

**OFFICE LEASE**

by and between

**SKYSONG OFFICE 3, LLC,**  
an Arizona limited liability company,  
"Landlord"

and

**THERANOS, INC., a Delaware corporation**  
"Tenant"

May 30, 2014

**SkySong, Building 3**  
**Scottsdale Road and McDowell Road**  
**Scottsdale, Arizona**

(2/13-AZ)

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OFFICE LEASE

1. BASIC PROVISIONS

- 1.1 Date: May 30, 2014
- 1.2 Landlord: SkySong Office 3, LLC, an Arizona limited liability company
- 1.3 Landlord's Address: c/o Plaza del Rio Management Corp.  
9401 West Thunderbird Road, Suite 200  
Peoria, Arizona 85381  
Attn: Sharon Harper  
Telephone: 623-972-1184  
Facsimile: 623-972-5554
- With a copy of any notices to:  
Dickinson Wright / Mariscal Weeks  
2901 N. Central Avenue, Suite 200  
Phoenix, Arizona 85012  
Attention: David L. Lansky, Esq.
- With a copy of any notices to:  
Arizona State University Foundation  
300 E. University, Suite 500  
Tempe, Arizona 85280  
or  
P.O. Box 2260  
Tempe, Arizona 85280-2260  
Attention: Don Couvillion
- With a copy of any notices to:  
Fennemore Craig, P.C.  
3003 North Central Avenue  
Suite 2600  
Phoenix, Arizona 85012-2913  
Attention: Gregg Hanks, Esq.
- With a copy of any notices to:  
Attn: ASUF General Counsel  
Arizona State University Foundation  
300 E. University, Suite 500  
Tempe, Arizona 85280
- 1.4 Tenant: Theranos, Inc., a Delaware corporation
- 1.5 Tenant's Address:
- (a) Prior to Commencement Date: 1601 S. California Avenue  
Palo Alto, California 94304
- (b) Subsequent to Commencement Date: 1601 S. California Avenue  
Palo Alto, California 94304
- 1.6 Project: The parcel of real estate commonly known as Skysong, located in Scottsdale, Maricopa County, Arizona, legally described on Exhibit "A" attached hereto and incorporated herein by this reference, together with the three (3) office buildings or such buildings as hereafter situated thereon, the landscaping, parking garage and all other improvements and appurtenances thereto. The

Project may comprise a mixed use purpose and may contain office, residential and retail components from time to time.

- 1.7 Property: The parcel of real estate located in Scottsdale, Maricopa County, Arizona, legally described on Exhibit "B" attached hereto and incorporated herein by this reference, together with the office buildings now or hereafter situated thereon, the landscaping, parking facilities and all other improvements and appurtenances thereto.
- 1.8 Building: That certain office building known as Skysong 3 located at 1365 N. Scottsdale Road, Scottsdale, Arizona containing approximately 139,812 rentable square feet of office space located at the southeast corner of Scottsdale Road and McDowell Road, Scottsdale, Maricopa County, Arizona, and situated on the Property.
- 1.9 Leased Premises: Approximately 19,677 rentable square feet of office space located on the third (3<sup>rd</sup>) floor of the Building and commonly known as Suite TBD , as outlined on the Floor Plan attached hereto as Exhibit "C". Any revision to the above stated square footage due to completion of improvements and a re-measurement of the Lease Premises shall be confirmed in writing by Landlord and Tenant prior to Tenant's occupancy.
- 1.10 Permitted Use: General office, laboratory, research and development, and related administrative use.  
Tenant shall not be allowed to: (i) have more than ten (10) persons per one thousand (1,000) square feet of Rentable Area occupy the Premises; (ii) use the space for the purpose of providing telemarketing services; (iii) use the space as a consular office for any foreign government; or (iv) use the space as an office for any governmental or regulatory authority, agency or bureau.
- 1.11 Lease Term: Sixty-Five (65) months
- 1.12 Scheduled Commencement Date and Expiration Date: Upon substantial completion of the tenant improvements and receipt of a Certificate of Occupancy for the Premises from the appropriate governing authority. Tenant's occupancy is currently estimated to be October 1, 2014. Landlord and Tenant will use their best efforts to achieve a Tenant occupancy date that is on or before October 1, 2014.  
  
Notwithstanding the foregoing, Tenant shall be permitted to enter Tenant's Premises fifteen (15) days prior to the anticipated commencement date with no obligation to pay rent, for the purpose of installing furniture, fixtures, equipment, and leasehold improvements. Such prior occupancy shall not interfere with or delay completion of the Building, or result in additional costs to Landlord.
- 1.13 Annual Basic Rent:

<u>Months</u>	<u>Rate Per Rentable Square Foot*</u>
Months 1-5	(abated)
Months 6-12	\$26.50/RSF*, FSG on 8,500 RSF
Months 13-65	\$27.00/RSF*, FSG with \$0.50/RSF annual increases** on all 19,677 RSF for remaining term

\*Tenant shall separately meter the Premises to track electrical consumption, and shall be invoiced monthly for its usage. Tenant shall receive a monthly credit against base rent for the Building's estimated variable electric costs. This credit amount shall be reconciled annually along with the Building's Operating Costs.

\*\*Plus applicable rental tax

- 1.14 Security Deposit: Letter of Credit from a major banking institution per the following schedule:
- |                              |                   |
|------------------------------|-------------------|
| Year One (1) of the Lease:   | \$600,000.00      |
| Year Two (2) of the Lease:   | \$400,000.00      |
| Year Three (3) of the Lease: | \$100,000.00      |
| Year Four (4) of the Lease:  | \$50,000.00       |
| After Year Four (4):         | Last month's rent |
- 1.15 First Month's Rent: \$ 18,770.83
- 1.16 Expense Stop: Tenant shall receive a \$6.50/RSF Expense Stop. Operating Expenses for all years will be grossed up to reflect ninety-five percent (95%) occupancy in the Building. Once the Building has reached and maintained a 95% or greater occupancy, all operating expenses will reflect 100% occupancy. Tenant shall be responsible for all Operating Costs over the Expense Stop.
- 1.17 Building Hours: 8:00 a.m. to 6:00 p.m., Monday through Friday, and 8:00 a.m. to 1:00 p.m. on Saturday, excluding recognized federal, state or local holidays. Notwithstanding any provision of this Lease to the contrary, Tenant may have access to the Leased Premises, Building and parking area twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) days a year.
- 1.18 Parking Spaces: Landlord shall provide Tenant a total of 5 parking spaces per 1,000 rentable square feet, for a total of 98 parking spaces, allocated as follows: 79 covered unreserved parking spaces at \$40/stall/month, and 19 surface/rooftop free for term. Tenant may convert up 25% of the covered unreserved spaces to covered reserved spaces at \$60/stall/month.
- 1.19 Initial Parking Charge: Landlord's parking garage rates are \$60.00 per month for covered, reserved parking spaces, \$40.00 per month for unreserved covered spaces and no charge for uncovered, unreserved spaces.
- 1.19 Guarantors: N/A
- 1.20 Brokers: Lee & Associates Arizona ~ representing Landlord and CBRE – representing Tenant
- 1.21 Exhibits: A = Legal Description of the Project  
B = Legal Description of the Property  
C = Floor Plan  
D = Form of Memorandum of Commencement Date  
E-1 = Unreserved Parking License  
E-2 = Reserved Parking License  
F = Work Letter  
G = Building Rules and Regulations  
H = [Intentionally Deleted]
- 1.22 Riders: 1 = Rent Concession  
2 = Additional Provisions

## 2. LEASED PREMISES

2.1 Leased Premises. Landlord hereby leases to Tenant, and Tenant hereby leases and accepts from Landlord, the Leased Premises, upon the terms and conditions set forth in this Lease and any modifications, supplements or addenda hereto (the "Lease"), including the Basic Provisions of Article 1 which are incorporated herein by this reference, together with the nonexclusive right to use, in common with Landlord and others, the Building Common Areas (defined below) and the Project Common Areas (defined below). For the purposes of this Lease, the term "Building Common Areas" means common hallways, corridors, walkways and footpaths, foyers and lobbies, bathrooms and janitorial closets, electrical and telephone closets, landscaped areas and such other areas within or adjacent to the Building which are subject to or are designed or intended for the common enjoyment, use and/or benefits of Landlord and the tenants of the Building. The term "Project Common Areas" means common walkways, footpaths, driveways, parking areas, service areas, landscaped areas, common use facilities and amenities for the Project such as conference rooms, food service and fitness facilities (if any) and such other areas within or adjacent to the Project which are subject to or are designed or intended for the common enjoyment, use and/or benefit of Landlord and the tenants of the Project.

2.2 Adjustments. The Annual Basic Rent at the Commencement Date (as hereinafter defined) is based on the Leased Premises containing the rentable square footage set forth in Article 1.9 above, which square footage has been precisely determined by Landlord and Tenant prior to the Commencement Date. For the purposes of this Lease, Landlord and Tenant acknowledge and agree that the usable square footage of the Leased Premises is approximately 17,616 square feet, which has been multiplied by a load factor of 11.7% to determine the rentable square footage of the Premises.

2.3 Sublease. This Lease is a sublease subject and subordinate to all of the terms, covenants and provisions contained in that certain Ground Lease (Contract No. 2004-119-COS) dated August 9, 2004 and recorded August 9, 2004 at document No. 2004-0920528 of the public records of Maricopa County, Arizona between the City of Scottsdale, an Arizona municipal corporation ("Ground Lessor"), and ASUF Scottsdale, L.L.C., an Arizona limited liability company ("ASUF") as amended by that certain First Amendment to Ground Lease Agreement dated July 10, 2006 between Ground Lessor and ASUF and recorded September 14, 2006 at document No. 2006-1225303 of the public records of Maricopa County, Arizona; as amended by that certain Second Amendment to Ground Lease Agreement dated February 7, 2012 between Ground Lessor and ASUF and recorded February 7, 2012 at document No. 2012-0100586 of the public records of Maricopa County, Arizona; as amended by that certain Third Amendment to Ground Lease Agreement dated February 7, 2012 between Ground Lessor and ASUF and recorded February 23, 2012 at document No. 2012-0148324 of the public records of Maricopa County, Arizona (collectively, the "Ground Lease"). If any of the provisions of this Lease conflict with any of the provisions of the Ground Lease, such conflict as between Landlord and Tenant hereunder shall be resolved in favor of this Lease. Landlord will indemnify and hold harmless Tenant and its directors, officers, employees, and agents from and against any and all damages arising from a conflict between the provisions of this Lease and the Ground Lease.

## 3. LEASE TERM; COMMENCEMENT DATE

3.1 Lease Term. Although this Lease shall be effective as of the Date of this Lease, the Lease Term shall begin on the Commencement Date and shall be for the period set forth in Article 1.11 above, unless sooner terminated in accordance with the further provisions of this Lease.

3.2 Commencement Date. The Commencement Date shall be in accordance with Section 1.12.

3.3 Memorandum of Commencement Date. Landlord and Tenant shall, within ten (10) days after the Commencement Date, execute a declaration in the form of Exhibit "D" attached hereto specifying the Commencement Date. In the event Tenant fails to execute and deliver such declaration to Landlord within ten (10) days after delivery thereof by Landlord other than due to a good faith dispute, then Landlord's determination of the Commencement Date shall be conclusive and binding.

3.4 Delay in Commencement Date. In the event Landlord shall be unable, for any reason, to deliver possession of the Leased Premises to Tenant on the Scheduled Commencement Date, Landlord shall not be liable for any loss or damage occasioned thereby, nor shall such inability affect the validity of this Lease or the obligations of Tenant. In such event, Tenant shall not be obligated to pay Annual Basic Rent or Additional Rent until the Commencement Date.

3.5 Lease Year. Each "Lease Year" shall be a period of twelve (12) consecutive calendar months, the first Lease Year beginning on the Commencement Date and ending on the last day of the calendar month that is twelve (12) full calendar months after the Commencement Date. Each Lease Year after the first Lease Year shall begin on the calendar day next succeeding the expiration of the immediately preceding Lease Year.

#### 4. SECURITY DEPOSIT

Tenant shall submit to Landlord, upon the execution of this Lease, the Security Deposit set forth in Article 1.14 above as security for the performance by Tenant of its obligations under this Lease, which amount shall be returned to Tenant after the expiration or earlier termination of this Lease, provided that Tenant shall have fully performed all of its obligations contained in this Lease. The entire Security Deposit (or a portion thereof), at the election of Landlord, may be retained by Landlord as and for its full damages (if such full damages meet or exceed the amount of the Security Deposit) or may be applied in reduction of any loss and/or damage sustained by Landlord by reason of the occurrence of any breach, nonperformance or default by Tenant under this Lease without the waiver of any other right or remedy available to Landlord at law, in equity or under the terms of this Lease. If any portion of the Security Deposit is so used or applied, Tenant shall, within ten (10) days after written notice from Landlord, deposit with Landlord immediately available funds in an amount sufficient to restore the Security Deposit to its original amount, and Tenant's failure to do so shall be a breach of this Lease. Tenant acknowledges and agrees that in the event Tenant shall file a voluntary petition pursuant to the Bankruptcy Code or any successor thereto, or if an involuntary petition is filed against Tenant pursuant to the Bankruptcy Code or any successor thereto and not dismissed within 60 days, then Landlord may apply the Security Deposit towards those obligations of Tenant to Landlord which accrued prior to the filing of such petition. Tenant acknowledges further that the Security Deposit may be commingled with Landlord's other funds. In the event of termination of Landlord's interest in this Lease in accordance with the terms and conditions of this Lease, Landlord shall transfer the Security Deposit to Landlord's successor in interest, whereupon the transferor-Landlord shall be released from liability by Tenant for the return of such deposit or the accounting therefore.

#### 5. RENT; RENT TAX; ADDITIONAL RENT

5.1 Payment of Rent. Tenant shall pay to Landlord the Annual Basic Rent set forth in Article 1.13 above, subject to adjustment as provided herein. The Annual Basic Rent shall be paid in equal monthly installments, on or before the first day of each and every calendar month during the Lease Term, in advance, without notice or invoice from Landlord and, except as expressly set forth in this Lease, without abatement, deduction or set-off. If the Commencement Date is other than the first day of a calendar month, the payment for such partial month shall be prorated and shall be payable on the Commencement Date. The Annual Basic Rent for the first full calendar month of the Lease Term shall be paid upon the execution of this Lease. All payments requiring proration shall be prorated on the basis of a thirty (30) day month. In addition, all payments to be made under this Lease shall be paid in lawful money of the United States of America to Landlord or its agent at the address set forth in Article 1.3 above, or to such other person or at such other place as Landlord may from time to time designate in writing.

5.2 Rent Tax. In addition to the Annual Basic Rent and Additional Rent, Tenant shall pay to Landlord, together with the monthly installments of Annual Basic Rent and payments of Additional Rent, an amount equal to any governmental taxes, including, without limitation, any sales, rental, occupancy, excise, use or transactional privilege taxes assessed or levied upon Landlord with respect to the amounts paid by Tenant to Landlord hereunder, as well as all taxes assessed or imposed upon Landlord's gross receipts or gross income from leasing the Leased Premises to Tenant, including, without limitation, transaction privilege taxes, education excise taxes, any tax now or hereafter imposed by the City of Scottsdale, the State of Arizona, any other governmental body, and any taxes assessed or imposed in lieu of or in substitution of any of the foregoing taxes. Such taxes shall not, however, include any franchise, gift, estate, inheritance, conveyance, transfer or net income tax assessed against Landlord.

5.3 Additional Rent. In addition to Annual Basic Rent, all other amounts to be paid by Tenant to Landlord pursuant to this Lease, if any, shall be deemed to be Additional Rent, whether or not designated as such, and shall be due and payable within ten (10) days after receipt by Tenant of Landlord's statement. Landlord shall have the same remedies for the failure to pay Additional Rent as for the nonpayment of Annual Basic Rent.

## 6. OPERATING COSTS

6.1 Tenant's Obligation. The Annual Basic Rent does not include amounts attributable to any increase in the amount of Taxes (defined below) or amounts attributable to any increase in the cost of the use, management, repair, service, insurance, condition, operation and maintenance of the Building and the Project. Therefore, in order that the Annual Basic Rent payable throughout the Lease Term shall reflect any such increases, Tenant shall pay to Landlord, in accordance with the further provisions of this Article 6, an amount per rentable square foot of the Leased Premises equal to the excess of the Operating Costs (as hereinafter defined) per rentable square foot and the Expense Stop. Landlord represents that the Expense Stop is Landlord's good faith estimate of the Operating Costs per rentable square foot that will be incurred in Fiscal Year 2014. Tenant acknowledges that the Expense Stop does not constitute a representation by Landlord as to the Operating Costs per rentable square foot that may be incurred during any future Fiscal Year (defined below). Tenant acknowledges that the Building is located within the Project and that certain costs of the Project are allocated among the Building and other buildings in the Project pursuant to that certain Declaration of Easements, Covenants, Conditions and Restrictions dated September 27, 2006 and recorded on October 6, 2006 in the Official Records of the Maricopa County Recorder as Instrument No. 20061328277, as amended from time to time (the "Declarations"). The allocation of Operating Costs among the office buildings within the Project are allocated by Landlord among such office buildings according to the relative number of square feet of building area comprising each office building. Tenant shall be obligated to pay its proportionate share of Operating Costs (including those costs allocated to the Building of which the Leased Premises is a portion thereof) in accordance with the terms of this Lease.

6.2 Landlord's Estimate. Landlord shall furnish Tenant an estimate of the Operating Costs per rentable square foot for each Fiscal Year commencing with the Commencement Date. With respect to the Fiscal Year commencing with the Commencement Date, such estimate of Operating Costs per rentable square foot shall be furnished not later than ninety (90) days after the Commencement Date. In addition, Landlord may, from time to time, furnish Tenant a revised estimate of Operating Costs should Landlord anticipate any increase in Operating Costs from that set forth in a prior estimate. Commencing with the first month to which an estimate applies, but in no event before the date six months after the Commencement Date, Tenant shall pay, in addition to the monthly installments of Annual Basic Rent, an amount equal to one-twelfth (1/12th) of the product of the rentable square footage of the Leased Premises multiplied by the positive difference, if any, between such estimate and the Expense Stop; provided, however, if less than ninety-five percent (95%) of the rentable area of office space in the Building shall be occupied by tenants during the period covered by such estimate, the estimated Operating Costs for such period shall be, for the purposes of this Article 6, increased to an amount reasonably determined by Landlord to be equivalent to the Operating Costs that would be incurred if occupancy would be at least ninety-five percent (95%) during the entire period. Within one hundred twenty (120) days after the expiration of each Fiscal Year or such longer period of time as may be necessary to compile such statement, Landlord shall deliver to Tenant a statement of the actual Operating Costs for such Fiscal Year. If the actual Operating Costs for such Fiscal Year are more or less than the estimated Operating Costs, a proper adjustment shall be made; provided, however, if less than ninety-five percent (95%) of the rentable area of office space in the Building shall have been occupied by tenants at any time during such period, the actual Operating Costs for such period shall be, for the purposes of this Article 6, increased to an amount reasonably determined by Landlord to be equivalent to the Operating Costs that would have been incurred had such occupancy been at least ninety-five percent (95%) during the entire period. Any excess amounts paid by Tenant shall be refunded to Tenant with such statement or, at Landlord's option, may be applied to any amounts then payable by Tenant to Landlord or to the next maturing monthly installment of Annual Basic Rent or Additional Rent. Any deficiency between the estimated and actual Operating Costs shall be paid by Tenant to Landlord within ten (10) days after receipt by Tenant of Landlord's reconciliation statement. Any amount owing for a fractional Fiscal Year in the first or final Lease Years of the Lease Term shall be prorated. The "Fiscal Year" shall mean the twelve month period commencing on January 1 and ending on December 31; provided, however, Landlord reserves the right to change the Fiscal Year at any time or times, but no such change shall result in an increase in the amounts otherwise payable by Tenant pursuant to the provisions of this Article 6.

6.3 Operating Costs - Defined. For the purposes of this Lease, "Operating Costs" shall mean all costs and expenses accrued, paid or incurred by Landlord, or on Landlord's behalf, in respect of the use, management, repair, service, insurance, condition, operation and maintenance of the Project including, but not limited to the following:

- (a) Salaries, wages and benefits of all persons that work for the Project who perform duties in connection with landscaping, parking, janitorial and general cleaning services for Building Common Areas, security services and any and all other employees engaged by or on behalf of Landlord;
- (b) Payroll taxes, workmen's compensation, uniforms and related expenses for employees that work for the Project;



(c) The cost of all charges for oil, gas, steam, electricity, any alternate source of energy, heat, ventilation, air-conditioning, refrigeration, water, sewer service, trash collection, pest control and all other utilities, together with any taxes on such utilities;

(d) The cost of maintaining the Building Common Areas;

(e) The cost of all charges for rent, property, liability, fidelity and other insurance maintained by Landlord, including any deductible amounts incurred with respect to an insured loss;

(f) The cost of all supplies (including cleaning supplies), tools, materials, equipment and personal property, the rental thereof and sales, transaction privilege, excise and other taxes thereon;

(g) Depreciation of hand tools, maintenance and operating machinery and equipment (if owned) and rental paid for such hand tools, maintenance and operating machinery and equipment (if rented);

(h) The cost of all charges for window and other cleaning, janitorial, security, refuse, lot sweeping and pest control services;

(i) The cost of charges for independent contractors; provided, however, that such cost is related to work performed at the Project;

(j) The cost of repairs and replacements made by Landlord at its expense and the fees and other charges for maintenance and service agreements;

(k) The cost of exterior and interior landscaping;

(l) Costs relating to the operation and maintenance of all real property and improvements appurtenant to the Project, including, without limitation, all parking areas, service areas, walkways and landscaping;

(m) The cost of alterations and improvements made by reason of the laws and requirements of any public authorities or the requirements of insurance bodies imposed after the Commencement Date; provided, however, if such costs must be capitalized in accordance with generally accepted accounting principles, consistently applied, such costs shall be amortized with interest over the useful life of the alteration or improvement in accordance with generally accepted accounting principles;

(n) All management fees and other charges for management services and overhead costs (including travel and related expenses), whether provided by an independent management company, Landlord or an affiliate of Landlord, not to exceed, however, the then prevailing range of rates charged in comparable office buildings in the Phoenix, Arizona metropolitan area;

(o) The cost of any capital improvements or additions which improve the comfort or amenities available to tenants of the Project including food service, health club, and conference room(s), provided, however, that any such costs shall be amortized with interest over the useful life of the improvement or addition in accordance with generally accepted accounting principles, consistently applied;

(p) Costs relating to the use, management, repair, service, insurance, condition, operation and maintenance of the Building Common Areas; provided, however, if such costs must be capitalized in accordance with generally accepted accounting principles, consistently applied, such costs shall be amortized with interest over the useful life thereof in accordance with generally accepted accounting principles.

(q) The cost of licenses and permits, inspection fees and reasonable legal, accounting and other professional fees and expenses provided, however, that such costs and expenses shall be within the prevailing range of costs and expenses charged in comparable office buildings in the Phoenix, Arizona metropolitan area;

(r) Taxes (as hereinafter defined);

(s) Any and all assessments to be paid by Landlord pursuant to the Declarations;

(t) Costs relating to the use, management, repair, service, insurance, condition, operation and maintenance of the Project Common Areas, concierge services, food services and other amenities and services for the tenants of the Project, including all management fees and the cost of equipping and maintaining such Project Common Areas and amenities (including an imputed rental for

such common use facilities and amenities); provided, however, if such costs must be capitalized in accordance with generally accepted accounting principles, consistently applied, such costs shall be amortized with interest over the useful life thereof in accordance with generally accepted accounting principles with the portion of such costs allocable to the Building being all of such costs multiplied by a fraction, the numerator of which is the rentable square footage of the Building and the denominator of which is the rentable square footage of all buildings in the Project;

(u) Costs of operating and maintaining an on-site property management office for the Project, with the portion of such costs allocable to the Building being all of such costs multiplied by a fraction, the numerator of which is the rentable square footage of the Building and the denominator of which is the rentable square footage of all buildings in the Project; provided, however, that such costs shall be within the prevailing range of costs charged in comparable office buildings in the Phoenix, Arizona metropolitan area;

(v) The cost of any capital improvements or additions which are intended to enhance the safety of the Project or reduce (or avoid increases in) Operating Costs, provided, however, if such costs must be capitalized in accordance with generally accepted accounting principles, consistently applied, such costs shall be amortized with interest over the useful life of the improvement or addition;

(w) All other charges properly allocable to the use, management, repair, service, insurance, condition, operation and maintenance of the Project in accordance with generally accepted accounting principles.

6.4 Operating Costs - Exclusions. Notwithstanding anything in the definition of Operating Costs, excluded from Operating Costs shall be the following: (a) depreciation, except to the extent expressly included pursuant to Article 6.3 above; (b) interest on and amortization of debts; (c) leasehold improvements, including redecorating made for tenants of the Building; (d) brokerage commissions and advertising expenses for procuring tenants for the Building or the Property; (e) refinancing costs; (f) the cost of any repair, replacement or addition which would be required to be capitalized under general accepted accounting principles, except to the extent expressly included pursuant to Article 6.3 above; (g) the cost of any item included in Operating Costs under Article 6.3 above to the extent that such cost is reimbursed or paid directly by an insurance company, condemnor, a tenant of the Project or any other party; (h) the cost of any item included in Operating Costs under Article 6.3 above to the extent that such cost is attributable solely to the use, management, repair, service, insurance, condition, operation or maintenance of other office buildings in the Project, but this clause (h) shall not be applicable to the Project amenities described in clauses (o) and (s) above; (i) the cost of any item included in Operating Costs under Article 6.3 above to the extent that such cost is attributable solely to the use, management, repair, service, insurance, condition, operation or maintenance of the Project Common Areas, to the extent such cost is paid by tenants of other office buildings in the Project; (j) expenses incurred by Landlord to resolve disputes, enforce or negotiate lease terms with prospective or existing tenants or in connection with any financing, sale or syndication of the Project; (k) costs, penalties or fines incurred by Landlord due to Landlord's violation of any federal, state, or local law or regulation; (l) any interest or penalties due to late payment by Landlord of any of the Operating Costs, except to the extent such interest on penalty is caused by Tenant's failure to comply with any of Tenant's obligations under the Lease; (m) expenses for any item or service not provided to Tenant but provided exclusively to certain other tenants in the Building; (n) salaries of employees above the grade of building superintendent or building manager; (o) fees paid to affiliates of Landlord in excess of the fair market value of such services provided in exchange therefore; (p) the cost of any items for which Landlord is reimbursed by insurance; (r) any expenses incurred by Landlord in contesting Taxes to the extent such expenses exceeds the Tax savings realized in any year; (s) any rent or other charges payable under any ground lease or other lease superior to this Lease; (t) insurance premiums to the extent any tenant causes Landlord's existing insurance premiums to increase or requires Landlord to purchase additional insurance; (u) marketing or advertising costs; (v) all costs and expenses associated with the removal and clean up of Hazardous Materials (as defined in Article 34) caused directly and exclusively by Landlord; (w) the cost of repair or other work (including rebuilding) occasioned by casualty or condemnation; (x) costs incurred in removing the property of former tenants or occupants of the Project; (y) financing costs, interest, principal, points and fees on debts or amortization on any mortgage or mortgages or any other debt instrument encumbering the Property; (z) legal fees, leasing commissions, cash allowances, buy-out amounts, advertising expenses, promotional expenses, and other costs of a similar nature incurred in the leasing of space at the Property; (aa) costs incurred due to a breach of this Lease by Landlord; (bb) costs arising from the presence of any Hazardous Materials or violation of Environmental Requirements as of or prior to the Commencement Date or caused by Landlord or Landlord's employees, agents, consultants or contractors; and (cc) legal fees arising out of disputes or negotiations with other tenants of the Property.

6.5 Taxes - Defined. For the purposes of this Lease, "Taxes" shall mean and include all real property taxes and personal property taxes, general and special assessments (whether arising from any improvement or special taxing district, or otherwise, foreseen as well as unforeseen, which are levied or

assessed upon or with respect to the Project, any improvements, fixtures, equipment and other property of Landlord, real or personal, located on the Project and used in connection with the operation of all or any portion of the Project, as well as any tax, surcharge or assessment which shall be levied or assessed in addition to or in lieu of such real or personal property taxes and assessments. For the purposes of determining Taxes during any Fiscal Year, the amount to be included for such Fiscal Year shall include Taxes which are due for payment or paid during such Fiscal Year, rather than Taxes which are assessed or become a lien during such Fiscal Year. Taxes shall also include any expenses, including legal and consulting fees, incurred by Landlord in contesting the amount or validity of any real or personal property taxes and assessments. Taxes shall not, however, include any franchise, gift, estate, inheritance, conveyance, transfer or income tax assessed against Landlord. In the event of assessments that may be paid in installments by reason of bonding or otherwise, Landlord shall elect to make payment under the installment plan. In any event, Tenant's obligations under this Article 6.5 shall be as if Landlord made payment over the longest period of time permitted by the assessment, and Tenant shall bear no liability as to installments due following the expiration of this Lease.

