landlord are not sufficient to pay the entire cost of repair, or if the cause of the damage is not covered by the insurance policies which Landlord maintains under Section 4.04, Landlord may elect either to: (i) repair the damage as soon as reasonably possible, in which case this Lease shall remain in full force and effect; or (ii) terminate this Lease as of the date the damage occurred. Landlord shall notify Tenant within thirty (30) days after receipt of Damage Notice whether Landlord elects to repair the damage or terminate this Lease. If Landlord elects to repair the damage, Tenant shall pay Landlord the "deductible amount" under Landlord's insurance policies (unless the damage was caused by Landlord or its agents, contractor, or employees; in which event the deductible amount shall be paid by Landlord) and, if the damage was due to an act or omission of Tenant or Tenant's employees, agents, contractors or invitees, Tenant shall pay the difference between the actual cost of repair and any insurance proceeds received by Landlord. If Landlord elects to terminate this Lease, Tenant may elect to continue this Lease in full force and effect, in which case Tenant shall repair any damage to the Property and any buildings in which the Property is located. Tenant shall pay the cost of such repairs, except that upon satisfactory completion of such repairs, Landlord shall deliver to Tenant any insurance proceeds received by Landlord for the damage repaired by Tenant. Tenant shall give Landlord written notice of such election within ten (10) days after receiving Landlord's termination notice.

7.01.3 If the repairs to the Property would require more than nine (9) months (subject to Force Majeure) from the occurrence of the damage or destruction to be substantially completed (collectively, the "Repair Period"), then either Landlord or Tenant shall have the right to terminate this Lease as of the later to occur of: (i) the date Landlord receives the Damage Notice; and (ii) the date Tenant ceases to do business on the Property and delivers exclusive possession thereof to Landlord. Tenant shall have the right at any time and from time to time to require Landlord to deliver to Tenant within ten (10) business days following Tenant's request a written notice from Landlord's contractor (the "Contractor Certificate") certifying to both Landlord and Tenant, in the reasonable opinion of Landlord's contractor, the amount of time required to repair or to complete the repair of the Property. If in the Contractor Certificate, Landlord's contractor certifies that the repair of the Property will take a period in excess of the Repair Period, then within ten (10) business days after the delivery of the Contractor Certificate to Tenant, Tenant or Landlord may terminate this Lease by delivering written notice of such termination to the other party within such ten (10) business day period. Notwithstanding the foregoing, Tenant shall not have any right to terminate this Lease under this Section 7.01 if the damage to the Property was caused by the negligence or willful acts or misconduct of Tenant.

7.01 If the damage to the Property occurs during the last six (6) months of the Lease Term and the repair of such damage will require more than thirty (30) days to substantially complete, then either Landlord or Tenant may elect to terminate this Lease as of the date the damage occurred, regardless of the sufficiency of any insurance proceeds. The party electing to terminate this Lease pursuant to this Section 7.01 shall give written notification to the other party of such election within thirty (30) days after Tenant's Damage Notice.

Section 7.02 Temporary Reduction of Rent: If the Property is destroyed or damaged and Landlord or Tenant repairs or restores the Property pursuant to the provisions of this Article Seven, any rent payable during the Repair Period shall be reduced according to the degree of any loss of Tenant's use of the Property is impaired (and insurance premiums, real property taxes and other expenses payable for the operation or maintenance of the Property shall be reduced to the extent Landlord's insurance covers the same). However, the reduction shall not exceed the sum of one year's payment of Base Rent (and insurance premiums, real property taxes and other expenses payable for the operation or maintenance of the Property, to the extent Landlord's insurance covers the same) unless Landlord's insurance covers more than one year's payment of Base Rent (and as applicable, insurance premiums, real property taxes and other expenses payable for the operation or maintenance of the Property). Except for such possible reduction in Base Rent (and as applicable, insurance premiums, real property taxes and other expenses payable for the operation or maintenance of the Property), Tenant shall not be entitled to any compensation, reduction or reimbursement from Landlord as a result of any damage, destruction, repair, or restoration of or to the Property. If such destruction or damage was caused by the negligence or willful acts or misconduct of Tenant or its agents, employees, contractors, or invitees, there will be no abatement of rent except to the extent of insurance proceeds available to Landlord for such rent. If Tenant's right to reduction under this Section 7.02 occurs during the Abatement Period, the Abatement Period shall be extended for the number of days necessary so that Tenant shall receive the same economic benefit it would have received under Section 7.02 had the Property had not been damaged or destroyed.

Section 7.03 Waiver: Tenant waives the protection of any statute, code or judicial decision (including but not limited to those contained in California Civil Code Sections 1932(2), 1933(4) and 1942 and Section 1265.150 of the California Code of Civil Procedure) which may grant to Tenant the right to terminate a lease in the event of the destruction of the leased property. Tenant agrees that the provisions of Article Seven above shall govern the rights and obligations of Landlord and Tenant in the event of any destruction to the Property.

ARTICLE EIGHT CONDEMNATION

If all or any portion of the Property is taken under the power of eminent domain or sold under the threat of that power (all of which are called "Condemnation") this Lease shall terminate as to the part taken or sold on the date the condemning authority takes title or possession, whichever occurs first. If more than twenty percent (20%) of the floor area of the building on the Property is taken either Landlord or Tenant may terminate this Lease as of the date the condemning authority takes title or possession by delivering written notice to the other within ten (10) days after receipt of written notice of such taking or in the absence of such notice, within ten (10) days after the condemning authority takes title or possession. If either Landlord or Tenant terminates this Lease, this Lease shall remain in effect as to the portion of the Property not taken, except that the Base Rent and Additional Rent shall be reduced in proportion to the reduction in the floor area of the Property. Landlord shall be entitled to receive the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any damage to Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease term pursuant to the terms of this Lease, and for moving expenses, so long as such claim does not diminish the award available to Landlord and/or its ground lessor with respect to the real property or its mortgage and such claims payable separately to Tenant. If this Lease is not terminated, Landlord shall repair any damage to the Property caused by the Condemnation, except that Landlord shall not be obligated to repair any damage for which Tenant has been compensated by the condemning authority. If the severance damages received by Landlord or made available to Landlord by the condemning authority are insufficient to make good the loss, Landlord shall have the right to either terminate this Lease or make such a partial Landlord's expense. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.150 of the California Code of Civil Procedure.

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ARTICLE NINE ASSIGNMENT AND SUBLETTING

Section 9.01 Transfers. Tenant shall not, without the prior written consent of Landlord (which consent Landlord may reasonably withhold, conditioned or delayed), assign, mortgage, pledge, encumber, or otherwise transfer, in whole or in any interest hereunder, nor in any assignment or other such foregoing transfer, of all or any interest hereunder by operation of law, or sublet the Property or any part thereof, all of the foregoing are hereinafter sometimes referred to collectively as "Transfers," and any person to whom any Transfer is made or made to be made hereunder, hereinafter sometimes referred to as a "Transferee," shall submit to Landlord in writing, which notice (the "Transfer Notice") shall include to the proposed effective date of the Transfer, which shall not be less than thirty (30) days after the date of delivery of the Transfer Notice: (a) a description of the portion of the Property to be transferred (the "Subject Space"); (b) all of the terms of the proposed Transfer; and the consideration therefor, including a calculation of the "Transfer Premium," as that term is defined in Section 9.02 below, in connection with such Transfer; the name and address of the proposed Transferee; and a copy of all existing and/or proposed documentation pertaining to the proposed Transfer, including all existing operative documents to be executed to evidence such Transfer or the agreements incidental or related to such Transfer; and (c) recent financial statements of the proposed Transferee certified by an officer, partner or owner thereof and any other information required by Landlord which will enable Landlord to determine the financial responsibility, character, and reputation of the proposed Transferee, nature of such Transferee's business, and proposed use of the Subject Space, and such other information as Landlord may reasonably require. Any Transfer made without Landlord's prior written consent shall, in Landlord's option, be null and void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under this Lease. Whether or not Landlord shall grant consent, Tenant shall pay Landlord's review and processing fees, as well as any reasonable legal fees incurred by Landlord, within thirty (30) days after written request by Landlord.

Section 9.02 Landlord's Consent. Landlord shall not unreasonably withhold its consent to any proposed Transfer of the Subject Space to the Transferee in the terms specified in the Transfer Notice. The parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply, without limitation as to other reasonable grounds for withholding consent:

- 9.02.1 The Transferee's character or reputation is significantly less prestigious than that of the Tenant;
- 9.02.2 The Transferee's business or use of the Subject Space is not permitted under this Lease;
- 9.02.3 The financial worth and/or financial stability of the Transferee is not sufficient for the financial undertakings remaining under this Lease;
- 9.02.4 The proposed Transfer would cause Landlord to be in violation of another lease or agreement to which Landlord is a party; or
- 9.02.5 The terms of the proposed Transfer will allow the Transferee to exercise a right of renewal, right of expansion, right of first offer, or other similar right held by Tenant (or will allow the Transferee to occupy space leased by Tenant pursuant to any such right).

If Landlord's consent to any Transfer is required pursuant to the terms of this Section 9.02, Tenant may, within sixty (60) months after Landlord's consent is given, but not later than the expiration of said six-month period, enter into such Transfer of the Property or part thereof, upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 9.01 of this Lease.

Section 9.03 Transfer Premium. If Landlord consents to a Transfer, as a condition thereto which the parties hereto agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any "Transfer Premium," as that term is defined in the Section 9.01 received by Landlord from such Transferee. "Transfer Premium" shall mean all net additional rent or other consideration payable by such Transferee in excess of the Rent and Additional Rent payable by Tenant under this Lease on a per rentable square foot basis if less than all of the Property is transferred.

