NNN - Triple Net Lease Agreement

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THIS LEASE AGREEMENT made and entered into this ____ day of _____, by and between _____(hereinafter referred to as "Landlord"), and _____ (hereinafter referred to as "Tenant").

W I T N E S S E T H :

WHEREAS, Landlord is the fee simple owner of certain real property located in _____ such real property having a street address of _____;

WHEREAS, Landlord is desirous of leasing the premises (the "Building"), together with the parking areas, landscaping, walkways and other improvements related to the Building to Tenant, and Tenant is desirous of leasing said premises from Landlord, on the terms and conditions stated below;

THEREFORE, IN CONSIDERATION OF THE COVENANTS AND OBLIGATIONS contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

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TERM OF LEASE

SECTION 1: TERM. The term of this Lease is an annual lease commencing on _____ and ending at 12 o'clock midnight on _____.

RENT

SECTION 1: BASE RENT. On the first day of each calendar month during the Lease Term, Tenant will pay to Landlord the Base Rent, plus applicable sales or use tax thereon, in equal monthly installments, in lawful money of the United States, in advance and without offset, deduction prior notice or demand. The Base Rent is payable at Landlord's Rent Payment Address of _____, or at such other place or to such other person as Landlord may designate in writing from time to time. Payments of Base Rent for any partial calendar month will be prorated.

SECTION 2: ADDITIONAL RENT. All sums payable by Tenant under this Lease other than Base Rent are "Additional Rent"; the term "Rent" includes both Base Rent and Additional Rent. Landlord will estimate in advance and charge to Tenant the following costs ("Total Operating Costs"), which Tenant will pay with

the Base Rent on a monthly basis throughout the Occupancy Period: (a) all Real Property Taxes for which Tenant is liable hereunder; (b) all utility costs (to the extent utilities are not separately metered) for which Tenant is liable hereunder; (c) all insurance premiums for which Tenant is liable hereunder; and (d) all Operating Expenses for which Tenant is liable hereunder, if any. Landlord may adjust its estimates of Total Operating Costs at any time based upon Landlord's experience and reasonable anticipation of costs. Such adjustments will be effective as of the next Rent payment date after notice to Tenant. "Occupancy Period" means the period from the time Tenant first enters the Premises, throughout the Lease Term and thereafter as long as Tenant remains in the Premises.

After the end of each fiscal year during the Term, Landlord will deliver to Tenant a statement setting forth, in reasonable detail, the Total Operating Costs paid or incurred by Landlord during the preceding fiscal year. Within thirty (30) days after Tenant's receipt of such statement, there will be an adjustment between Landlord and Tenant, with payment to or credit given by Landlord (as the case may be).

SECTION 3: INTEREST. Any Rent or other amount due to Landlord, if not paid when due, will bear interest from the date due until paid at the rate of fifteen (15%) percent per year, but not to exceed the highest rate legally permitted.

SECTION 4: LATE CHARGES. If any installment of Rent or any other sums due from Tenant is not received by Landlord within five (5) days following the due date, Tenant will pay to Landlord a late charge equal to five (5%) percent of such overdue amount; provided, however, Landlord will not charge any late charge for the first time in each calendar year that such payment is not made within five (5) days of the due date if payment is received within five (5) days of receipt of notice. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant.

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PROPERTY TAXES

SECTION 1: REAL PROPERTY TAXES. Tenant will pay all Real Property Taxes allocable to the Occupancy Period. If Landlord receives a refund of any Real Property Taxes which Tenant has paid, Landlord will refund the same to Tenant after deducting therefrom all related costs and expenses.