6.6 Inspection Rights. Tenant, at its expense, shall have the right upon fifteen (15) days prior written notice to Landlord (an "Audit Notice") to be given only within ninety (90) days after Tenant receives the annual statement of Operating Costs to audit Landlord's books and records relating to such statement for such immediately preceding Fiscal Year with respect to any specific charge or charges disputed in writing by Tenant, subject to the further terms and provisions of this Article 6.6: (a) no audit shall be conducted at any time that Tenant is in breach or default of any of the terms, covenants or provisions of this Lease unless due to non-payment of disputed Operating Costs; (b) any audit shall be conducted only by independent certified public accountants practicing for an accounting firm of national or regional prominence, employed by Tenant on an hourly or fixed fee basis, and not on a contingency fee basis; and (c) Tenant shall not audit Landlord's books and records more than one (1) time for any Fiscal Year. Tenant acknowledges that Tenant's right to inspect Landlord's books and records with respect to Operating Costs for the preceding Fiscal Year is for the exclusive purpose of determining whether Landlord has complied with the terms of this Lease with respect to Operating Costs. Tenant shall have sixty (60) days after Tenant's Audit Notice to complete Tenant's inspection of Landlord's books and records concerning Operating Costs at Landlord's accounting office. During its inspection, Tenant agrees to request, in writing, all pertinent documents relating to the inspection. If in Landlord's possession, Landlord will provide such documents to Tenant within ten (10) days after Landlord's receipt of Tenant's request and Tenant shall not remove such records from Landlord's accounting office, but Tenant shall have the right to make copies of the relevant documents at Tenant's sole cost and expense. Tenant shall deliver to Landlord a copy of the results of such audit within fifteen (15) days after receipt by Tenant. The nature and content of any audit are strictly confidential. Tenant, for itself and on behalf of Tenant Parties (defined in Article 16), shall not disclose the information obtained from the audit to any other person or entity including, without limitation, any other tenant in the Project or any representative of any such tenant in the Project. A breach of this confidentiality agreement shall constitute an Event of Default under this Lease. No assignee, sublessee or other transferee of Tenant shall conduct an audit for any period during which such transferee was not in possession of the Premises. In the event Tenant's audit shall disclose that Landlord has overstated Tenant's pro rata share of Operating Costs by five percent (5%) or more during any one (1) accounting year, then Landlord shall pay for the reasonable costs of the audit, not to exceed, however, Two Thousand Five Hundred and No/100 Dollars (\$2,500.00).

## 7. CONDITION, REPAIRS AND ALTERATIONS

7.1 Condition. The respective obligations of Landlord and Tenant with respect to the condition of the Leased Premises are set forth on Exhibit "E" to this Lease. Landlord represents and warrants to Tenant that for a period of one (1) year from and after the date of delivery of possession of the Leased Premises to Tenant, all work performed by Landlord in the Leased Premises shall be substantially free from defects in materials and workmanship. Landlord's liability under the foregoing warranty shall be limited to the repair and/or replacement, as the case may be, of defective materials and workmanship and, in no event, shall Landlord be liable for special or consequential damages. Landlord shall have no obligation with respect to the foregoing warranty unless Tenant gives Landlord written notice of defective materials or workmanship prior to the date which is one (1) year after delivery of possession of the Leased Premises to Tenant.

7.2 Alterations and Improvements. Tenant may place partitions and fixtures and may make improvements and other alterations to the interior of the Leased Premises at Tenant's expense, provided, however, that prior to commencing any such work, Tenant shall first obtain the written consent of Landlord to the proposed work, including the plans, specifications, the proposed architect and/or contractor(s) for such alterations and/or improvements and the materials used in connection with such alterations, including, without limitation, paint, carpeting, wall or window coverings and the use of carpet glues and other chemicals for installation of such materials. Notwithstanding the foregoing, Tenant shall be permitted to make purely cosmetic alterations (e.g., paint and carpet) following five (5) business days' notice to Landlord, but without Landlord's consent and provided that such cosmetic alterations do not

exceed a cost of more than \$40,000, singularly, or \$80,000, in the aggregate, in any twelve (12) month period. At least ten (10) days prior to the commencement of any construction in the Leased Premises, Tenant shall deliver to Landlord copies of the plans and specifications for the contemplated work and shall identify the contractor(s) selected by Tenant to perform such work. Landlord may reasonably require that the work be done by Landlord's own employees, its construction contractors, or under Landlord's direction, but at the expense of Tenant, and Landlord may, as a condition to consenting to such work, require that Tenant provide security adequate in Landlord's judgment so that the improvements or other alterations to the Leased Premises will be completed in a good, workmanlike and lien free manner. Landlord may also require that any work done to the interior of the Leased Premises be subject to the supervision of Landlord or its designee, and Tenant shall pay to Landlord, upon completion of such work, a supervision fee in an amount equal to ten percent (10%) of the cost of such work. All such improvements or alterations must conform to and be in substantial accordance in quality and appearance with the quality and appearance of the improvements in the remainder of the Building. All such improvements shall be the property of Landlord. In the event Landlord consents to the use by Tenant of its own architect and/or contractor for the installation of any such alterations or improvements, prior to the commencement of such work, Tenant shall provide Landlord with evidence that Tenant's contractor has procured worker's compensation, liability and property damage insurance (naming Landlord as an additional insured) in a form and in an amount approved by Landlord, and evidence that Tenant's architect and/or contractor has procured the necessary permits, certificates and approvals from the appropriate governmental authorities. Tenant acknowledges and agrees that any review by Landlord of Tenant's plans and specifications and/or right of approval exercised by Landlord with respect to Tenant's architect and/or contractor is for Landlord's benefit only and Landlord shall not, by virtue of such review or right of approval, be deemed to make any representation, warranty or acknowledgment to Tenant or to any other person or entity as to the adequacy of Tenant's plans and specifications or as to the ability, capability or reputation of Tenant's architect and/or contractor. Whenever Tenant shall submit to Landlord any construction related plans, agreement or other document for Landlord's consent or approval, Tenant shall reimburse Landlord, within thirty (30) days after Landlord's written request, for the commercially reasonable actual out-of-pocket costs (not to exceed One Thousand Five Hundred and No/100 Dollars (\$1,500.00)) for the services of any architect, engineer, or attorney engaged by Landlord to review or prepare the plans, agreement or other document.

7.3 Tenant's Obligations. Tenant shall, at Tenant's sole cost and expense, maintain the Leased Premises in a clean, neat and sanitary condition and shall keep the Leased Premises and every part thereof in good condition and repair except where the same is required to be done by Landlord. In accordance with the terms of Section 8.2 below, Landlord shall make janitorial and cleaning services available to the Leased Premises at least five (5) evenings per week, except recognized federal, state or local holidays. Tenant shall be responsible for the maintenance, repair and replacement of plumbing fixtures exclusively (not the main plumbing lines serving the Building) serving the Leased Premises, including, but not limited to, garbage disposals, dishwashers, clearing lines, faucets, hot water heaters, toilets, showers and "insta-hots". Additionally, Tenant shall be responsible for the maintenance, repair and replacement of any supplementary air-conditioning units within the Leased Premises. In addition, non-"building standard" light bulbs shall be the responsibility of Tenant to replace and non-"building standard" fixtures shall be the responsibility of Tenant to repair and/or replace. Tenant hereby waives all rights to make repairs at the expense of Landlord as provided by any law, statute or ordinance now or hereafter in effect to the extent Tenant has an express obligation to make such repairs under this Section of the Agreement. All of Tenant's alterations and/or improvements are the property of the Landlord, and Tenant shall, upon the expiration or earlier termination of the Lease Term, surrender the Leased Premises, including Tenant's alterations and/or improvements, to Landlord, janitorial clean and in the same condition as when received, ordinary wear and tear excepted. Except as set forth in Article 7.4 below, Landlord has no obligation to construct, remodel, improve, repair, decorate or paint the Leased Premises or any improvement thereon or part thereof. Tenant shall pay for the cost of all repairs to the Leased Premises not required to be made by Landlord and shall be responsible for any redecorating, remodeling, alteration and painting during the Lease Term as Tenant deems necessary. Tenant shall pay for any repairs to the Leased Premises, the Building, the Property and/or the Project made necessary by any negligence or carelessness of Tenant, its employees or invitees.

7.4 Landlord's Obligations. Landlord shall (a) make all necessary repairs to the exterior walls, exterior doors, windows and corridors of the Building, (b) keep the Building, the Building Common Areas and the Project Common Area in a clean, neat and attractive condition, and (c) keep the Building equipment such as elevators, plumbing, heating, air conditioning, electrical systems, and similar Building equipment in good repair, but Landlord shall not be liable or responsible for breakdowns or interruptions in service when reasonable efforts are made to restore such service. If Tenant requires a repair pursuant to this Article 7.4 (except in the event of an emergency), Tenant shall submit its request in writing to Landlord or Landlord's property manager. Landlord shall have no obligation to make any repair not requested in writing (except in the event of an emergency).

7.5 Removal of Alterations. Upon the expiration or earlier termination of this Lease, Tenant shall remove from the Leased Premises all movable trade fixtures and other movable personal property, and shall promptly repair any damage to the Leased Premises, the Building, the Property and/or the Project caused by such removal. All such removal and repair shall be entirely at Tenant's sole cost and expense. At any time prior to the scheduled expiration of the Lease Term or within fifteen (15) days after any termination of this Lease, Landlord may require that Tenant remove from the Leased Premises any alterations, additions, improvements, trade fixtures, equipment, shelving, cabinet units or movable furniture (and other personal property) designated by Landlord to be removed. In such event, Tenant shall, in accordance with the provisions of Article 7.2 above, complete such removal (including the repair of any damage caused thereby) entirely at its own expense and within fifteen (15) days after such notice from Landlord. All repairs required of Tenant pursuant to the provisions of this Article 7.5 shall be performed in a manner satisfactory to Landlord, and shall include, but not be limited to, repairing plumbing, electrical wiring and holes in walls, restoring damaged floor and/or ceiling tiles, repairing any other cosmetic damage, and cleaning the Leased Premises.

7.6 No Abatement. Except as provided herein, Landlord shall have no liability to Tenant, nor shall Tenant's covenants and obligations under this Lease, including without limitation, Tenant's obligation to pay Annual Basic Rent and Additional Rent, be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which Landlord is required or permitted to make pursuant to the terms of this Lease or by any other tenant's Lease or are required by law to be made in and to any portion of the Leased Premises, the Building, the Property or the Project.

## 8. SERVICES

8.1 Climate Control. Landlord shall provide reasonable climate control to the Leased Premises during the Building Hours as is suitable, in Landlord's judgment, for the comfortable use and occupation of the Leased Premises, excluding, however, air conditioning or heating for electronic data processing or other equipment requiring climate control in excess of building standard.

8.2 Janitorial Services. Landlord shall make janitorial and cleaning services available to the Leased Premises at least five (5) evenings per week, except recognized federal, state or local holidays. Tenant shall pay to Landlord, within five (5) days after receipt of Landlord's bill, the reasonable costs incurred by Landlord for extra cleaning in the Leased Premises required because of (a) misuse or neglect on the part of Tenant, its employees or invitees, (b) use of portions of the Leased Premises for special purposes requiring greater or more difficult cleaning work than office areas, (c) interior glass partitions or unusual quantities of glass surfaces, (d) non-building standard materials or finishes installed by Tenant or at its request, and (e) removal from the Leased Premises of refuse and rubbish of Tenant in excess of that ordinarily accumulated in general office occupancy or at times other than Landlord's standard cleaning times. Tenant has the option of using a different janitorial and cleaning service. If Tenant does so, Landlord will credit Tenant for Landlord's standard janitorial and cleaning service cost for the Leased Premises.

8.3 Electricity. Landlord shall, furnish reasonable amounts of electric current as required for normal and usual lighting purposes and for office machines and equipment such as personal computers, typewriters, adding machines, copying machines, calculators and similar machines and equipment normally utilized in general office use. Tenant's use of electric energy in the Leased Premises shall not at any time exceed the capacity of any of the risers, piping, electrical conductors and other equipment in or serving the Leased Premises. In order to insure that such capacity is not exceeded and to avert any possible adverse effect on the Building's electric system, Tenant shall not, without Landlord's prior written consent in each instance, connect appliances, machines using current in excess of 208 volts or heavy-duty equipment other than ordinary office equipment to the Building's electric system or make any alterations or additions to the Building's electric system. Should Landlord grant such consent, all additional risers, piping and electrical conductors and other equipment therefor shall be provided by Landlord and the cost thereof shall be paid by Tenant within ten (10) days after receipt of Landlord's bill. As a condition to granting such consent, Landlord may require Tenant to pay the cost of additional electric energy that is made available to Tenant based upon the estimated additional capacity of such additional risers, piping and electrical conductors or other equipment.

8.4 Water. Landlord shall furnish cold water for drinking and cold and heated water for lavatory purposes to the Building Common Areas.

8.5 Heat Generating Equipment. Whenever heat generating machines or equipment used in the Leased Premises affect the temperature otherwise maintained by the climate control system, Landlord shall have the right to install supplementary air-conditioning units in the Leased Premises and the cost thereof, including the cost of installation, operation and maintenance shall be paid by Tenant to Landlord within five (5) days after receipt by Tenant of Landlord's statement.

8.6 Separate Meters. Landlord may install separate meters for the Leased Premises to register the usage of all or any one of the utilities serving the Leased Premises and in such event, Tenant shall pay for the cost of utility usage as metered (a) during other than Building Hours, or (b) which is in excess of that usage customary for general office use. Tenant shall reimburse Landlord for the cost of installation of the meters. In addition, Landlord shall have the right to require that Tenant reduce its consumption of utilities furnished to the Leased Premises to a level not exceeding normal consumption for general office use as determined by Landlord in its reasonable business judgment.

8.7 Additional Services. Tenant shall pay to Landlord, monthly as billed, as Additional Rent, Landlord's charge for services furnished by Landlord to Tenant in excess of that agreed to be furnished by Landlord pursuant to this Article 8, including, but not limited to (a) any utility services utilized by Tenant during other than Building Hours or for computers, data processing equipment or other electrical equipment in excess of the amounts of electric current used for general office use in buildings comparable to the Building, and (b) climate control in excess of that agreed to be furnished by Landlord pursuant to Article 8.1 above or provided at times other than Building Hours.

8.8 Interruptions in Service.

(a) Except as expressly set forth in this Lease, no damages, compensation, claims, costs, losses, liabilities or expenses (including attorneys' fees) shall be payable by Landlord and this Lease and the obligation of Tenant to perform all of its covenants and agreements set forth in this Lease shall in no way be affected, impaired, reduced or excused in the event that there shall be an interruption, curtailment or suspension of Project and/or Building HVAC, utility, sanitary, elevator, water, telecommunications, security (including equipment, devices, and personnel) or other systems serving the Leased Premises or any other services required by Landlord under this Lease (an "Interruption of Service"), by reason of: (i) any damage or destruction which is the subject of Article 10; (ii) any condemnation which is the subject of Article 29; (iii) an accident; (iv) an emergency, (v) shortages of labor or materials, or (vi) an event of Force Majeure including, but not limited to: (1) a lack of access to the Project or the Leased Premises (which shall include, but not be limited to, a lack of access to the Project or the Leased Premises when it or they are structurally sound, but inaccessible due to evacuation of the surrounding area or damage to any nearby structures or public areas; (2) any cause outside of the Building; (3) reduced air quality or other contaminants within the Project that would adversely affect the Project or its occupants (including, but not limited to, the presence of biological or other airborne agents within the Project or the Leased Premises); (4) disruption of mail or deliveries to the Project or the Leased Premises resulting from damage or destruction which is the subject of Article 10; (5) disruption of telephone and telecommunication services to the Project or the Leased Premises resulting from damage or destruction which is the subject of Article 10; or (6) blockages of any windows, doors or walkways to the Project or the Leased Premises resulting from damage or destruction which is the subject of Article 10.

(b) Landlord reserves the right, without any liability to Tenant, except as otherwise expressly set forth in this Lease, and without being in breach of any covenant of this Lease, to affect an Interruption of Service, as may be required by this Lease or by applicable governmental restrictions, or as Landlord in good faith deems advisable, whenever and for so long as may be necessary to make repairs, alterations, upgrades, changes or for any other reason, to the Project or Building HVAC, utility, sanitary, elevator, water, telecommunications, security or other Project or Building systems serving the Leased Premises or any other services required of Landlord under this Lease. In each instance, Landlord shall exercise reasonable diligence to eliminate the cause of the Interruption of Service if resulting from conditions within the Project and to conclude the Interruption of Service. Landlord shall give Tenant written notice, when practical, of the commencement and anticipated duration of any such Interruption of Service.

(c) The occurrence of an Interruption of Service pursuant to this Article 8.8 shall not (i) constitute an actual or constructive eviction of Tenant in whole or in part; (ii) entitle Tenant to any abatement or diminution of Annual Basic Rent, Operating Costs, Additional Rent or other charges payable under this Lease (except as otherwise expressly set forth in this Lease); (iii) relieve or release Tenant from any of its obligations under this Lease; or (iv) entitle Tenant to terminate this Lease.

8.9 Selection of Utility Service Provider.

(a) All times during the Lease Term Landlord shall have the right to select the utility company or companies that shall provide electric, telecommunication and/or other utility services to the Leased Premises and, subject to all applicable laws and governmental regulations, Landlord shall have the right at any time and from time to time during the Lease Term to either (a) contract for services from electric, telecommunication and/or other utility service provider(s) other than the provider with which Landlord has a contract as of the date of this Lease (the "Current Provider"), or (b) continue to contract for services from the Current Provider.

(b) Tenant shall cooperate with Landlord and any electric, telecommunication and/or

other utility service provider with which Landlord has contracted at all times and, as reasonably necessary, shall allow Landlord or such electric, telecommunication and/or other utility service provider reasonable access to any electric, telecommunication and/or other utility lines, feeders, risers, wiring and any other machinery within the Leased Premises.

(c) Landlord shall not be liable in damages or otherwise for any loss, damage or expense that Tenant may sustain or incur by reason of any change, failure, interference, disruption or defect in the electric, telecommunication and/or other utility services provided to the Leased Premises. No such change, failure, interference, disruption or defect shall entitle Tenant to terminate this Lease or to abate the payments Tenant is required to make under this Lease.

8.10 Communication Lines. Tenant shall arrange for communication service directly with one or more of the public, quasi-public or private communication companies providing communication service to the Building and shall be solely responsible for all costs, expenses and charges relating to such communication service. If Landlord acquires ownership of the communication lines or systems within the Building, Landlord shall permit Tenant to connect to such lines and/or system on such terms and conditions as Landlord may prescribe. Landlord shall not be liable in damages or otherwise for any loss, damage or expense that Tenant may sustain or incur by reason of any change, failure, interference, disruption or defect in the communication services provided to the Leased Premises. No such change, failure, interference, disruption or defect in communication services shall entitle Tenant to terminate this Lease or to abate the payments Tenant is required to make under this Lease.

8.11 Service Rooms. All electrical, telephone and other utility rooms located within the Building shall be locked at all times. If Tenant requires access to any such utility room, Tenant shall make an appointment with Landlord or Landlord's property manager.

## 9. LIABILITY AND PROPERTY INSURANCE

9.1 Liability Insurance. Tenant shall, during the Lease Term, keep in full force and effect, a policy or policies of commercial general liability insurance for personal injury, bodily injury (including wrongful death) and damage to property with a combined single limit of not less than One Million and No/100 Dollars (\$1,000,000.00) per occurrence, Five Million and No/100 Dollars (\$5,000,000.00), annual aggregate, insuring against any and all liability of the insured with respect to the Leased Premises, arising out of the maintenance, use or occupancy thereof, including Premises operations, products and completed operations providing coverage at least as broad as ISO Policy Form CG 0001, or its equivalent. If Landlord shall so request, Tenant shall increase the amount of such liability insurance to the amount then customary for premises and uses similar to the Leased Premises and Tenant's use thereof. The liability policy or policies shall contain an endorsement (ISO Form CG 20-26 or its equivalent) naming Landlord, its partners, members or shareholders (as applicable), Landlord's lender and management agent and any persons, firms or corporations designated by Landlord as additional insureds, and shall provide that the insurance carrier shall have the duty to defend and/or settle any legal proceeding filed against Landlord seeking damages based upon personal injury, bodily injury or property damage liability even if any of the allegations of such legal proceedings are groundless, false or fraudulent. Lastly, the policies required pursuant to the provisions of this Article 9.1 shall not have a deductible in excess of Ten Thousand and No/100 Dollars (\$10,000.00).

9.2 Business Auto Coverage. Tenant shall, during the Lease Term, keep in full force and effect, a policy or policies of business auto coverage for owned, hired and non-owned vehicles with a combined single limit of not less than One Million and No/100 Dollars (\$1,000,000.00), per occurrence, Three Million and No/100 Dollars (\$3,000,000.00) annual aggregate. In addition, the policy required pursuant to the provisions of this Article 9.2 shall not have a deductible in excess of Ten Thousand and No/100 Dollars (\$10,000.00).

9.3 Property Insurance. Tenant shall, during the Lease Term, keep in full force and effect, a policy or policies of insurance with modern coverage form, including coverage for vandalism or malicious mischief and sprinkler leakage, insuring the Tenant Improvements as defined on Exhibit F and Tenant's stock in trade, furniture, personal property, fixtures, equipment and other items in the Leased Premises, with coverage in an amount equal to one hundred percent (100%) of full replacement cost without depreciation, providing coverage at least as broad as ISO policy form CF 10 30. Landlord shall be named as a "loss payee as its interests may appear" under Tenant's policies of property insurance. In addition, the policies required pursuant to the provisions of this Article 9.3 shall not have a deductible in excess of Twenty-Five Thousand and No/100 Dollars (\$25,000.00).

9.4 Boiler and Machinery Insurance. Tenant shall, during the Lease Term, keep in full force and effect, a policy or policies of insurance on all boilers, pressure vessels, gas-fired equipment, air conditioning equipment installed by the Tenant and systems serving the Premises. If not covered by the insurance described in Article 9.3, then the insurance specified in this Article 9.4 shall be in an amount

not less than one hundred percent (100%) of full replacement cost of the Tenant's Improvements and Tenant's stock in trade, furniture, personal property, fixtures, equipment and other items in the Leased Premises.

9.5 Worker's Compensation and Employer Liability Insurance. Tenant shall, during the Lease Term, keep in full force and effect, a policy or policies of worker's compensation insurance with an insurance carrier and in amounts approved by the Industrial Commission of the State of Arizona and a policy of employer's liability insurance with limits of liability not less than One Million and No/100 Dollars (\$1,000,000.00), each accident; One Million and No/100 Dollars (\$1,000,000.00), disease policy limit; and One Million and No/100 Dollars (\$1,000,000.00), disease each employee. All such policies shall contain waivers of subrogation in favor of Landlord.

9.6 Business Income and Extra Expense Coverage. Tenant shall, during the Lease Term, keep in full force and effect, a policy or policies of business income/business interruption insurance and extra expense coverage (collectively, "Business Income Insurance") with coverage that will reimburse Tenant for all direct and indirect loss of income and changes and costs incurred arising out of all named perils insured against by Tenant's policies of property insurance, including prevention of, or denial of use of or access to, all or part of the Leased Premises or Building as a result of those named perils. The Business Income Insurance coverage must provide coverage for no less than twelve (12) months of the loss of income, charges and costs contemplated under this Lease.

9.7 Insurance Requirements. Each insurance policy or binder obtained by Tenant pursuant to this Lease shall contain a clause that the insurer will endeavor to provide Tenant with at least thirty (30) days prior written notice of any material change, non-renewal or cancellation of the policy. Tenant will endeavor to provide Landlord and any persons, firms or corporations designated by Landlord with at least thirty (30) days prior written notice of any material change, non-renewal or cancellation of the policy. Each such insurance policy shall be with an insurance company authorized to do business in the State of Arizona having a general policy holders rating of not less than A:/VIII in the then most current edition of "Best's Key Rating Guide". Certified copies of all insurance policies evidencing the coverage under each such policy, as well as a certified copy of the required additional insured endorsement(s) (ISO Form CG 20-26 or its equivalent), shall be delivered to Landlord prior to commencement of the Lease Term. Each such policy shall provide that any loss payable thereunder shall be payable notwithstanding (a) any act, omission or neglect by Tenant or by any subtenant of Tenant, or (b) any occupation or use of the Leased Premises or any portion thereof by Tenant or by any subtenant of Tenant for purposes more hazardous than permitted by the terms of such policy or policies, or (c) any foreclosure or other action or proceeding taken by any mortgagee or trustee pursuant to any provision of any mortgage or deed of trust covering the Leased Premises, the Building, the Property or the Project, or (d) any change in title or ownership of the Property. All insurance policies required pursuant to this Article 9 shall be written as primary policies, and shall provide that any insurance which Landlord or Landlord's lender may carry is strictly excess, secondary and non-contributing with any insurance carried by Tenant. As between Landlord and Tenant, Tenant shall be solely responsible for the payment of any insurance deductible under any policy of insurance maintained by Tenant. Tenant shall procure and maintain all policies entirely at its own expense and shall, at least twenty (20) days prior to the expiration of such policies, furnish Landlord with certified copies of replacement policies or an insurance binder for such policies in conformance with Accord Form No. 75 (January 2007) or its equivalent. Tenant shall not do or permit to be done anything which shall invalidate the insurance policies maintained by Landlord or the insurance policies required pursuant to this Article 9 or the coverage thereunder. If Tenant or any subtenant of Tenant does or permits to be done anything which shall increase the cost of any insurance policies maintained by Landlord, then Tenant shall reimburse Landlord for any additional premiums attributable to any act or omission or operation of Tenant or any subtenant of Tenant causing such increase in the cost of insurance. Any such amount shall be payable as Additional Rent within five (5) days after receipt by Tenant of a bill from Landlord. All policies of insurance (other than the policy of property insurance described in Article 9.2) shall name both Landlord and Tenant (and/or such other party or parties as Landlord may require) as insureds and shall be endorsed to indicate that the coverage provided shall not be invalid due to any act or omission on the part of Landlord. In addition, the policy of property insurance described in Article 9.2 shall name Landlord (and Landlord's Lender, if Landlord shall so require) as a co-loss payee. The insurance requirements contained in this Article 9 are independent of Tenant's waiver, indemnification and other obligations under this Lease and shall not be construed or interpreted in any way to restrict, limit or modify Tenant's waiver, indemnification or other obligations or to in any way limit Tenant's obligations under this Lease.

9.8 Co-Insurance. If on account of the failure of Tenant to comply with the provisions of this Article 9, Landlord is deemed a co-insurer by its insurance carrier, then any loss or damage which Landlord shall sustain by reason thereof shall be borne by Tenant, and shall be paid by Tenant within five (5) days after receipt of a bill therefor.



9.9 Adequacy of Insurance. Landlord makes no representation or warranty to Tenant that the amount of insurance to be carried by Tenant under the terms of this Lease is adequate to fully protect Tenant's interests. If Tenant believes that the amount of any such insurance is insufficient, Tenant is encouraged to obtain, at its sole cost and expense, such additional insurance as Tenant may deem desirable or adequate. Tenant acknowledges that Landlord shall not, by the fact of approving, disapproving, waiving, accepting, or obtaining any insurance, incur any liability for or with respect to the amount of insurance carried, the form or legal sufficiency of such insurance, the solvency of any insurance companies or the payment or defense of any lawsuit in connection with such insurance coverage, and Tenant hereby expressly assumes full responsibility therefor and all liability, if any, with respect thereto.

9.10 Landlord's Insurance.

(a) Landlord, shall, at all times from and after the Commencement Date, as a component of Operating Costs, maintain in effect commercial general liability insurance with a combined single limit of not less than Three Million and No/100 Dollars (\$3,000,000.00), per occurrence, Three Million and No/100 Dollars (\$3,000,000.00), annual aggregate, insuring against any and all liability of Landlord with respect to the operation and use of the Project, and if deemed necessary by Landlord, fidelity and owned or rented automobile coverage. At least One Million and No/100 Dollars (\$1,000,000.00) of such insurance coverage shall be primary coverage and the remaining Two Million and No/100 Dollars (\$2,000,000.00) of such coverage may be pursuant to an umbrella or excess liability policy. Landlord's obligation to carry the insurance required in this Article 9.11 may be brought within the coverage of any so-called blanket policy or policies of insurance.

(b) Landlord shall, at all times from and after the Commencement Date, as a component of Operating Costs maintain in effect a policy or policies of "Causes of Loss—Special Form" insurance insuring the Building with coverage in an amount not less than ninety percent (90%) of the replacement cost thereof (exclusive of the cost of excavations, foundations and footings) from time to time during the Lease Term or the amount of such insurance Landlord's lender may require Landlord to maintain, whichever is the greater, together with insurance against sprinkler damage, vandalism and malicious mischief, and if Landlord so elects, the following endorsements: boiler and machinery, difference in conditions, business income and extra expense (with extended period of indemnity), contingent business income and extra expense (with extended period of indemnity), service interruption, building ordinance or law and excess rental value. Landlord reserves the right to maintain a reasonable deductible in connection with such insurance.

(c) Landlord's obligation to carry the insurance required in this Article 9.8 may be brought within the coverage of any so called blanket policy or policies of insurance carried and maintained by Landlord, provided that the coverage afforded will not be reduced or diminished by reason of the use of such blanket policy of insurance. Landlord shall have the right to self-insure for the liability and casualty insurance required by Article 9.8(a) and (b), provided that Landlord shall have a net worth, calculated in accordance with the generally accepted accounting principles, consistently applied, of at least One Hundred Million and No/100 Dollars (\$100,000,000.00). In the event that Landlord elects to self-insure in accordance with the provisions of this Article 9.8(c), Landlord shall give Tenant written notice of such election, accompanied by appropriate evidence demonstrating that Landlord is entitled to self-insure in accordance with the provisions of this Article 9.8(c).