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... (ii) reasonable brokers' commissions in obtaining the Transfer; (iii) reasonable legal fees incurred in obtaining the Transfer; and (iv) reasonable construction costs incurred by Tenant in preparing the Property for such Transfer. Landlord's premium shall also include, but not be limited to, key money and bonds (money paid by Tenant for a tenant's connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to Landlord or for such fixtures, inventory, equipment, or furniture transferred by Tenant to Landlord) in connection with such Transfer. Landlord or its authorized representatives shall have the right, at reasonable times, to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof. If the Transfer Premium exceeds any Transfer, Landlord shall be deemed satisfied. Tenant shall, within thirty (30) days after demand, pay the deficiency and Landlord's costs of such audit, and if undischarged by a final written demand, Landlord shall have the right to cancel this Lease upon thirty (30) days' notice to Tenant.

Section 9.04. Intentionally omitted.

Section 9.05. Effect of Transfer. If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified; (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a transferee; (iii) Tenant shall deliver to Landlord, promptly after execution of an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord; (iv) Tenant shall furnish Landlord, upon request, a complete statement certified by an independent certified public accountant or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer; and (v) no Transfer relating to this Lease is an agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any transferee of the Tenant's primary liability under this Lease, which liability shall be primary and not secondary. The Tenant and Landlord shall be jointly and severally liable under the terms of this Lease. Tenant shall also remain liable for the payment of all bills rendered by Landlord for the charges incurred by the transferee for services and material supplied to the Property.

Section 9.06. Additional Transfers. For purposes of this Lease, the term "Transfer" shall also include (i) if Tenant is a partnership, the withdrawal or change, voluntary, involuntary or by operation of law, of forty-nine percent (49%) or more of the partners, or voluntary or involuntary of forty-nine percent (49%) or more of partnership interests within a twelve (12) month period of the dissolution of a partnership without immediate reconciliation thereof; (ii) if Tenant is a closely held corporation (i.e., whose stock is not publicly held and not traded through any exchange or over the counter); (A) the dissolution, merger, consolidation or other reorganization of Tenant; (B) the sale or other transfer of more than an aggregate of forty-nine percent (49%) of the voting shares of Tenant (other than to immediate family member, by reason of death or disability); or (C) other than in the ordinary course of business, the sale, mortgage, hypothecation or pledge of more than an aggregate of forty-nine percent (49%) of the voting shares of Tenant; (iii) if Tenant is a limited liability company, the withdrawal of more than forty-nine percent (49%) of the membership interests.

Section 9.07. No Merger. No merger shall result from Tenant's sublease of the Property under this Article Nine. Tenant's surrender of this Lease or the termination of this Lease in any other manner. In any such event, Landlord may terminate any or all subtenancies or succeed to the interest of Tenant as sublandlord under any or all subtenancies.

Section 9.08. Permitted Transfers. Notwithstanding anything to the contrary contained in the Lease, Tenant shall be permitted to assign this Lease or sublease the Property to an entity (a) permitted by Article Nine; (b) to which Tenant is merged or consolidated; (c) to which substantially all of Tenant's assets are transferred; (d) which directly or indirectly controls or is controlled by Tenant and under common control with Tenant; provided, however, in connection with any assignment (and not a sublease) to a permitted transferee, (i) the net worth of Tenant has a tangible net worth computed in accordance with generally accepted accounting principles equal to or greater than one hundred percent (100%) of the debt outstanding; and (ii) immediately prior to such merger, consolidation or transfer, the proof satisfactory to Landlord of such tangible net worth is delivered to Landlord in forty (40) days prior to the effective date of any such transaction. (c) the assignee

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assumes in writing all of Tenant's duties, obligations and liabilities under the Lease, and (d) Tenant is not released from liability under the Lease.

ARTICLE TEN DEFAULTS, REMEDIES

Section 10.01: Covenants and Conditions. Tenant's performance of each of Tenant's obligations under this Lease is a condition as well as a covenant. Tenant's right to continue in possession of the Property is conditioned upon such performance. Time is of the essence in the performance of all covenants and conditions.

Section 10.02: Defaults. Tenant shall be in material default under this Lease:

10.02.1 If Tenant abandons the Property or if Tenant's vacation of the Property results in the cancellation of any insurance described in Section 4.04.

10.02.2 If Tenant fails to pay rent or any other charge when due unless such failure is cured within five (5) business days after Landlord provides Tenant notice of such monetary default.

10.02.3 If Tenant fails to perform any of Tenant's non-monetary obligations under this Lease for a period of thirty (30) days after written notice from Landlord, provided that more than thirty (30) days are required to complete such performance. Tenant shall not be in default if Tenant commences such performance within the thirty (30) day period and thereafter diligently pursues its completion. However, Landlord shall not be required to give such notice if Tenant fails to perform constitutes a concealable breach of this Lease. The notice required by this Section (i) is intended to satisfy any and all notice requirements imposed by law on Landlord and is not in addition to any such requirement; and (ii) not intended to extend the time for Tenant's performance if a shorter period of time for performance is expressly provided in this Lease.

10.02.4 (i) If Tenant makes a general assignment or general arrangement for the benefit of creditors; (ii) if a petition for adjudication of bankruptcy or for reorganization or arrangement is filed by or against Tenant and is not dismissed within sixty (60) days; (iii) if a trustee or receiver is appointed to take possession of substantially all of Tenant's assets located at the Property or of Tenant's interest in this Lease and possession is not restored to Tenant within sixty (60) days; or (iv) if substantially all of Tenant's assets located at the Property or of Tenant's interest in this Lease is subjected to attachment, execution or other judicial seizure which is not discharged within sixty (60) days. If a court of competent jurisdiction determines that any of the acts described in this Section 10.02.4 is not in default under this Lease, and a trustee is appointed to take possession (or if Tenant remains a debtor in possession) and such trustee or Tenant transfers Tenant's interest hereunder, then Landlord shall receive, as Additional Rent, the excess, if any, of the rent (or any other consideration) paid in connection with such assignment or sublease over the rent payable by Tenant under this Lease.

10.02.5 If any guarantor of this Lease revokes or otherwise terminates, or purports to revoke or otherwise terminate, any guaranty of all or any portion of Tenant's obligations under this Lease. Unless otherwise expressly provided, no guaranty of this Lease is revocable.

Section 10.03: Remedies. On the occurrence of any material default by Tenant, Landlord may, at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have:

10.03.1 Terminate Tenant's right to possession of the Property by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Property to Landlord. If Tenant shall be served with a demand for the payment of past due rent or any other charge, any payments rendered thereafter to cure any default by Tenant shall be made only by cashier's check. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord as a result of Tenant's default, including (i) the worth at the time of the award of the unpaid Base Rent, Additional Rent and other charges which Landlord had earned at the time of the termination; (ii) the worth at the time of the award of the amount by which the unpaid Base Rent, Additional Rent and other charges which Landlord would have earned after termination until the time of the

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award exceeds the amount of such rental loss that Tenant proves, Landlord could have reasonably avoided with reasonable efforts in the market at that time; (ii) the worth at the time of the award of the amount by which the unpaid Base Rent, Additional Rent and other charges which Tenant would have paid for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves, Landlord could have reasonably avoided with reasonable efforts in the market at that time; and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligation under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, any costs or expense Landlord incurs in maintaining or preserving the Property after such default, the cost of recovering possession of the Property, expenses of reletting, including necessary renovation or alteration of the Property, Landlord's reasonable attorney's fees incurred in connection therewith, and any real estate commission paid or payable. As used in subparts (i) and (ii) above, the "worth at the time of the award" is computed by allowing interest on unpaid amounts at the rate of ten percent (10%) per annum or such lesser amount as may then be the maximum lawful rate. As used in subpart (ii) above, the "worth at the time of the award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent (1%). If Tenant has abandoned the Property, Landlord shall have the option of (a) retaking possession of the Property and recovering from Tenant the amount specified in this Section 10.03.1, and/or (b) proceeding under Section 10.03.2.

10.03.2. Maintain Tenant's right to possession. In which case this Lease shall continue in effect whether or not Tenant has abandoned the Property. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent as it becomes due. Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations); and

10.03.3. Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the State of California.

Section 10.04. Reimbursement of "Free" Rent. If this Lease provides for a postponement of any monthly rental payments, a period of "free" rent or other rent concession, such postponed rent or "free" rent is called the "Abated Rent." Tenant shall be credited with having paid all of the Abated Rent on the expiration of this Lease Term only if Tenant has fully, faithfully and punctually performed all of Tenant's obligations hereunder, including the payment of all rent (other than the Abated Rent) and all other monetary obligations and the surrender of the Property in the physical condition required by this Lease. Tenant acknowledges that its right to receive credit for the Abated Rent is absolutely conditioned upon Tenant's full, faithful and punctual performance of its obligations under this Lease. If Tenant defaults and does not cure within any applicable grace period, the Abated Rent shall immediately become due and payable in full and this Lease shall be enforced as if there were no such rent abatement or other rent concession.

Section 10.05. Automatic Termination. Notwithstanding any other term or provision hereon to the contrary, this Lease shall terminate on the occurrence of any act which affirms the Landlord's intention to terminate this Lease as provided in Section 10.03 hereof, including the filing of an unlawful detainer action against Tenant. On such termination, Landlord's damages for default shall include, without limitation to all reasonable costs and fees, including reasonable attorneys' fees that Landlord incurs in connection with the filing, commencement, pursuing and/or defending of any action in any bankruptcy court or other court with respect to this Lease, the obtaining of relief from any stay in bankruptcy restraining any action to evict Tenant, or the pursuing of any action with respect to Landlord's right to possession of the Property. All such damages suffered (apart from Base Rent and other rent payable hereunder) shall constitute pecuniary damages which must be reimbursed to Landlord prior to assumption of this lease by Tenant or any successor to Tenant in any bankruptcy or other proceeding.