SECTION 2: DEFINITION OF REAL PROPERTY TAXES. "Real Property Taxes" means taxes, assessments (special, betterment, or otherwise), levies, fees, rent taxes, excises, impositions, charges, water and sewer rents and charges, and all other government levies and charges, general and special, ordinary and extraordinary, foreseen and unforeseen, which are imposed or levied upon or assessed against the Premises or any Rent or other sums payable by any tenants or occupants thereof. Real Property Taxes include Landlord's costs and expenses of review and contesting any Real Property Tax. If at any time during the Lease Term the present system of ad valorem taxation of real property is changed so that in lieu of the whole or any part of the ad valorem tax on real property, or in lieu of increases therein, Landlord is assessed a capital levy or other tax on the gross rents received with respect to the Premises or a federal, state, county, municipal, or other local income, franchise, excise or similar tax, assessment, levy, or charge (distinct from any now in effect) measured by or based, in whole or in part, upon gross rents or

any similar substitute tax or levy, then all of such taxes, assessments, levies or charges, to the extent so measured or based, will be deemed to be a Real Property Tax.

SECTION 3: PERSONAL PROPERTY TAXES. Tenant will pay directly all taxes charged against trade fixtures, furnishings, equipment, inventory or any other personal property belonging to Tenant. Tenant will use its best efforts to have personal property taxed separately from the Premises. If any of Tenant's personal property is taxed with the Premises, Tenant will pay Landlord the taxes for such personal property within fifteen (15) days after Tenant receives a written statement from Landlord for such personal property taxes.

UTILITIES

SECTION 1: UTILITIES. Tenant will promptly pay, directly to the appropriate supplier, the cost of all natural gas, heating, cooling, energy, light, power, sewer service, telephone, water, refuse disposal and other utilities and services supplied to the Premises, together with any related installation or connection charges or deposits (collectively, "Utility Costs") incurred during the Occupancy Period. If any services or utilities are jointly metered with other premises, Landlord will make a reasonable determination of Tenant's proportionate share of such Utility Costs and Tenant will pay such share to Landlord. Landlord reserves the right to participate in wholesale energy purchase programs and to provide energy to the Premises through such programs so long as the cost to Tenant is competitive.

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INSURANCE

SECTION 1: TENANT'S INSURANCE. Tenant, at its expense, will maintain the following insurance coverages during the Occupancy Period:

(a) Liability Insurance. Commercial general liability insurance insuring Tenant against liability for bodily injury, property damage (including loss of use of property) and personal injury at the Premises, including contractual liability. Such insurance will name Landlord, any mortgagee, and such other parties as Landlord may designate, as additional insureds. The initial amount of such insurance will be One Million Dollars ($1,000,000) per occurrence and will be subject to periodic increases reasonably specified by Landlord based upon inflation, increased liability awards, recommendations of Landlord's professional insurance advisers, and other relevant factors. The liability insurance obtained by Tenant under this will (1) be primary and (2) insure Tenant's obligations to Landlord hereunder. The amount and coverage of such insurance will not limit Tenant's liability nor relieve Tenant of any other obligation under this Lease.

(b) Worker"s Compensation Insurance. Worker"s Compensation Insurance in the statutory amount (and Employers" Liability Insurance) covering all employees of Tenant employed or performing services at the Premises, in order to provide the statutory benefits required by the laws of the state in which the Premises are located.

(c) Personal Property Insurance. Personal Property Insurance covering leasehold improvements paid for by Tenant and Tenant's personal property and fixtures from time to time in, on, or at the Premises,

in an amount not less than 100% of the full replacement cost, without deduction for depreciation, providing protection against events protected under "All Risk Coverage," as well as against sprinkler damage, vandalism, and malicious mischief. Any proceeds from the Personal Property Insurance will be used for the repair or replacement of the property damaged or destroyed, unless the Lease Term is terminated under an applicable provision herein. If the Premises are not repaired or restored in accordance with this Lease, Landlord will receive any proceeds from the personal property insurance allocable to Tenant's leasehold improvements.