10. RECONSTRUCTION

10.1 Insured Damage. In the event the Leased Premises are damaged during the Lease Term by fire or other perils covered by Landlord's insurance, Landlord shall:

(a) Subject to Force Majeure, within a period of ninety (90) days after receipt by Landlord of insurance proceeds and the adjustment of the loss with the Superior Mortgagee and/or the Superior Landlord, as the case may be, and its insurer, and provided there is not then in existence of an Event of Default, commence repair, reconstruction and restoration of the Leased Premises and prosecute the same diligently to completion, in which event this Lease shall continue in full force and effect.

(b) In the event of a partial or total destruction of either the Leased Premises, the Building, or the Project during the last two (2) years of the Lease Term, Landlord shall have the option to terminate this Lease upon giving written notice to Tenant within sixty (60) days after such destruction. In the event of a partial or total destruction of the Leased Premises during the last year of the Lease Term, Tenant shall have the option to terminate this Lease upon giving written notice to Landlord within sixty (60) days after such destruction. For purposes of this Article 10, "partial destruction" shall be deemed

destruction of at least thirty-three and one-third percent (33.33%) of the then full replacement cost of the Leased Premises, the Building, or the Project as of the date of destruction.

(c) In the event that Superior Mortgagee shall require that insurance proceeds be applied against the principal balance due on the Superior Mortgage (defined below), then Landlord may, at Landlord's option and upon sixty (60) days written notice to Tenant, elect to terminate this Lease.

10.2 Uninsured Damage. In the event the Leased Premises, the Building or the Project shall be damaged as a result of any casualty not covered by Landlord's insurance, to any extent whatsoever, Landlord may, subject to Force Majeure, within one hundred eighty (180) days following the date of the casualty, commence repair, reconstruction or restoration of the Leased Premises, in which event this Lease shall continue in full force and effect, or within such one hundred eighty (180) day period elect not to so repair, reconstruct or restore the Leased Premises, the Building or the Project, as the case may be, in which event this Lease shall cease and terminate. In either event, Landlord shall give Tenant written notice of Landlord's intention within such one hundred eighty (180) day period.

10.3 Reconstruction. In the event of any reconstruction of the Leased Premises, the Building or the Project pursuant to this Article 10, such reconstruction shall be in conformity with all city, county, state and federal ordinances, rules and regulations then in existence, as the same may be interpreted and enforced. Notwithstanding that all reconstruction work shall be performed by Landlord's contractor unless Landlord shall otherwise agree in writing, Landlord's obligation to reconstruct the Leased Premises shall be only to the comparable condition of the Leased Premises immediately prior to the Commencement Date. Landlord's obligation to repair and reconstruct the Leased Premises shall be limited to the amount of net proceeds of insurance received by Landlord, subject to reduction pursuant to Article 10.1(c) above. Any extra expenses incurred by Landlord in the reconstruction of the Leased Premises, the Building or any other portion of the Project as a result of the violation by Tenant of the terms and conditions set forth in Article 34 below shall be borne by Tenant. Tenant, at Tenant's sole cost and expense, shall be responsible for the repair and restoration of all items of the Tenant Improvements or Tenant's improvements and/or alterations installed pursuant to Article 7.2 and the replacement of Tenant's stock in trade, trade fixtures, furniture, furnishings and equipment. Tenant shall commence the installation of fixtures, equipment and merchandise promptly upon delivery to Tenant of possession of the Leased Premises and shall diligently prosecute such installation to completion.

10.4 Termination. Upon any termination of this Lease under any of the provisions of this Article 10, Landlord and Tenant each shall be released without further obligations to the other coincident with the surrender of possession of the Leased Premises to Landlord, except for items which have previously accrued and remain unpaid. In the event of termination, all proceeds from Tenant's property insurance coverage covering the Tenant Improvements or Tenant's improvements and/or alterations installed pursuant to Article 7.2, but excluding proceeds for trade fixtures, merchandise, signs and other removable personal property, shall be disbursed and paid to Landlord.

10.5 Abatement. In the event of repair, reconstruction and restoration of the Leased Premises as a result of damage or destruction, Annual Basic Rent and Additional Rent shall be abated proportionately with the degree to which Tenant's use of the Leased Premises is impaired commencing from the date of destruction and continuing during the period of such repair, reconstruction or restoration. Tenant shall continue the operation of Tenant's business at the Leased Premises during any such period to the extent reasonably practicable from the standpoint of prudent business management. Tenant shall not be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Leased Premises, or the building of which the Leased Premises are a part, Tenant's personal property or for any inconvenience or annoyance occasioned by such damage, repair, reconstruction or restoration.

10.6 Conflict. Landlord and Tenant acknowledge and agree that the provisions of this Article 10 are the result of arms' length negotiations between Landlord and Tenant and that in the event of any conflict between the provisions of this Article 10 and any statutory or common law rights of termination which may arise by reason of any partial or total destruction of the Leased Premises, including the provisions of A.R.S. § 33-343, the provisions of this Article 10 shall prevail.

## 11. WAIVER OF SUBROGATION

Landlord and Tenant each hereby waives their respective rights and the subrogation rights of their respective insurers against Tenant or Landlord, as applicable, and any other tenants of space in the Building, the Property or the Project, as well as their respective members, officers, employees, agents, authorized representatives and invitees, with respect to any claims including, but not limited to, claims for injury to any persons, and/or damage to the Leased Premises and/or any fixtures, equipment, personal property, furniture, improvements and/or alterations in or to the Leased Premises, which are caused by or result from (a) risks or damages required to be insured against under this Lease under a policy of property insurance, or (b) risks and damages which are insured against by property insurance policies (or a

program of self insurance) maintained by Landlord or Tenant, as applicable from time to time. Each of Tenant and Landlord shall obtain for the other party from its respective insurers under each policy required by this Lease a waiver of all rights of subrogation which such insurers of Tenant or Landlord, as applicable, might otherwise have against Landlord or Tenant, as applicable.

## 12. LANDLORD'S RIGHT TO PERFORM TENANT OBLIGATIONS

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of Annual Basic Rent or Additional Rent. If Tenant shall fail to pay any sum of money, other than Annual Basic Rent, required to be paid by it hereunder, or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue for fifteen (15) days after written notice thereof by Landlord (or such shorter period of time as may be necessary), Landlord may (but shall not be obligated to do so) without waiving or releasing Tenant from any of Tenant's obligations, make any such payment or perform any such other act on behalf of Tenant. All sums so paid by Landlord and all necessary incidental costs, together with an administrative fee in an amount equal to fifteen percent (15%) of the costs so incurred, as well as interest thereon at the greater of (a) eighteen percent (18%) per annum or (b) the rate of interest per annum publicly announced, quoted or published, from time to time, by JPMorgan Chase Bank, NA, at its Phoenix, Arizona office as its "reference rate" plus four (4) percentage points, from the date of such payment by Landlord until reimbursement in full by Tenant (the "Default Rate"), shall be payable to Landlord as Additional Rent with the next monthly installment of Annual Basic Rent; provided, however, in no event shall the Default Rate exceed the maximum rate (if any) permitted by applicable law.

## 13. DEFAULT AND REMEDIES

13.1 Event of Default. The occurrence of any one or more of the following events will constitute an "Event of Default" on the part of Tenant.

(a) Failure to pay any installment of Annual Basic Rent, any Additional Rent or any other sum required to be paid by Tenant under this Lease when due, which failure is not cured within ten (10) days after written notice thereof by Landlord to Tenant;

(b) Failure to perform any of the other covenants or conditions which Tenant is required to observe and perform (except failure in the payment of Annual Basic Rent, Additional Rent or any other monetary obligation contained in this Lease) and such failure shall continue for thirty (30) days (or such shorter period of time as may be specified by Landlord in the event of an emergency) after written notice thereof by Landlord to Tenant, provided that if such default is other than the payment of money and cannot be cured within such thirty (30) day period, then an Event of Default shall not have occurred if Tenant, within such thirty (30) day period, commences curing of such failure and diligently in good faith prosecutes the same to completion and furnishes evidence thereof to Landlord within sixty (60) days thereafter;

(c) If any warranty or representation made by Tenant to Landlord in connection with this Lease is or was materially false or misleading when made or furnished;

(d) The occurrence of an Event of Default under any other agreement between Landlord and Tenant;

(e) Failure to conduct business operations within the Leased Premises for thirty (30) consecutive days;

(f) If Tenant makes a bulk sale of its goods or moves or commences, attempts or threatens to move its goods, equipment and personal property out of the Leased Premises;

(g) The levy of a writ of attachment or execution or other judicial seizure of substantially all of Tenant's assets or its interest in this Lease, such attachment, execution or other seizure remaining undismissed or discharged for a period of thirty (30) days after the levy thereof;

(h) The filing of any petition by or against Tenant or any Guarantor to declare Tenant or any Guarantor a bankrupt or to delay, reduce or modify Tenant's or any Guarantor's debts or obligations, which petition is not discharged within forty five (45) days after the date of filing;

(i) The filing of any petition or other action taken to reorganize or modify Tenant's or any Guarantor's capital structure, which petition is not discharged within forty five (45) days after the date of filing;

- (j) If Tenant or any Guarantor shall be declared insolvent according to law;
- (k) A general assignment by Tenant or any Guarantor for the benefit of creditors;
- (l) The appointment of a receiver or trustee for Tenant or any Guarantor or all or any of their respective property, which appointment is not discharged within forty five (45) days after the date of filing;
- (m) The filing by Tenant or any Guarantor of a voluntary petition pursuant to the Bankruptcy Code or any successor thereto or the filing of an involuntary petition against Tenant or any Guarantor pursuant to the Bankruptcy Code or any successor legislation, which petition is not discharged within forty five (45) days after the date of filing;
- (n) The death or legal incapacity of any Guarantor, unless within thirty (30) days thereafter, a substitute Guarantor is proposed by Tenant and accepted by Landlord and such substitute Guarantor executes, acknowledges and delivers to Landlord a Guaranty of Lease in the form attached to this Lease as Exhibit "H"; or
- (o) The occurrence of an Event of Default under the other provisions of this Lease.

13.2 Remedies. Upon the occurrence of an Event of Default under this Lease by Tenant, Landlord may, without prejudice to any other rights and remedies available to a landlord at law, in equity or by statute, exercise one or more of the following remedies, all of which shall be construed and held to be cumulative and non-exclusive: (a) Terminate this Lease and re-enter and take possession of the Leased Premises, in which event, Landlord is authorized to make such repairs, redecorating, refurbishments or improvements to the Leased Premises as may be necessary in the reasonable opinion of Landlord acting in good faith for the purposes of reletting the Leased Premises and the costs and expenses incurred in respect of such repairs, redecorating and refurbishments and the expenses of such reletting (including brokerage commissions) shall be paid by Tenant to Landlord within fifteen (15) days after receipt of Landlord's statement; or (b) Without terminating this Lease, re-enter and take possession of the Leased Premises; or (c) Without such re-entry, recover possession of the Leased Premises in the manner prescribed by any statute relating to summary process, and any demand for Annual Basic Rent, re-entry for condition broken, and any and all notices to quit, or other formalities of any nature to which Tenant may be entitled, are hereby specifically waived to the extent permitted by law; or (d) Without terminating this Lease, Landlord may relet the Leased Premises as Landlord may see fit without thereby voiding or terminating this Lease, and for the purposes of such reletting, Landlord is authorized to make such repairs, redecorating, refurbishments or improvements to the Leased Premises as may be necessary in the reasonable opinion of Landlord acting in good faith for the purpose of such reletting, and if a sufficient sum is not realized from such reletting (after payment of all costs and expenses of such repairs, redecorating and refurbishments and expenses of such reletting (including brokerage commissions) and the collection of rent accruing therefrom) each month to equal the Annual Basic Rent and Additional Rent payable hereunder, then Tenant shall pay such deficiency each month within ten (10) days after receipt of Landlord's statement; provided, however, Landlord may first lease Landlord's other available space and shall not be required to accept any tenant offered by Tenant or to observe any instructions given by Tenant with respect to any such reletting; or (e) Landlord may declare immediately due and payable all the remaining installments of Annual Basic Rent and Additional Rent, and such amount, less the fair rental value of the Leased Premises for the remainder of the Lease Term shall be paid by Tenant within fifteen (15) days after receipt of Landlord's statement. Landlord shall not by re-entry or any other act, be deemed to have terminated this Lease, or the liability of Tenant for the total Annual Basic Rent and Additional Rent reserved hereunder or for any installment thereof then due or thereafter accruing, or for damages, unless Landlord notifies Tenant in writing that Landlord has so elected to terminate this Lease fifteen (15) days after receipt of Landlord's statement. After the occurrence of an Event of Default, the acceptance of Annual Basic Rent or Additional Rent, or the failure to re-enter by Landlord shall not be deemed to be a waiver of Landlord's right to thereafter terminate this Lease and exercise any other rights and remedies available to it, and Landlord may re-enter and take possession of the Leased Premises as if no Annual Basic Rent or Additional Rent had been accepted after the occurrence of an Event of Default. Upon an Event of Default, Tenant shall also pay to Landlord all costs and expenses incurred by Landlord, including court costs and attorneys' fees, in retaking or otherwise obtaining possession of the Leased Premises, removing and storing all equipment, fixtures and personal property on the Leased Premises and otherwise enforcing any of Landlord's rights, remedies or recourses arising as a result of an Event of Default.

13.3 Additional Remedies. All of the remedies given to Landlord in this Lease in the event Tenant commits an Event of Default are in addition to all other rights or remedies available to a landlord at law, in equity or by statute, including, without limitation, the right to seize and sell all goods, equipment and personal property of Tenant located in the Leased Premises and apply the proceeds thereof to all due and unpaid Annual Basic Rent, Additional Rent and other amounts owing under the Lease. All

rights, options and remedies available to Landlord shall be construed and held to be cumulative, and no one of them shall be exclusive of the other. Upon the occurrence of an Event of Default, all rights, privileges and contingencies which may be exercised by Tenant under the Lease, including, without limitation, options to renew, extend and expand, as well as relocation rights, contraction rights and any other rights which may be exercised by Tenant during the Lease Term, shall be void and of no further force and effect.

13.4 Interest on Past Due Amounts. In addition to the late charge described in Article 14 below, if any installment of Annual Basic Rent or Additional Rent is not paid promptly when due, it shall bear interest at the Default Rate; provided, however, this provision shall not relieve Tenant from any default in the making of any payment at the time and in the manner required by this Lease; and provided, further, in no event shall the Default Rate exceed the maximum rate (if any) permitted by applicable law.

13.5 Landlord Default. In the event Landlord should neglect or fail to perform or observe any of the covenants, provisions or conditions contained in this Lease on its part to be performed or observed, and such failure continues for thirty (30) days after written notice of default (or if more than thirty (30) days shall be required because of the nature of the default, if Landlord shall fail to commence the curing of such default within such thirty (30) day period or does not proceed diligently in good faith to prosecute the same to completion and furnishes evidence thereof to Tenant within sixty (60) days), then Landlord shall be responsible to Tenant for any actual damages sustained by Tenant as a result of Landlord's breach, but not special, consequential or punitive damages. Should Tenant give written notice to Landlord to correct any default, Tenant shall give similar notice to the holder of any mortgages or deeds of trust against the Building or the lessor of any ground lease (provided that the names and addresses of such holders or lessors have been provided to Tenant), and prior to any cancellation of this Lease, the holder of such mortgage or deed of trust and/or the lessor under such ground lease shall be given a reasonable period of time to correct or remedy such default. If and when such holder of such mortgage or deed of trust and/or the lessor under any such ground lease has made performance on behalf of Landlord, the default of Landlord shall be deemed cured. Tenant shall have no right to terminate this Lease, except as expressly provided elsewhere in this Lease.

#### 14. LATE PAYMENTS

Tenant hereby acknowledges that the late payment by Tenant to Landlord of any monthly installment of Annual Basic Rent, any Additional Rent or any other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult and impracticable to ascertain. Such costs include but are not limited to processing, administrative and accounting costs. Accordingly, if any monthly installment of Annual Basic Rent, any Additional Rent or any other sum due from Tenant shall not be received by Landlord within five (5) days after the date when due, Tenant shall pay to Landlord a late charge equal to five percent (5%) of such overdue amount or Two Hundred and No/100 Dollars (\$200.00), whichever is greater. Tenant acknowledges that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payments by Tenant. Nothing contained in this Article 14 shall be deemed to condone, authorize, sanction or grant to Tenant an option for the late payment of Annual Basic Rent, Additional Rent or any other sum due hereunder.

#### 15. ABANDONMENT AND SURRENDER

15.1 Abandonment. Tenant shall not vacate or abandon the Leased Premises at any time during the Lease Term. No act or thing done by Landlord or by any agent or employee of Landlord during the Lease Term shall be deemed an acceptance of a surrender of the Leased Premises unless such acceptance is expressed in writing and duly executed by Landlord. Unless Landlord so agrees in writing, the delivery of the key to the Leased Premises to any employee or agent of Landlord shall not operate as a termination of this Lease or as a surrender of the Leased Premises.

15.2 Surrender. Tenant shall, upon the expiration or earlier termination of this Lease, peaceably surrender the Leased Premises, including any Tenant Improvements, in a janitorial clean condition and otherwise in as good condition as when Tenant took possession, except for (i) reasonable wear and tear subsequent to the last repair, replacement, restoration, alteration or renewal; (ii) loss by fire or other casualty, and (iii) loss by condemnation. If Tenant shall abandon, vacate or surrender the Leased Premises, or be dispossessed by process of law or otherwise, any personal property and fixtures belonging to Tenant and left in the Leased Premises shall be deemed abandoned and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. Landlord may, however, if it so elects, remove all or any part of such personal property from the Leased Premises and the costs incurred by Landlord in connection with such removal, including storage costs and the cost of repairing any damage to the Leased Premises, the Building and/or the Project caused by such removal shall be paid by Tenant within five (5) days after receipt of Landlord's statement. Upon the expiration or earlier termination of this Lease, Tenant shall surrender to Landlord all keys to the Leased Premises and shall inform Landlord of the combination of any vaults, locks and safes left on the Leased Premises. The obligations of Tenant under

this Article 15.2 shall survive the expiration or earlier termination of this Lease. Tenant shall indemnify Landlord and Ground Lessor against any loss or liability resulting from delay by Tenant in so surrendering the Premises, including, without limitation, any claims made by any succeeding Tenant founded on such delay. Tenant shall give written notice to Landlord at least thirty (30) days prior to vacating the Leased Premises for the express purpose of arranging a meeting with Landlord for a joint inspection of the Leased Premises.

## 16. INDEMNIFICATION AND EXCULPATION

16.1 Indemnification. To the fullest extent permitted by law and except to the extent arising from the gross negligence or willful misconduct of any Landlord Party or a breach of this Lease by any Landlord Party, Tenant will, at Tenant's sole cost and expense, Indemnify Landlord Parties against all Claims arising from (i) any Personal Injury, Bodily Injury or Property Damage whatsoever occurring in or at the Leased Premises; (ii) any Bodily Injury to an employee of a Tenant Party arising out of and in the course of employment of the employee and occurring anywhere in the Property; (iii) the use or occupancy, or manner of use or occupancy, or conduct or management of the Leased Premises or of any business therein; (iv) subject to the waiver of subrogation provisions of this Lease, any act, error, omission or negligence of any of the Tenant Parties in, on or about the Leased Premises or the Property; (v) the conduct of Tenant's business; (vi) any alterations, activities, work or things done, omitted, permitted or allowed by Tenant Parties in, at or about the Leased Premises or Property, including the violation of or failure to comply with, or the alleged violation of or alleged failure to comply with any applicable laws, statutes, ordinances, standards, rules, regulations, orders, or judgments in existence on the date of the Lease or enacted, promulgated or issued after the date of this Lease including Hazardous Materials Laws (defined below); (vii) any intentional misrepresentation made by Tenant or guarantor of Tenant's obligations in connection with this Lease; (viii) all damages sustained by Landlord as a result of any holdover by Tenant or any Tenant Party in the Leased Premises including, but not limited to, any claims by another tenant resulting from a delay by Landlord in delivering possession of the Leased Premises to such tenant; (ix) any liens or encumbrances arising out of any work performed or materials furnished by or for Tenant; (x) commissions or other compensation or charges claimed by any real estate broker or agent other than the Broker(s) specified in the Basic Provisions, with respect to this Lease by, through or, under Tenant. Except to the extent arising from the gross negligence or willful misconduct of any Tenant Party, or a breach of this Lease by any Tenant Party, Landlord hereby indemnifies Tenant Parties against any and all Claims which either (i) arise from or in connection with Personal Injury, Bodily Injury and/or Property Damage resulting from any negligence or willful misconduct of any Landlord Party; or (ii) result from any default, breach, violation or non-performance of this Lease by Landlord.

16.2 Definitions. For purposes of this Lease: (i) the term "Tenant Parties" means Tenant, and Tenant's officers, members, partners, agents, employees, sublessees, licensees, invitees and independent contractors, and all persons and entities claiming through any of these persons or entities; (ii) the term "Landlord Parties" means Landlord, Ground Lessor and the partners, venturers, trustees and ancillary trustees of Landlord and Ground Lessor and the respective officers, directors, shareholders, members, parents, subsidiaries and any other affiliated entities, personal representatives, executors, heirs, assigns, licensees, invitees, beneficiaries, agents, servants, employees and independent contractors of these persons or entities; (iii) the term "Indemnify" means indemnify, defend (with counsel reasonably acceptable to Landlord) and hold free and harmless for, from and against; (iv) the term "Claims" means all liabilities, claims, damages (including consequential damages), losses, penalties, litigation, demands, causes of action (whether in tort or contract, in law or at equity or otherwise), suits, proceedings, judgments, disbursements, charges, assessments, and expenses (including attorneys' and experts' fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding); (v) the term "Waives" means that the Tenant Parties waive and knowingly and voluntarily assume the risk of; and (vi) the terms "Bodily Injury", "Personal Injury" and "Property Damage" will have the same meanings as in the form of commercial general insurance policy issued by Insurance Services Office, Inc. most recently prior to the date of the injury or loss in question.

16.3 Obligations Independent of Insurance. The indemnification provided in Article 16 may not be construed or interpreted as in any way restricting, limiting or modifying the indemnifying party's insurance or other obligations under this Lease, and the provisions of Article 16.1 are independent of the indemnifying party's insurance and other obligations. The indemnifying party's compliance with the insurance requirements and other obligations under this Lease does not in any way restrict, limit or modify the indemnifying party's indemnification obligations under this Lease.

16.4 Survival. The provisions of this Article 16 will survive the expiration or earlier termination of this Lease until all Claims against Landlord Parties involving any of the indemnified or waived matters are fully and finally barred by the applicable statutes of limitations.

17. ENTRY BY LANDLORD

Landlord reserves and shall at any and all times have the right to enter the Leased Premises upon at least twenty-four hours' notice to Tenant, except in the case of an emergency, and in accordance with Tenant's security and safety policies to inspect the same, to supply janitorial service and other services to be provided by Landlord to Tenant hereunder, to submit the Leased Premises to prospective purchasers or tenants, to post notices of non-responsibility, and to alter, improve or repair the Leased Premises and any portion of the Building of which the Leased Premises are a part, without abatement of Annual Basic Rent or Additional Rent, and may for that purpose erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, always providing that access into the Leased Premises shall not be blocked thereby, and further providing that the business of Tenant shall not be interfered with unreasonably. Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Leased Premises or any loss occasioned thereby. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all the doors in, upon or about the Leased Premises, excluding Tenant's vaults and safes, and Landlord shall have the right to use any and all means which Landlord may deem proper to open such doors in an emergency in order to obtain entry to the Leased Premises, and any entry to the Leased Premises obtained by Landlord by any such means or otherwise shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Leased Premises or an eviction of Tenant from all or any portion of the Leased Premises. Nothing in this Article 17 shall be construed as obligating Landlord to perform any repairs, alterations or maintenance except as otherwise expressly required elsewhere in this Lease.

18. INTENTIONALLY OMITTED

19. ASSIGNMENT AND SUBLETTING

19.1 Consent of Landlord Required. Tenant shall not transfer or assign this Lease or any right or interest hereunder, or sublet the Leased Premises or any part thereof, directly or indirectly, by operation of law or otherwise, without first obtaining Landlord's prior written consent, which consent Landlord may not unreasonably withhold. No transfer or assignment (whether voluntary or involuntary, by operation of law or otherwise) or subletting shall be valid or effective without such prior written consent. Should Tenant attempt to make or allow to be made any such transfer, assignment or subletting, except as aforesaid, or should any of Tenant's rights under this Lease be sold or otherwise transferred by or under court order or legal process or otherwise, then, and in any of the foregoing events Landlord may, at its option, treat such act as an Event of Default by Tenant. Should Landlord consent to a transfer, assignment or subletting, such consent shall not constitute a waiver of any of the restrictions or prohibitions of this Article 19, and such restrictions or prohibitions shall apply to each successive transfer, assignment or subletting hereunder, if any.

19.2 Deemed Transfers. For the purposes of this Article 19, an assignment shall be deemed to include the following: (a) if Tenant is a partnership, a withdrawal or change (voluntary, involuntary, by operation of law or otherwise) of any of the partners thereof, a purported assignment, transfer, mortgage or encumbrance (voluntary, involuntary, by operation of law or otherwise) by any partner thereof of such partner's interest in Tenant, or the dissolution of the partnership; (b) if Tenant consists of more than one person, a purported assignment, transfer, mortgage or encumbrance (voluntary, involuntary, by operation of law or otherwise) from one person unto the other or others; (c) if Tenant (or a constituent partner of Tenant) is a corporation, any dissolution, merger, consolidation or reorganization of Tenant (or such constituent partner), or any change in the ownership (voluntary, involuntary, by operation of law, creation of new stock or otherwise) of fifty percent (50%) or more of its capital stock from the ownership existing on the date set forth in Article 1.1 above; (d) if Tenant is an unincorporated association, a purported assignment, transfer, mortgage or encumbrance (voluntary, involuntary, by operation of law or otherwise) of any interest in such unincorporated association; or (e) if Tenant is a limited liability company, a withdrawal or change of any of the members thereof, a purported assignment, transfer, mortgage or encumbrance (voluntary, involuntary, by operation of law or otherwise) by any member of such member's interest in Tenant, or the dissolution of the limited liability company; or (f) the sale of twenty percent (20%) or more in value of the assets of Tenant. Notwithstanding the foregoing, Landlord hereby acknowledges and consents to Tenant's right, without further approval from Landlord but only after written notice to Landlord to sublease the Premises or assign its interest in this Lease (i) to a corporation that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with Tenant; (ii) in the event of the merger or consolidation of Tenant with another corporation; or (iii) in the event of a sale or transfer of all or substantially all of the stock of Tenant or substantially all of Tenant's assets (collectively, the "Permitted Transfers"), provided that immediately following the events enumerated in clauses (i) through (iii) above, the tangible net worth of Tenant, calculated in accordance with generally accepted accounting principles, consistently applied, and the

credit standing of Tenant is not less than the net worth, calculated in accordance with generally accepted accounting principals, consistently applied, and credit standing of Tenant as of the Date of this Lease. No Permitted Transfer shall relieve Tenant of its liability under this Lease and Tenant shall remain liable to Landlord for the payment of all Annual Basic Rent, Additional Rent and Operating Costs and under performance of all covenants and conditions of this Lease applicable to Tenant. The provisions of Articles 19.4 and 19.5 shall not be applicable to a Permitted Transfer.

19.3 Delivery of Information. If Tenant wishes at any time to assign this Lease or sublet the Leased Premises or any portion thereof, it shall first notify Landlord of its desire to do so and shall submit in writing to Landlord: (a) the name of the proposed subtenant or assignee; (b) the nature of the proposed subtenant's or assignee's business to be carried on in the Leased Premises; (c) the terms and the provisions of the proposed sublease or assignment, including a complete copy of the fully executed instrument of assignment and/or sublease; (d) three (3) years audited financial statements with respect to the proposed subtenant or assignee, including balance sheets and income statements (if, however, audited financial statements are not available, Tenant shall submit unaudited financial statements accompanied by tax returns for the years in question) or, if deemed appropriate by Landlord and/or its Lender such other financial information as Landlord may reasonably request concerning the proposed subtenant or assignee or a reasonable security deposit; and (e) a non-refundable processing fee in the amount of Five Hundred and No/100 Dollars (\$500.00). Tenant's failure to comply with the provisions of this Article 19.3 shall entitle Landlord to withhold its consent to the proposed assignment or subletting.