Section 10.06. Cumulative Remedies. Landlord's exercise of any right or remedy shall not prevent it from exercising any other right or remedy.

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Section 10.07. Surrender. No act or thing done by the Landlord or its agents during the lease term hereof shall be deemed an acceptance of a surrender of the Property, and no agreement to accept a surrender of the Property shall be valid unless made in writing and signed by the Landlord.

Section 10.08. Removal of Tenant's Property. All furniture, equipment, and other personal property of Tenant not removed from the Property upon the vacation or abandonment thereof following an uncured default by Tenant or upon the termination of this Lease for any cause whatsoever shall conclusively be deemed to have been abandoned by Tenant, and may be appropriated, sold, stored, destroyed or otherwise disposed of by Landlord without notice to Tenant and without obligation to account therefor. Tenant shall reimburse Landlord for all reasonable expenses reasonably incurred in connection with the disposition of such personal property. Landlord, upon presentation of evidence of a third party's claim of ownership or security interest in any such abandoned property, may turn over such property to the third party claimant without any liability to Tenant.

Section 10.09. Punitive and Consequential Damages. Notwithstanding anything to the contrary contained in this Lease, nothing in this Lease shall impose any obligations on Landlord to be responsible or liable for, and Tenant hereby releases Landlord from all liability for, indirect, punitive, exemplary, special or consequential damages (including lost profits).

ARTICLE ELEVEN PROTECTION OF LENDERS

Section 11.01. Subordination. Landlord represents that the Property is not currently subject to a ground lease or any mortgages or trust deeds. This Lease is subject and subordinate to all future ground or underlying leases of the real property and to the lien of any mortgages or trust deeds, now or hereafter in force against the real property and the building, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages or trust deeds, or the lessors under such ground lease or underlying leases, require in writing that this Lease be superior thereto by giving notice thereof to Tenant at least five (5) business days before the election becomes effective. Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage, or if any ground or underlying lease is terminated, to attend, without any deductions or set-offs whatsoever, to the purchaser upon any such foreclosure sale, or to the lessor of such ground or underlying lease, as the case may be, if so requested to do so by such purchaser or lessor, and to recognize such purchaser or lessor as the lessor under this Lease, provided such lienholder or purchaser or ground lessor shall agree to accept this Lease and not disturb Tenant's occupancy, so long as Tenant timely pays the rent and observes and performs all of the terms, covenants and conditions of this Lease to be observed and performed by Tenant. Landlord's interest herein may be assigned as security at any time to any lienholder. Tenant shall, within five (5) business days of request by Landlord, execute such further commercially reasonable instruments or assurances in such form as is then required by Landlord's lender to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, ground leases or underlying leases. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale.

Section 11.02. Estoppel Certificates.

11.02.1 Upon Landlord's written request, Tenant shall execute, acknowledge and deliver to Landlord a written statement, in such form as is then required by Landlord's lender, certifying: (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Lease has not been cancelled or terminated; (iii) the last date of payment of the Base Rent and other charges, and the time period covered by such payment; (iv) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating why); and (v) such other representations or information with respect to Tenant or this Lease as Landlord may reasonably request or which any prospective purchaser or encumbrancer of the Property may reasonably require. Tenant shall deliver such statement to Landlord within ten (10) days after Landlord's request. Landlord may give any such statement by Tenant to any prospective purchaser or encumbrancer of the Property. Such purchaser or encumbrancer may rely conclusively upon such statement as true and correct.

11.02.2 If Tenant does not deliver such statements to Landlord within such ten (10) day period, Landlord, and any prospective purchaser or lender, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Lease have not been amended, except as otherwise specifically by Landlord; (ii) that the Lease has not been amended or terminated, except as otherwise specifically by Landlord; (iii) that not more than one month's rent or other charges have been paid in advance; and (iv) that Landlord is not in default under the Lease. In such event, Tenant shall be stopped from denying the truth of such facts.

Section 11.03: Tenant's Financial Condition. Within ten (10) days after written request from Landlord (to be made no more than once per calendar year during the Lease Term other than in connection with the proposed sale, financing or refinancing of the Property), Tenant shall deliver to Landlord such financial statements as Landlord reasonably requires to verify the net worth of Tenant or any assignee, subtenant, or guarantor of Tenant. In addition, Tenant shall deliver to any prospective purchaser or lender designated by Landlord any financial statements required by such prospective purchaser or lender to the sale of the Property or lender to facilitate the financing or refinancing of the Property. Tenant represents and warrants to Landlord that each such financial statement is a true and accurate statement as of the date of such statement. All financial statements shall be confidential and shall be used only for the purposes set forth in this Lease.

ARTICLE TWELVE: LEGAL COSTS

Section 12.01: Legal Proceedings. If Tenant or Landlord shall be in breach or default under this Lease, such party (the "Defaulting Party") shall reimburse the other party (the "Non-Defaulting Party") upon demand for any reasonable, documented costs or expenses that the Non-Defaulting Party incurs in connection with any breach or default of the Defaulting Party under this Lease, whether or not suit is commenced or judgment entered. Such costs shall include legal fees and costs incurred for the negotiation of a settlement, enforcement of rights, or otherwise. Furthermore, if any action for breach or to enforce the provisions of this Lease is commenced, the court in such action shall award to the party in whose favor a judgment is entered, a reasonable sum as attorneys' fees and costs. The losing party in such action shall pay such attorneys' fees and costs.

Section 12.02: Landlord's Consent. Subsequent to the Lease Commencement Date, Tenant shall pay Landlord's reasonable, documented attorneys' fees incurred in connection with Tenant's request for Landlord's consent under Article Nine (Assignment and Subletting) or in connection with any other act which Tenant proposes to do and which requires Landlord's consent.

ARTICLE THIRTEEN: BROKERS

Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease, excepting only the real estate broker or agent named in Section 13.01 of this Lease. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims with respect to any liability, obligation or equivalent compensation allowed to be a claim on account of the indemnifying party's dealing with any real estate broker or agent other than the Broker as Landlord's Broker hereby discloses to Landlord and Tenant, and Landlord and Tenant hereby warrant of Landlord's Broker as the agent of Landlord's Broker.

ARTICLE FOURTEEN: MISCELLANEOUS PROVISIONS

Section 14.01: Intentionally omitted.

Section 14.02: Landlord's Liability: Certain Duties.

14.02.1 As used in this Lease, the term "Landlord" means only the current owner or owners of the fee title to the Property or the leasehold estate under a ground lease of the Property at the time in question. Each Landlord is obligated to perform the obligations of Landlord under this Lease only during the time such Landlord owns such interest in the Property. Any Landlord who transfers its title or interest is relieved of all liability with respect to

the obligations of Landlord under this Lease to be performed on or after the date of transfer. However, each Landlord shall deliver to its transferee all funds that Tenant previously paid if such funds have not yet been applied under the terms of this Lease.

14.02.2 Tenant shall give written notice of any failure by Landlord to perform any of its obligations under this Lease to Landlord and to any ground lessor, mortgagee or beneficiary under any deed of trust encumbering the Property whose name and address have been furnished to Tenant in writing. Landlord shall not be in default under this Lease unless Landlord (or such ground lessor, mortgagee or beneficiary) fails to cure such non-performance within thirty (30) days after receipt of Tenant's notice. However, if such non-performance reasonably requires more than thirty (30) days to cure, Landlord shall not be in default if such cure is commenced within such thirty (30) day period and thereafter diligently pursued to completion.

14.02.3 Notwithstanding any term or provision herein to the contrary, the liability of Landlord for the performance of its duties and obligations under this Lease is limited to Landlord's interest in the Property, and neither the Landlord nor its partners, members, managers, shareholders, officers, or other principals shall have any personal liability under this Lease.

14.02.4 Tenant shall have no right to terminate this Lease based on an uncured default by Landlord in the performance of Landlord's obligations under this Lease, provided, however, that Tenant may seek to recover from Landlord an amount representing appropriate actual compensatory damages (if) breach of contract based on any such uncured default of Landlord, but not otherwise. Consistent with Section 14.00 above, in no event shall Tenant be permitted to recover consequential, punitive, or exemplary damages from Landlord based on any such uncured default of Landlord, or otherwise.

Section 14.03 Severability A determination by a court of competent jurisdiction that any provision of this Lease or any part thereof is illegal or unenforceable shall not cancel or invalidate the remainder of such provision or this Lease, which shall remain in full force and effect.

Section 14.04 Interpretation The captions of the Articles or Sections of this Lease are to assist the parties in reading the Lease and are not a part of the terms or provisions of this Lease. Whenever required by the context of this Lease: (i) the singular shall include the plural and the plural shall include the singular; (ii) the masculine, feminine, and neuter gender shall each include the other; (iii) shall, will, must, agrees, and covenants are each mandatory; (iv) may is permissive; (v) or is not exclusive and (vi) includes and including are not limiting. In the event of a dispute between Landlord and Tenant over the interpretation of this Lease, both parties shall be deemed to have been the drafter of this Lease, and any applicable law that dates this contract is to be construed against the drafter shall not apply. In any provision relating to the conduct, negligence, acts, or misconduct of Tenant, the term "Tenant" shall include Tenant's agents, employees, contractors, invitees, successors, or others using the Property with Tenant's expressed or implied permission.