(d) Landlord's Insurance. During the Lease Term, Landlord will maintain in effect all risk insurance covering loss of or damage to the Premises in the amount of its replacement value with such endorsements and deductibles as Landlord determines from time to time. Landlord will have the right to obtain flood, earthquake, and such other insurance as Landlord determines from time to time or is required by any mortgagee of the Premises. Landlord will not insure Tenant's fixtures or equipment or building improvements installed or paid by Tenant. Landlord may obtain commercial general liability insurance in an amount and with coverage determined by Landlord insuring Landlord against liability with respect to the Premises. The policy obtained by Landlord will not provide primary insurance, will not be contributory and will be excess over any liability insurance maintained by Tenant. Landlord may also maintain a rental income insurance policy, with loss payable to Landlord. Tenant will pay Landlord the premiums for the insurance policies maintained by Landlord. Any increase in the cost of Landlord's insurance due to Tenant's use or activities at the Premises will be paid by Tenant to Landlord as Additional Rent.

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SECTION 2: GENERAL INSURANCE PROVISIONS.

(a) Any insurance which Tenant is required to maintain under this Lease will 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.

(b) Prior to the earlier of Tenant's entry into the Premises or the Commencement Date, Tenant will deliver to Landlord an insurance company certificate that Tenant maintains the insurance required by herein and not less than thirty (30) days prior to the expiration or termination of any such insurance, Tenant will deliver to Landlord renewal certificates therefor. Tenant will provide Landlord with copies of the policies promptly upon request from time to time.

(c) All insurance policies required under this Lease will be with companies having a "General Policy Rating" of A -; X or better, as set forth in the most current issue of the Best Key Rating Guide.

(d) Without limiting the provisions of Section 3 hereafter, Landlord and Tenant, on behalf of themselves and their insurers, each hereby waives any and all rights of recovery against the other, the agents, advisors, employees, members, officers, directors, partners, trustees, beneficiaries and shareholders of the other and the agents, advisors, employees, members, officers, directors, partners, trustees, beneficiaries and shareholders of each of the foregoing (collectively, "Representatives"), for loss of or damage to its property or the property of others under its control, to the extent that 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, or required to be carried under this Lease. All property insurance carried by either

party will contain a waiver of subrogation against the other party to the extent such right was waived by the insured party prior to the occurrence of loss or injury.

SECTION 3: INDEMNITY. To the fullest extent permitted by law, Tenant hereby waives all claims against Landlord and its Representatives (collectively, the "Indemnitees") for damage to any property or injury to or death of any person in, upon or about the Premises arising at any time and from any cause. Tenant shall hold Indemnitees harmless from and defend Indemnitees from and against all claims, liabilities, judgments, demands, causes of action, losses, damages, costs and expenses, including reasonable attorney"s fees, for damage to any property or injury to or death of any person arising from (a) the use or occupancy of the Premises by Tenant or persons claiming under Tenant, except such as is caused by the sole negligence or willful misconduct of Landlord, its agents, employees or contractors, (b) the negligence or willful misconduct of Tenant in, upon or about the Premises, or (c) any breach or default by Tenant under this Lease.

OPERATING EXPENSES

SECTION 1: OPERATING EXPENSES. Tenant will pay to Landlord all Operating Expenses allocable to the Occupancy Period. "Operating Expenses" means all costs and expenses incurred by Landlord with respect to the ownership, maintenance and operation of the Premises including, but not limited to: maintenance, repair and replacement of the heating, ventilation, air conditioning, plumbing, electrical, mechanical, utility and safety systems, paving and parking areas, roads and driveways; maintenance of exterior areas such as gardening and landscaping, snow removal and signage; maintenance and repair of roof membrane, flashings, gutters, downspouts, roof drains, skylights and waterproofing; painting; lighting; cleaning; refuse removal; security; utilities for, or the maintenance of, Outside Areas (defined below); Building personnel costs; personal property taxes; rentals or lease payments paid by Landlord for rented or leased personal property used in the operation or maintenance of the Premises; fees for required licenses and permits; and a property management fee (not to exceed five percent (5%) of the gross rents of the Premises for the calendar year). Operating Expenses do not include: (a) the cost of capital repairs, replacements or improvements, other than annual depreciation (based on the useful life of the item under generally accepted accounting principles) on any such capital repair, replacement or improvement; (b) debt service under mortgages or ground rent under ground leases; (c) costs of restoration to the extent of net insurance proceeds received by Landlord; (d) leasing commissions and tenant improvement costs; and (e) litigation expenses relating to disputes with tenants.