19.4 Recapture. If Tenant proposes to assign its interest in this Lease, Landlord may, at its option, upon written notice (the "Assignment Recapture Notice"), to Tenant within thirty (30) days after Landlord's receipt of the information specified in Article 19.3 above, elect to recapture all of the Leased Premises, and within sixty (60) days after notice of such election has been given to Tenant, this Lease shall terminate unless Tenant shall, within five (5) days after delivery of the Assignment Recapture Notice to Tenant, deliver to Landlord written notice withdrawing its notification delivered pursuant to Article 19.3. If Tenant proposes to sublet all or any portion of the Leased Premises, Landlord may, at Landlord's option, upon notice to Tenant (the "Sublease Recapture Notice") within thirty (30) days after Landlord's receipt of Tenant's notification delivered pursuant to Article 19.3, elect to recapture such portion of the Leased Premises as Tenant proposes to sublet, and within sixty (60) days after notice of such election has been given to Tenant, this Lease shall terminate as to the portion of the Leased Premises recaptured, unless within five (5) days after delivery to Tenant of the Sublease Recapture Notice, Tenant delivers to Landlord written notice withdrawing its notification delivered pursuant to Article 19.3. If all or a portion of the Leased Premises is recaptured by Landlord pursuant to this Article 19.4, Tenant shall promptly execute and deliver to Landlord a termination agreement setting forth the termination date with respect to the Leased Premises or the recaptured portion thereof, and prorating the Annual Basic Rent, Additional Rent and other charges payable hereunder to such date. In the event Landlord exercises its right to recapture the Leased Premises or a portion thereof in accordance with the provisions of this Article 19.4, Landlord may, in its sole discretion, enter into a lease with the proposed assignee or sublessee without incurring any liability to Tenant on account thereof. If Landlord does not elect to recapture as set forth above, Tenant may thereafter enter into a valid assignment or sublease with respect to the Leased Premises, provided that Landlord consents thereto pursuant to this Article 19, and provided further, that (a) such assignment or sublease is consummated within ninety (90) days after Landlord has given its consent, (b) Tenant pays all amounts then owed to Landlord under this Lease, (c) there is not in existence an Event of Default as of the effective date of the assignment or sublease, (d) there have been no material changes with respect to the financial condition of the proposed subtenant or assignee or the business such party intends to conduct in the Leased Premises, and (e) a fully executed original of such assignment or sublease providing for an express assumption by the assignee or subtenant of all of the terms, covenants and conditions of this Lease is promptly delivered to Landlord.

19.5 Adjustment to Rental. In the event Tenant assigns its interest in this Lease or sublets the Leased Premises, the Annual Basic Rent set forth in Article 1.13 above, as adjusted, shall be increased effective as of the date of such assignment or subletting by an amount equal to the rent and other consideration payable by any such assignee or sublessee pursuant to such assignment or sublease if such assignee or sublessee is paying rent in excess of the Annual Basic Rent as adjusted. Notwithstanding the foregoing, in no event shall the Annual Basic Rent after any such assignment or subletting be less than the Annual Basic Rent specified in Article 1.13 above, as adjusted.

19.6 No Release from Liability. Landlord may collect Annual Basic Rent and Additional Rent from the assignee, subtenant, occupant or other transferee, and apply the amount so collected, first to the monthly installments of Annual Basic Rent, then to any Additional Rent and other sums due and payable to Landlord, and the balance, if any, to Landlord, but no such assignment, subletting, occupancy, transfer or collection shall be deemed a waiver of Landlord's rights under this Article 19, or the acceptance of the proposed assignee, subtenant, occupant or transferee. Notwithstanding any assignment, sublease or other transfer (with or without the consent of Landlord), Tenant shall remain primarily liable under this Lease and shall not be released from performance of any of the terms, covenants and conditions of this Lease.



19.7 Landlord's Expenses. If Landlord consents to an assignment, sublease or other transfer by Tenant of all or any portion of Tenant's interest under this Lease, Tenant shall pay or cause to be paid to Landlord, a transfer fee to reimburse Landlord for administrative expenses and for legal, accounting and other out of pocket expenses incurred by Landlord to the extent such expenses, fees and costs exceed the processing fee delivered by Tenant to Landlord pursuant to Article 19.3(e) above. Such expenses shall not exceed \$2,000.00.

19.8 Assumption Agreement. If Landlord consents to an assignment, sublease or other transfer by Tenant of all or any portion of Tenant's interest under this Lease, Tenant shall execute and deliver to Landlord, and cause the transferee to execute and deliver to Landlord, an instrument in the form and substance acceptable to Landlord in which (a) the transferee (in the case of an assignment) adopts this Lease and assumes and agrees to perform, jointly and severally with Tenant, all of the obligations of Tenant hereunder, (b) Tenant acknowledges that it remains primarily liable for the payment of Annual Basic Rent, Additional Rent and other obligations under this Lease, (c) Tenant subordinates to Landlord's statutory lien, contract lien and security interest, any liens, security interests or other rights which Tenant may claim with respect to any property of transferee and (d) the transferee agrees to use and occupy the Leased Premises solely for the purpose specified in Article 20 and otherwise in strict accordance with this Lease.

19.9 Withholding Consent. Without limiting the grounds for withholding consent which may be reasonable, it shall be reasonable for Landlord to withhold consent (a) if the proposed assignee or subtenant is a tenant in default of such tenant's lease (or the termination by such assignee or subtenant of such lease in order to sublease from Tenant will be a default under the same) in a building in the Phoenix, Arizona metropolitan area owned by Landlord or by an affiliate of Landlord or any of Landlord's constituent partners, members or principals; or (b) if the proposed assignee or subtenant is a governmental or quasi-governmental entity, agency, department or any subdivision thereof; or (c) if the use by the proposed assignee or subtenant would violate the terms of this Lease, or any restrictive use covenant or exclusive rights granted by Landlord; or (d) if the nature of the proposed assignee or subtenant or its business would not be consistent with the operation of a first class, institutional grade office building; or (e) if the proposed assignee or subtenant does not intend to occupy the Premises for its own use, or (f) if the proposed assignee or subtenant is an existing tenant of the Project, or is a prospective tenant of the Project with whom Landlord or its broker have discussed leasing space; or (g) if the use contemplated by the proposed assignee or subtenant would overburden, in Landlord's reasonable business judgment, the Parking Accommodations of the Project; or (h) if Tenant or an affiliate of Tenant is in breach or default of this Lease or any other agreement between Landlord and Tenant relating to the Project, or (i) the proposed assignee or subtenant shall not be of sound financial net worth or shall not have sufficient liquid capital to properly operate its business; or (j) if the financial capacity of the proposed assignee or subtenant is less than that of the Tenant and Guarantor as of the time of the proposed assignment or sublease or (k) in the exercise of Landlord's reasonable business judgment, the proposed assignee or subtenant is otherwise unacceptable.

## 20. USE OF LEASED PREMISES AND RUBBISH REMOVAL

20.1 Use. The Leased Premises are leased to Tenant solely for the Permitted Use set forth in Article 1.10 above and for no other purpose whatsoever. In this regard, Tenant shall use and occupy the Leased Premises only for the Permitted Use to the extent permitted by applicable zoning laws and consistent with the "Center's Character," as defined in the Ground Lease. Tenant shall not use or occupy or permit the Leased Premises to be used or occupied, nor shall Tenant do or permit anything to be done in or about the Leased Premises nor bring or keep anything therein which will in any way increase the existing rate of or affect any casualty or other insurance on the Building, the Property, the Project or any of their respective contents, or make void or voidable or cause a cancellation of any insurance policy covering the Building, the Property, the Project or any part thereof or any of their respective contents. Tenant shall not do or permit anything to be done in or about the Leased Premises, the Building and/or the Project which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building, the Property or the Project or injure or annoy them. Tenant shall not use or allow the Leased Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Leased Premises, the Building and/or the Project. In addition, Tenant shall not commit or suffer to be committed any waste in or upon the Leased Premises, the Building and/or the Project. Tenant shall not use the Leased Premises, the Building and/or the Project or permit anything to be done in or about the Leased Premises, the Building and/or the Project which will in any way conflict with any matters of record (including the Declarations), or any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated, and shall, at its sole cost and expense, promptly comply with all matters of record and all laws, statutes, ordinances and governmental rules, regulations and requirements now in force or which may hereafter be in force and with the requirements of any Board of Fire Underwriters or other similar body now or hereafter constituted, foreseen or unforeseen, ordinary as well as extraordinary, relating to or affecting the condition, use or occupancy of the Project, excluding structural changes not relating to or

affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission by Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any matters of record, or any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact between Landlord and Tenant. In addition, Tenant shall not place a load upon any floor of the Leased Premises which exceeds the load per square foot which the floor was designed to carry, nor shall Tenant install business machines or other mechanical equipment in the Leased Premises which cause noise or vibration that may be transmitted to the structure of the Building. Tenant shall not conduct any use prohibited by the Declarations and/or the Ground Lease. **Tenant shall not be allowed to : (i) use the space for the purpose of providing telemarketing services; (iv) use the space as a consular office for any foreign government; or (v) use the space as an office for any governmental or regulatory authority, agency or bureau.**

20.2 Rubbish Removal. Tenant shall keep the Leased Premises clean, both inside and outside, subject, however, to Landlord's obligation as set forth in Article 8.2 above. Tenant shall not burn any materials or rubbish of any description upon the Leased Premises. Tenant shall keep all accumulated rubbish in covered containers. In the event Tenant fails to keep the Leased Premises in the proper condition, Landlord may cause the same to be done for Tenant and Tenant shall pay the expenses incurred by Landlord on demand, together with an administrative fee in an amount equal to fifteen percent (15%) of the costs so incurred, as well as interest at the Default Rate, as Additional Rent. Tenant shall, at its sole cost and expense, comply with all present and future laws, orders and regulations of all state, county, federal, municipal governments, departments, commissions and boards regarding the collection, sorting, separation, and recycling of waste products, garbage, refuse and trash. Tenant shall sort and separate such waste products, garbage, refuse and trash into such categories as provided by law. Each separately sorted category of waste products, garbage, refuse and trash shall be placed in separate receptacles reasonably approved by Landlord. Such separate receptacles may, at Landlord's option, be removed from the Leased Premises in accordance with a collection schedule prescribed by law. Landlord reserves the right to refuse to collect or accept from Tenant any waste products, garbage, refuse or trash that is not separated and sorted as required by law, and to require Tenant to arrange for such collection at Tenant's sole cost and expense using a contractor satisfactory to Landlord. Tenant shall pay all costs, expenses, fines, penalties or damages that may be imposed on Landlord or Tenant by reason of Tenant's failure to comply with the provisions of this Article 20.2, and, at Tenant's sole cost and expense, Tenant shall indemnify, defend and hold Landlord and Landlord's agents and employees harmless (including legal fees and expenses) from and against, and shall be responsible for, all actions, claims, liabilities and suits arising from such noncompliance, utilizing counsel reasonably satisfactory to Landlord.

## 21. SUBORDINATION AND ATTORNMENT

21.1 Subordination. This Lease and all rights of Tenant hereunder shall be, at the option of Landlord, subordinate to (a) all matters of record, (b) all ground leases (including the Ground Lease), overriding leases and underlying leases (collectively referred to as the "leases") of the Building, the Property or the Project now or hereafter existing, (c) all mortgages and deeds of trust (collectively referred to as the "mortgages") which may now or hereafter encumber or affect the Building, the Property or the Project, and (d) all renewals, modifications, amendments, replacements and extensions of leases and mortgages and to spreaders and consolidations of the mortgages, whether or not leases or mortgages shall also cover other lands, buildings or leases, subject to the delivery to Tenant of a commercially reasonable form of subordination, non-disturbance and attornment agreement from such Superior Landlord (as defined below) or Superior Mortgagee (as defined below), as the case may be. Any lease to which this Lease is subject and subordinate is called a "Superior Lease" and the lessor under a Superior Lease or its assigns or successors in interest is called a "Superior Landlord". Any mortgage to which this Lease is subject and subordinate is called a "Superior Mortgage" and the holder of a Superior Mortgage is called a "Superior Mortgagee". If Landlord, a Superior Landlord or a Superior Mortgagee requires that such instruments be executed by Tenant, Tenant's failure to do so within ten (10) days after request therefor shall be deemed an Event of Default under this Lease. Tenant waives any right to terminate this Lease because of any foreclosure proceedings. Tenant hereby irrevocably constitutes and appoints Landlord (and any successor Landlord) as Tenant's attorney-in-fact, with full power of substitution coupled with an interest, to execute and deliver to any Superior Landlord or Superior Mortgagee any documents required to be executed by Tenant for and on behalf of Tenant if Tenant shall have failed to do so within ten (10) days after request therefore. If Tenant shall fail to execute the instruments requested pursuant to this Article 21.1 within the ten (10) day period set forth in this Article 21.1, which failure continues for ten (10) days following written notice thereof by Landlord to Tenant, Tenant shall have committed an Event of Default and in addition to the other remedies available to Landlord under this Lease, Tenant shall be assessed a service charge in the amount of Two Hundred Fifty and No/100 Dollars (\$250.00) payable when the next installment of Annual Basic Rent is due.

21.2 Attornment. If any Superior Landlord or Superior Mortgagee (or any purchaser at a foreclosure sale) succeeds to the rights of Landlord under this Lease, whether through possession or foreclosure action, or the delivery of a new lease or deed (a "Successor Landlord"), and if such Successor

Landlord shall so request, Tenant shall attorn to and recognize such Successor Landlord as Tenant's landlord under this Lease and shall promptly execute and deliver any commercially reasonable instrument that such Successor Landlord may reasonably request to evidence such attornment, provided, however, if such Successor Landlord requests that Tenant attorn to such Successor Landlord, the Successor Landlord shall assume those obligations of the Landlord under this Lease arising from and after the date of transfer.

## 22. ESTOPPEL CERTIFICATE

Tenant shall, whenever requested by Landlord, within ten (10) days after written request by Landlord, execute, acknowledge and deliver to Landlord a statement in writing certifying: (a) that this Lease is unmodified and in full force and effect, (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect); (b) the dates to which Annual Basic Rent, Additional Rent and other charges are paid in advance, if any; (c) that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder or specifying such defaults if any are claimed; (d) that Tenant has paid Landlord the Security Deposit, (e) the Commencement Date and the scheduled expiration date of the Lease Term, (f) the rights (if any) of Tenant to extend or renew this Lease or to expand the Leased Premises and (g) the amount of Annual Basic Rent, Additional Rent and other charges currently payable under this Lease. In addition, such statement shall provide such other information and facts Landlord may reasonably require. Any such statement may be relied upon by any prospective or existing purchaser, ground lessee or mortgagee of all or any portion of the Property, as well as by any other assignee of Landlord's interest in this Lease. Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord; (ii) that there are no uncured defaults in Landlord's performance hereunder; (iii) that Tenant has paid to Landlord the Security Deposit; (iv) that not more than one month's installment of Annual Basic Rent or Additional Rent has been paid in advance; (v) that the Commencement Date and the scheduled expiration date of the Lease Term are as stated therein, (vi) that Tenant has no rights to extend or renew this Lease or to expand the Leased Premises, (vii) that the Annual Basic Rent, Additional Rent and other charges are as set forth therein and (viii) that the other information and facts set forth therein are true and correct. If Tenant shall fail to execute the offset statement requested pursuant to this Article 22 within the ten (10) day period set forth in this Article 22, which failure continues for ten (10) days following written notice thereof by Landlord to Tenant, Tenant shall have committed an Event of Default and in addition to the other remedies available to Landlord under this Lease, Tenant shall be assessed a service charge in the amount of Two Hundred Fifty and No/100 Dollars (\$250.00) payable when the next installment of Annual Basic Rent is due.

## 23. SIGNS

Landlord shall retain absolute control over the exterior appearance of the Building and the exterior appearance of the Leased Premises as viewed from the public halls. Tenant shall not install, or permit to be installed, any drapes, shutters, signs, lettering, advertising, or any items that will in any way, in the sole opinion of Landlord, adversely alter the exterior appearance of the Building or the exterior appearance of the Leased Premises as viewed from the public halls or the exterior of the Building. Notwithstanding the foregoing, Landlord shall install, at Landlord's sole cost and expense, letters or numerals at or near the entryway to the Leased Premises. All such letters or numerals shall be in accordance with the criteria established by Landlord for the Building. In addition, Tenant's name and suite number shall be identified on the Building directory.

Notwithstanding the foregoing and provided that, during the Term: Tenant obtains the approval of the City of Scottsdale and otherwise complies with the requirements of all zoning and other governmental, municipal, state, and county laws, codes and regulations, Tenant may, at its own cost and expense, install its identification signage on the exterior of the Building in a size mutually agreed upon by Landlord and Tenant and one (1) slot on the monument sign (the "Signage"). Tenant will have first rights to select the location of its identification signage on the exterior of the Building. All aspects of the Signage (including, but not limited to, color, style, design, location, and size of the Signage) and the installation of the Signage shall be subject to Landlord's prior written approval, such approval not to be unreasonably withheld, conditioned or delayed. Tenant's Signage shall not impede the operations of surrounding tenants of the Project. Upon the expiration or such earlier termination of the Term, or upon Tenant's failure to meet the conditions set forth above, Tenant shall remove the Signage and repair all damage to the Building and any common areas caused thereby. If Tenant fails to do so, Landlord may, but need not, remove the Signage and repair any damage to the Building and common areas caused thereby, and Tenant shall pay Landlord the costs thereof, including, without limitation, Landlord's costs, forthwith upon being billed for same. Any language in this Lease notwithstanding, Tenant shall indemnify and hold harmless Landlord from any and all liability for loss of or damage or injury to any person (including death resulting therefrom) or property connected with or arising from the Signage or the rights granted herein, which indemnification obligation shall survive the expiration or such earlier termination of this Lease.

## 24. PARKING

24.1 Parking Accommodations. Subject to the Declarations, Landlord shall provide, operate and maintain surface and/or structured parking (the "Parking Accommodations"), together with necessary access, having a capacity adequate in Landlord's opinion to accommodate the requirements of the Building and the Project. Except for company cars, no storage of vehicles or parking for more than twenty-four (24) hours shall be allowed without Landlord's prior written consent. Tenant acknowledges and agrees that Landlord shall not be liable for damage, loss or theft of property or injury to persons in, upon or about the Parking Accommodations from any cause whatsoever. Landlord shall have the right to establish, and from time to time change, alter and amend, and to enforce against all users of the Parking Accommodations, such reasonable requirements and restrictions as Landlord deems necessary and advisable for the proper operation and maintenance of the Parking Accommodations, including, without limitation, designation of particular areas for reserved, visitor and/or employee parking, and establishment of a reasonable rental charge for the use of the Parking Accommodations by tenants of the Building, the Project and/or the general public, as a part of the Rules and Regulations of the Building referenced in Article 31 below.

24.2 Parking Spaces. Tenant is hereby allocated the number of parking spaces designated in Article 1.18 above, entitling Tenant and its designees to park in unreserved and reserved parking spaces, as applicable, located in the Parking Accommodations as designated by Landlord from time to time for use by Tenant, its employees and licensees, and for which Tenant shall pay the monthly charges set forth in Article 1.19 above. Landlord and Tenant shall execute, prior to the Commencement Date an Unreserved Parking License in the form attached to this Lease as Exhibit "E-1" and a Reserved Parking License in the form attached to this Lease as Exhibit "E-2". From time to time, but not more frequently than once each calendar year, Landlord reserves the right to increase the parking charges set forth in Article 1.19. Tenant and its employees shall not be entitled to park in visitor parking spaces so designated by Landlord, or in any other parking spaces other than those designated by Landlord for use by Tenant. Tenant shall have right to additional parking spaces on a month-to-month basis subject to availability at market rates.

## 25. LIENS

Tenant shall keep the Leased Premises free and clear of all mechanic's and materialmen's liens. If, because of any act or omission (or alleged act or omission) of Tenant, any mechanics', materialmen's or other lien, charge or order for the payment of money shall be filed or recorded against the Leased Premises, the Property, the Project or the Building, or against any other property of Landlord or Ground Lessor (whether or not such lien, charge or order is valid or enforceable as such), Tenant shall, at its own expense, cause the same to be canceled or discharged of record within thirty (30) days after Tenant shall have received written notice of the filing thereof, or Tenant may, within such thirty (30) day period, furnish to Landlord, a bond pursuant to A.R.S. §33-1004 (or any successor statute) and satisfactory to Landlord and all Superior Landlords and Superior Mortgagees against the lien, charge or order, in which case Tenant shall have the right to contest, in good faith, the validity or amount thereof. If Tenant shall fail to pay any charge for which a mechanics' or materialmen's lien claim and/or suit to foreclose a lien have been filed, and if Tenant shall not have provided security to protect the property and Landlord against such claim of lien, Landlord may (but shall not be so required) pay the claim and any costs, and the amounts so paid, together with reasonable attorneys' fees incurred in connection therewith, shall be immediately due and owing from Tenant to Landlord, and Tenant shall pay the same to Landlord, together with an administrative fee in an amount equal to fifteen percent (15%) of the costs so incurred, as well as interest at the Default Rate from the dates of Landlord's payments.

## 26. HOLDING OVER

It is agreed that the date of termination of this Lease and the right of Landlord to recover immediate possession of the Leased Premises thereupon is an important and material matter affecting the parties hereto and the rights of third parties, all of which have been specifically considered by Landlord and Tenant. In the event of any continued occupancy or holding over of the Leased Premises without the express written consent of Landlord beyond the expiration or earlier termination of this Lease or of Tenant's right to occupy the Leased Premises, whether in whole or in part, or by leaving property on the Leased Premises or otherwise, this Lease shall be deemed a monthly tenancy and Tenant shall pay one hundred fifty percent (1.5) times the Annual Basic Rent then in effect, in advance at the beginning of the hold-over month(s), plus any Additional Rent or other charges or payments contemplated in this Lease, and any other costs, expenses, damages, liabilities and attorneys' fees incurred by Landlord on account of Tenant's holding over.

## 27. ATTORNEYS' FEES

If Landlord or Tenant files a suit against the other which is in any way connected with this Lease, the unsuccessful party shall pay to the prevailing party a reasonable sum for attorneys' fees, taxable and

non-taxable costs and disbursements, including the fees, costs and disbursements of consultants, professionals, paralegals, whether at trial, appeal and/or in bankruptcy court, all of which will be deemed to have accrued on the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment. To the fullest extent permitted by law, such fees, costs and disbursements will be based upon the actual and reasonable fees, costs and disbursements incurred and not by reference to the amount in controversy. Such amounts shall be payable within five (5) days after receipt by the breaching party of the non-breaching party's statement. Further, should Landlord be made a party to any litigation between Tenant and any third party, then Tenant shall pay all taxable and non-taxable costs and attorneys' fees incurred by or imposed upon Landlord in connection with such litigation.

#### 28. RESERVED RIGHTS OF LANDLORD

Landlord reserves the following rights, exercisable without effecting an eviction, constructive or actual, or disturbance of Tenant's use or possession or giving rise to any claim:

(a) To name the Building, the Property and the Project and to change the name or street address of the Building, the Property or the Project;

(b) To install and maintain all signs on the exterior and interior of the Building, the Property and the Project;

(c) To designate all sources furnishing sign painting and lettering;

(d) If Tenant has vacated the Leased Premises, to decorate, remodel, repair, alter or otherwise prepare the Leased Premises for re-occupancy, without affecting Tenant's obligation to pay Annual Basic Rent;

(e) To have pass keys to the Leased Premises and all doors therein, excluding Tenant's vaults and safes and laboratory areas.

(f) On reasonable prior notice to Tenant but no less than 48 hours' notice, to exhibit the Leased Premises to any prospective tenant, purchaser, mortgagee, or assignee of any mortgage on the Building, the Property or the Project and to others having interest therein at any time during the Lease Term, excluding the laboratory areas and IT equipment rooms.

(g) To take any and all measures, including entering the Leased Premises for the purposes of making inspections, repairs, alterations, additions and improvements to the Leased Premises or to the Building (including, for the purposes of checking, calibrating, adjusting and balancing controls and other parts of the Building systems) as may be necessary or desirable for the operation, improvement, safety, protection or preservation of the Leased Premises or the Building, or in order to comply with all laws, orders and requirements of governmental or other authorities, or as may otherwise be permitted or required by this Lease; provided, however, that Landlord shall endeavor (except in an emergency) to minimize interference with Tenant's business in the Leased Premises;

(h) To install, use and maintain in and through the Leased Premises, pipes, conduits, wires, ducts and other facilities serving the Building; provided, however, that Landlord shall endeavor (except in an emergency) to minimize interference with Tenant's business in the Leased Premises;

(i) To relocate various facilities within the Building and on the Property and/or the Project if Landlord shall determine such relocation to be in the best interest of the development of the Building, the Property and/or the Project, provided, that such relocation shall not materially restrict access to the Leased Premises;

(j) To change the nature, extent, arrangement, use and location of the Building Common Areas and the Project Common Areas;

(k) To make alterations or additions to and to build additional stories on the Building and to build additional buildings or improvements on the Property and on the Project; and

(l) To install vending machines of all kinds in the Leased Premises and the Building, and to receive all of the revenue derived therefrom, provided, however, that no vending machines shall be installed by Landlord in the Leased Premises unless Tenant so requests.

Landlord further reserves the exclusive right to the roof of the Building. No easement for light, air, or view is included in the leasing of the Leased Premises to Tenant. Accordingly, any diminution or shutting off of light, air or view by any structure which may be erected on the Property, the Project or other

properties in the vicinity of the Building shall in no way affect this Lease or impose any liability upon Landlord.

## 29. EMINENT DOMAIN

29.1 Taking. If the whole of the Building is lawfully and permanently taken by condemnation or any other manner for any public or quasi-public purpose, or by deed in lieu thereof, this Lease shall terminate as of the date of vesting of title in such condemning authority and the Annual Basic Rent and Additional Rent shall be pro rated to such date. If any part of the Property or Project is so taken, or if the whole of the Building is taken, but not permanently, then this Lease shall be unaffected thereby, except that (a) Landlord may terminate this Lease by notice to Tenant within ninety (90) days after the date of vesting of title in the condemning authority, and (b) if twenty percent (20%) or more of the Leased Premises shall be permanently taken and the remaining portion of the Leased Premises shall not be reasonably sufficient for Tenant to continue operation of its business, Tenant may terminate this Lease by notice to Landlord within ninety (90) days after the date of vesting of title in such condemning authority. This Lease shall terminate on the thirtieth (30th) day after receipt by Landlord of such notice, by which date Tenant shall vacate and surrender the Leased Premises to Landlord. The Annual Basic Rent and Additional Rent shall be pro rated to the earlier of the termination of this Lease or such date as Tenant is required to vacate the Leased Premises by reason of the taking. If this Lease is not terminated as a result of a partial taking of the Leased Premises, the Annual Basic Rent and Additional Rent shall be equitably adjusted according to the rentable square footage of the Leased Premises and Building remaining.

29.2 Award. In the event of a taking of all or any part of the Building, the Property or the Project, all of the proceeds or the award, judgment, settlement or damages payable by the condemning authority shall be and remain the sole and exclusive property of Landlord, and Tenant hereby assigns all of its right, title and interest in and to any such award, judgment, settlement or damages to Landlord. Tenant shall, however, have the right, to the extent that the same shall not reduce or prejudice amounts available to Landlord, to claim from the condemning authority, but not from Landlord, such compensation as may be recoverable by Tenant in its own right for relocation benefits, moving expenses, and damage to Tenant's personal property and trade fixtures.

## 30. NOTICES

Wherever in this Lease it shall be required or permitted that notice or demand be given or served by either party to this Lease to or on the other, such notice or demand shall be given or served, and shall not be deemed to have been duly given or served unless in writing and forwarded by certified or registered mail, return receipt requested, or by personal delivery (which may include public or private express delivery and overnight courier services) addressed to the addresses of the parties specified in the Basic Provisions. Either party may change such address by written notice in the manner specified above for the giving of notices to the other; provided, however, neither party may designate a foreign address or an address for delivery of notices which does not indicate a street address (i.e., building name or number and street identification), city, state and zip code. Notice shall be deemed received as of the date such notice is (i) delivered to the party intended to receive such notice, (ii) delivered to the then designated address of the party to receive such notice, (iii) rejected or other refusal to accept at the then designated address of the party to receive such notice, (iv) undeliverable because of a changed address of which no notice was given, or (v) three (3) days following deposit in the United States mail, if served by certified or registered mail, return receipt requested. Notices by a party may be given by the legal counsel to such party and/or an authorized agent of such party. In this regard, any notice to be given by or on behalf of Landlord under this Lease shall be effective if given by Landlord's legal counsel and/or Landlord's property manager. In no event shall notices be transmitted by facsimile or electronic mail.

## 31. RULES AND REGULATIONS

Tenant shall abide by all rules and regulations (the "Rules and Regulations") of the Building and the Project imposed by Landlord, as attached to this Lease as Exhibit "G" or as may hereafter be issued by Landlord. Such Rules and Regulations are imposed to enhance the cleanliness, appearance, maintenance, order and use of the Leased Premises, the Building and the Property, and the proper enjoyment of the Building, the Property and the Project by all tenants and their clients, customers and employees. The Rules and Regulations may be changed from time to time upon ten (10) days notice to Tenant. Breach of the Rules and Regulations by Tenant shall constitute an Event of Default if such breach is not fully cured within ten (10) days after written notice to Tenant by Landlord. Landlord shall not be responsible to Tenant for nonperformance by any other tenant, occupant or invitee of the Building, the Property or the Project of any Rules or Regulations. Landlord shall use commercially reasonable efforts to uniformly and without discrimination enforce such rules and regulations against all tenants of the Building and all other users of the Building Common Areas and Project Common Areas.

## 32. ACCORD AND SATISFACTION

No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Annual Basic Rent and Additional Rent (jointly called "Rent" in this Article 32), shall be deemed to be other than on account of the earliest stipulated Rent due and not yet paid, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy in this Lease. No receipt of money by Landlord from Tenant after the termination of this Lease, after the service of any notice relating to the termination of this Lease, after the commencement of any suit, or after final judgment for possession of the Leased Premises, shall reinstate, continue or extend the Lease Term or affect any such notice, demand, suit or judgment.