Section 14.05 Incorporation of Prior Agreements, Modifications This Lease is the only agreement between the parties pertaining to the lease of the Property and no other agreement is effective. All amendments to this Lease shall be in writing and signed by all parties. Any other adopted amendment shall be void. All attached exhibits are hereby expressly incorporated into this Lease by this reference. For avoidance of doubt, the non-disclosure agreements signed by parties affiliated with Landlord on or about August 26, 2016 shall remain in full force and effect and shall expire in accordance with their terms unaffected by the terms of this Lease, provided, however, nothing in such non-disclosure agreements shall preclude Landlord from disclosing any Confidential Information (as defined therein) to any owners of the Landlord (or the general partner of Landlord) or following the execution of commercially reasonable non-disclosure agreement in any prospective lender or purchaser of the Property.

Section 14.06 Notices All notices, demands, statements or communications (collectively, "Notices") given or required to be given by either party to the other hereunder shall be in writing, shall be sent by United States certified or registered mail, postage prepaid, return receipt requested, commercial overnight courier, or delivered personally (i) to Tenant at the appropriate address set forth in Section 1.04, except that upon Tenant's taking

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possession of the Property, the Property shall be Tenant's address for notice purposes, or (ii) to Landlord at the addresses set forth in Section 14.02. Landlord and Tenant shall have the right to change its respective Notice address upon giving Notice to the other party. Any Notice will be deemed given on the date it is mailed as provided in this Section 14.06 or upon the date personal delivery is made. If Tenant is notified of the identity and address of Landlord's mortgagee or grantor or underlying lessor, Tenant shall give to such mortgagee or grantor or underlying lessor written notice of any default by Landlord under the terms of this Lease by registered or certified mail, and such mortgagee or grantor or underlying lessor shall be given a reasonable opportunity to cure such default prior to Tenant's exercising any remedy available to Tenant. Notices required hereunder may be given by either an agent or attorney acting on behalf of Landlord or Tenant.

Section 14.07. Waivers. Without limiting the generality of the foregoing provisions of this Section 14.07, the failure of Landlord to insist upon the strict performance in any one or more instances of any term, covenant or condition of this Lease shall not be deemed to be a waiver by Landlord of such term, covenant or condition. No waiver by Landlord of any breach by Tenant of any term, provision and covenant contained herein shall be deemed or construed to constitute a waiver of provision or covenant contained herein shall be deemed or construed to constitute a waiver of any other or subsequent breach by Tenant of any term, provision or covenant contained herein. Landlord's acceptance of the payment of rent (or portions thereof) or any other payment hereunder after the occurrence of and during the continuance of a default (or will knowledge of a breach of any term, provision of this Lease which with the giving of notice and the passing of time, or both, would constitute a default) shall not be construed as a waiver of such default. To the extent Landlord enforces one or more of the remedies hereunder provided upon the occurrence of a default shall not be deemed or construed to constitute a waiver of such default.

Section 14.08. No Recordation. Tenant shall not record this Lease or a "Short Form" memorandum of this Lease without prior written consent from Landlord (which can be withheld in Landlord's sole and absolute discretion).

Section 14.09. Binding Effect; Choice of Law. This Lease binds any party who legally acquires any rights or interest in this Lease from Landlord or Tenant. (However, Landlord shall have no obligation to Tenant's successor unless the rights or interests of Tenant's successor are acquired in accordance with the terms of this Lease. The laws of the State of California (without regard to choice of law principles) shall govern this Lease.

Section 14.10. Corporate Authority; Partnership Authority. If Tenant is a corporation or partnership, each individual executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is duly formed and existing entity qualified to do business in the state in which the Property is located and that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so. If Tenant is a corporation, within thirty (30) days after this Lease is signed, Tenant shall deliver to Landlord a certified copy of a resolution of Tenant's board of directors authorizing the execution of this Lease, or other evidence of such authority reasonably acceptable to Landlord. If Tenant is a limited liability company, within thirty (30) days after this Lease is signed, Tenant shall deliver to Landlord a certified copy of a resolution of Tenant's managers or members authorizing the execution of this Lease, or other evidence of such authority reasonably acceptable to Landlord. If Tenant is a partnership, within thirty (30) days after this Lease is signed, Tenant shall deliver to Landlord a copy of Tenant's recorded statement of partnership or certificate of limited partnership. Tenant shall give written notice to Landlord of any general partner's withdrawal or addition.

Section 14.11. Joint and Several Liability. All parties signing this Lease as a Tenant shall be jointly and severally liable for all obligations of Tenant.

Section 14.12. Force Majeure. A Force Majeure event shall occur if Landlord or Tenant cannot perform any of its obligations due to events beyond such applicable party's control, except with respect to the obligation to pay rent, which shall remain an absolute obligation to be paid by Tenant pursuant to the terms of this Lease, provided for performing such obligations shall be extended by a period of time equal to the duration of such events. Events beyond Landlord or Tenant's control include, but are not limited to, acts of God, war, civil commotion, terrorist acts, labor disputes, strikes, fire, flood or other casualty, shortage of labor or industrial government regulation or restriction, waiting periods for obtaining governmental permits or approval or weather.

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conditions including dry-out periods. No express reference in this Lease to a Force Majeure event shall create any inference that the terms of this Section 14.12 do not apply with equal force in the absence of such an express reference.

Section 14.13. Execution of Lease. This Lease may be executed in counterparts and, when all counterpart documents are executed, the counterparts shall constitute a single binding instrument. Landlord's delivery of this Lease to Tenant shall not be deemed to be an offer to lease and shall not be binding upon either party until executed and delivered by both parties.

Section 14.14. Survival. All representations and warranties of Landlord and Tenant shall survive the termination of this Lease.

Section 14.15. Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant, it being expressly understood and agreed that neither the method of computation of Rent nor any act of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.

Section 14.16. No Warranty. In executing and delivering this Lease, Tenant has not relied on any representation, including but not limited to any representation whatsoever as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate or that Landlord is furnishing the same services to other tenants, at all, on the same level or on the same basis, or any warranty or any statement of Landlord which is not set forth herein or in one or more of the exhibits attached hereto.

Section 14.17. Waiver of Redemption by Tenant. Tenant hereby waives, for Tenant and for all those claiming under Tenant, all rights now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Property after any termination of this Lease.

Section 14.18. Independent Covenants. This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord.

Section 14.19. Confidentiality. Tenant acknowledges that the content of this Lease and any related documents are confidential information. Tenant shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial, legal, and space planning consultants.

ARTICLE FIFTEEN NO OPTION

THE SUBMISSION OF THIS LEASE BY LANDLORD, ITS AGENT OR REPRESENTATIVE FOR EXAMINATION OR EXECUTION BY TENANT DOES NOT CONSTITUTE AN OPTION OR OFFER TO LEASE THE PROPERTY UPON THE TERMS AND CONDITIONS CONTAINED HEREIN OR A RESERVATION OF THE PROPERTY IN FAVOR OF TENANT. IT BEING INTENDED HEREBY THAT THIS LEASE SHALL ONLY BECOME EFFECTIVE UPON THE EXECUTION HEREOF BY LANDLORD AND DELIVERY OF A FULLY EXECUTED LEASE TO TENANT. NEITHER PARTY SHALL HAVE ANY OBLIGATION TO CONTINUE DISCUSSIONS OR NEGOTIATIONS OF THIS LEASE.

[remainder of page intentionally left blank; signatures on next page]

Landlord and Tenant have signed this Lease at the place and on the dates specified adjacent to their signatures below.

Executed on September 30, 2016

LANDLORD

BEIM MAPLE PROPERTIES
a California limited partnership

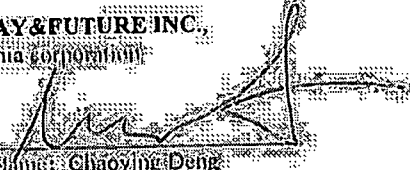
By: **BEIM MAPLE, INC.**
a California corporation
Its General Partner

By: 
CHRIS BEIM
Its President

Executed on September 30, 2016

TENANT

FARADAY & FUTURE INC.
a California corporation

By: 
Name: **Chaoying Deng**
Its President

As persons herein mentioned the authority of officers and signatories of the corporation will indicate the capacity in which they are signing. If the signature is executed by the president or vice president and the secretary, the secretary's signature is required unless the bylaws or a resolution of the board of directors or other authority provides in which event the bylaws or a certified copy of the resolution, as the case may be, must be attached to this Lease.

09/07/2017

313051952-2175-000

Copy of Certified Resolution

[Attached]


09:07:2017

21505105-21154 003

2017-09-07 09:07:20 21505105-21154 003

SECRETARY CERTIFICATE

I, Chaoying Deng hereby certify under penalty of perjury that I am the duly appointed Secretary of Paraday & Future, Inc., a California corporation (the "Company"), and further certify that attached hereto as Exhibit A is a true and complete copy of the resolutions which were approved by the Board of Directors effective July 29, 2016, and that such resolutions are in full force and effect and have not been modified, rescinded, or otherwise amended as of the date of their adoption.



Chaoying Deng
Secretary

09:07:2017

Vertical text on the right margin, possibly a page number or reference code.