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USE OF PREMISES

SECTION 1: MANNER OF USE. Tenant will use the Premises only for the Permitted Uses. Tenant will not cause or permit the Premises to be used in any way which (a) constitutes a violation of any Legal Requirements (as defined below) or the rules and regulations (the "Rules and Regulations") established by Landlord, a copy of which is attached as Exhibit B, as they may be amended in writing by Landlord, (b) annoys or interferes with the rights of tenants (if any) of the Premises, or any adjacent property owned by Landlord, (c) constitutes a nuisance or waste or will invalidate any insurance carried by Landlord. Tenant

will obtain and pay for all necessary permits, including a certificate of occupancy, and will promptly take all actions necessary to comply with all applicable Federal, State or local statutes, ordinances, notes, regulations, orders, recorded declarations, covenants and requirements (collectively, "Legal Requirements") regulating the use by Tenant of the Premises, including, without limitation, the Occupational Safety and Health Act and the Americans With Disabilities Act.

SECTION 2: ENVIRONMENTAL REQUIREMENTS.

(a) Definition of "Hazardous Material". "Hazardous Material" means any flammable items, explosives, radioactive materials, oil, hazardous or toxic substances, material or waste or related materials, including any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" now or hereafter regulated under any Legal Requirements, including without limitation petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials which are found to have adverse effects on the environment or the health and safety of persons; provided, however, "Hazardous Material" does not include any de minimis quantities of office or other cleaning supplies commonly used in accordance with Legal Requirements.

(b) Tenant's Obligations. Tenant will not cause or permit any Hazardous Material to be generated, produced, brought upon, used, stored, treated or disposed of in or about the Premises by Tenant, its agents, employees, contractors, sublessees or invitees without (i) the prior written consent of Landlord, and (ii) complying with all applicable Legal Requirements pertaining to the transportation, storage, use or disposal of such Hazardous Material (collectively, "Environmental Laws"), including, but not limited to, obtaining proper permits. Landlord is entitled to take into account such other factors or facts Landlord deems reasonably relevant in granting or withholding consent to Tenant's proposed activity with respect to Hazardous Material. Landlord will not, however, be required to consent to the installation or use of any storage tanks on the Premises.

If Tenant's transportation, storage, use or disposal of Hazardous Materials results in the contamination of the soil or surface or ground water, release of a Hazardous Material or loss or damage to person(s) or property or the violation of any Environmental Law, then Tenant agrees to: (x) notify Landlord immediately of any contamination, claim of contamination, release, loss or damage, (y) after consultation with Landlord, clean up the contamination in full compliance with all Environmental Laws and (z) indemnify, defend and hold Landlord harmless from and against any claims, suits, causes of action, costs and fees, including, without limitation, attorney"s fees and costs, arising from or connected with any such contamination, claim of contamination, release, loss or damage. Tenant will fully cooperate with Landlord and provide such documents, affidavits and information as may be requested by Landlord (A) to comply with any Environmental Law, (B) to comply with the request of any lender, purchaser or tenant, and/or (C) as otherwise deemed reasonably necessary by Landlord in its discretion. Tenant will notify Landlord promptly in the event of any spill or other release of any Hazardous Material at, in, on, under or about the Premises which is required to be reported to a governmental authority under any Environmental Law, will promptly forward to Landlord copies of any notices received by Tenant relating to alleged violations of any Environmental Law, will promptly pay when due any fine or assessment against Landlord, Tenant or the Premises and remove or bond any lien filed against the Premises relating to any violation of

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Tenant's obligations with respect to Hazardous Material.