## 33. RESERVED

## 34. HAZARDOUS MATERIALS

34.1 Hazardous Materials Laws. "Hazardous Materials Laws" means any and all federal, state or local laws, ordinances, rules, decrees, orders, regulations or court decisions (including the so-called "common-law") relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Leased Premises, or soil and ground water conditions, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended, 42 U.S.C. §9601, et seq., the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §6901, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. §1801, et seq., any amendments to the foregoing, and any similar federal, state or local laws, ordinances, rules, decrees, orders or regulations.

34.2 Hazardous Materials. "Hazardous Materials" means any chemical, compound, material, substance or other matter that: (i) is a flammable explosive, asbestos, radioactive material, nuclear medicine material, drug, vaccine, bacteria, virus, hazardous waste, toxic substance, petroleum product, or related injurious or potentially injurious material, whether injurious or potentially injurious by itself or in combination with other materials; (ii) is controlled, designated in or governed by any Hazardous Materials Law; (iii) gives rise to any reporting, notice or publication requirements under any Hazardous Materials Law; or (iv) gives rise to any liability, responsibility or duty on the part of Tenant or Landlord with respect to any third party under any Hazardous Materials Law.

34.3 Use. Tenant shall not allow any Hazardous Material to be used, generated, released, stored or disposed of on, under or about, or transported from, the Leased Premises, the Building or the Project, unless: (i) such use is specifically disclosed to and approved by Landlord in writing prior to such use; and (ii) such use is conducted in compliance with the provisions of this Article 34. Landlord may approve such use subject to reasonable conditions to protect the Leased Premises, the Building or the Project, and Landlord's interests. Landlord may withhold approval if Landlord determines that such proposed use involves a material risk of a release or discharge of Hazardous Materials or a violation of any Hazardous Materials Laws or that Tenant has not provided reasonable assurances of its ability to remedy such a violation and fulfill its obligations under this Article 34. Notwithstanding the provisions of this Article 34 to the contrary, Tenant shall be permitted to use and store Hazardous Materials in small quantities normally associated with business office, lab operations, and research and development activities for a healthcare technology company in the laboratory diagnostics services business, provided that such small quantities of Hazardous Materials are used and stored in compliance with all applicable Hazardous Materials Laws.

34.4 Compliance With Laws. Tenant shall strictly comply with, and shall maintain the Leased Premises in compliance with, all Hazardous Materials Laws. Tenant shall obtain and maintain in full force and effect all permits, licenses and other governmental approvals required for Tenant's operations on the Leased Premises under any Hazardous Materials Laws and shall comply with all terms and conditions thereof. At Landlord's request, Tenant shall deliver copies of, or allow Landlord to inspect, all such permits, licenses and approvals. Tenant shall perform any monitoring, investigation, clean-up, removal and other remedial work (collectively, "Remedial Work") required as a result of any release or discharge of Hazardous Materials affecting the Leased Premises, the Building or the Project, or any violation of Hazardous Materials Laws by Tenant or any assignee or sublessee of Tenant or their respective agents, contractors, employees, licensees, or invitees. Landlord shall have the right to intervene in any governmental action or proceeding involving any Remedial Work, and to approve performance of the work, in order to protect Landlord's interests.

34.5 Compliance With Insurance Requirements. Tenant shall comply with the requirements of Landlord's and Tenant's respective insurers regarding Hazardous Materials and with such insurers' recommendations based upon prudent industry practices regarding management of Hazardous Materials.

34.6 Notice; Reporting. Tenant shall notify Landlord, in writing, within two (2) days after any of the following: (a) a release or discharge of any Hazardous Material, whether or not the release or discharge is in quantities that would otherwise be reportable to a public agency; (b) Tenant's receipt of any order of a governmental agency requiring any Remedial Work pursuant to any Hazardous Materials Laws; or (c) Tenant's receipt of any warning, notice of inspection, notice of violation or alleged violation, or Tenant's receipt of notice or knowledge of any proceeding, investigation of enforcement action, pursuant to any Hazardous Materials Laws.

34.7 Indemnity. Tenant shall protect, indemnify, defend and hold Landlord and Ground Lessor harmless for, from and against any and all Losses and Liabilities, investigations and proceedings arising out of or in connection with any breach of any provisions of this Article 34 or directly or indirectly arising out of the use, generation, storage, release, disposal or transportation of Hazardous Materials by Tenant or any assignee or subtenant of Tenant, or their respective members, officers, employees, agents, representatives and invitees on, under or about the Leased Premises during the Lease Term or Tenant's occupancy of the Leased Premises, including, but not limited to, all foreseeable and unforeseeable consequential damages and the cost of any Remedial Work. Neither the consent by Landlord to the use, generation, storage, release, disposal or transportation of Hazardous Materials nor the strict compliance with all Hazardous Material Laws shall excuse Tenant from Tenant's indemnification obligations pursuant to this Article 34. The foregoing indemnity shall be in addition to and not a limitation of the indemnification provisions of Article 16 of this Lease. Tenant's obligations pursuant to this Article 34 shall survive the termination or expiration of this Lease.

### 35. CONFIDENTIALITY

35.1 Definition. "Confidential Information" means all information the disclosing party ("Discloser") discloses to the other party ("Recipient"). Confidential Information may not be marked as such at the time of disclosure and will still be considered Discloser's Confidential Information so long as Discloser identified or designated the information as confidential at the time of disclosure (or like designation), or disclosed the information in circumstances of confidence, or the information would be reasonably understood by the parties exercising reasonable business judgment to be confidential. Notwithstanding the foregoing, any information disclosed by Theranos orally, electronically, visually, or in tangible form to, to Recipient, relating to Theranos' solutions, including all technologies and methodologies associated therewith, is Theranos' Confidential Information. Confidential Information does not include information which: (a) is or becomes generally known through no fault of Recipient; (b) is known to Recipient at the time of disclosure, as evidenced by its records; (c) is hereafter furnished to Recipient by a third party as a matter of right and without restriction on disclosure; or (d) is independently developed by Recipient without any breach of this Agreement. The parties agree that this Article 35 will govern, and, to the extent Confidential Information has been exchanged, has governed, the parties' disclosures of Confidential Information.

35.2 Protection and Use. Recipient will use a reasonable degree of care to maintain all of Discloser's Confidential Information in trust and confidence and will neither disclose to any third party nor use any of Discloser's Confidential Information, whether associated with Discloser's name or not, without Discloser's express prior written consent. Recipient may only disclose Discloser's Confidential Information, or any part thereof, to those of Recipient's employees or representatives who need to know it and have agreed, either as a condition to employment or in order to obtain the Confidential Information, to be bound by terms and conditions substantially similar to those of this Agreement. In the event Recipient receives a court order, or is otherwise required by law, to disclose any Confidential Information, Recipient will (a) notify Discloser promptly upon receipt of such court order or other request for disclosure, such that Discloser has time to object and/or move for a protective order or confidential treatment or (b) to the extent the information to be disclosed in response to a court order must be filed in court, file any information disclosed in response to such order under seal and/or request that the court seal such Confidential Information. Except as may ultimately be required by such court order or law, Recipient's obligations with regard to such Confidential Information, as set forth above, will remain in full force and effect. Recipient acknowledges and agrees that Discloser's Confidential Information may not be used for any purpose or in any manner that would constitute a violation of any laws or regulations, including, without limitation, the export control laws of the United States and, if the Confidential Information constitutes material non-public information, the Securities Exchange Act of 1934, as amended. No rights or licenses to intellectual property in Confidential Information are granted by either party to the other under this Agreement, whether express, implied or otherwise. All Confidential Information will remain the property of Discloser (and its licensors, if any). All Confidential Information disclosed under this Agreement is provided on an "AS IS" basis, without any warranty, assurance or guarantee of any kind. The Recipient's obligations pursuant to this Article 35 shall survive the termination or expiration of this Lease.



36. MISCELLANEOUS

36.1 Entire Agreement, Amendments. There are no oral agreements between Landlord and Tenant affecting this Lease or the Leased Premises, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, letters of intent, site plans, leasing proposals, agreements and understandings, written or oral, whether prior or contemporaneous, if any, between Landlord and Tenant or displayed by Landlord to Tenant with respect to the Leased Premises, all of which shall be deemed superseded and of no further force and effect and none of which shall be used to interpret or construe this Lease. This Lease is and shall be considered to be the only agreement between Landlord and Tenant. All negotiations and oral agreements acceptable to Landlord and Tenant have been merged into and are included in this Lease. There are no representations or warranties between Landlord and Tenant except as expressly set forth in this Lease and all reliance with respect to representations is solely upon the express representations and agreements contained in this Lease. No course of prior dealings between Landlord and Tenant or their respective officers, employees or agents shall be relevant or admissible to supplement, explain or vary any of the express terms of this Lease. This Lease may not be modified in any respect except by an instrument signed in writing by Landlord and Tenant. Any course of conduct between Landlord and Tenant shall not constitute an amendment of this Lease.

36.2 Time of the Essence. Time is declared to be of the essence of this Lease and each and every provision of this Lease. For the purposes of all time requirements and limits set forth in this Lease, such requirements and limits (i) shall not include the day from which the period commences; (ii) shall expire precisely at 5:00 p.m. Phoenix, Arizona time on the final day; and (iii) shall be construed to mean calendar days; provided that if the final day of a time period falls on a Saturday, Sunday or legal holiday in the jurisdiction where the Leased Premises are located, such period shall extend to the first business day thereafter. For the purposes of this Lease, a legal holiday shall mean a day on which the United States Post Office nearest the Leased Premises is not open for counter business.

36.3 Binding Effect. The covenants and conditions of this Lease shall, subject to the restrictions on assignment and subletting, apply to and bind the heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto.

36.4 Recordation. Neither this Lease nor any memorandum hereof shall be recorded by Tenant. At the sole option of Landlord, Tenant and Landlord shall execute, and Landlord may record, a short form memorandum of this Lease in form and substance satisfactory to Landlord.

36.5 Governing Law. This Lease and all the terms and conditions thereof shall be governed by and construed in accordance with the laws of the State of Arizona, without regard to any conflict of laws principles to the contrary.

36.6 Defined Terms and Paragraph Headings. The words "Landlord" and "Tenant" as used in this Lease shall include the plural as well as the singular. Words used in masculine gender include the feminine and neuter. If there is more than one Tenant, the obligations in this Lease imposed upon Tenant shall be joint and several. The paragraph headings and titles to the paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

36.7 Representations and Warranties of Tenant. Tenant represents and warrants to Landlord as follows:

(a) Tenant has been duly organized, is validly existing, and is in good standing under the laws of its state of Arizona and is qualified to transact business in Arizona. All necessary action on the part of Tenant has been taken to authorize the execution, delivery and performance of this Lease and of the other documents, instruments and agreements, if any, provided for herein. The persons who have executed this Lease on behalf of Tenant are duly authorized to do so;

(b) This Lease constitutes the legal, valid and binding obligation of Tenant, enforceable against Tenant in accordance with its terms, subject, however, to bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws relating to or affecting the rights of creditors generally, general principles of equity, whether enforceability is considered in a proceeding in equity or at law, and to the qualification that certain waivers, procedures, remedies and other provisions of this Lease may be unenforceable under or limited by applicable law, however, none of the foregoing shall prevent the practical realization to Landlord of the benefits intended by this Lease;

(c) To the best of its knowledge, there are no suits, actions, proceedings or investigations pending, or to the best of its knowledge, threatened against or involving Tenant before any court, arbitrator or administrative or governmental body which might reasonably result in any material adverse change in the contemplated business, condition or operations of Tenant;

(d) To the best of its knowledge, Tenant is not, and the execution, delivery and performance of this Lease and the documents, instruments and agreements, if any, provided for herein will not result in any breach of or default under any other document, instrument or agreement to which Tenant is a party or by which Tenant is subject or bound;

(e) To the best of its knowledge, Tenant has obtained all required licenses and permits, both governmental and private, to use and operate the Leased Premises in the manner intended by this Lease.

36.8 Representations and Warranties of Landlord. Landlord represents and warrants to Tenant as follows:

(a) Landlord has been duly organized, is validly existing, and is in good standing under the laws of its state of Arizona and is qualified to transact business in Arizona. All necessary action on the part of Landlord has been taken to authorize the execution, delivery and performance of this Lease and of the other documents, instruments and agreements, if any, provided for herein. The persons who have executed this Lease on behalf of Landlord are duly authorized to do so;

(b) This Lease constitutes the legal, valid and binding obligation of Landlord, enforceable against Landlord in accordance with its terms, subject, however, to bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws relating to or affecting the rights of creditors generally, general principles of equity, whether enforceability is considered in a proceeding in equity or at law, and to the qualification that certain waivers, procedures, remedies and other provisions of this Lease may be unenforceable under or limited by applicable law, however, none of the foregoing shall prevent the practical realization to Landlord of the benefits intended by this Lease;

(c) To the best of its knowledge, there are no suits, actions, proceedings or investigations pending, or to the best of its knowledge, threatened against or involving Landlord before any court, arbitrator or administrative or governmental body which might reasonably result in any material adverse change in the contemplated business, condition or operations of Landlord;

(d) To the best of its knowledge, Landlord is not, and the execution, delivery and performance of this Lease and the documents, instruments and agreements, if any, provided for herein will not result in any breach of or default under any other document, instrument or agreement to which Landlord is a party or by which Landlord is subject or bound;

(e) To the best of its knowledge, Landlord has obtained all required licenses and permits, both governmental and private, to use and operate the Leased Premises in the manner intended by this Lease.

36.9 No Waiver. A waiver of any breach or default shall not be a waiver of any other breach or default. Landlord's consent to, or approval of, any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary the need to obtain Landlord's written consent to or approval of any subsequent similar act by Tenant. Any course of conduct by Landlord and Tenant not in strict conformance with the provisions of this Lease shall be deemed to be a temporary relief from the express provisions of this Lease and not a waiver and shall be subject to reversal or retroactive revocation by Landlord at any time with or without notice. The grant or extension by Landlord of a waiver or indulgence to other tenants or occupants of the Project shall not constitute a waiver of any term, covenant or provision of this Lease for the benefit of Tenant.

36.10 Severability. If any provision of this Lease shall be determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Lease and all such other provisions shall remain in full force and effect. It is the intention of Landlord and Tenant that if any provision of this Lease is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

36.11 Exhibits. If any provision contained in an Exhibit, Rider or Addenda to this Lease is inconsistent with any other provision of this Lease, the provision contained in this Lease shall supersede the provisions contained in such Exhibit, Rider or Addenda, unless otherwise provided.

36.12 Fair Meaning. The language of this Lease shall be construed to its normal and usual meaning and not strictly for or against either Landlord or Tenant. Landlord and Tenant acknowledge and agree that each party has reviewed and revised this Lease and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply to the interpretation of this Lease, or any Exhibits, Riders or amendments hereto. Submission of this Lease by Landlord to Tenant for review, examination, and/or negotiation shall not be deemed to be a reservation of the Leased

Premises. Landlord shall not be bound by this Lease until this Lease has been executed by both Landlord and by Tenant. Until this Lease has been executed by both Landlord and Tenant, Landlord reserves the right to exhibit and lease the Leased Premises to other prospective tenants.

36.13 No Merger. The voluntary or other surrender of this Lease by Tenant or a mutual cancellation of this Lease shall not work as a merger and shall, at Landlord's option, either terminate any or all existing subleases or subtenancies, or operate as an assignment to Landlord of any or all of such subleases or subtenancies.

36.14 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inclement weather (including rain) inability to obtain labor or materials or reasonable substitutes therefor, failure or disruption of utilities or critical electronic systems, governmental restrictions, regulations or controls (including delays in issuing required permits and approvals), judicial orders, acts of the public enemy (including terrorist acts), hostile government actions, civil commotion, fire or other casualty and other causes beyond the reasonable control of Tenant or Landlord shall excuse the performance of the applicable party hereunder for the period of any such prevention, delay, or stoppage, except the obligations imposed with regard to Annual Basic Rent, Operating Costs, Additional Rent and other charges to be paid by Tenant pursuant to this Lease.

36.15 Government Energy or Utility Controls. In the event of the imposition of federal, state or local governmental controls, rules, regulations or restrictions on the use or consumption of energy or other utilities during the Lease Term, both Landlord and Tenant shall be bound thereby. In the event of a difference in interpretation of any governmental control, rule, regulation or restriction between Landlord and Tenant, the reasonable interpretation of Landlord shall prevail, and Landlord shall have the right to enforce compliance, including the right of entry into the Leased Premises to effect compliance.

36.16 Shoring. If any excavation or construction is made adjacent to, upon or within the Building, or any part thereof, Tenant shall afford to any and all persons causing or authorized to cause such excavation or construction license to enter onto the Leased Premises for the purpose of doing such work as such persons shall deem necessary to preserve the Building or any portion thereof from injury or damage and to support the same by proper foundations, braces and supports; provided such persons make best efforts to avoid interfering with Tenant's work and use of the Premises to the extent possible under the circumstances.

36.17 Transfer of Landlord's Interest. The term "Landlord" as used in this Lease, insofar as the covenants or agreements on the part of the Landlord are concerned, shall be limited to mean and include only the owner or owners of Landlord's interest in this Lease at the time in question. Upon any transfer or transfers of such interest, the Landlord herein named (and in the case of any subsequent transfer, the then transferor) shall thereafter be relieved of all liability for the performance of any covenants or agreements on the part of the Landlord contained in this Lease on a going forward basis.

36.18 Limitation on Landlord's Liability. If Landlord becomes obligated to pay Tenant any judgment arising out of any failure by the Landlord to perform or observe any of the terms, covenants, conditions or provisions to be performed or observed by Landlord under this Lease, Tenant shall be limited in the satisfaction of such judgment solely to Landlord's interest in the Building and the Property or any proceeds arising from the sale thereof and no other property or assets of Landlord or the individual partners, directors, officers or shareholders of Landlord or its constituent partners shall be subject to levy, execution or other enforcement procedure whatsoever for the satisfaction of any such money judgment.

36.19 Brokerage Fees. Tenant warrants and represents that it has not dealt with any realtor, broker or agent in connection with this Lease except the Broker identified in Article 1.20 above. Tenant shall indemnify, defend and hold Landlord harmless from and against, and shall be responsible for, any cost, expense or liability (including the cost of suit and reasonable attorneys' fees) for any compensation, commission or charges claimed by any other realtor, broker or agent in connection with this Lease or by reason of any act of Tenant.

36.20 No Publicity, No Marketing. Landlord will not prepare or distribute any public filing or publicity material, including without limitation any public statement, press release, marketing, or announcement, that refers to or is about Theranos, any product or service of Theranos, or this Agreement without Theranos' prior written approval. Landlord will not use Theranos' name or refer to Theranos, directly or indirectly, in any manner in any communication, whether written, oral, otherwise, to any customer or potential customer. Landlord will provide Theranos with as much prior notice as possible in the event that Landlord is required by law to do any of the foregoing.

36.21 Continuing Obligations. All obligations of Tenant hereunder not fully performed as of the expiration or earlier termination of this Lease shall survive the expiration or earlier termination of this Lease, including, without limitation, all payment obligations with respect to Annual Basic Rent, Additional Rent and all obligations concerning the condition of the Premises.

36.22 Quiet Possession. So long as there is not in existence an Event of Default, Tenant may quietly have, hold and enjoy the Premises during the Lease Term, free from hindrance or molestation by Landlord or Persons claiming by, through or under Landlord subject, however, to the matters referred to in Article 21. The provisions of this Article 36.22 shall not extend to any disturbance, act or condition brought about by any tenant in the Building or the Project.

36.23 WAIVER OF RIGHT TO JURY TRIAL. LANDLORD AND TENANT EACH WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY OF ANY CONTRACT OR TORT CLAIM, COUNTERCLAIM, CROSS-COMPLAINT OR CAUSE OF ACTION IN ANY ACTION, PROCEEDING OR HEARING BROUGHT BY EITHER LANDLORD OR TENANT AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED TO THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT OR TENANT'S USE OR OCCUPANCY OF THE LEASED PREMISES, INCLUDING ANY CLAIM OF INJURY OR DAMAGE OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY CURRENT OR FUTURE LAW, STATUTE, REGULATION, CODE OR ORDINANCE.

36.24 Specially Designated Nationals and Blocked Persons List. Tenant represents and warrants to Landlord that neither Tenant nor any Affiliate or Representative of Tenant (i) is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury ("OFAC") pursuant to Executive Order number 13224, 66 Federal Register 49079 (September 25, 2001) (the "Order"); (ii) is listed on any other list of terrorists or terrorist organizations maintained pursuant to the Order, the rules and regulations of the OFAC or any other applicable requirements contained in any enabling legislation or other executive orders in respect of the Order (the Order and such other rules, regulations, legislation or orders are collectively in this Article 36.24 called the "Orders"); (iii) is engaged in activities prohibited in the Orders; or (iv) has been convicted, pleaded no lo contendere, indicted, arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering.

36.25 Brokerage Disclosure. Landlord and Tenant acknowledge and agree that Landlord has disclosed to Tenant that Landlord and/or Landlord's Affiliates or constituent partners or members are licensed real estate brokers in the State of Arizona and that employees, Affiliates and constituent partners or members of Landlord, Landlord's Affiliates and/or Landlord's constituent partners or members are licensed real estate salespersons in the State of Arizona.

36.26 Counterparts. This Lease may be executed simultaneously, with or without notary acknowledgement, in one or more counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument and it shall not be necessary that any single counterpart bear the signature of all parties.

36.27 VENUE. LANDLORD AND TENANT HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY SUBMIT TO THE JURISDICTION OF THE SUPERIOR COURT OF MARICOPA COUNTY, ARIZONA (OR IF THE REQUISITES OF JURISDICTION OBTAIN, THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ARIZONA SITTING IN MARICOPA COUNTY, ARIZONA) IN CONNECTION WITH ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG LANDLORD AND TENANT ARISING OUT OF OR IN ANY WAY RELATED TO THE LEASED PREMISES, THIS DOCUMENT OR ANY OTHER AGREEMENTS, DOCUMENTS OR INSTRUMENTS EXECUTED AND DELIVERED IN CONNECTION WITH OR OTHERWISE RELATING TO THE LEASED PREMISES. IN THIS REGARD, THE EXCLUSIVE VENUE OF ANY SUCH DISPUTE SHALL BE IN MARICOPA COUNTY, ARIZONA. LANDLORD AND TENANT HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY DEFENSE OF FORUM NON CONVENIENS OR ANY OTHER OBJECTION TO VENUE IN MARICOPA COUNTY, ARIZONA.

36.28 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installments of Annual Basic Rent, Operating Costs, Additional Rent or other charges due and payable under this Lease (collectively called "Rent" in this Article), shall be deemed to be other than on account of the earliest stipulated Rent due and not yet paid, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed in accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy in this Lease and Landlord may apply the proceeds of such check among the various components of Rent as Landlord so determines.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the date and year first above written.

**LANDLORD:**

**SKYSONG OFFICE 3, LLC, an Arizona limited liability company**

By: SKYSONG PLAZA 3, LLC, an Arizona limited liability company

By: Harper Skysong Plaza 3, LLC, an Arizona limited Liability company, its managing member

By: [Signature]  
Sharon J. Harper, Co-Trustee of the Harper Family Revocable Trust, under agreement dated November 5, 1998, as amended, its sole member

Date: 6.6.14

**TENANT:**

**THERANOS, INC., a Delaware corporation**

By: [Signature]  
Its: \_\_\_\_\_

Date: \_\_\_\_\_

Legal Approved SM

If Tenant is a CORPORATION, the authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. The Lease must be executed by the president or vice-president and the secretary or assistant secretary, unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, must be attached to this Lease.

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROJECT

LEGAL DESCRIPTION

Exem No. 2408976A 41

PARCEL NO. 1: (Zilman Parcel 18 & 19: APM 140/P)

That part of the Northwest quarter of the Northwest quarter of Section 2, Township 1 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

Beginning at the Northwest corner of said Section 2 and running;

thence South, along the West line of said Section 2, a distance of 280.00 feet;

thence North 88 degrees 52 minutes 30 seconds East, parallel with the North line of said Section 2, a distance of 45.00 feet to a point on the East line of Scottsdale Road;

thence South, along the East line of Scottsdale Road, 516.89 feet to a point on a line which is parallel with and distant Southerly 834.66 feet recorded, 834.61 as measured at right angles from the Northerly line of said Section 2;

thence North 88 degrees 52 minutes 30 seconds East, along last mentioned parallel line, 819.33 feet recorded, 819.61 feet measured;

thence at right angle North 01 degree 07 minutes 30 seconds West 413.50 feet;

thence South 88 degrees 52 minutes 30 seconds West, parallel with the North line of said Section 2, 212.48 feet;

thence North 01 degree 07 minutes 30 seconds East, 45.70 feet;

thence South 88 degrees 52 minutes 30 seconds West, parallel with the North line of said Section 2, 45.25 feet;

thence at right angle North 01 degree 07 minutes 30 seconds West, 310.66 feet to a point on the Southerly line of McDowell Road;

thence South 88 degrees 52 minutes 30 seconds West, along the Southerly line of McDowell Road, 211.28 feet recorded, 211.44 feet measured to the East line of the West 280 feet of the Northwest quarter of the Northwest quarter of said Section 2;

thence North, along the East line of the West 280 feet of the Northwest quarter of the Northwest quarter of said Section 2, a distance of 45.00 feet to the North line of said Section 2;

thence South 88 degrees 52 minutes 30 seconds West, along said North line, 230.00 feet to the Northwest corner of said Section 2 and the Point of Beginning.

PARCEL NO. 2: (Zilman Parcel 5; APM 171)

Legal Description - Continued

REDACTED NAME

LEGAL DESCRIPTION - CONTINUED

Exhibit No. 1408155A 11

That part of the Northeast quarter of the Northwest quarter of Section 2, Township 1 North, Range 4 East of the 6th and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

Beginning at a point South 05 degrees 13 minutes 48 seconds West 45 feet and North 88 degrees 52 minutes 36 seconds East 38 feet from the Northwest corner of said Northeast quarter of the Northwest quarter of Section 2;

thence North 88 degrees 52 minutes 36 seconds East along a line parallel with and 36 feet South of the North line of said Section 2 (said line being along the Southerly line of McDowell Road) a distance of 229.35 feet to the intersection of the South line of McDowell Road and the West line of an access road running North and South through said Northeast quarter of the Northwest quarter of Section 2;

thence South 88 degrees 12 minutes 48 seconds West along the West line of said access road 641.25 feet to a line which is parallel with and distant Southerly 214.85 feet, measured at right angles, from the South line of McDowell Road;

thence South 88 degrees 12 minutes 39 seconds West along said parallel line 222.25 feet to a point of intersection with a line which is parallel with and distant Southerly 287.25 feet, measured at right angles, from the East line of 74th Street (said line of intersection being also the True Point of Beginning of this parcel);

thence South 05 degrees 12 minutes 48 seconds West along last mentioned parallel line 236.14 feet to a point on the North line of an access road running East and West through said Northeast quarter of the Northwest quarter of Section 2;

thence North 88 degrees 52 minutes 36 seconds East along said North line 222.25 feet to a point on the West line of said access road running North and South;

thence North 05 degrees 12 minutes 48 seconds East along said West line 236.14 feet to the line which is parallel with and distant Southerly 214.85 feet, measured at right angles, from said Southerly line of McDowell Road;

thence South 88 degrees 12 minutes 39 seconds West along last mentioned parallel line 222.25 feet to the True Point of Beginning.

PARCEL NO. 3: (Wilson Parcel 16; APN 128)

That part of the Northwest quarter of the Northwest quarter of Section 2, Township 1 North, Range 4 East of the 6th and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

Beginning at a point North 48 degrees 11 minutes 33 seconds East, (assumed bearings), a distance of 41.05 feet and South 41 degree 37 minutes 25 seconds East, a distance of 48.32 feet from the Northwest corner of said Section 2, (said corner also being the intersection of McDowell Road and Scottsdale Road);

LEGAL DESCRIPTION - CONTINUED

Maricopa 1472806A 41

thence North 28 degrees 32 minutes 30 seconds East along a line parallel with and distant Southwesterly 85.94 feet from the North line of Section 2, (said line being also the South line of McDowell Road), a distance of 518.48 feet to the True Point of Beginning, being the Northwest corner of Parcel 1 conveyed to Broadway-Hale Street by instrument recorded in Booklet 7340, page 388, records of Maricopa County, Arizona;

thence continuing North 28 degrees 32 minutes 30 seconds East, along East said parallel line (and South line of McDowell Road), a distance of 511.85 feet, being the Northwest corner of parcel conveyed to The Valley National Bank by instrument recorded in Booklet 4777, page 314, records of Maricopa County, Arizona;

thence North 81 degree 07 minutes 30 seconds East, a distance of 100.50 feet;

thence North 26 degrees 51 minutes 30 seconds East, a distance of 148.34 feet to the intersection with a line parallel with and 36.00 feet Westerly of the East line of the Northwest quarter of the Northwest quarter of said Section 2 (said parallel line also being the West line of 74th Street);

thence South 84 degrees 12 minutes 40 seconds West, along East said parallel line and West line of 74th Street, a distance of 557.81 feet;

thence South 84 degrees 12 minutes 38 seconds West, a distance of 433.81 feet, to the Southwest corner of Parcel No. 2 conveyed to Broadway-Hale Street by instrument recorded in Booklet 7340, page 388, records of Maricopa County, Arizona;

thence North 81 degree 07 minutes 30 seconds West, a distance of 413.50 feet;

thence South 84 degrees 12 minutes 38 seconds West, a distance of 212.80 feet;

thence North 01 degree 07 minutes 30 seconds West, a distance of 45.74 feet;

thence South 84 degrees 52 minutes 30 seconds West, a distance of 39.25 feet;

thence North 81 degree 07 minutes 30 seconds East, a distance of 315.46 feet to the True Point of Beginning.