EXHIBIT A

**ACTION BY UNANIMOUS WRITTEN CONSENT OF
THE BOARD OF DIRECTORS OF
FARADAY & FUTURE INC.
(a California corporation)**

The undersigned, constituting the sole member of the Board of Directors (the "Board") of Faraday & Future, Inc., a California corporation (the "Corporation"), and acting in accordance with Section 107(b) of the California Corporations Code, effective as of July 29, 2016, does hereby adopt, ratify and approve the following resolutions, and does hereby direct the Secretary of the Corporation to place a copy hereof in the Corporation's minute book:

RESIGNATION OF OFFICERS

WHEREAS, all of the officers resigned from the Company effective June 19, 2016 (the "Resignation Date");

RESOLVED, that the Board accepts the resignation of each officer effective as of the Resignation Date;

FURTHER RESOLVED, THAT all prior actions of each officer of the Company are hereby ratified, approved and confirmed in all respects;

APPOINTMENT OF OFFICERS

WHEREAS, the Board deems it advisable and in the best interest of the Corporation to appoint officers from time to time for the governance of the Corporation;

NOW, THEREFORE, BE IT RESOLVED, that the officers of the Corporation, each in the capacity or capacities listed next to his or her name and having the duties and authority specified in California Laws, the Bylaws of the Corporation, and as may be further granted or delegated by the Board, are hereby appointed in replacement of all previous officers of the Corporation, effective immediately, to serve until the next annual meeting of the Corporation, or until his or her earlier resignation or removal:

Name:	Office:
Chaojing Deng	President and Secretary
Jawei Wang	Chief Financial Officer and Treasurer

RESOLVED FURTHER, that any and all actions heretofore taken by any officer or director of the Corporation in connection with the carrying out of the transactions contemplated by these recitals and resolutions are hereby ratified, adopted, approved and confirmed in all respects as authorized acts in the name and on behalf of the Corporation.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has executed this Action by Written Consent
to be effective as of the date first written above.

By


Jiawei Wang
Director

09:07:2017

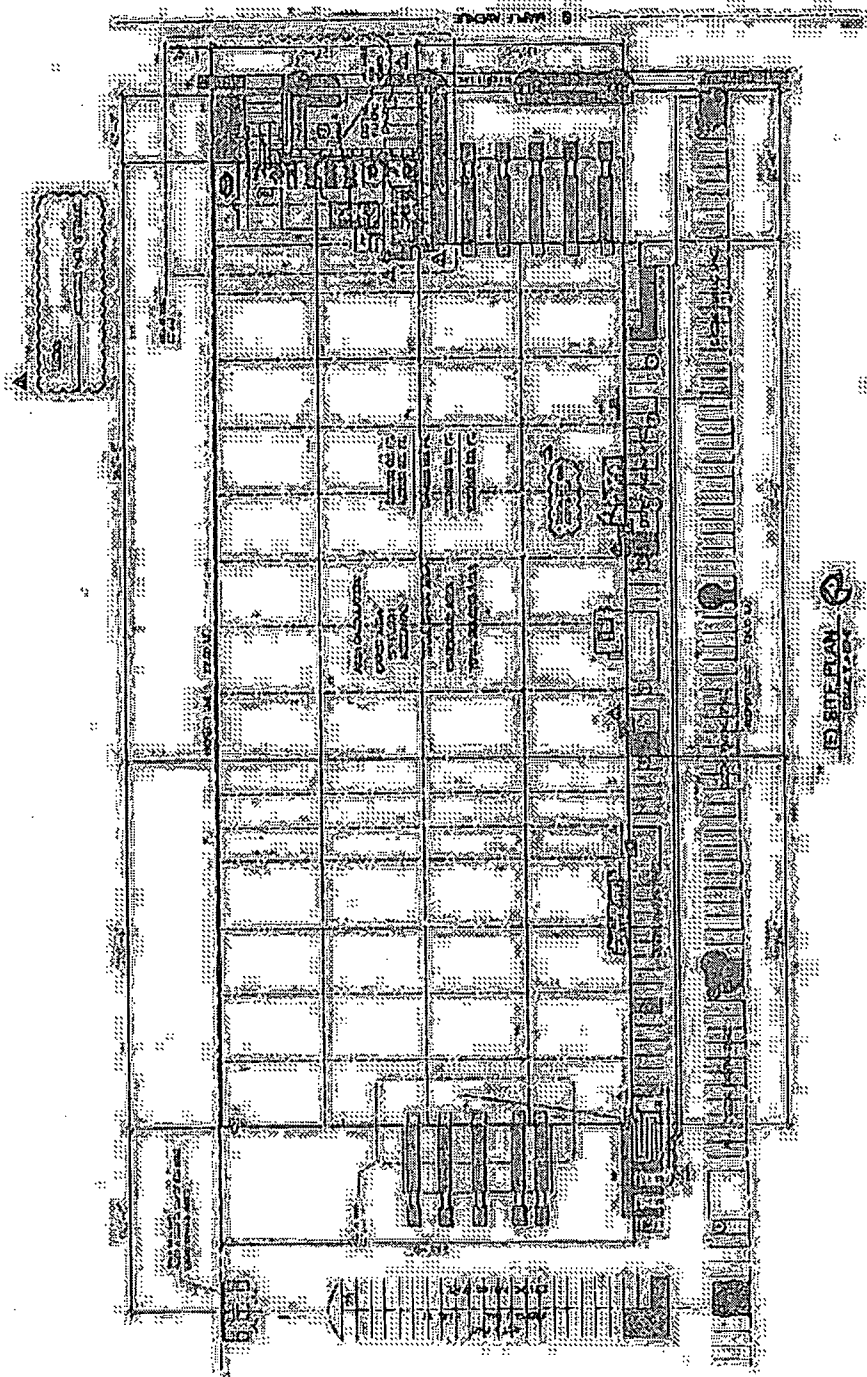
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EXHIBIT A
PROPERTY
[Attached]

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300 KEVIN POLSONER

2000 WASHINGTON

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EXHIBIT "B"

TENANT WORK LETTER

This Tenant Work Letter shall set forth the terms and conditions relating to the construction of the initial tenant improvements in the Property by Tenant, should it elect to make the same (in addition to those being performed as part of Landlord's Work). This Tenant Work Letter is essentially organized chronologically and addresses the issues of the construction of the Property in sequence, as such issue will arise during the actual construction of the Property. All references in this Tenant Work Letter to Articles or Sections of this Lease shall mean the relevant portion of this Lease and all references in this Tenant Work Letter to Sections of this Tenant Work Letter shall mean the relevant portion of this Tenant Work Letter.

SECTION 1

INTENTIONALLY OMITTED

SECTION 2

CONSTRUCTION DRAWINGS

2.1 Architect/Construction Drawings. Tenant shall retain a licensed architect reasonably approved by Landlord (the "Architect") who shall prepare the Construction Drawings. The engineering consultants (the "Engineers") shall prepare all plans and engineering working drawings relating to the structural, mechanical, electrical and plumbing of the Tenant Improvements. All plans and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the "Construction Drawings." All Construction Drawings shall be subject to Landlord's reasonable approval. Landlord's review of the Construction Drawings as set forth in this Section 2 shall be for its sole purpose and shall not imply Landlord's review of the same, or obligate Landlord to review the same, for quality, design, code compliance or other like matters.

2.2 Final Space Plan. Tenant has developed a final space plan for Tenant Improvements in the Property (collectively, the "Final Space Plan") which Final Space Plan includes a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein and a copy of which is attached hereto as Schedule "L." Landlord has approved the Final Space Plan.

2.3 Final Working Drawings. Tenant shall approve the architectural and engineering drawings for the Tenant Improvements and the final architectural working drawings in a form which is complete to allow subcontractors to bid on the work and then obtain all applicable permits (collectively, the "Final Working Drawings") and shall submit the same to Landlord for Landlord's approval.

2.4 Permits. The final Working Drawings shall be approved by Landlord (the "Approved Working Drawings") prior to the commencement of the construction of the Tenant Improvements. Architect shall immediately submit the Approved Working Drawings to the appropriate municipal authorities for all applicable building permits necessary to allow "Contractor," as that term is defined in Section 2.1, below, to commence and fully complete the construction of the Tenant Improvements (the "Permits"). No changes, modifications or alterations in the Approved Working Drawings may be made without the prior written consent of Landlord.

2.5 Time Deadlines. Tenant shall use its best, good faith, efforts and all due diligence to cooperate with the Architect, the Engineers, and Landlord to complete all phases of the Construction Drawings and the permitting process and to receive the permits, and with Contractor for approval of the "Cost Proposal," as that term is defined in Section 2.2 of this Tenant Work Letter, as soon as possible after the execution of this Lease.

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SECTION 3

CONSTRUCTION OF THE TENANT IMPROVEMENTS

3.1 Contractor shall retain a license general contractor with at least five (5) years experience as a licensed general contractor in good standing and who is bonded by the Contractor. The Contractor for the construction of the tenant improvements shall be approved by landlord. The Contractor and all subcontractors shall be licensed by the Department of Consumer Affairs, Contractor State License Board, State of California.

3.2 Construction of Tenant Improvements by Tenant's Agents

3.2.1 Landlord's General Conditions for Tenant's Agents and Tenant Improvements Work. Tenant Contractor and all subcontractors, laborers, installers and suppliers used by Tenant's Agents in the construction of the tenant improvements shall comply with the following: (a) The Tenant's Agents shall be construction site supervisors with the approved Working Drawings; and (b) Tenant shall provide by all the materials made by landlord (T.M.) with respect to any materials in connection with this Tenant Work Letter, including without limitation the construction of the Tenant Improvements.

3.2.2 Indemnity. Tenant's liability for any and all damages, losses, claims, injuries and liabilities shall be limited to the amount of the contract or any amount in excess thereof. Tenant's liability shall not be reduced by any act or omission of any and all subcontractors, laborers, installers and suppliers used by Tenant's Agents. Tenant's liability shall not be reduced by any act or omission of any and all subcontractors, laborers, installers and suppliers used by Tenant's Agents. Tenant's liability shall not be reduced by any act or omission of any and all subcontractors, laborers, installers and suppliers used by Tenant's Agents. Tenant's liability shall not be reduced by any act or omission of any and all subcontractors, laborers, installers and suppliers used by Tenant's Agents.