(c) Landlord's Rights. Landlord will have the right, but not the obligation, without in any way limiting Landlord's other rights and remedies under this Lease, to enter upon the Premises, or to take such other actions as it deems necessary or advisable, to investigate, clean up, remove or remediate any Hazardous Material or contamination by Hazardous Material present on, in, at, under or emanating from the Premises in violation of Tenant's obligations under this Lease or under any laws regulating Hazardous Material or that Tenant is liable under this Lease to clean up, remove or remediate. Landlord will have the right, at its election, in its own name or as Tenant's agent, to negotiate, defend, approve and appeal, at Tenant's expense, any action taken or order issued by any governmental agency or authority against Tenant, Landlord or the Premises relating to any Hazardous Material or under any related law or the occurrence of any event or existence of any condition that would cause a breach of any of the covenants set forth in this Section.

If Landlord determines in good faith that a release or other environmental condition may have occurred during the Occupancy Period, at Tenant's cost, Landlord may require an environmental audit of the Premises by a qualified environmental consultant. Tenant will, at it sole cost and expense, take all actions recommended in such audit to remediate any environmental conditions for which it is responsible under this Lease.

SECTION 3: LANDLORD'S ACCESS. Landlord or its agents may enter the Premises, upon twenty-four (24) hours" notice to Tenant (except in the case of an emergency), to show the Premises to potential buyers, investors or tenants or other parties, for routine property inspections and maintenance or for any other purpose Landlord deems reasonably necessary. During the last three (3) months of the Lease Term, Landlord may place customary "For Lease" signs on the Premises.

SECTION 4: OUTSIDE AREAS.

(a) Outside Areas. "Outside Areas" means all areas within the Premises which are outside of the Building envelope, including, but not limited to, parking areas, driveways, sidewalks, access roads, landscaping, and planted areas. Landlord, from time to time, may change the size, location, nature, and use of any of the Outside Areas, convert Outside Areas into leaseable areas, construct additional parking facilities in the Outside Areas, and increase or decrease Outside Area land or facilities so long as Tenant's use of the Premises is not materially affected.

(b) Use of Outside Areas. Tenant will have the right to use the Outside Areas for the purposes intended, subject to such reasonable rules and regulations as Landlord may establish or modify from time to time. Tenant agrees to abide by all such rules and regulations and to use its best efforts to cause others who use the Outside Areas with Tenant's express or implied permission to abide by the Rules and Regulations. At any time, Landlord may close any Outside Areas to perform any acts as, in Landlord's reasonable judgment, are desirable to maintain or improve the Premises. Tenant will not interfere with the rights of Landlord, other tenants, or any other person entitled to use the Outside Areas.

CONDITION AND MAINTENANCE OF PREMISES

SECTION 1: EXISTING CONDITIONS. Tenant hereby accepts the Premises in their present condition, "AS IS", "WHERE IS", and "WITH ALL FAULTS", subject to all Legal Requirements. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation as to the condition of the Premises or the suitability of the Premises for Tenant's intended use. Tenant represents and warrants that Tenant has made its own inspection of and inquiry regarding the condition of the Premises and is not relying on any representations of Landlord or any broker with respect thereto. The Building and the Outside Areas shall be maintained in at least the condition which exists upon the execution of this Lease.

SECTION 2: LANDLORD'S OBLIGATIONS. Landlord and Tenant acknowledge and agree that this is a "true" NNN lease and that Landlord shall have NO obligations relating to the repair or maintenance of the Premises or the Outside Areas; Tenant shall be solely responsible for same. Provided, however, subject to the provisions of this Lease and Tenant's obligation to pay Additional Rent pursuant thereto, and except for damage caused by any act or omission of Tenant or Tenant's employees, agents, contractors or invitees, Landlord may elect to maintain in good order, condition and repair, at Tenant's sole cost and expense, the Outside Areas and/or the foundation, roof, building systems (other than the heating, ventilating and air conditioning system), structural supports and exterior walls of the improvements on the Premises . Landlord shall notify Tenant if it elects to maintain or repair any or all of the foregoing. In such an event, Tenant shall pay to Landlord upon demand any cost or expense incurred by Landlord relating to such maintenance or repair. In no event will Landlord be obligated to maintain or repair windows, doors or plate glass. Tenant will promptly report in writing to Landlord any defective condition known to it which either Landlord or Tenant is required to repair. The Building and the Outside Areas shall be maintained in at least the condition which exists upon the execution of this Lease.