PARCEL NO. 4: (Illiad Parcel id: ASW 12)

That part of the Northeast quarter of the Northwest quarter of Section 2, Township 1 North, Range 6 East of the Gila and Salt River Basins and Meridian, Maricopa County, Arizona, described as follows:

Beginning at a point North 80 degrees 12 minutes 40 seconds West (assumed bearing), 61.80 feet and North 84 degrees 31 minutes 30 seconds East, 36.00 feet from the Northeast corner of the Northwest quarter of the Northwest quarter of said Section 2;

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LEGAL DESCRIPTION - CONTINUED

Ebenw/No. 2438366A 41

thence South 09 degrees 12 minutes 49 seconds West along a line parallel with and distant Easterly 38.00 feet from the West line of said Northeast quarter of the Northwest quarter of Section 2 (said line being also the West line of 74th Street), a distance of 547.68 feet to the True Point of Beginning, being the Northwest corner of parcel conveyed to Broadway-Hale Stores by instrument recorded in Docket 6310, page 585, records of Maricopa County, Arizona;

thence North 88 degrees 52 minutes 39 seconds East, a distance of 247.73 feet;

thence South 09 degrees 12 minutes 49 seconds West, a distance of 247.34 feet;

thence South 88 degrees 52 minutes 39 seconds West, a distance of 247.73 feet; to the intersection of last said parallel line (and East line 74th Street);

thence North 09 degrees 12 minutes 49 seconds East along said parallel line (and East line of 74th Street), a distance of 215.14 feet to the True Point of Beginning.

PARCEL NO. 5: (Siltan Parcel 17: APN 148)

That part of the Northwest quarter of the Northwest quarter of Section 2, Township 1 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

Beginning at a point which lies South (South 09 degrees 09 minutes 28 seconds West measured), 1390.95 feet and North 88 degrees 59 minutes 20 seconds East, 65.81 feet from the Northwest corner of said Section 2, said point being the intersection of the North line of an alley shown on a plat of New Page Park Unit 5, said plat being recorded at Book 85 of Maps, page 33, records of Maricopa County, Arizona, and the Easterly line of Scottsdale Road;

thence North 88 degrees 59 minutes 20 seconds East along said North line, 1088.41 feet (1088.95 feet measured) to an angle point therein;

thence continuing along said North line, North 73 degrees 02 minutes 20 seconds East, 164.59 feet to a point in the Westerly line of 74th Street, said point lying in a curve, concave Northeasterly and having a radius of 534.01 feet (a radial line through said point bears North 73 degrees 02 minutes 20 seconds East);

thence Northerly along said curve and along said Westerly line of 74th Street through a central angle of 17 degrees 10 minutes 20 seconds and an arc distance of 160.65 feet to a point of tangency in said Westerly line;

thence continuing along said Westerly line North 60 degrees 12 minutes 49 seconds East, 354.94 feet to a line which is parallel with and distant Southerly 874.66 feet, measured at right angles, from the centerline of McDowell Road;

thence South 88 degrees 52 minutes 39 seconds West along said parallel line, 1224.95 feet (1225.42 feet measured) to the Easterly line of said Scottsdale Road;

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LEGAL DESCRIPTION - CONTINUED

Encow No. 2403928A 41

thence South (South 80 degrees 00 minutes 28 seconds West measured) along said Easterly line 553.87 feet to the point of beginning.

PARCEL NO. 6: (Eileen Parcel 7: APN 78)

That part of the Northeast quarter of the Northwest quarter of Section 2, Township 1 North Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

Beginning at the intersection of a line which is parallel with and distant Easterly, 30.68 feet, measured at right angles, from the West line of said Northeast quarter of the Northwest quarter (centerline of 74th Street) and a line which is parallel with and distant Southerly, 325.92 feet, measured at right angles, from the North line of said Section 2 (last mentioned line being also a line which bears North 88 degrees 52 minutes 30 seconds East along the South line of a non-exclusive easement for ingress and egress recorded as Parcel No. 1 at Docket 4551, page 138, records of Maricopa County, Arizona;

thence North 88 degrees 52 minutes 30 seconds East along last mentioned line, 181.68 feet to the West line of a Parcel of land conveyed to Tucson District Methodist Union by Deed recorded at Docket 4551, page 142, records of said Maricopa County;

thence South 00 degrees 12 minutes 40 seconds West along the Westerly line of last mentioned land, 269.47 feet to the Northerly line of an alley shown on a plat of New Papego Parkway Unit 8, said plat being recorded in Book 65 of Maps, page 21, records of said Maricopa County;

thence South 73 degrees 02 minutes 20 seconds West along last mentioned Northerly line, 168.83 feet to a point in the Easterly line of 74th Street, said point lying in a curve, concave Northeasterly and having a radius of 474.61 feet (a radial through said point bears North 73 degrees 02 minutes 20 seconds East);

thence Northerly along said curve and along said Easterly line of 74th Street through a central angle of 17 degrees 10 minutes 20 seconds and an arc distance of 142.87 feet to a point of tangency in the first above-mentioned parallel line (Easterly line of 74th Street);

thence North 00 degrees 12 minutes 40 seconds East along last mentioned line, 265.06 feet to the point of beginning.

PARCEL NO. 7: (Eileen Parcel 8: APN 79)

That part of the Northeast quarter of the Northwest quarter of Section 2, Township 1 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

ENCLOSURE

EXHIBIT "B"

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL NO. 1:

A PARCEL OF LAND LYING WITHIN THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 1 NORTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 2, A CITY OF SCOTTSDALE BRASS CAP IN HANDHOLE, FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION, A STONE IN HANDHOLE, BEARS SOUTH 00 DEGREES 00 MINUTES 06 SECONDS WEST (BASIS OF BEARING), A DISTANCE OF 2636.82 FEET;

THENCE ALONG THE WEST LINE OF SAID SECTION, SOUTH 00 DEGREES 00 MINUTES 06 SECONDS WEST, A DISTANCE OF 1390.44 FEET, TO THE NORTHERLY LINE OF NEW PAPAGO PARKWAY UNIT 9 AS SHOWN ON FINAL PLAT RECORDED IN BOOK 85, PAGE 33, MARICOPA COUNTY RECORDS (M.C.R.);

THENCE LEAVING SAID WEST LINE, ALONG SAID NORTHERLY LINE, NORTH 88 DEGREES 59 MINUTES 19 SECONDS EAST, A DISTANCE OF 1154.78 FEET;

THENCE NORTH 73 DEGREES 02 MINUTES 01 SECONDS EAST, A DISTANCE OF 164.31 FEET, TO THE WESTERLY RIGHT-OF-WAY LINE OF 74TH STREET AND A POINT OF INTERSECTION WITH A NON-TANGENT CURVE;

THENCE LEAVING SAID NORTHERLY LINE, ALONG SAID WESTERLY RIGHT-OF-WAY LINE, NORTHERLY ALONG SAID CURVE, TO THE RIGHT HAVING A RADIUS OF 534.01 FEET, CONCAVE EASTERLY, WHOSE RADIUS BEARS NORTH 73 DEGREES 02 MINUTES 20 SECONDS EAST, THROUGH A CENTRAL ANGLE OF 17 DEGREES 10 MINUTES 39 SECONDS, A DISTANCE OF 160.10 FEET TO THE CURVE'S END;

THENCE NORTH 00 DEGREES 12 MINUTES 41 SECONDS EAST, A DISTANCE OF 184.34 FEET;

THENCE LEAVING SAID WESTERLY RIGHT-OF-WAY LINE, NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 640.95 FEET, TO THE POINT OF BEGINNING;

THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 136.73 FEET;

THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 85.93 FEET;

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 16.32 FEET, TO THE BEGINNING OF A CURVE;

THENCE NORTHWESTERLY ALONG SAID CURVE, HAVING A RADIUS OF 2.50 FEET, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 45 DEGREES 00 MINUTES 00 SECONDS, A DISTANCE OF 1.96 FEET, TO THE CURVE'S END;

THENCE NORTH 45 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 29.25 FEET, TO A POINT OF INTERSECTION WITH A NON-TANGENT CURVE;

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THENCE NORTHERLY ALONG SAID CURVE, HAVING A RADIUS OF 3.33 FEET, CONCAVE EASTERLY, WHOSE RADIUS BEARS NORTH 51 DEGREES 17 MINUTES 57 SECONDS EAST, THROUGH A CENTRAL ANGLE OF 38 DEGREES 42 MINUTES 03 SECONDS, A DISTANCE OF 2.25 FEET, TO THE CURVE'S END;

THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 16.00 FEET;

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 86.00 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 13.50 FEET, TO THE BEGINNING OF A CURVE;

THENCE SOUTHWESTERLY ALONG SAID CURVE, HAVING A RADIUS OF 2.50 FEET, CONCAVE NORTHWESTERLY, THROUGH A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS, A DISTANCE OF 3.93 FEET, THE CURVE'S END;

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 19.67 FEET;

THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 153.07 FEET;

THENCE NORTH 90 DEGREES 00 MINUTES EAST, A DISTANCE OF 149.17 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 6.40 FEET;

THENCE SOUTH 89 DEGREES 59 MINUTES 57 SECONDS EAST, A DISTANCE OF 74.16 FEET;

THENCE SOUTH 15 DEGREES 35 MINUTES 11 SECONDS EAST, A DISTANCE OF 58.83 FEET;

THENCE SOUTH 89 DEGREES 59 MINUTES 48 SECONDS EAST, A DISTANCE OF 38.60 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 07 SECONDS WEST, A DISTANCE OF 69.16 FEET;

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 6.67 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 13.11 FEET;

THENCE NORTH 60 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 20.40 FEET, TO A POINT OF INTERSECTION WITH A NON-TANGENT CURVE;

THENCE SOUTHWESTERLY ALONG SAID CURVE, HAVING A RADIUS OF 24.50 FEET, CONCAVE NORTHWESTERLY, WHOSE RADIUS BEARS SOUTH 79 DEGREES 11 MINUTES 25 SECONDS WEST, THROUGH A CENTRAL ANGLE OF 90 DEGREES 27 MINUTES 50 SECONDS, A DISTANCE OF 38.68 FEET, TO A POINT OF INTERSECTION WITH A NON-TANGENT LINE;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 25.80 FEET, TO A POINT OF INTERSECTION WITH A NON-TANGENT CURVE;

THENCE SOUTHEASTERLY ALONG SAID CURVE, HAVING A RADIUS OF 24.50

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FEET, CONCAVE SOUTHWESTERLY, WHOSE RADIUS BEARS SOUTH 10 DEGREES 20 MINUTES 46 SECONDS WEST, THROUGH A CENTRAL ANGLE OF 79 DEGREES 39 MINUTES 14 SECONDS, A DISTANCE OF 34.06 FEET TO THE CURVE'S END;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 8.30 FEET;

THENCE SOUTH 60 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 20.90 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 30.02 FEET, TO THE POINT OF BEGINNING.

**PARCEL NO. 2:**

A PARCEL OF LAND LYING WITHIN THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 1 NORTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 2, A CITY OF SCOTTSDALE BRASS CAP IN HANDHOLE, FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION, A STONE IN HANDHOLE, BEARS SOUTH 00 DEGREES 00 MINUTES 06 SECONDS WEST (BASIS OF BEARING), A DISTANCE OF 2636.82 FEET;

THENCE ALONG THE WEST LINE OF SAID SECTION, SOUTH 00 DEGREES 00 MINUTES 06 SECONDS WEST, A DISTANCE OF 1390.44 FEET, TO THE NORTHERLY LINE OF NEW PAPAGO PARKWAY UNIT 9 AS SHOWN ON FINAL PLAT RECORDED IN BOOK 85, PAGE 33, MARICOPA COUNTY RECORDS (M.C.R.);

THENCE LEAVING SAID WEST LINE, ALONG SAID NORTHERLY LINE, NORTH 88 DEGREES 59 MINUTES 19 SECONDS EAST, A DISTANCE OF 1154.78 FEET;

THENCE NORTH 73 DEGREES 02 MINUTES 01 SECONDS EAST, A DISTANCE OF 164.31 FEET, TO THE WESTERLY RIGHT-OF-WAY LINE OF 74TH STREET AND A POINT OF INTERSECTION WITH A NON-TANGENT CURVE;

THENCE LEAVING SAID NORTHERLY LINE, ALONG SAID WESTERLY RIGHT-OF-WAY LINE, NORTHERLY ALONG SAID CURVE, TO THE RIGHT HAVING A RADIUS OF 534.01 FEET, CONCAVE EASTERLY, WHOSE RADIUS BEARS NORTH 73 DEGREES 02 MINUTES 20 SECONDS EAST, THROUGH A CENTRAL ANGLE OF 17 DEGREES 10 MINUTES 39 SECONDS, A DISTANCE OF 160.10 FEET, TO THE CURVE'S END;

THENCE NORTH 00 DEGREES 12 MINUTES 41 SECONDS EAST, A DISTANCE OF 184.34 FEET;

THENCE LEAVING SAID WESTERLY RIGHT-OF-WAY LINE, NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 640.95 FEET, TO THE POINT OF BEGINNING;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 106.23 FEET;

THENCE NORTH 60 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 20.90 FEET;

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THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 47.34 FEET;

THENCE SOUTH 60 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 20.90 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 146.65 FEET;

THENCE NORTH 60 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 20.90 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 14.39 FEET, TO THE BEGINNING OF A CURVE;

THENCE SOUTHWESTERLY ALONG SAID CURVE, HAVING A RADIUS OF 24.50 FEET, CONCAVE NORTHWESTERLY, THROUGH A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS, A DISTANCE OF 38.48 FEET, TO THE CURVE'S END;

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 268.47 FEET;

THENCE NORTH 85 DEGREES 02 MINUTES 48 SECONDS WEST, A DISTANCE OF 150.56 FEET;

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 15.19 FEET, TO A POINT OF INTERSECTION WITH A NON-TANGENT CURVE;

THENCE NORTHEASTERLY ALONG SAID CURVE, HAVING A RADIUS OF 19.50 FEET, CONCAVE NORTHWESTERLY, WHOSE RADIUS BEARS NORTH 06 DEGREES 22 MINUTES 30 SECONDS WEST, THROUGH A CENTRAL ANGLE OF 83 DEGREES 37 MINUTES 30 SECONDS, A DISTANCE OF 28.46 FEET, TO THE CURVE'S END;

THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 379.22 FEET, TO THE BEGINNING OF A CURVE;

THENCE NORTHEASTERLY ALONG SAID CURVE, HAVING A RADIUS OF 26.50 FEET, CONCAVE SOUTHEASTERLY, THROUGH A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS, A DISTANCE OF 41.63 FEET, TO THE CURVE'S END;

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 131.50 FEET, TO THE BEGINNING OF A CURVE;

THENCE NORTHEASTERLY ALONG SAID CURVE, HAVING A RADIUS OF 2.50 FEET, CONCAVE NORTHWESTERLY, THROUGH A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS, A DISTANCE OF 3.93 FEET, TO THE CURVE'S END;

THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 13.50 FEET;

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 86.00 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 16.00 FEET, TO THE BEGINNING OF A CURVE;

THENCE SOUTHERLY ALONG SAID CURVE, HAVING A RADIUS OF 3.33 FEET,

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CONCAVE EASTERLY, THROUGH A CENTRAL ANGLE OF 38 DEGREES 42 MINUTES 03 SECONDS, A DISTANCE OF 2.25 FEET, TO A POINT OF INTERSECTION WITH A NON-TANGENT LINE;

THENCE SOUTH 45 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 29.25 FEET, TO THE BEGINNING OF A CURVE;

THENCE SOUTHEASTERLY ALONG SAID CURVE, HAVING A RADIUS OF 2.50 FEET, CONCAVE NORTHEASTERLY, THROUGH A CENTRAL ANGLE OF 45 DEGREES 00 MINUTES 00 SECONDS, A DISTANCE OF 1.96 FEET, TO THE CURVE'S END;

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 16.32 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 85.93 FEET;

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 136.73 FEET, TO THE POINT OF BEGINNING.

**PARCEL NO. 3:**

ACCESS AND OTHER EASEMENT RIGHTS AS SET FORTH IN THE DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED OCTOBER 6, 2006 AS 2006-1328277, OF OFFICIAL RECORDS; AMENDMENT OF SAID DECLARATION RECORDED MARCH 4, 2009 AS 2009-191194; FIRST AMENDMENT TO SAID DECLARATION RECORDED JANUARY 17, 2013 AS 2013-53117, OF OFFICIAL RECORDS; AND ASSIGNMENT AND ASSUMPTION OF ADMINISTRATIVE AGENT'S RIGHTS, RESPONSIBILITIES AND OBLIGATIONS RECORDED JANUARY 17, 2013 AS 2013-53118, OF OFFICIAL RECORDS.

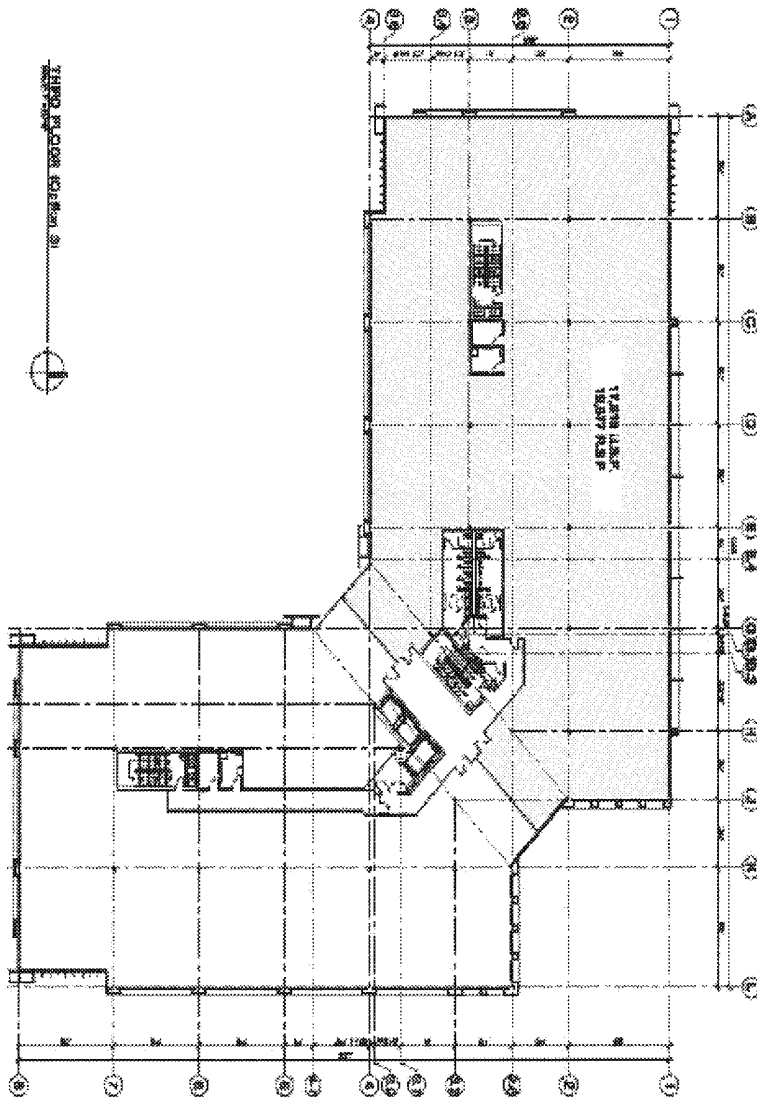
EXHIBIT "C"

FLOOR PLAN

PLAZA  
CORPORATE

RELI  
ARCHITECTURE  
ARCHITECTS

SKYSONG 3  
SCOTTSDALE ROAD & SKYSONG BLVD.



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**EXHIBIT "D"**

**MEMORANDUM OF COMMENCEMENT DATE**

THIS MEMORANDUM OF COMMENCEMENT DATE is entered into this \_\_\_\_ day of \_\_\_\_\_, 201\_\_, by SKYSONG OFFICE 3, LLC, an Arizona limited liability company ("Landlord"), and THERANOS, INC., a Delaware corporation ("Tenant").

**RECITALS**

(A) Landlord and Tenant have previously executed that certain Office Lease dated May 30, 2014 ("Lease"), pursuant to which Tenant has leased from Landlord certain premises more particularly described therein.

(B) Pursuant to the provisions of Article 3.3 of the Lease, Landlord and Tenant have agreed to execute this Memorandum of Commencement Date to specify the Commencement Date of the Lease Term.

NOW, THEREFORE, in consideration of the foregoing recitals, the execution and delivery of the Lease and other good and valuable considerations, the receipt, sufficiency and validity which is hereby acknowledged, Landlord and Tenant agree as follows:

1. Commencement Date. The Commencement Date is \_\_\_\_\_, and the expiration date of the Lease is \_\_\_\_\_.

2. Options. Tenant has \_\_\_\_\_ ( ) options to extend the term of the Lease for \_\_\_\_\_ ( ) years on each such option.

3. Definitions. Capitalized terms used in this Memorandum of Commencement Date without definition shall have the meanings assigned to such terms in the Lease, unless the context requires otherwise.

4. Full Force and Effect. Except as specifically modified by this Memorandum of Commencement Date, the Lease remains in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum of Commencement Date as of the date and year first above written.

TENANT:  
  
THERANOS, INC., a Delaware corporation  
  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

LANDLORD:  
  
SKYSONG OFFICE 3, LLC, an Arizona limited liability company  
  
By: SKYSONG PLAZA 3, LLC, an Arizona limited liability company  
  
By: Harper SkySong 3, LLC, an Arizona limited liability company, its managing member  
  
By: \_\_\_\_\_  
Sharon J. Harper, Co-Trustee of the Harper Family Revocable Trust, under agreement dated November 5, 1998, as amended, its sole member

**Legal Approved SM**

EXHIBIT "E-1"

UNRESERVED PARKING LICENSE

THIS UNRESERVED PARKING LICENSE (this "License") is made as of the \_\_\_ day of May, 2014, between SKYSONG OFFICE 3, LLC, an Arizona limited liability company ("Licensor"), and THERANOS, INC., a Delaware corporation ("Licensee").

1. **License.** Licensor hereby grants Licensee a license to use seventy-nine (79) unreserved parking spaces (the "Spaces") in the parking garage (the "Parking Accommodations") of the project (the "Project") located at the southeast corner of Scottsdale Road and McDowell Road, Scottsdale, Arizona, as cross-hatched on the site plan attached to this License as Exhibit "A", for the same period as the term of the Lease referred to in Paragraph 2 below. Each Space shall be used solely for the parking of one vehicle (which shall mean an automobile, motorcycle or light "sport-utility" truck, but shall expressly exclude heavy "delivery" or other trucks) therein by Licensee in accordance with the terms of this License. Except for company cars, in no event is the overnight parking of vehicles permitted. Licensor will ensure that there are and continue to be seventy-nine (79) unreserved parking spaces in the parking garage of the Project available for Licensee's use.

2. **The Lease.** Anything herein to the contrary notwithstanding, this License shall terminate concurrently with the date of termination of the Lease (the "Lease") between Licensor, as Landlord, and Licensee, as Tenant, for space in the Project of even date herewith, whether such termination occurs at the end of the scheduled Lease term or prior thereto. A breach of this License by either party shall be deemed a breach of the Lease by such party and after notice given in accordance with the terms of the Lease and the failure of the breaching party to cure within such time periods as may be provided in the Lease, the non-breaching party shall have all remedies under the Lease at law or in equity, including the right to terminate this License. In the event the term of the Lease is extended, the term of this License shall also be extended to correspond with the Lease Term.

3. **Monthly Fee.** Licensee agrees to pay, as a monthly fee for this License, Licensor's then current fee for each Space licensed, payable without notice, or demand from Landlord on or before the first day of each month in advance. The initial monthly fee which Licensee shall pay is \$3,160.00. Such monthly fee is subject to adjustment in accordance with the provisions of Article 24 of the Lease.

4. **Designation of Automobile.** Only vehicles designated by Licensee to Licensor may be parked in each Space, provided, however, that Licensee may change its automobile designations at any time upon written notice to Licensor or for temporary use upon notification given to the garage attendant, if any. No more than one (1) automobile per Space licensed shall be parked under Licensee's rights at any one time.

5. **No Additional Services.** This License is for self-service storage parking only and does not include the rights to any additional services, which services may be made available by Licensor from time to time at an additional charge.

6. **Indemnity.** Licensor, Ground Lessor and their agents and employees shall not be liable for loss or damage to any vehicle parked by Licensee or pursuant to this License and/or to the contents thereof caused by fire, theft, vandalism, collision, explosion, freezing, earthquake, storms, natural disasters, strikes, riots or by any other causes, unless solely caused by the gross negligence or willful misconduct of Licensor. Licensee waives, releases, discharges, indemnifies, defends and holds harmless Licensor, its agents and employees for, from and against all claims, demands, liabilities, causes of action, judgments, costs or expenses (including reasonable attorneys' fees and costs) with respect to any such vehicle or its contents from any cause whatsoever, unless caused solely by the gross negligence or willful misconduct of Licensor.

7. **Relationship of Parties.** The relationship between Licensor and Licensee constitutes a license to use the Parking Accommodations subject to the terms and conditions of this License only and neither such relationship nor the storage or parking of any automobile hereunder shall constitute a bailment nor create the relationship of bailor and bailee.

8. **Notices.** All notices hereunder shall be given in accordance with the terms of the Lease.

9. **Subordination and Attornment.** This License shall be subject and subordinate to any mortgage, deed of trust or ground lease now or hereafter placed on the Project, or any portion thereof, and to replacements, renewals and extensions thereof, and Licensee, upon request by Licensor, shall execute instruments (in form satisfactory to Licensor) acknowledging such subordination. This License shall be subject to Article 21 of this Lease.

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10. **No Waste.** Licensee covenants not to cause any waste or damage or disfigurement or injury to the Project.

11. **Closure of Accommodations.** Licensor shall have the right to close any portion of the Parking Accommodations and deny access thereto in connection with any repairs or in an emergency, as it may require subject to a pro rata abatement of the fees if Tenant is not provided with substitute covered parking of a substantially similar quality and convenience.

12. **Rules.** Licensee shall perform, observe and comply with such rules of the Project as may be reasonably adopted by Licensor in respect of the use and operation of said Parking Accommodations.

13. **Regulations.** Licensee shall, when using the Parking Accommodations, observe and obey all signs regarding fire lanes and no parking zones, and when parking always park between designated lines. Licensor reserves the right to tow away, or otherwise impound, at the expense of the owner or operator, any vehicle which is improperly parked or parked in a no parking zone. Except for company cars, no storage or overnight parking shall be allowed in the Parking Accommodations without Landlord's prior written consent.

14. **Recapture.** In the event Tenant vacates the Leased Premises for thirty (30) consecutive days, Landlord shall have the right, but not the obligation, to terminate this License, which termination shall be effective ten (10) days after delivery by Landlord to Tenant of written notice of termination. If and to the extent Landlord provided to Tenant access cards, parking passes, stickers or other visible manifestation of the parking rights granted by this License, Tenant shall return the same to Landlord within ten (10) days after receipt of Landlord's notice of termination. The termination by Landlord of this License under this Article 14 shall not, in and of itself, result in a termination of the Lease.


IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first above written.

LICENSOR:

SKYSONG OFFICE 3, LLC, an Arizona limited liability company


By: SKYSONG PLAZA 3, LLC, an Arizona limited liability company

By: Harper SkySong 3, LLC, an Arizona limited liability company, its managing member

By:   
Sharon F. Harper, Co-Trustee of the Harper Family Revocable Trust, under agreement dated November 5, 1998, as amended, its sole member

LICENSEE:

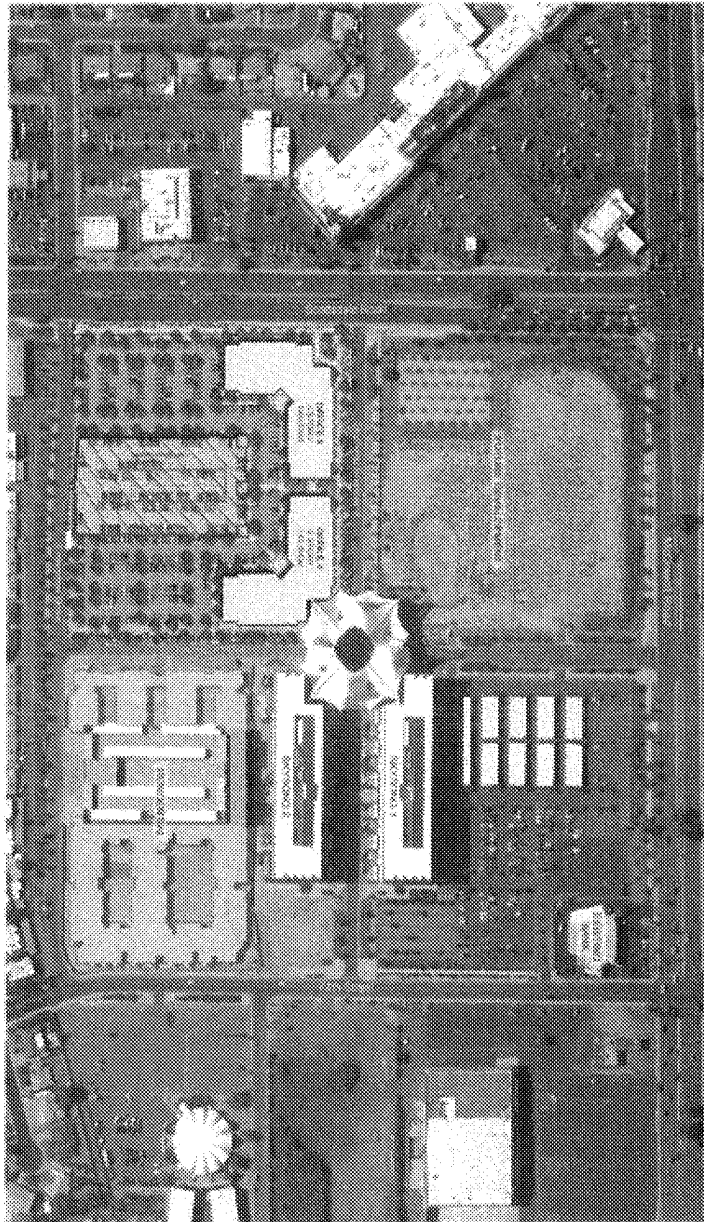
THERANOS, INC., a Delaware corporation

By:   
Its: \_\_\_\_\_

Legal Approved SM

EXHIBIT A TO UNRESERVED PARKING LICENSE

Exhibit "A"



PLAZA  
COMPANIES

ASU  
FUNDATION  
NATIONAL YOUTH CENTER

SKYSONG 3 & 4  
SCOTTSDALE ROAD & SKYSONG BLVD.  
SCOTTSDALE, ARIZONA

CSP.1

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B

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**EXHIBIT "E-2"**

**RESERVED PARKING LICENSE**

THIS RESERVED PARKING LICENSE (this "License") is made as of the \_\_\_\_ day of May, 2014, between SKYSONG OFFICE 3, LLC, an Arizona limited liability company ("Licensor"), and THERANOS, INC., a Delaware corporation ("Licensee").