3.2.3 Requirements of Tenant's Agents. Landlord's Agents shall be responsible for the portion of the tenant improvements for which it is responsible. The Tenant shall indemnify, defend and hold the Landlord harmless for the portion of the tenant improvements for which it is responsible. The Tenant shall indemnify, defend and hold the Landlord harmless for the portion of the tenant improvements for which it is responsible. The Tenant shall indemnify, defend and hold the Landlord harmless for the portion of the tenant improvements for which it is responsible. The Tenant shall indemnify, defend and hold the Landlord harmless for the portion of the tenant improvements for which it is responsible.

3.2.4 Insurance Requirements

3.2.4.1 General Coverage. All of Tenant's Agents shall carry workers compensation, medical, disability, public liability, and general liability insurance. The Tenant shall also carry general liability insurance for the portion of the tenant improvements for which it is responsible. The Tenant shall indemnify, defend and hold the Landlord harmless for the portion of the tenant improvements for which it is responsible.

Vertical text on the left margin, possibly a reference or index list, containing various numbers and symbols.

3.2.1.4.2. **Special Coverages:** Tenant or Contractor shall carry "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of the Tenant Improvements, and such other insurance as Landlord may require, it being understood and agreed that the Tenant Improvements shall be insured by Tenant pursuant to Section 4.04 of the Industrial Lease immediately upon completion thereof. Such insurance shall be in amounts and shall include such extended coverage endorsements as may be reasonably required by Landlord including, but not limited to, the requirement that all of Tenant's Agents shall carry excess liability and Products and Completed Operations Coverage insurance, each in amounts not less than \$500,000 per incident, \$1,000,000 in aggregate, and in form and with companies as are required to be carried by Tenant as set forth in this Lease.

3.2.1.4.3. **General Terms:** All policies of insurance must contain a provision that the company, writing and policy, will give Landlord thirty (30) days prior written notice of any cancellation or lapse of the coverage, title to, or any reduction in the amounts of such insurance. In the event that the Tenant Improvements are damaged by any cause during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense. Tenant's Agents shall maintain all of the foregoing insurance coverage in force until the Tenant Improvements are fully completed and accepted by Landlord, except for any Products and Completed Operations Coverage insurance required by Landlord, which is to be maintained for ten (10) years following completion of the work and acceptance by Landlord and Tenant. All policies carried under this Section 3.2.1.4 shall insure Landlord and Tenant, as their interests may appear, as well as Contractor and Tenant's Agents. All insureds, except Workers' Compensation maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured hereunder. Such insurance shall provide Tenant's primary insurance as respects the Landlord and that any other insurance maintained by Landlord is excess and noncontributing with the insurance required hereunder. The requirements of the foregoing insurance shall not deviate from the provisions for indemnification of Landlord by Tenant under Section 3.2.2.2 of this Tenant Work Lease. Landlord may in its discretion require Tenant to obtain lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of the Tenant Improvements and bonding Landlord as may be obliged.

3.2.2. **Governmental Compliance:** The Tenant Improvements shall comply in all respects with the following: (i) the Code and other state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as such may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code and (iii) building material manufacturer's specifications.

3.2.3. **Inspection by Landlord:** Landlord shall have the right to inspect the Tenant Improvements at all times, provided however, that Landlord's failure to inspect the Tenant Improvements shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of the Tenant Improvements constitute Landlord's approval of the same. Should Landlord disapprove any portion of the Tenant Improvements, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. Any defect or deviation, in and/or disapproval by Landlord of the Tenant Improvements shall be rectified by Tenant at its expense to Landlord, provided however, that in the event Landlord determines that a defect or deviation exists or disapproves of any matter in connection with any portion of the Tenant Improvements Landlord may take such action as Landlord deems necessary at Tenant's expense and without incurring any liability on Landlord's part, to correct any such defect, deviation, in and/or matter, including, without limitation, causing the cessation of performance of the construction of the Tenant Improvements until such time as the defect, deviation and/or matter is corrected to Landlord's satisfaction.

3.3. **Notice of Completion Copy of Updated Approval Working Drawing Plans**

3.3.1. Within ten (10) days after completion of construction of the Tenant Improvements, Tenant shall cause a Notice of Completion to be recorded in the office of the Recorder of the county in which the Project is located in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and

05/07/2017

file the same on behalf of Tenant as Tenant's agent for such purpose, at Tenant's sole, but reasonable cost and expense.

3.3.2. Upon completion of the construction of the Tenant Improvements, Tenant shall deliver to Landlord properly executed mechanics lien releases in compliance with California Civil Code Sections 8136 and 8138.

3.3.3. At the conclusion of construction, (d) Tenant shall cause the Contractor (C) to update the Approved Working Drawings through annotated change, as necessary, to reflect all changes made to the Approved Working Drawings during the course of construction, (A) to certify to the best of Contractor's knowledge that such updated Approved Working Drawings are true and correct, which certification shall survive the expiration or termination of this lease, (B) to deliver to Landlord two (2) sets of copies of such updated Approved Working Drawings and (D) to deliver to Landlord any permits or similar documents issued by governmental agencies in connection with the construction of the Tenant Improvements, within thirty (30) days following issuance of a certificate of occupancy for the Property, and (ii) Tenant shall deliver to Landlord a copy of all warranties, guaranties, and operating manuals and information relating to the improvements, equipment, and systems in the Property.

Sections 3.3.1, 3.3.2, and 3.3.3, above shall be collectively referred to as "Tenant's Completion Requirements".

SECTION 4

MISCELLANEOUS

4.1. **Tenant's Representative.** Tenant has designated Jeremy White as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Landlord, shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

4.2. **Landlord's Representative.** Landlord has designated Jess Beim as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.

4.3. **Time of the Essence in this Tenant Work Letter.** Unless otherwise indicated, all reference herein to a number of days shall mean and refer to calendar days. In all instances where Tenant is required to approve or deliver an item, if no written notice of approval is given by the Tenant and delivered within the stated time period and Landlord's sole option at the end of such period the item shall automatically be deemed approved or delivered by Tenant and the next succeeding time period shall commence.

4.4. **Tenant's Lease Default.** Notwithstanding any provision to the contrary contained in this lease, if an event of default is described in the Lease or a default by Tenant under this Tenant Work Letter has occurred at any time on or before the Substantial Completion of the Tenant Improvements, then, in addition to all other rights and remedies granted to Landlord pursuant to the Lease, all other obligations of Landlord under the terms of this Tenant Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of the Lease.

09/07/2017

Schedule 123

Final Space Plan

[Attached]

09:07:2014

[Faded header text]

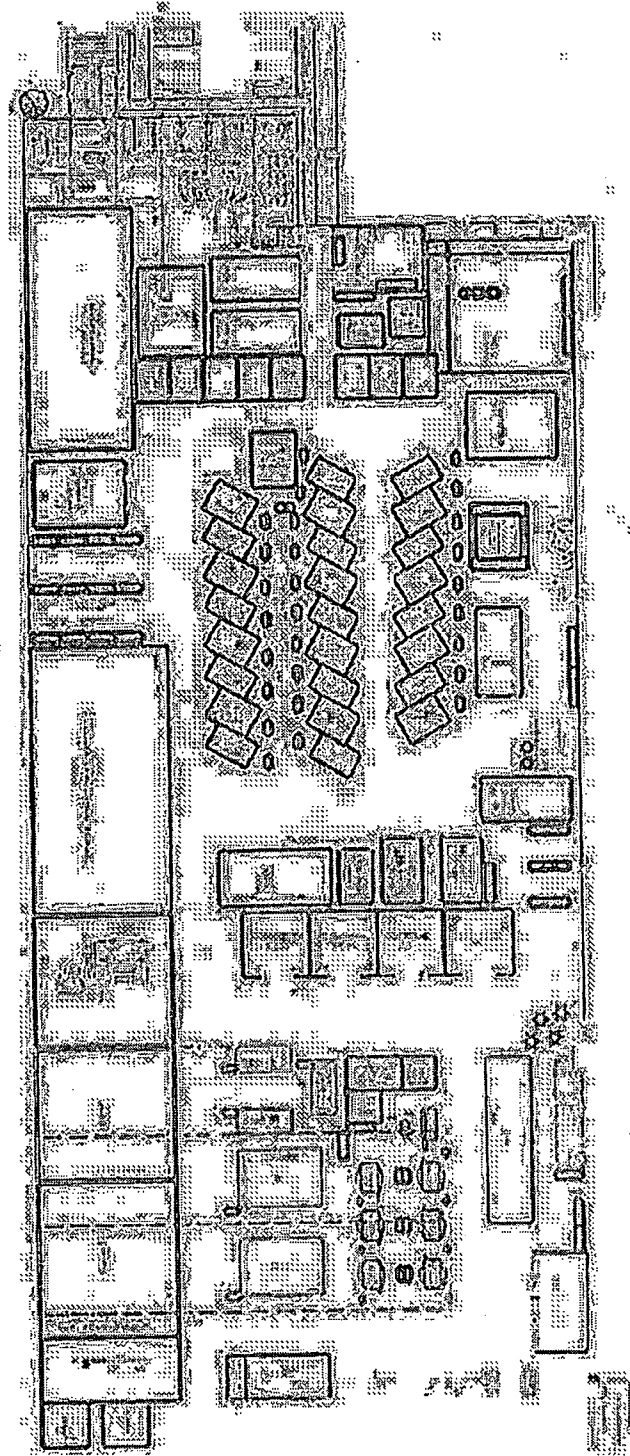
Schedule 123 Exhibited

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09:07:2017

21505100-21754004

525 Maple PREINARY CONCEPTUAL FLOOR LAYOUT



Set on 08/08/2017

09:07:2017
21505100-21754004
525 Maple PREINARY CONCEPTUAL FLOOR LAYOUT
Set on 08/08/2017

EXHIBIT "C"

DESCRIPTION OF LANDLORD'S WORK

1. 10,488 square feet of new offices (supplied with HVAC and LED lighting) as reflected on Exhibit "A";
2. New office restrooms;
3. Warehouse LED lighting (one (1) 250-watt fixture for every 1,000 square feet of warehouse space);
4. Fire sprinkler system of 42/4500;
5. 82 skylights;
6. 11 dock high positions with one (1) ground level door and one (1) ramp (1 of 11 dock high positions is platform on Southeast corner of Building that shares the ramp);
7. Electricity - 6,000 amps, 277-480 volts, 3 phase, 4 wire;
8. New roof and
9. Nine (9) new HVAC units.