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SECTION 3: TENANT'S OBLIGATIONS. Subject to the provisions of Article 10 (Casualty and Condemnation) and Section 9.02 above (to the extent Landlord elects to control maintenance or repairs as provided for therein), at its sole cost and expense, Tenant will keep all portions of the Building (including without limitation, all systems and equipment, i.e., HVAC systems, doors, windows and floors) in good order, condition and repair (including repainting and refinishing, as needed). If any portion of the Building or any system or equipment in the Building which Tenant is obligated to repair can not be fully repaired or restored, Tenant will promptly replace such portion of the Building or system or equipment. If the benefit or useful life of such replacement extends beyond the Lease Term, Tenant will only be required to pay for a prorated portion of the useful life of such replacement; Landlord shall pay the balance. Tenant will maintain a preventive maintenance contract providing for the regular inspection and maintenance of the heating and air conditioning system by a heating and air conditioning contractor, such contract and contractor to be reasonably approved by Landlord. At Tenant's request, Landlord may elect to perform Tenant's maintenance and repair obligations hereunder and Tenant will reimburse Landlord for all costs incurred in doing so promptly upon receipt of an invoice from Landlord. The Building and the Outside Areas shall be maintained in at least the condition which exists upon the execution of this Lease.

SECTION 4: ALTERATIONS, ADDITIONS, AND IMPROVEMENTS.

(a) Tenant's Work. Tenant may not make any installations, alterations, additions, or improvements or major repairs in or to the Premises without obtaining Landlord's prior written consent. All work will be

performed in accordance with plans and specifications approved in advance by Landlord. Tenant will procure all necessary permits and licenses before undertaking any work on the Premises and will perform all work in a good and workmanlike manner employing materials of good quality and in conformity with all applicable Legal Requirements and insurance requirements. Tenant will (i) employ only contractors reasonably approved by Landlord, (ii) require all contractors employed by Tenant to carry worker"s compensation insurance in accordance with statutory requirements and commercial general liability insurance covering such contractors on or about the Premises with a combined single limit not less than One Million Dollars ($1,000,000) and (iii) submit certificates evidencing such coverage to Landlord prior to the commencement of any work. Landlord may inspect Tenant's work at reasonable times. Tenant will prosecute and complete such work with reasonable diligence and will provide Landlord with "as built" plans, copies of all construction contracts and proof of payment for all labor and materials.

(b) No Liens. Tenant will pay when due all claims for labor and material furnished to the Premises and keep the Premises at all times free from liens for labor and materials. Tenant will give Landlord at least twenty (20) days" prior written notice of the commencement of any work on the Premises. Landlord may record and post notices of non-responsibility on the Premises. Prior to commencement by Tenant of any work on the Premises, Tenant will record a notice of commencement ("Notice of Commencement") in the public records of the county in which the Premises is located identifying Tenant as the party for whom such work is being performed, stating such other matters as may be required by law and requiring the service of copies of all notices, liens or claims of lien upon Landlord. The Notice of Commencement shall clearly reflect that the interest of Tenant in the Premises is that of a leasehold estate. A copy of the Notice of Commencement will be furnished to and approved by Landlord and its attorneys prior to the recording or filing.