1. **License**. Licensor hereby grants Licensee a license to use no (0) reserved parking spaces (the "Spaces") in the parking garage (the "Parking Accommodations") of the project (the "Project") located at the southeast corner of Scottsdale Road and McDowell Road, Scottsdale, Arizona, as cross-hatched on the site plan attached to this License as Exhibit "A", as of January 1, 2015 pursuant to the Lease referred to in Paragraph 2 below. Each Space shall be used solely for the parking of one vehicle (which shall mean an automobile, motorcycle or light "sport-utility" truck, but shall expressly exclude heavy "delivery" or other trucks) therein by Licensee in accordance with the terms of this License. Except for company cars, in no event is the overnight parking of vehicles permitted.

2. **The Lease**. Anything herein to the contrary notwithstanding, this License shall terminate concurrently with the date of termination of the Lease (the "Lease") between Licensor, as Landlord, and Licensee, as Tenant, for space in the Project of even date herewith, whether such termination occurs at the end of the scheduled Lease term or prior thereto. A breach of this License by Licensee shall be deemed a breach of the Lease by Licensee and after notice given in accordance with the terms of the Lease and the failure of Tenant to cure within such time periods as may be provided in the Lease, Licensor shall have all remedies under the Lease at law or in equity, including the right to terminate this License. In the event the term of the Lease is extended, the term of this License shall also be extended to correspond with the Lease Term.

3. **Monthly Fee**. Licensee agrees to pay, as a monthly fee for this License, Licensor's then current fee for each Space licensed, payable without notice, demand, deduction or offset on or before the first day of each month in advance. The initial monthly fee which Licensee shall pay is one-hundred-eighty and no/100 Dollars (\$60.00). Such monthly fee is subject to adjustment in accordance with the provisions of Article 24 of the Lease.

4. **Designation of Automobile**. Only vehicles designated by Licensee to Licensor may be parked in each Space, provided, however, that Licensee may change its automobile designations at any time upon written notice to Licensor or for temporary use upon notification given to the garage attendant, if any. No more than one (1) automobile per Space licensed shall be parked under Licensee's rights at any one time.

5. **No Additional Services**. This License is for self-service storage parking only and does not include the rights to any additional services, which services may be made available by Licensor from time to time at an additional charge.

6. **Indemnity**. Licensor, Ground Lessor and their agents and employees shall not be liable for loss or damage to any vehicle parked by Licensee or pursuant to this License and/or to the contents thereof caused by fire, theft, vandalism, collision, explosion, freezing, earthquake, storms, natural disasters, strikes, riots or by any other causes, unless solely caused by the gross negligence or willful misconduct of Licensor. Licensee waives, releases, discharges, indemnifies, defends and holds harmless Licensor, its agents and employees for, from and against all claims, demands, liabilities, causes of action, judgments, costs or expenses (including reasonable attorneys' fees and costs) with respect to any such vehicle or its contents from any cause whatsoever, unless caused solely by the gross negligence or willful misconduct of Licensor.

7. **Relationship of Parties**. The relationship between Licensor and Licensee constitutes a license to use the Parking Accommodations subject to the terms and conditions of this License only and neither such relationship nor the storage or parking of any automobile hereunder shall constitute a bailment nor create the relationship of bailor and bailee.

8. **Notices**. All notices hereunder shall be given in accordance with the terms of the Lease.

9. **Subordination and Attornment**. This License shall be subject and subordinate to any mortgage, deed of trust or ground lease now or hereafter placed on the Project, or any portion thereof, and to replacements, renewals and extensions thereof, and Licensee, upon request by Licensor, shall execute instruments (in form satisfactory to Licensor) acknowledging such subordination.

10. **No Waste**. Licensee covenants not to cause any waste or damage or disfigurement or injury to the Project.

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11. **Closure of Accommodations.** Licensor shall have the right to close any portion of the Parking Accommodations and deny access thereto in connection with any repairs or in an emergency, as it may require, without liability, cost or abatement of fee.

12. **Rules.** Licensee shall perform, observe and comply with such rules of the Project as may be reasonably adopted by Licensor in respect of the use and operation of said Parking Accommodations.

13. **Regulations.** Licensee shall, when using the Parking Accommodations, observe and obey all signs regarding fire lanes and no parking zones, and when parking always park between designated lines. Licensor reserves the right to tow away, or otherwise impound, at the expense of the owner or operator, any vehicle which is improperly parked or parked in a no parking zone. Except for company cars, no storage or overnight parking shall be allowed in the Parking Accommodations without Landlord's prior written consent.

14. **Recapture.** In the event Tenant vacates the Leased Premises for thirty (30) consecutive days, Landlord shall have the right, but not the obligation, to terminate this License, which termination shall be effective ten (10) days after delivery by Landlord to Tenant of written notice of termination. If and to the extent Landlord provided to Tenant access cards, parking passes, stickers or other visible manifestation of the parking rights granted by this License, Tenant shall return the same to Landlord within ten (10) days after receipt of Landlord's notice of termination. The termination by Landlord of this License shall not, in and of itself, result in a termination of the Lease.

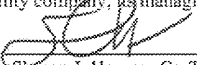
IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first above written.

**LICENSOR:**

**SKYSONG OFFICE 3, LLC**, an Arizona limited liability company

By: SKYSONG PLAZA 3, LLC, an Arizona limited liability company

By: Harper SkySong 3, LLC, an Arizona limited liability company, its managing member

By:   
Sharon J. Harper, Co-Trustee of the Harper Family Revocable Trust, under agreement dated November 5, 1998, as amended, its sole member

**LICENSEE:**

**THERANOS, INC.**, a Delaware corporation

By:   
\_\_\_\_\_

Its: \_\_\_\_\_

Legal Approved SM

EXHIBIT "F"

Work Letter

In order to induce Landlord and Tenant to enter into the Lease (which is incorporated herein by reference to the extent that the provisions of this Work Letter may apply thereto) and in consideration of the mutual covenants hereinafter contained, Landlord and Tenant agree as follows:

1. Completion Schedule. The planning and completion of the installation of the tenant improvements to be constructed in the Leased Premises (the "Tenant Improvements") shall be accomplished pursuant to the provisions of this Exhibit "F". Landlord and Tenant acknowledge and agree that time is of the essence with respect to their respective obligations as set forth in this Work Letter. In this regard, Tenant shall review, approve and provide to Landlord comments on the space plan, the Tenant Improvement Plans (as defined below) or other submittals by Landlord to Tenant pursuant to this Work Letter within five (5) business days. The failure by Tenant to review, approve and provide to Landlord comments to the space plan, the Tenant Improvement Plans or other submittals by Landlord to Tenant pursuant to this Work Letter within such five (5) business day time period shall be deemed an approval thereof by Tenant. The five (5) business day period stated above shall be the only time period during which Tenant has the right to provide comments and/or modifications to the space plan, such that only one (1) modified space plan shall be prepared by Landlord's architect. The failure by Tenant to review and approve the revised space plan, if applicable, within such five (5) business day time period shall be deemed an approval thereof by Tenant. Notwithstanding any provision of this Lease to the contrary, the space plan, the Tenant Improvement Plans and other submittals by Landlord to Tenant pursuant to this Work Letter (including change orders) may be transmitted by facsimile and/or electronic mail.
2. Tenant Improvements. The Tenant Improvements shall include the work described on the preliminary space plan to be attached at a later time as Annex 1 to this Work Letter, which work shall incorporate building standard materials and shall be performed in the Leased Premises pursuant to the Tenant Improvements Plans described in Paragraph 3 below.
3. Tenant Improvement Plans. Tenant shall meet with Landlord's architect and/or space planner for the purposes of preparing a space plan for the layout of the Leased Premises. Based upon such space plan, Landlord's architect shall prepare final working drawings and specifications for the Tenant Improvements. Such final working drawings and specifications are referred to in this Work Letter as the "Tenant Improvement Plans."
4. Preparation of Tenant Improvement Plans. After the preparation of the space plan and after Tenant's approval thereof in accordance with this Work Letter, Landlord shall cause its architect to prepare and submit to Tenant the Tenant Improvement Plans. Promptly after the approval of the Tenant Improvement Plans by Landlord and Tenant in accordance with this Work Letter, the Tenant Improvement Plans shall be submitted to the appropriate governmental body for plan checking and building permits. Landlord, with Tenant's cooperation, shall cause to be made such changes in the Tenant Improvement Plans necessary to obtain required permits. Tenant acknowledges that after final approval of the Tenant Improvement Plans, no further changes to the Tenant Improvement Plans may be made without the prior written consent of Landlord, which consent shall not be unreasonably withheld but may be conditioned on the agreement by Tenant to pay all additional costs and expenses resulting from such requested changes that exceed the Allowance (defined below).
5. Construction of Tenant Improvements. After the Tenant Improvement Plans have been prepared and approved, and building permits for the Tenant Improvements have been issued, Landlord shall enter into a construction contract with its contractor for the installation of the Tenant Improvements in accordance with the Tenant Improvement Plans. Landlord or its contractor will competitively bid out work to subcontractors and Landlord will share the bids received with Tenant. Landlord will provide Tenant with the detailed budget for the Tenant Improvements for Tenant's approval before construction begins. The Tenant Improvements shall be constructed in a good, workmanlike and lien free manner, and in conformance with applicable building codes. Landlord shall supervise the completion of the Tenant Improvements and shall endeavor in good faith to secure the completion of the Tenant Improvements in an expeditious manner. The cost of the Tenant Improvements shall be paid as provided in Paragraph 6 below. Tenant shall

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accept the Tenant Improvements upon substantial completion thereof. For the purposes of this Lease, the Tenant Improvements shall be substantially complete on the earlier of (i) the date Landlord's architect certifies as to substantial completion, or (ii) the issuance by the City of Scottsdale of a temporary certificate of occupancy or comparable permit authorizing Tenant to take possession of the Leased Premises. Notwithstanding the provisions of this Paragraph 5 to the contrary, in the event substantial completion of the Tenant Improvements is delayed as a result of (i) the selection by Tenant of non-building standard materials and/or installations, (ii) the failure by Tenant to perform its obligations under this Work Letter in accordance with the time frames set forth on this Work Letter, including, but not limited to, the process of finalizing the space plan pursuant to Paragraph 1 above, (iii) a request by Tenant for changes to the Tenant Improvement Plans after the Tenant Improvement Plans have been prepared by Landlord, or (iv) any other delay in the installation by Landlord of the Tenant Improvements caused by Tenant, its agents, servants, contractors or employees (including resulting from early entry in the Leased Premises by Tenant pursuant to Paragraph 7 below), in accordance with the provisions of Article 3.2 of the Lease, the (i) Tenant Improvements shall be deemed to be completed as of the date the Tenant Improvements would have been substantially completed, as reasonably determined by Landlord's architect, but for the delays caused by Tenant and (ii) the Commencement Date shall not be modified.

6. Payment of the Cost of the Tenant Improvements.

a. Provided no Event of Default shall have occurred, Tenant shall receive from Landlord an allowance ("Allowance") not to exceed \$45.00 per square foot square foot of Rentable Area of the Premises. The Allowance shall be used solely to reimburse Tenant for the Cost of the Work. Tenant shall also be allowed to amortize up to an additional \$8.00 per square foot square foot of Rentable Area of the Premises into the Annual Basic Rent using an 8% compounded annual interest rate. The Allowance shall be used only for:

i. Payment of the cost preparing the space plan and the final working drawings and specifications, including mechanical, electrical and structural drawings and of all other aspects of the Tenant Improvement Plans, including the charges of Landlord's space planner and Landlord's architect.

ii. The payment of permit and license fees relating to construction of the Tenant Improvements; and

iii. Construction of the Tenant Improvements, including without limitation the following:

1. The furnishing and installation within the Leased Premises of all partitioning, doors, floor coverings, finishes, ceilings, wall coverings and paintings, millwork and similar items;
2. All electrical wiring, lighting fixtures, outlets and switches, and other electrical work to be installed within the Leased Premises;
3. The furnishing and installation of all duct work, terminal boxes, diffusers and accessories required for the completion of the heating, ventilation and air conditioning systems within the Leased Premises.
4. Any additional Tenant requirements including, but not limited to odor control, special heating, ventilation and air conditioning, noise or vibration control or other special systems;
5. All fire and life safety control systems such as fire walls, sprinklers, halon, fire alarms, including piping, wiring and accessories installed within the Leased Premises; and
6. All plumbing, fixtures, pipes and accessories to be installed within the Leased Premises; and
7. All monument and directory signage.



- iv. Payment of the Landlord's fee for supervising the construction of the Tenant Improvements will be paid from the Allowance.
  - b. Additional Costs. The cost of each of the items set forth in Paragraph 6(a) above shall be charged against the Allowance. In the event the anticipated cost of installing the Tenant Improvements, as established by Landlord's final pricing schedule, shall exceed the Allowance, or in the event any of the Tenant Improvements are not to be paid for from the Allowance, the excess shall be paid by Tenant to Landlord prior to the commencement of construction of the Tenant Improvements.
  - c. Changes to Tenant Improvement Plans. In the event that Tenant shall request any changes or substitutions to the Tenant Improvement Plans, after the Tenant Improvement Plans have been prepared and the final pricing established by Landlord, any additional costs attributable thereto shall be paid by Tenant to Landlord prior to the commencement of the work represented by such changes, unless covered under the Allowance.
  - d. Unused Allowance. No portion of any unused Allowance shall be credited toward the payments due from Tenant for rent or additional rent.
7. Early Entry. Landlord may permit Tenant and Tenant's agents to enter the Leased Premises prior to the Commencement Date in order that Tenant may do such work as may be required by Tenant to make the Leased Premises ready for Tenant's use and occupancy. If Landlord permits such entry prior to the Commencement Date, such permission is conditioned upon Tenant and its agents, contractors, employees and invitees working in harmony and not interfering with Landlord and its agents, contractors and employees in the installation of the Tenant Improvements or in the performance of work for other Tenants and occupants of the Building. If at any time such entry shall cause or threaten to cause disharmony or interference, Landlord shall have the right to withdraw such permission upon twenty-four (24) hours' notice to Tenant. Any entry into the Leased Premises by Tenant prior to the Commencement Date shall be subject to all of the terms, covenants, conditions and provisions of the Lease, other than with respect to Tenant's obligation to pay rent or additional rent. Tenant acknowledges and agrees that Landlord shall not be liable in any way for any injury, loss or damage which may occur to Tenant, its agents, contractors and employees or to Tenant's work and installations made in the Leased Premises or to property placed therein prior to the Commencement Date, all of the same being at Tenant's sole risk, provided, however, that Landlord shall be liable to Tenant for the gross negligence of Landlord, its agents, contractors and employees.
8. Punch List Procedure. Not later than ten (10) days after substantial completion of the Tenant Improvements, Tenant shall schedule an appointment with Landlord and Landlord's contractor or Landlord's architect to prepare a list (the "Punch List") of any deficiencies or incompleting work regarding any Tenant Improvements. Provided that such items are Landlord's responsibility pursuant to the Tenant Improvement Plans, Landlord shall correct such deficiencies or incompleting work within a reasonable period of time, but in no event later than sixty (60) days after receipt of the Punch List, after which Landlord shall have no further obligation to alter, change, decorate or improve the Leased Premises, whether to adapt the same for the use for which it is leased or for any other purpose. The existence of such deficiencies or incompleting work shall not effect Tenant's obligation to accept the Leased Premises as otherwise required hereunder.
9. Assignment of Warranties. Landlord shall assign to Tenant the non-exclusive right to enforce any and all warranties which Landlord may receive from any contractor, supplier or other person or entity involved with construction of the Tenant Improvements, which assignment shall continue until the expiration or sooner termination of the Lease or the expiration of the warranty, whichever occurs first.
10. Construction Representative. All notices, consents, or approvals to be given by or forwarded to Tenant pursuant to this Rider with respect to the construction of the Tenant Improvements shall be given by or forwarded to Tenant's Construction Representative who shall be authorized to act on behalf of and bind Tenant in all respect with respect to the Tenant Improvements. For the purposes of this Work Letter, Tenant's Construction Representative is Tracy Masson.

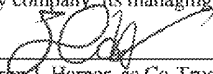
IN WITNESS WHEREOF, the parties have executed this Work Letter as of the date of the Second Amendment to Lease Agreement.

**LANDLORD:**

**SKYSONG OFFICE 3, LLC, an Arizona limited liability company**

By: **SKYSONG PLAZA 3, LLC, an Arizona limited liability company**

By: Harper Skysong Plaza 3, LLC, an Arizona limited Liability company, its managing member

By:   
Sharon J. Harper, as Co-Trustee of the Harper Family Revocable Trust, under agreement dated November 5, 1998, as amended, Its: Sole Member

Date: 6-6-14

**TENANT:**

**THERANOS, INC., a Delaware corporation**

By: 

Its:

Date: \_\_\_\_\_

Legal Approved SM

ANNEX I  
TO  
EXHIBIT "F"  
WORK SCHEDULE

PHOENIX 53573-8 26282v7  
2-06-13

ANNEX II  
TO  
EXHIBIT "F"

PRELIMINARY SPACE PLAN

PHOENIX 53573-8 26282v7  
2-06-13

ANNEX III  
TO  
EXHIBIT "F"

BUILDING STANDARD SPECIFICATIONS

SKYSONG

Scottsdale, Arizona

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BUILDING STANDARD SPECIFICATION

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	Item Description	Assumptions
1.	Total Building Rentable SF	139,812 RSF
2.	Number of Stories	Four (4) stories
3.	Exterior Wall System	Aesthetically revealed Exterior Insulated Finish system (EIFS) with large spans of deeply recessed, insulated glass windows. Ground level at retail areas (north and east sides of building) with large windows and openings of aluminum frame systems.
4.	Vertical Transportation	Three (3) passenger elevators including one (1) combination passenger/service elevator
5.	Interior Tenant Improvement Allowance	
6.	Mechanical Systems	Water Source Heat Pump Units

## BASE BUILDING PROJECT SUMMARY

### GENERAL DESCRIPTION:

The enclosed specification provides a general description of a high quality suburban office/retail project.

### FLOORS:

Typical floors are designed to support a live load of 100 pounds per square foot (PSF). Elevator sills are established as elevation 0'-0". All elevated floor slabs are erected to uniform thickness requirements. Areas of the first floor slab have been omitted to allow access for underground work associated with a tenant improvement. Providing the slab in these areas is the responsibility of the tenant.

Finished surfaces to be free of pits and cracks, ready to receive carpet, ceramic tile, resilient tile, or stone flooring without additional preparation other than minor floor preparation and broom cleaning.

### BUILDING ENCLOSURE:

#### Exterior walls

Exterior walls shall be integral color EIFS throughout the majority of the building with large spans of deeply recessed, insulated glass windows. Retail areas at the ground level (north and east sides of building) have large windows and openings of aluminum frame systems and all glass entrance systems.

#### Glass & Glazing

Glass shall be of 1", tinted, insulated glass, fully captured in deep aluminum framing. Window heights will vary in areas, the majority are +2'-4" to +9'-0" (+/-) above finish floor at levels two through four and +3'-4" to +13'-4" (+/-) above finish floor at level one. Glass at level one retail areas will include the 1" tinted, insulated glass at the fully captured storefront locations and ½" thick clear, tempered glass will be utilized at the all glass entrances.

#### Access

Entryway Herculite Doors – both north and south entrances will be an all glass system utilizing ½" thick, clear, tempered glass doors and sidelights.

Emergency Exits – emergency egress will be provided from the office and retail spaces as required by local building code guidelines.

#### Service

The service corridor has a direct connection to the exterior loading/unloading area via double doors. A 6'-0" wide corridor is linked immediately adjacent to the service elevator from the rear elevator doors at each level.

### ROOF:

Main Roof - The roof system shall be a 60 mil, white mechanically attached TPO (Thermoplastic Polyolefin) over R-30 rigid insulation attached to metal roof deck.

### BUILDING LOBBY AREA:

The ground floor lobby is comprised of ceramic tile and carpet tile. The ceramic tile extends to the common area corridors and into the men's and women's toilet rooms.

The upper level lobbies are of ceramic tile and carpet tile.

### FLOOR COMMON AREAS:

#### General Information

The service core at each level shall include the following: exit stair, janitor closet, electrical and telephone rooms, men's and women's toilet rooms (please reference the following plumbing section for fixture quantities). The central core shall include the three elevators and a third exit stair.

#### Wall, Column, Lobby, and Core and Perimeter Bulkhead Construction and Finishes

On the ground floor, Landlord shall finish all common and public areas only. Freestanding and engaged columns, perimeter bulkheads will be left unfinished by the base building.

On a multi-tenant floor, Landlord shall finish all common area elements, including code required exit passageways per Base Building standard specifications. At corridor demising partitions, Landlord shall frame the partition and provide one layer of 5/8" type 'X' gypsum wall board from floor slab to the underside structural deck, finished with Base Building standard finishes on the corridor side.

Elevator doors, frames, walls, ceilings and floor finishes complete with Base Building standard finishes.

#### Other Perimeter Finishes

Building perimeters, as related to water proofing, caulking, glazing and metal finishing, glass cleaning on exterior, metal touch-up and cleaning, and any other actions required to render the perimeters to a tenant ready condition, will be fully finished.

### ELEVATORS & STAIRWELLS

#### Elevators

Three (3) Machine/Roomless (MRL) elevators are provided to serve this building. Two (2) serve as passenger elevators with a capacity of 3,500 pounds; one (1) serves as a combination passenger/service elevator with a larger cab size and capacity of 4,500 pounds.

Exit Stairwells

Three (3) fire-rated stair wells are included.

**PLUMBING**

Utilities

In-ground sanitary, storm sewer piping and water service piping including the connection to the existing city sewer and watermains are included.

The storm drainage system will be complete from roof and overflow drains to the connection to the underground storm piping system.

Sanitary building drain piping will be complete from restrooms and wet columns to the underground sanitary piping system.

Domestic water piping will be extended from building water service entrance to the tenant restroom areas. In addition, capped and valved stub outs are available at various locations near each restroom core and three (3) other locations for tenant development. All piping will be overhead and insulated. Sizing will be sufficient to accommodate flush valve water closets.

All piping installations will meet local codes.

Janitor's Closet

Each janitor's closet will be provided with a mop basin and faucet.

Drinking Fountains

Each tenant floor will be equipped with two (2) stainless steel combination electric, recessed wall hung drinking fountains, meeting accessibility standards.

Floor Drains

Each toilet room and janitor's closet will be equipped with a floor drain.

Domestic Water Heating

Electric heaters will provide hot water to lavatories and mop basins.

Fixture Quantity per Restroom Core

Plumbing fixtures are provided as indicated below:

Men's Restroom – One (1) per floor

Two (2) water closets  
Three (3) urinals  
Three (3) lavatories

Women's Restroom – One (1) per floor

Five (5) water closets  
Three (3) lavatories

All plumbing fixtures to be Kohler or equal. The ground floor restrooms shall have ceramic tile flooring with ceramic tile at plumbing wet walls. Ceramic tile to be provided on upper level restroom floors and at plumbing wet walls.

**FIRE PROTECTION**

Fire Alarm System

Code Requirements – The Fire Alarm System will be designed to conform to all governing Building Codes.

Description: The Fire Alarm System shall be microprocessor controlled, no-coded, double supervised, and shall meet all requirements of the local code and ADA. It shall include pull stations, audible and visual alarms, duct smoke detectors, heat detectors, sprinkler shut-off valve supervision, smoke evacuation fan control and signal to the Scottsdale Fire Department.

Fire Alarm System Functions

The Fire Alarm and Annunciator will be located in the building lobby and will provide the fire alarm annunciation by zone and smoke detection annunciation by zone.

Pull stations will activate audible/visual alarms and signal the Scottsdale Fire Department.

Duct detectors and heat detectors and the sprinkler flow alarms will activate audio/visual alarms, and signal the Scottsdale Fire Department.

Sprinkler shut-off valve supervision will indicate "trouble" at the valve in the event the valve is inadvertently or intentionally closed.

#### Piping System

The Base Building scope shall generally include: the primary sprinkler loop with branch distribution and temporary, upturned brass heads placed for code compliant coverage; building shell exit signs; building shell fire alarm system; and base building fire extinguishers and cabinets.

### **HEATING, VENTILATION & AIR CONDITIONING**

#### Design Parameters

The mechanical equipment is sized to provide the following design criteria at full occupancy:

Winter 72°F ± 2°F inside at 37°F outside.

Summer 75°F ± 2°F inside at 110°F drybulb and 70°F wetbulb outside.

Outside air is based on the 2012 IBC and 2012 IMC: 70% of the building is calculated as Office Area and 30% of the building is calculated as Conference Rooms for an overall ventilation rate of 0.15 CFM/SF.

#### System Capacity

The base building cooling system is sized to accommodate external loads and typical internal loads such as lighting, receptacles, and equipment. Lighting load is based on 1 Watt/SF as allowed by the International Energy Conservation Code and equipment/receptacle load is based on 2.5 Watts/SF.

#### Base Building Scope Summary

The core and shell work includes all heating, air conditioning, and exhaust in common areas. The building utilizes a water source heat pump system for heating and cooling. This system includes two fluid coolers, two pumps, and a boiler located on the roof. Each floor has a condenser water loop with taps and shutoff valves for future tenant use throughout the building. Outside air is provided by two Energy Recovery Ventilation Units located on the roof. These units connect to outside air mains on each floor with taps for future tenant connections. An energy management system controls all core building mechanical units and tenant mechanical equipment. In addition, the energy management system can monitor after hour equipment use for each tenant.

#### Tenant Building Scope

Heat pumps with a 3.5 ton capacity will be stocked by the Landlord in the building and will be made available at a ratio of 1 per 1,000 rentable square foot to the tenant. Tenant will be responsible for installation of the heat pump and all controls, air distribution ductwork and diffusers downstream from the heat pump. Accommodations for any additional heating/cooling required by individual tenants are the responsibility of the Tenant.

### **ELECTRICAL**

#### Power Distribution

The SES will be single – metered, 3,000 A, 277/480V 3-phase, 4 wire services at the building interior. All the feeders, transformers and panels are provided from the SES to two (2) electrical rooms on each floor. Tenant branch circuiting shall be routed back to these panels. Within the tenant space, a second meter and distribution network may be installed as part of the Tenant Improvements Work (the cost thereof will form a part of the T.I. Allowance) to provide distribution for excessive lighting and general tenant use requirements and metering for after hour usage.

#### Tenant Service

Electrical power for tenant spaces is provided from one of two (2) electrical rooms, on each floor. Inside each electrical room there will be one (1) 200A 277/480V, 3 phase, 4 wire panel, (1) 112.5KVA, 480-120/208V, 3 phase, 4 wire transformer and (2) 200A 120/208V, 3 phase, 4 wire panels. Branch circuits from these panels will be installed as part of the Tenant Improvement Work to lighting and power loads within the tenant space. Tenant service is sized for 4.5 watts/square foot for receptacles and miscellaneous 120/208 volt power and up to 8 watts/square foot for HVAC loads, and no more than .8 watts/square foot shall be allowed for the lighting design loads.

#### Panel Size

These panels are not sized to accommodate special tenant loads such as data center, call center MDF node, switching centers, etc. Additional panels and transformer can be included as part of the tenant allowance.

#### Lighting

Generally, lighting is installed in the lobby areas, central core areas, stair wells, elevators and as required by code.

#### Restrooms

The restrooms shall have cove lighting at the vanities and above the toilets with downlights for entry and general lighting.

#### Electrical Rooms, Mechanical Rooms and Janitor's Closets

Lighting in these spaces will be 4' and 6' fluorescent strip fixtures.