09/07/2017

250910 2175400

EXHIBIT C

EXHIBIT "D"
LEASE TERM DATES

To: _____

Re: Industrial Real Estate Lease dated _____ 20____ between
_____ (Landlord)
and _____ (Tenant)
concerning the property commonly known as
_____ California ("Property")

Gentlemen:

In accordance with the Industrial Real Estate Lease (the "Lease"), we wish to advise you and/or confirm as follows:

1. The Lease Term shall commence as of _____ for a term of _____ ending on _____.
2. That in accordance with the Lease, Rent commenced to accrue on _____.
3. The total Base Rent to be paid pursuant to the terms of said Lease is not less than _____ and no Base Rent has been paid more than one month in advance.
4. Rent is due and payable in advance on the first day of each and every month during the Lease Term. Your rent checks should be made payable to _____ at _____.

LANDLORD

By: _____
Its: _____

By: _____
Its: _____

09:07:2017
21500021751001

Agreed to and Accepted as of _____ 20__

Tenant:

[TENANT NAME AND LEGAL ENTITY]

By: _____

By: _____

09:07:2017

09:07:2017

09:07:2017

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ORIGINAL

CM-010

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): ANDREW J. HALEY (SBN 202900); RICHARD G. STOLL (SBN 222442); SHORELINE, A Law Corporation; 1299 Ocean Avenue, Suite 400; Santa Monica, California 90401-1007; TELEPHONE NO.: (310) 451-8001; FAX NO.: (310) 395-5961

FOR COURT USE ONLY. FILED Superior Court of California County of Los Angeles SEP 07 2017 Sherri B. Carter, Executive Officer/Clerk By Marlon Gomez, Deputy

ATTORNEY FOR (Name): Plaintiff BEIM MAPLE PROPERTIES SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES STREET ADDRESS: 111 North Hill Street; MAILING ADDRESS: 111 North Hill Street; CITY AND ZIP CODE: Los Angeles, California 90012; BRANCH NAME: Stanley Mosk Courthouse

CASE NAME: BEIM MAPLE PROPERTIES v. FARADAY & FUTURE INC.

CIVIL CASE COVER SHEET [X] Unlimited (Amount demanded exceeds \$25,000) [] Limited (Amount demanded is \$25,000 or less)

Complex Case Designation [] Counter [] Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)

CASE NUMBER: BC 675232 JUDGE: DEPT:

Items 1-6 below must be completed (see instructions on page 2)

- 1. Check one box below for the case type that best describes this case: Auto-Tort, Other P/IPD/W/D (Personal Injury/Property Damage/Wrongful Death) Tort, Non-P/IPD/W/D (Other) Tort, Contract, Real Property, Unlawful Detainer, Judicial Review, Provisionally Complex Civil Litigation, Enforcement of Judgment, Miscellaneous Civil Complaint, Miscellaneous Civil Petition

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- 2. This case is [] is [X] is not complex under rule 3.400 of the California Rules of Court. Factors requiring exceptional judicial management: a. Large number of separately represented parties, b. Extensive motion practice, c. Substantial amount of documentary evidence, d. Large number of witnesses, e. Coordination with related actions, f. Substantial postjudgment judicial supervision

3. Remedies sought (check all that apply): a. [X] monetary b. [] nonmonetary, declaratory or injunctive relief c. [] punitive

4. Number of causes of action (specify): One

5. This case is [] is [X] is not a class action suit.

6. If there are any known related cases, file and serve a notice of related case (You may use form CM-015):

Date: September 7, 2017 RICHARD G. STOLL (TYPE OR PRINT NAME) Signature of Richard G. Stoll (SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE: Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). Failure to file may result in sanctions. File this cover sheet in addition to any cover sheet required by local court rule. If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding. Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check one box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the primary cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

Auto Tort

Auto (22)—Personal Injury/Property Damage/Wrongful Death
Uninsured Motorist (46) (*if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto*)

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

Asbestos (04)
Asbestos Property Damage
Asbestos Personal Injury/Wrongful Death
Product Liability (*not asbestos or toxic/environmental*) (24)
Medical Malpractice (45)
Medical Malpractice—Physicians & Surgeons
Other Professional Health Care Malpractice
Other PI/PD/WD (23)
Premises Liability (e.g., slip and fall)
Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)
Intentional Infliction of Emotional Distress
Negligent Infliction of Emotional Distress
Other PI/PD/WD

Non-PI/PD/WD (Other) Tort

Business Tort/Unfair Business Practice (07)
Civil Rights (e.g., discrimination, false arrest) (*not civil harassment*) (08)
Defamation (e.g., slander, libel) (13)
Fraud (16)
Intellectual Property (19)
Professional Negligence (25)
Legal Malpractice
Other Professional Malpractice (*not medical or legal*)
Other Non-PI/PD/WD Tort (35)

Employment

Wrongful Termination (36) Other Employment (15)

Contract

Breach of Contract/Warranty (06)
Breach of Rental/Lease Contract (*not unlawful detainer or wrongful eviction*)
Contract/Warranty Breach—Seller Plaintiff (*not fraud or negligence*)
Negligent Breach of Contract/Warranty
Other Breach of Contract/Warranty
Collections (e.g., money owed, open book accounts) (09)
Collection Case—Seller Plaintiff
Other Promissory Note/Collections Case
Insurance Coverage (*not provisionally complex*) (18)
Auto Subrogation
Other Coverage
Other Contract (37)
Contractual Fraud
Other Contract Dispute

Real Property

Eminent Domain/Inverse Condemnation (14)
Wrongful Eviction (33)
Other Real Property (e.g., quiet title) (26)
Writ of Possession of Real Property
Mortgage Foreclosure
Quiet Title
Other Real Property (*not eminent domain, landlord/tenant, or foreclosure*)

Unlawful Detainer

Commercial (31)
Residential (32)
Drugs (38) (*if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential*)

Judicial Review

Asset Forfeiture (05)
Petition Re: Arbitration Award (11)
Writ of Mandate (02)
Writ—Administrative Mandamus
Writ—Mandamus on Limited Court Case Matter
Writ—Other Limited Court Case Review
Other Judicial Review (39)
Review of Health Officer Order
Notice of Appeal—Labor Commissioner Appeals

Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)

Antitrust/Trade Regulation (03)
Construction Defect (10)
Claims Involving Mass Tort (40)
Securities Litigation (28)
Environmental/Toxic Tort (30)
Insurance Coverage Claims (*arising from provisionally complex case type listed above*) (41)

Enforcement of Judgment

Enforcement of Judgment (20)
Abstract of Judgment (Out of County)
Confession of Judgment (*non-domestic relations*)
Sister State Judgment
Administrative Agency Award (*not unpaid taxes*)
Petition/Certification of Entry of Judgment on Unpaid Taxes
Other Enforcement of Judgment Case

Miscellaneous Civil Complaint

RICO (27)
Other Complaint (*not specified above*) (42)
Declaratory Relief Only
Injunctive Relief Only (*non-harassment*)
Mechanics Lien
Other Commercial Complaint Case (*non-tort/non-complex*)
Other Civil Complaint (*non-tort/non-complex*)

Miscellaneous Civil Petition

Partnership and Corporate Governance (21)
Other Petition (*not specified above*) (43)
Civil Harassment
Workplace Violence
Elder/Dependent Adult Abuse
Election Contest
Petition for Name Change
Petition for Relief From Late Claim
Other Civil Petition

ORIGINAL

SHORT TITLE: BEIM MAPLE PROPERTIES V FARADAY & FUTURE INC

CASE NUMBER

BC 67 5282

CIVIL CASE COVER SHEET ADDENDUM AND STATEMENT OF LOCATION (CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)

This form is required pursuant to Local Rule 2.3 in all new civil case filings in the Los Angeles Superior Court.

Step 1: After completing the Civil Case Cover Sheet (Judicial Council form CM-010), find the exact case type in Column A that corresponds to the case type indicated in the Civil Case Cover Sheet.

Step 2: In Column B, check the box for the type of action that best describes the nature of the case.

Step 3: In Column C, circle the number which explains the reason for the court filing location you have chosen.

Applicable Reasons for Choosing Court Filing Location (Column C)

- 1. Class actions must be filed in the Stanley Mosk Courthouse, Central District.
2. Permissive filing in central district.
3. Location where cause of action arose.
4. Mandatory personal injury filing in North District.
5. Location where performance required or defendant resides.
6. Location of property or permanently garaged vehicle.
7. Location where petitioner resides.
8. Location where defendant/respondent functions wholly.
9. Location where one or more of the parties reside.
10. Location of Labor Commissioner Office.
11. Mandatory filing location (Hub Cases: unlawful detainer, limited non-collection, limited collection, or personal injury).