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(c) No Authority. Nothing contained in this Lease shall authorize Tenant to do any act which may create or be the foundation for any lien, mortgage or other encumbrance upon the reservation or other estate of Landlord, or of any interest of Landlord in the Premises or in the Property or any improvements thereof; it is agreed that should Tenant cause any alterations, changes, additions, improvements or repairs to be made in the Premises, or cause materials to be furnished or labor to be performed therein, neither Landlord nor the Premises shall, under any circumstances, be liable for the payment of any expenses incurred or for the value of any work done or material furnished to the Premises or any part thereof. Tenant shall, upon request of Landlord, deliver such documents as may be required by Landlord in order to effectuate the lien protection required by this Section, all such alterations, changes, additions, improvements and repairs and materials and labor shall be at Tenant's expense and Tenant shall be solely and wholly responsible to contractors, laborers and materialmen furnishing labor and materials to the Premises, or any part thereof. Tenant shall inform every service or material provider of the foregoing provisions prior to contracting with any of them for goods or services.

(d) Discharge. Tenant shall discharge any lien filed against the Premises, the Building or the Property, or any part thereof, for work done or materials furnished at Tenant's request with respect to the Premises within ten (10) calendar days after such lien is filed. The failure of Tenant to do so shall be a material default hereunder. If Tenant fails to keep this covenant, in addition to any other remedies available to Landlord under this Lease, Tenant agrees to pay Landlord, as Additional Rent, the sum equal to the amount of the lien thus discharged by Landlord, plus all costs and expenses, including without

limitation attorney"s and paralegal"s fees and court costs, incurred by Landlord in discharging such lien.

(e) Work by Landlord. Tenant hereby acknowledges and agrees that Landlord shall have the right to renovate the Building and/or expand same and/or alter the Outside Areas during the Lease Term. In the event Landlord elects to renovate and/or expand the Building and/or alter the Outside Areas, Landlord shall have the right to relocate Tenant to reasonably comparable space at the Premises or within a reasonable distance from the Premises (i.e., in another building owned by Landlord, in alternate space rented by Landlord for Tenant, etc.). In such an event, this Lease shall remain in full force and effect, and Tenant shall continue to make its payments due hereunder, but the term "Premises" shall be deemed to mean the new space provided by Landlord until the work is completed. Landlord shall reimburse Tenant for its reasonable costs of relocation. In the event Landlord expands the Building, Tenant shall only be responsible for its proportionate share (based on square footage) of costs and expenses associated with operation and maintenance of the Building and the Outside Areas following completion of such expansion.

SECTION 5: CONDITION UPON TERMINATION. Upon the expiration or termination of the Lease Term, Tenant will surrender the Premises to Landlord broom clean and in the condition which Tenant is required to maintain the Premises under this Lease. Tenant will not be obligated to repair any damage which Landlord is required to repair hereunder. Landlord may require Tenant, at its expense, to remove any alterations, additions or improvements prior to the expiration of the Lease and to restore the Premises to their prior condition. With respect to any alterations, additions or improvements which require Landlord's approval, Landlord will specify if Tenant will be required to remove the same at the time of such approval. Any work which Tenant is not required to remove will, at Landlord's option, become Landlord's property and will be surrendered to Landlord upon the expiration or earlier termination of the Lease, except that Tenant may remove any of Tenant's machinery or equipment which can be removed without damage to the Premises so long as Tenant repairs any damage caused by such removal.

SECTION 6: EXEMPTION OF LANDLORD FROM LIABILITY. Landlord will 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 or about the Premises, whether such damage or injury is caused by or results from: (a) fire, steam, electricity, water, gas or rain; (b) the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or any other cause; (c) conditions arising in or about the Premises, or from other sources or places; or (d) any curtailment or interruption in utility services. Tenant will give Landlord prompt notice upon the occurrence of any accident or casualty at the Premises. The provisions of this Section will not exempt Landlord from liability for its gross negligence or willful misconduct; provided, however, Landlord will not be liable for any consequential damages.

CASUALTY AND CONDEMNATION

SECTION 1: DAMAGE TO PREMISES.

(a) If the Premises are destroyed or rendered untenantable, either wholly or in part, by fire or other casualty ("Casualty"), Tenant will immediately notify Landlord in writing upon the occurrence of such