#### Exterior Lighting

Lighting at the building exterior includes wall sconces, recessed fixtures at main lobby entrances and pathway lighting which are supplemented by landscape lighting.



Emergency/Exit

Emergency lighting will be provided by light fixtures and exit signs connected to emergency circuits which are powered by a generator.

Equipment Connections

All electricity powered base-building mechanical equipment as described will be connected as required. This will include but not be limited to domestic sump pumps, cooling towers and pumps, exhaust fans, ventilation fans and heat pumps.

Miscellaneous

Miscellaneous use duplex 120V receptacles will be provided in the electric equipment rooms and closets.

Telephone Service

Four (4) underground telephone service conduits will be provided from the campus ductbank system and extended to the building telephone service room. Telephone equipment and wiring to the individual floor and tenant spaces will be the tenant's responsibility and cost.

Special Systems

Base Building Fire Alarm System will be a complete UL approved fire alarm system consisting of a control panel, pull alarm detection system and bell alarms. The system will monitor sprinkler flow, isolating valves, smoke detectors and individual pull alarms.

**ANNEX IV**  
**TO**  
**EXHIBIT "F"**

**TENANT STANDARD SPECIFICATIONS**

**SKYSONG**

**Scottsdale, Arizona**

Corridor Partitions	5/8" Type 'X' gypsum wallboard attached to corridor side of 6" metal studs to extend to underside of floor deck to receive smooth Level 4 finish and painted with Low-Emitting eggshell paint complying with Green Seal Standard GS-11 (Sherwin Williams or equal). Provide 4" clear maple wood base finished with Low-Emitting sealer complying with South Coast Air Quality Management District, Rule 1113 standard for Architectural Coatings on corridor side. Partition will include sound batt insulation and acoustical sealant at floor one side.
Demising Walls	5/8" Type 'X' gypsum wall board attached to Tenant side of 6" metal studs to extend the underside of floor deck to receive smooth Level 4 finish and painted with Low-Emitting eggshell paint complying with Green Seal Standard GS-11 (Sherwin Williams or equal). Provide 4" straight rubber base (Roppe 700 Series or equal). Partition will include sound batt insulation and acoustical sealant at floor one side. End walls will align and be perpendicular with exterior window mullions where applicable. Provide full sound gasket to exterior mullions.
Tenant Interior Partitions	3-5/8" metal studs with 5/8" inch Type 'X' drywall both sides to underside of track at ceiling to receive smooth Level 4 finish with Low-Emitting eggshell paint complying with Green Seal Standard GS-11 (Sherwin Williams or equal). Provide 4" straight rubber base (Roppe 700 Series or equal). Provide 4" straight rubber base (Roppe 700 Series or equal). End walls to align and be perpendicular with exterior window mullions where applicable. Provide full sound gasket to exterior mullions.
Tenant Entry Doors	Single or pair 3' x 0" x 9'-0" x 1/3/4" solid core quarter sawn maple door(s) with clear factory finish complying with the Low-Emitting coatings requirements of the South Coast Air Quality Management District, Rule 1113 for Architectural Coatings (Marshfield or equal). Entry doors to have 24" x 9'-0" x 1/4" clear tempered sidelight. Door and sidelight to have aluminum knock down frame with clear anodized aluminum finish (Western Integrated or equal).
Tenant Entry Doors @ Upper Elevator Lobbies	Pair 3'-2" x 9'-0" clear tempered glass pivot doors with full length (@ Upper Elevator Lobbies) satin chrome (626) finish push/pulls and satin chrome square 4" top and 10" bottom rail. Provide 24" x 9'-0" x 1/4" clear tempered glass sidelight on either side of doors for 10' tenant entry opening.
Tenant Entry Doors @ 1 <sup>st</sup> Floor Lobby	Pair 3'-9" x 9'-0" (7'-6" opening) clear tempered glass pivot doors with full length satin chrome (626) finish push/pulls and satin chrome 4" top and 10" bottom rail. See lobby elevations for size of glazing system at 1 <sup>st</sup> floor entries.
Tenant Entry Door Hardware	Satin chrome cylindrical lock with Best cores. Cores to be interchangeable and be removable by use of a special key.
Tenant Interior Doors	3'-0" x 8'-0" x 1-3/4" solid core quarter sawn maple door with clear factory finish complying with the Low-Emitting coatings requirement of the south Coast Air Quality Management District, Rule 1113 for Architectural Coatings (Marchfield or equal). Doors to have aluminum knock down frame with clear anodized aluminum finish (Western Integrated or equal).
Tenant Interior Hardware	Best cores with Best lockset 93K 7R X 16D in US26D finish. Cores to be interchangeable and be removable by use of a special key.
Tenant Acoustical Ceiling	Armstrong Ultima suspended white 2'x2' beveled regular lay-in-tile ceiling with beveled edge in Armstrong Suprafine 9/16" grid.
Window Covering	1" horizontal Hunter Douglas Contract metal mini-blinds with Brushed Aluminum finish #065. No substitutions or deletions allowed without Landlord consent.

Tenant Light Fixtures	Lithonia 2'x4' (2'x2" fixtures allowed), 4-3/8" deep, VT Series Recessed Direct/Indirect with two (2) 32W T8 lamps; Lithonia Gotham 6" compact fluorescent horizontal down light with one (1) 32W/CFITRT lamp. Tenant lighting design loads shall not exceed .8 watts/square foot (or lighting layout to be 20% below ASHRAE 90.1 2007 allowed wattage).
Light Switches	Switches and cover plates to be white. Gang switches wherever possible. Provide motion sensors as required by code.
Telephone Outlets	Rough-in boxes with wall conduit. Tenant to hire and coordinate their communications equipment company(s) for system and wiring installations. Tenant is also responsible for providing and installing wiring back to building demarc. White cover plates to be provided and installed by Tenant's vendor(s).
Electrical Outlets	Duplex outlets with white cover plates and plugs. J-boxes for workstations and power poles by Tenant.
Tenant Floor Covering	26 ounce direct glue down carpet and 4" straight rubber base (Roppe 700 Series or equal). In break and work rooms, provide Armstrong BioBased Tile Striation and 4" coved rubber base (Roppe 700 Series or equal). All adhesives and sealants shall comply with the South Coast Air Quality Management District Rule #1168. VOC limit of carpet adhesive, VCT adhesive and cove base adhesive shall not exceed 50g/L. Flooring Systems shall comply with Low-Emitting Materials. Carpet shall be Green Label Plus and meet California requirements for VOC concentrations. Hard surface flooring shall meet FloorScore standards as well as all California requirements for VOC concentrations. Flooring materials shall contain pre-consumer and/or post-consumer recycled content.
Tenant Millwork	AWI custom grade. Laminate selections shall be selected from manufacturer's standard colors (Pionite, Nevamar, Wilsonart, Formica or equal). All composite wood and agrifiber products shall comply with Low-Emitting Materials specifications and contain no added- urea-formaldehyde resins. Laminating adhesives must not contain added urea-formaldehyde resins.
Fire Protection Sprinkler System	Semi-recessed chrome sprinkler heads with chrome escutcheons.  When sprinkler heads are installed within a lay-in ceiling tile, the sprinkler head must be centered in both directions. Fire suppression systems shall not contain CFC's, HCFC's, or halons.
Fire Alarm System	Smoke detectors, horns and strobes as required by code. Tenant is responsible for tying Tenant fire alarm system into fire alarm module for each floor.
Security	If additional security is required by Tenant, the Tenant will coordinate with their respective security equipment and monitoring company for detailed requirements for inclusion into construction documents. Tenant system must stand alone and not be tied into base building security system. The base building system consists of card readers at the two main building lobby entries and at the service entry.
Telephone Mounting Board	4' x 4' fire-treated FSC certified plywood mounting board painted to match wall.
Signage	Tenant suite entry sign and building directory listing provided by Landlord. No interior tenant signage is allowed within public corridor outside of building supplied signage. Exterior signage allowed per Lease.
HVAC	Units to be mounted as high as possible and need to be accessible. An 18" minimum clearance needs to be provided on all sides of units. 24/7 operation is a Tenant cost. Tenant supplied units will be 3.5 ton heat pump units to match base building. Tenant will also be responsible for tying units into building EMS. Tenant will coordinate placement of all rooftop split systems with Landlord Representative and Property Manager.  Base building includes core and shell control system with expansion capabilities. Tenant is required to install CO2 sensors in all densely occupied spaces. Densely occupied spaces are those with a design occupant density of 25 people or more per 1,000 square feet. CO2 monitors must be mounted 36"-72" above finished floor.  Zero use of chlorofluorocarbon (CFC) based refrigerants for all new building

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heating, ventilation, air conditioning and refrigeration (HVAC&R) equipment.

Tenant improvement mechanical design shall meet the requirements of ASHRAE Standard 55-2004, Thermal Comfort Conditions for Human Occupancy (with errata but without addenda).

Tenant improvement mechanical design shall meet the minimum requirements of Section 4 through 7 of ASHRAE Standard 62.1-2007, Ventilation for Acceptable Indoor Air Quality (with errata but without addenda).

Any tenant installed HVAC equipment that has a refrigerant charge greater than 0.5 pounds, the equipment must be equal to or less than the maximum threshold for the combined contributions of ozone depletion and global warming potential, as referenced by the LEEDv3 Rating System.

All tenant plumbing fixture flow rates (gpm/gpf) must generate in aggregate a 35% or greater water use reduction as compared to an EPA Act '92 baseline.

Plumbing

Tenant shall be encouraged to provide recycling stations within the tenant space to facilitate efficient sorting and recycling of waste material such as paper, corrugated cardboard, glass, plastics and metals

Recycling Stations

All systems furniture and seating that was manufactured, refurbished or refinished within 1 year prior to occupancy must be Greenguard Indoor Air Quality Certified or meet other specified testing protocols and emissions limits under ANSI/BIFMA X7.1-2007.

Systems Furniture and Seating

Care must be taken in cutting and/or penetrating the finished lobby wall. Any repair or patching of walls must be done with equal products and finish. No substitutions allowed. A large enough area will need to be re-finished to properly blend new work with existing so as to provide a seamless transition. This may result in the refinishing of the entire affected wall. All patch or replacement work must be approved by Landlord Representative and Property Manager.

1<sup>st</sup> Floor Lobby Walls

**EXHIBIT "G"**

**RULES AND REGULATIONS**

1. The sidewalks and public portions of the Building, such as entrances, passages, courts, parking areas, elevators, vestibules, stairways, corridors, or halls shall not be obstructed or encumbered by Tenant or its employees, agents, invitees, or guests nor shall they be used for any purpose other than ingress and egress to and from the Premises.

2. No awnings or other projections shall be attached to the outside walls of the Building. No curtains, blinds, shades, louvered openings, or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises, without the prior written consent of Landlord, unless installed by Landlord. No aerial or antenna shall be erected on the roof or exterior walls of the Premises or on the Building without the prior written consent of Landlord in each instance.

3. Except for the signage approved under the Lease, no sign, advertisement, notice, or other lettering shall be exhibited, inscribed, painted, or affixed by Tenant on any part of the outside of the Premises or Building or on corridor walls or doors or mounted on the inside of any windows without the prior written consent of Landlord. Signs on any entrance door or doors shall conform to Building standards and shall, at Tenant's expense, be inscribed, painted, or affixed for Tenant by sign makers approved by Landlord. In the event of the violation of the foregoing by Tenant, Landlord may install and/or remove same without any liability and may charge the expense incurred to Tenant. Notwithstanding any provision herein to the contrary, Landlord agrees that it shall grant to the Tenant rights with respect to signage no less favorable to Tenant than signage rights granted to any other occupier of space within the Project.

4. The sashes, sash doors, skylights, windows, heating, ventilating, and air conditioning vents and doors that reflect or admit light and air into the halls, passageways, or other public places in the Building shall not be covered or obstructed by Tenant, or its employees, agents, invitees, or guests, nor shall any bottles, parcels, or other articles be placed outside of the Premises.

5. No show cases or other articles shall be put in front of or affixed to any part of the exterior of the Building, nor placed in the public halls, corridors, or vestibules without the prior written consent of Landlord.

6. Whenever Tenant shall submit to Landlord any plan, agreement, assignment, sublease, or other document for Landlord's consent or approval, Tenant shall reimburse Landlord, within thirty (30) days after demand, for commercially reasonable actual out-of-pocket costs (such costs not to exceed \$1,500 per instance during years 1-5 of the Lease and \$1,750 thereafter) for the services of any architect, engineer, or attorney employed by Landlord to review or prepare the plan, agreement, assignment, sublease, consent, or other document.

7. The water and wash closets and other plumbing fixtures shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, or other substances shall be thrown in them. All damages resulting from any misuse of fixtures shall be borne by the Tenant who, or whose employees, agents, invitees, or guests, shall have caused the damages.

8. Tenant shall not in any way deface any part of the Premises or the Building. Tenant shall not lay linoleum, or other similar floor covering, so that the same shall come in direct contact with the floor of the Building, and, if linoleum or other similar floor covering is desired to be used, an interlining of builder's deadening felt shall be first affixed to the floor, by a paste or other material, soluble in water, the use of cement or other similar adhesive material being expressly prohibited.

9. No animals of any kind (except animals required to be permitted by the ADA for purposes assisting disabled persons) shall be brought on the Premises or Building except in connection with research conducted in compliance with the permitted uses on the Premises and for so long as such presence is in compliance with all applicable laws.

10. No cooking shall be done or permitted by Tenant on the Premises except in conformity to law and then only in the utility kitchen (if a utility kitchen was provided for in approved plans for the Premises or if Landlord has consented in writing to a kitchen), which is to be primarily used by Tenant's employees for heating beverages and light snacks. Except for two food refrigerators, no food refrigeration or heating equipment may be placed inside the Premises without the prior written consent of Landlord in each instance. Tenant shall not cause or permit any unusual or objectionable odors to be produced on or permeate from the Premises.

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11. No office space in the Building shall be used for the distribution or for the storage of merchandise or for the sale at auction or otherwise of merchandise, goods, or property of any kind.

12. Tenant shall not make or permit to be made any unseemly or disturbing noises or disturb or interfere with occupants of the Building or neighboring premises or those having business with them, whether by the use of any musical instrument, radio, talking machine, unmusical noise, whistling, singing, or in any other way. Tenant shall not throw anything out of the doors or windows or down the corridors, stairwells, or elevator shafts of the Building.

13. Neither Tenant nor any of Tenant's employees, agents, invitees, or guests shall at any time bring or keep on the Premises any inflammable, combustible, or explosive substance or any chemical substance, other than reasonable amounts of cleaning fluids and solvents required in the normal operation of Tenant's business or reasonable amounts required in connection with operations conducted in compliance with the permitted uses on the Premises, all of which shall only be used in strict compliance with all applicable Environmental Laws.

14. Landlord shall have a valid pass key to all spaces within the Premises at all times during the Lease Term. No additional locks or bolts of any kind shall be placed on any of the doors or windows by Tenant, nor shall any changes be made in existing locks or the mechanism of the locks without the prior written consent of the Landlord and unless a duplicate key is delivered to Landlord. Tenant must, on the termination of its tenancy, restore to the Landlord all keys to stores, offices, and toilet rooms, either furnished to or otherwise procured by Tenant, and in the event of the loss of any keys so furnished, Tenant shall pay Landlord for the replacement cost of them.

15. All deliveries, removals, or the carrying in or out of any safes, freights, furniture, or bulky matter of any description may be accomplished only with the prior approval of Landlord and then only in approved areas, through the approved loading/service area doors, and during approved hours. Tenant shall assume all liability and risk concerning these movements. Landlord may restrict the location where heavy or bulky matters may be placed inside the Premises. Landlord reserves the right to inspect all freight to be brought into the Building and to exclude from the Building all freight that can or may violate any of these Rules and Regulations or this Lease.

16. Tenant shall not, unless otherwise approved by Landlord, occupy or permit any portion of the Premises demised to it to be occupied as, by, or for a public stenographer or typist, barber shop, bootblacking, beauty shop or manicuring, beauty parlor, telephone or telegraph agency, telephone or secretarial service, messenger service, travel or tourist agency, a personnel or employment agency, public restaurant or bar, commercial document reproduction or offset printing service, ATM or similar machines, retail, wholesale, or discount shop for sale of merchandise, retail service shop, labor union, school, an entertainment, sports, or recreation facility, an office or facility of a foreign consulate or any other form of governmental or quasi-governmental bureau, department, or agency, including an autonomous governmental corporation, a place of public assembly (including a meeting center, theater, or public forum), a facility for the provision of social welfare, a telemarketing facility, a firm the principal business of which is real estate brokerage, a company engaged in the business of renting office or desk space, a public finance (personal loan) business, or manufacturing, unless Tenant's Lease expressly grants permission to do so. Tenant shall not operate or permit to be operated on the Premises any coin or token operated vending machine or similar device (including telephones, lockers, toilets, scales, amusement devices, and machines for sale of beverages, foods, candy, cigarettes, or other goods), except for those vending machines or similar devices that are for the sole and exclusive use of Tenant's employees and Tenant's invitees, and then only if operation of the machines or devices does not violate the lease of any other tenant of the Building. Tenant shall not engage or pay any employees on the Premises, except those actually working for Tenant on the Premises, nor advertise for labor giving an address at the Premises.

17. Tenant shall not create or use any advertising mentioning or exhibiting any likeness of the Building without the prior written consent of Landlord. Landlord shall have the right to prohibit any advertising that, in Landlord's reasonable opinion, tends to impair the reputation of the Building or its desirability as a building for offices, and on notice from Landlord, Tenant shall discontinue the advertising.

18. Landlord reserves the right to exclude from the Building at all times other than normal business hours all persons who do not present a pass to the Building on a form or card approved by Landlord. Tenant shall be responsible for all its employees, agents, invitees, or guests who have been issued a pass at the request of Tenant and shall be liable to Landlord for all acts of those persons.

19. The Premises shall not be used for lodging or sleeping, or for any immoral, disreputable, or illegal purposes, or for any purpose that may be dangerous to life, limb, or property.

20. Any maintenance requirements of Tenant will be attended to by Landlord only on application at the Landlord's office at the Building. Landlord's employees shall not perform any work or do anything outside of their regular duties, unless under specific instructions from the office of Landlord.

21. Canvassing, soliciting, and peddling within the Building is prohibited and Tenant shall cooperate to prevent such activities.

22. There shall not be used in any space, or in the public halls of the Building, either by Tenant or by jobbers or others, in the delivery or receipt of merchandise to Tenant, any hand trucks, except those equipped with rubber tires and side guards. No hand trucks shall be used in elevators other than those designated by Landlord as service elevators. All deliveries shall be confined to the service areas and through the approved service entries.

23. If, in Landlord's reasonable opinion, the replacement of ceiling tiles becomes necessary after they have been removed on behalf of Tenant by telephone company installers or others (in both the Premises and the public corridors), the cost of replacements shall be charged to Tenant on a per tile basis.

24. All paneling or other wood products not considered furniture that Tenant shall install in the Premises shall be of fire retardant materials. Before the installation of these materials, Tenant shall submit to Landlord a satisfactory (in the reasonable opinion of Landlord) certification of the materials' fire retardant characteristics.

25. Tenant, its employees, agents, contractors, and invitees shall not be permitted to occupy at any one time more than the number of parking spaces in the Parking Areas permitted in the Lease (including any parking spaces reserved exclusively for Tenant). Usage of parking spaces shall be in common with all other tenants of the Building and their employees, agents, contractors, and invitees. All parking space usage shall be subject to any reasonable rules and regulations for the sale and proper use of parking spaces that Landlord may prescribe. Tenant's employees, agents, contractors, and invitees shall abide by all posted roadway signs in and about the parking facilities. Landlord shall have the right to tow or otherwise remove vehicles of Tenant and its employees, agents, contractors, or invitees that are improperly parked, blocking ingress or egress lanes, or violating parking rules, at the expense of Tenant or the owner of the vehicle, or both, and without liability to Landlord. Upon request by Landlord, Tenant shall furnish Landlord with the license numbers and descriptions of any vehicles of Tenant, its principals, employees, agents, and contractors. Tenant acknowledges that reserved parking spaces, if any, shall only be reserved during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, legal holidays excluded.

26. Parking spaces may be used for the parking of passenger vehicles only and shall not be used for parking commercial vehicles or trucks (except sports utility vehicles, mini-vans, and pick-up trucks utilized as personal transportation), boats, personal watercraft, or trailers. No parking space may be used for the storage of equipment or other personal property. Except for company cars, overnight parking in the Parking Areas is prohibited. Landlord, in Landlord's sole and absolute discretion, may establish from time to time a parking decal or pass card system, security check-in, or other reasonable mechanism to restrict parking in the Parking Areas and Tenant shall comply with such system.

27. All trucks and delivery vans shall be parked in designated areas only and not parked in spaces reserved for cars. All delivery service doors are to remain closed except during the time that deliveries, garbage removal, or other approved uses are taking place. All loading and unloading of goods shall be done only at the times, in the areas, and through the entrances designated for loading purposes by Landlord.

28. Tenant shall be responsible for the removal and proper disposition of all crates, oversized trash, boxes, and items termed garbage from the Premises. The corridors and parking and delivery areas are to be kept clear of these items. Tenant shall provide convenient and adequate receptacles for the collection of standard items of trash and shall facilitate the removal of trash by Landlord. Tenant shall ensure that liquids are not disposed of in the receptacles.

29. Tenant shall not conduct any business, loading or unloading, assembling, or any other work connected with Tenant's business in any public areas.

30. Landlord shall not be responsible for lost or stolen personal property, equipment, or money occurring anywhere on the Building, regardless of how or when the loss occurs.

31. Neither Tenant, nor its employees, agents, invitees, or guests, shall paint or decorate the Premises, or mark, paint, or cut into, drive nails or screw into nor in any way deface any part of the Premises or Building without the prior written consent of Landlord. Notwithstanding the foregoing, standard picture hanging shall be permitted without Landlord's prior consent. If Tenant desires a signal, communications, alarm, or other utility or service connection installed or changed, the work shall be done at the expense of Tenant, with the approval and under the direction of Landlord.

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32. Tenant shall give Landlord prompt notice of all accidents to or defects in air conditioning equipment, plumbing, electric facilities, or any part or appurtenance of the Premises.

33. Tenant agrees and fully understands that the overall aesthetic appearance of the Building is of paramount importance; thus Landlord shall maintain complete aesthetic control over any and every portion of the Premises visible from outside the Premises including all fixtures, equipment, signs, exterior lighting, plumbing fixtures, shades, awnings, merchandise, displays, art work, wall coverings, or any other object used in Tenant's business. Landlord's control over the visual aesthetics shall be complete and arbitrary. Landlord will notify Tenant in writing of any aesthetic deficiencies and Tenant will have seven (7) days to correct the deficiencies to Landlord's satisfaction or Tenant shall be in default of this Lease and the Default article shall apply.

34. Tenant shall not install, operate, or maintain in the Premises or in any other area of the Building, any electrical equipment that does not bear the U/L (Underwriters Laboratories) seal of approval, or that would overload the electrical system or any part of the system beyond its capacity for proper, efficient, and safe operation as determined by Landlord, taking into consideration the overall electrical system and the present and future requirements therefor in the Building. Tenant shall not furnish any cooling or heating to the Premises, including the use of any electronic or gas heating devices without Landlord's prior written consent.

35. Under applicable law, the Building is deemed to be a "no smoking" building and smoking is prohibited in all Common Areas. In addition, Landlord may, from time to time, designate nonsmoking areas in all or any portion of the exterior Common Areas and within Tenant's Premises.

36. Intentionally Deleted.

37. Tenant will take all steps necessary to prevent: inadequate ventilation, emission of chemical contaminants from indoor or outdoor sources, or both, or emission of biological contaminants. Tenant will not allow any unsafe levels of chemical or biological contaminants (including volatile organic compounds) in the premises, and will take all steps necessary to prevent the release of contaminants from adhesives (for example, upholstery, wallpaper, carpet, machinery, supplies, and cleaning agents).

38. Tenant shall comply with any recycling programs for the building project implemented by Landlord from time to time.

39. Tenant shall not obtain for use in the premises, towel, barbering, bootblackening, floor polishing, lighting maintenance, cleaning, or other similar services from any persons not authorized by Landlord in writing to furnish the services.

40. Landlord may, on request by any tenant, waive compliance by the tenant with any of the rules and regulations provided that (a) no waiver shall be effective unless in writing and signed by Landlord or Landlord's authorized agent, (b) a waiver shall not relieve the tenant from the obligation to comply with the rule or regulation in the future unless expressly consented to by Landlord, and (c) no waiver granted to any tenant shall relieve any other tenant from the obligation of complying with the rules and regulations unless the other tenant has received a similar waiver in writing from Landlord.

41. Whenever these rules and regulations directly conflict with any of the rights or obligations of Tenant under this lease, this Lease shall govern.

Tenant hereby acknowledges receipt of the Building Rules and Regulations.

TENANT:

THERANOS, INC., a Delaware corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

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RIDER " 1 "

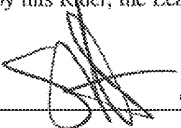
Rider 1 to Lease dated May 30, 2014 between SKYSONG OFFICE 3, LLC, an Arizona limited liability company ("Landlord"), and THERANOS, INC., a Delaware corporation ("Tenant").

(1) Rent Concession. Notwithstanding anything contained in Article 5.1 of the Lease to which this Rider is attached to the contrary, Landlord hereby waives Tenant's obligation to pay monthly installments of Annual Basic Rent for the first **five (5)** months of the Lease Term. Landlord and Tenant acknowledge and agree, however, that the foregoing waiver by Landlord of Tenant's obligation to pay monthly installments of Annual Basic Rent does not extend to Tenant's obligation to pay Operating Costs in accordance with the provisions of Article 6 of the Lease.

(2) Definitions. Capitalized terms used in this Rider without definition shall have the definition assigned to such terms in the Lease to which this Rider is attached, unless the context requires otherwise.

(3) Full Force and Effect. Except as specifically modified by this Rider, the Lease to which this Rider is attached remains in full force and effect.

  
.....  
Landlord's Initials

  
.....  
Tenant's Initials

Legal Approved SM

RIDER " 2 "

Rider 2 to Lease dated May 30, 2014 between SKYSONG OFFICE 3, LLC, an Arizona limited liability company ("Landlord"), and THERANOS, INC., a Delaware corporation ("Tenant").

Terms and Conditions of Right of Third Opportunity to Lease/Expansion Option. Tenant's right to exercise the rights of third opportunity to lease/expansion options described in this Right shall be conditioned upon the following: (i) there is not then in existence an Event of Default (any required notice thereof having been given and any applicable cure period having expired), (ii) the originally named Tenant or an assignee or sublessee pursuant to a Permitted Transfer shall be in occupancy of all of the Leased Premises, and (iii) there has not occurred a material adverse change in Tenant's financial condition from and after the date Tenant executed the Lease.

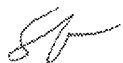
2. Right of Third Opportunity to Lease. After the first anniversary of the Lease Commencement Date, and in the event that all or any portion of the space within the Building (the "Additional Space") is not then leased or occupied and all renewal rights held by the then current tenant of all or any portion of the Additional Space shall have expired without exercise thereof, after Landlord presents the opportunity to the two tenants with superior rights (assuming they decline such rights) but prior to Landlord offering the Additional Space for lease, Landlord shall deliver to Tenant written notice (the "Opportunity Proposal Notice"), which Opportunity Proposal Notice shall set forth the Annual Basic Rent, Expense Stop, Additional Rent and Allowance at which Landlord intends to offer the Additional Space. Tenant shall have an option (the "Option") exercisable by written notice to Landlord within ten (10) business days after receipt of the Opportunity Proposal Notice to lease all of the Additional Space upon the terms and conditions set forth in the Opportunity Proposal Notice.

Promptly after Tenant exercises the Option, Landlord and Tenant shall execute a supplemental agreement to this Lease in a form reasonably satisfactory to Landlord and Tenant incorporating the Additional Space as part of the Leased Premises, which shall include an increase in the Security Deposit or Letter of Credit (at Tenant's option) equal in proportion to what was accepted in this Lease Agreement, and an increase in Tenant's pro rata share, based on the rentable square footage of the Additional Space. If Tenant does not timely exercise the Option, or if Landlord and Tenant do not execute a supplemental agreement to this Lease within thirty (30) days after written notice by Tenant to Landlord of its election to exercise the Option, the Option shall be deemed waived, Landlord may lease the Additional Space to third parties upon the terms and conditions set forth in the Opportunity Proposal Notice, and Tenant's right of first opportunity to lease the Additional Space shall be of no further force and effect. If Landlord materially modifies (Basic Rent rate or tenant improvements by more than 10%) the terms and conditions from those set forth in the original Opportunity Proposal Notice, Landlord must first offer such terms and conditions to Tenant in accordance with the procedure set forth in this Section before offering them to a third party.

If Tenant exercises the Option within the first twelve (12) months of the initial Lease Term, the terms of the lease of the Additional Space shall be at the terms then in effect under the existing Lease, including a prorated Tenant Improvement Allowance.

3. Definitions. Capitalized terms used in this Right without definition shall have the definition assigned to such terms in the Lease to which this Right is attached, unless the context requires otherwise.

4. Full Force and Effect. Except as specifically modified by this Right, the Lease to which this Right is attached remains in full force and effect.

  
\_\_\_\_\_  
Landlord's Initials

  
\_\_\_\_\_  
Tenant's Initials

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