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Table with 3 columns: A (Civil Case Cover Sheet Category No), B (Type of Action), and C (Applicable Reasons). Rows include categories like Auto (22), Uninsured Motorist (46), Asbestos (04), Product Liability (24), Medical Malpractice (45), and Other Personal Injury/Property Damage/Wrongful Death (23).

Auto Tort

Other Personal Injury/Property Damage/Wrongful Death Tort



Non-Personal Injury/Property
 Damage/Wrongful Death Tort

Employment

Contract

Real Property

Unlawful Detainer

A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Business Tort (07)	<input type="checkbox"/> A6029 Other Commercial/Business Tort (not fraud/breach of contract)	1, 2, 3
Civil Rights (08)	<input type="checkbox"/> A6005 Civil Rights/Discrimination	1, 2, 3
Defamation (13)	<input type="checkbox"/> A6010 Defamation (slander/libel)	1, 2, 3
Fraud (16)	<input type="checkbox"/> A6013 Fraud (no contract)	1, 2, 3
Professional Negligence (25)	<input type="checkbox"/> A6017 Legal Malpractice	1, 2, 3
	<input type="checkbox"/> A6050 Other Professional Malpractice (not medical or legal)	1, 2, 3
Other (35)	<input type="checkbox"/> A6025 Other Non-Personal Injury/Property Damage tort	1, 2, 3
Wrongful Termination (36)	<input type="checkbox"/> A6037 Wrongful Termination	1, 2, 3
Other Employment (15)	<input type="checkbox"/> A6024 Other Employment Complaint Case	1, 2, 3
	<input type="checkbox"/> A6109 Labor Commissioner Appeals	10
Breach of Contract/Warranty (06) (not insurance)	<input checked="" type="checkbox"/> A6004 Breach of Rental/Lease Contract (not unlawful detainer or wrongful eviction)	2, 5
	<input type="checkbox"/> A6008 Contract/Warranty Breach - Seller/Plaintiff (no fraud/negligence)	2, 5
	<input type="checkbox"/> A6019 Negligent Breach of Contract/Warranty (no fraud)	1, 2, 5
	<input type="checkbox"/> A6028 Other Breach of Contract/Warranty (not fraud or negligence)	1, 2, 5
Collections (09)	<input type="checkbox"/> A6002 Collections Case-Seller/Plaintiff	5, 6, 11
	<input type="checkbox"/> A6012 Other Promissory Note/Collections Case	5, 11
	<input type="checkbox"/> A6034 Collections Case-Purchased Debt (Charged Off Consumer Debt Purchased on or after January 1, 2014)	5, 6, 11
Insurance Coverage (18)	<input type="checkbox"/> A6015 Insurance Coverage (not complex)	1, 2, 5, 8
Other Contract (37)	<input type="checkbox"/> A6009 Contractual Fraud	1, 2, 3, 5
	<input type="checkbox"/> A6031 Tortious Interference	1, 2, 3, 5
	<input type="checkbox"/> A6027 Other Contract Dispute (not breach/insurance/fraud/negligence)	1, 2, 3, 8, 9
Eminent Domain/Inverse Condemnation (14)	<input type="checkbox"/> A7300 Eminent Domain/Condemnation Number of parcels _____	2, 6
Wrongful Eviction (33)	<input type="checkbox"/> A6023 Wrongful Eviction Case	2, 6
Other Real Property (26)	<input type="checkbox"/> A6018 Mortgage Foreclosure	2, 6
	<input type="checkbox"/> A6032 Quiet Title	2, 6
	<input type="checkbox"/> A6060 Other Real Property (not eminent domain, landlord/tenant, foreclosure)	2, 6
Unlawful Detainer-Commercial (31)	<input type="checkbox"/> A6021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)	6, 11
Unlawful Detainer-Residential (32)	<input type="checkbox"/> A6020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	6, 11
Unlawful Detainer-Post-Foreclosure (34)	<input type="checkbox"/> A6020F Unlawful Detainer-Post-Foreclosure	2, 6, 11
Unlawful Detainer-Drugs (38)	<input type="checkbox"/> A6022 Unlawful Detainer-Drugs	2, 6, 11

SHORT TITLE:
BEIM MAPLE PROPERTIES v. FARADAY & FUTURE INC.

CASE NUMBER

A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Asset Forfeiture (05)	<input type="checkbox"/> A6108 Asset Forfeiture Case	2, 3, 6
Petition re Arbitration (11)	<input type="checkbox"/> A6115 Petition to Compel/Confirm/Vacate Arbitration	2, 5
Writ of Mandate (02)	<input type="checkbox"/> A6151 Writ - Administrative Mandamus <input type="checkbox"/> A6152 Writ - Mandamus on Limited Court Case Matter <input type="checkbox"/> A6153 Writ - Other Limited Court Case Review	2, 8 2 2
Other Judicial Review (39)	<input type="checkbox"/> A6150 Other Writ/Judicial Review	2, 8
Antitrust/Trade Regulation (03)	<input type="checkbox"/> A6003 Antitrust/Trade Regulation	1, 2, 8
Construction Defect (10)	<input type="checkbox"/> A6007 Construction Defect	1, 2, 3
Claims Involving Mass Tort (40)	<input type="checkbox"/> A6006 Claims Involving Mass Tort	1, 2, 8
Securities Litigation (28)	<input type="checkbox"/> A6035 Securities Litigation Case	1, 2, 8
Toxic Tort Environmental (30)	<input type="checkbox"/> A6036 Toxic Tort/Environmental	1, 2, 3, 8
Insurance Coverage Claims from Complex Case (41)	<input type="checkbox"/> A6014 Insurance Coverage/Subrogation (complex case only)	1, 2, 5, 8
Enforcement of Judgment (20)	<input type="checkbox"/> A6141 Sister State Judgment <input type="checkbox"/> A6160 Abstract of Judgment <input type="checkbox"/> A6107 Confession of Judgment (non-domestic relations) <input type="checkbox"/> A6140 Administrative Agency Award (not unpaid taxes) <input type="checkbox"/> A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax <input type="checkbox"/> A6112 Other Enforcement of Judgment Case	2, 5, 11 2, 6 2, 9 2, 8 2, 8 2, 8, 9
RICO (27)	<input type="checkbox"/> A6033 Racketeering (RICO) Case	1, 2, 8
Other Complaints (Not Specified Above) (42)	<input type="checkbox"/> A6030 Declaratory Relief Only <input type="checkbox"/> A6040 Injunctive Relief Only (not domestic/harassment) <input type="checkbox"/> A6011 Other Commercial Complaint Case (non-tort/non-complex) <input type="checkbox"/> A6000 Other Civil Complaint (non-tort/non-complex)	1, 2, 8 2, 8 1, 2, 8 1, 2, 8
Partnership Corporation Governance (21)	<input type="checkbox"/> A6113 Partnership and Corporate Governance Case	2, 8
Other Petitions (Not Specified Above) (43)	<input type="checkbox"/> A6121 Civil Harassment <input type="checkbox"/> A6123 Workplace Harassment <input type="checkbox"/> A6124 Elder/Dependent Adult Abuse Case <input type="checkbox"/> A6190 Election Contest <input type="checkbox"/> A6110 Petition for Change of Name/Change of Gender <input type="checkbox"/> A6170 Petition for Relief from Late Claim Law <input type="checkbox"/> A6100 Other Civil Petition	2, 3, 9 2, 3, 9 2, 3, 9 2 2, 7 2, 3, 8 2, 9

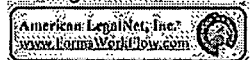
Judicial Review

Provisionally Complex Litigation

Enforcement of Judgment

Miscellaneous Civil Complaints

Miscellaneous Civil Petitions



SHORT-TITLE BEIM MAPLE PROPERTIES v. FARADAY & FUTURE, INC.	CASE NUMBER
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Step 4: Statement of Reason and Address: Check the appropriate boxes for the numbers shown under Column C for the type of action that you have selected. Enter the address which is the basis for the filing location, including zip code. (No address required for class action cases):

REASON: <input type="checkbox"/> 1. <input checked="" type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/> 5. <input type="checkbox"/> 6. <input type="checkbox"/> 7. <input type="checkbox"/> 8. <input type="checkbox"/> 9. <input type="checkbox"/> 10. <input type="checkbox"/> 11.		ADDRESS: 525 Maple Avenue
CITY: Torrance	STATE: CA	ZIP CODE: 90248

Step 5: Certification of Assignment: I certify that this case is properly filed in the CENTRAL District of the Superior Court of California, County of Los Angeles [Code Civ. Proc., §392 et seq., and Local Rule 2:3(a)(1)(E)].

Dated: September 7, 2017


 (SIGNATURE OF ATTORNEY/FILING PARTY)
 RICHARD G. STOLL

PLEASE HAVE THE FOLLOWING ITEMS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:

1. Original Complaint or Petition.
2. If filing a Complaint, a completed Summons form for issuance by the Clerk.
3. Civil Case Cover Sheet, Judicial Council form CM-010.
4. Civil Case Cover Sheet Addendum and Statement of Location form, LACIV 109, LASC Approved 03-04 (Rev. 02/16).
5. Payment in full of the filing fee, unless there is court order for waiver, partial or scheduled payments.
6. A signed order appointing the Guardian ad Litem, Judicial Council form CIV-010; if the plaintiff or petitioner is a minor under 18 years of age will be required by Court in order to issue a summons.
7. Additional copies of documents to be conformed by the Clerk. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.

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