THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

**STANDARD RETAIL LEASE FORM**

**THE REGENTS AS LANDLORD**

Lease covers Premises located at: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

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

Tenant: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Contact: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

Phone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Email: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Facsimile: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Campus from which the space is leased: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Landlord: THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

Contact: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

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

Phone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Email: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Landlord’s Building Contact:

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

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

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

Attention:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Email: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**TABLE OF CONTENTS**

1. PARTIES 1

2. GRANT OF LEASE 1

**2.1** **Premises; Complex; Real Property** 1

**2.2** **Common Areas** 1

**2.3** **Parking** 2

**2.4** **Relocation** 2

**2.5** **Shopping Center Lease** 2

3. TERM 2

**3.1** **Term** 2

**3.2** **Options to Extend the Lease Term** 3

**3.3** **Delay in Possession** 3

**3.4** **Early Access** 3

**3.5** **Termination Right** 4

4. RENT 4

**4.1** **Monthly Rent** 4

4.2 Percentage Rent 5

**4.3** **Additional Rent** 5

**4.4** **Late Charge** 5

**4.5** **Interest** 5

**4.6**  **Rent Payment Address** 5

5. LEASE SECURITY 6

**5.1** **Security Deposit** 6

**5.2** **Guaranty** 6

6. NOTICES 6

7. TENANT CONSTRUCTED TENANT IMPROVEMENTS 7

**7.1** **Tenant Improvements** 7

**7.2** **Cost of Tenant Improvements** 7

**7.3** **Tenant Improvement Warranties** 8

**7.4** **Notice of Completion** 8

**7.5**  **Prevailing Wage Requirement** 8

**7.6** **Tenant Delay in Completion of the Tenant Improvements** 10

8. USE 10

**8.1** **Permitted Use** 10

**8.2** **Operating Covenant** 10

**8.3** **Use Restrictions/Prohibited Uses** 11

**8.4** **Compliance with Law; Rules and Regulations** 11

**8.5** **Condition of Premises** 12

**8.6** **Deliveries** 12

**8.7** **Use of Names** 13

9. MAINTENANCE AND REPAIRS 13

**9.1** **Landlord and Tenant’s Obligations** 13

**9.2** **Landlord’s Rights** 13

10. ALTERATIONS AND ADDITIONS 13

11. INDEMNIFICATION 15

**11.1** **Landlord’s Obligation** 15

**11.2** **Tenant’s Obligation** 15

12. INSURANCE REQUIREMENTS 15

**12.1** **Landlord’s Insurance** 15

**12.2** **Tenant’s Insurance** 15

**12.3** **Waiver of Subrogation** 16

**12.4** **Exemption of Landlord from Liability** 16

13. DAMAGE OR DESTRUCTION 17

**13.1** **Damage or Destruction** 17

14. TAXES 19

**14.1** **Payment of Taxes** 19

**14.2** **Personal Property Taxes** 19

15. OPERATING EXPENSES 19

16. SERVICES, UTILITIES 21

17. ASSIGNMENT AND SUBLETTING 21

**17.1** **Landlord’s Consent Required** 21

**17.2** **Right of Recapture** 22

**17.3**  **Requirements** 23

**17.4** **Excess of Consideration** 23

**17.5** **Administrative Fees** 23

**17.6** **Permitted Transfers** 23

**17.7** **No Release of Tenant** 24

**17.8** **Limitations on Remedies** 24

**17.9** **Tenant Franchise** 24

18. DEFAULTS; REMEDIES 24

**18.1** **Defaults by Tenant** 24

**18.2** **Remedies** 25

**18.3** **Percentage Rent Damages** 27

**18.4** **Default by Landlord** 27

19. CONDEMNATION 27

20. BROKER’S FEE 28

21. ESTOPPEL CERTIFICATE; SUBORDINATION 28

22. SEVERABILITY 29

23. FINANCIAL STATEMENTS 29

24. TIME OF ESSENCE 29

25. COVENANT AGAINST LIENS 29

26. INCORPORATION OF PRIOR AGREEMENTS; AMENDMENTS 29

27. WAIVERS 30

28. SURRENDER; HOLDING OVER 30

29. CUMULATIVE REMEDIES 30

30. COVENANTS AND CONDITIONS 30

31. BINDING EFFECT; ; JOINT AND SEVERAL LIABILITY; CHOICE OF LAW 30

32. TRANSFER OF THE PREMISES BY LANDLORD 31

33. ATTORNEYS’ FEES 31

34. LANDLORD’S ACCESS 31

35. SIGNS 31

36. MERGER 32

37. QUIET POSSESSION 32

38. NO PARTNERSHIP 32

39. SECURITY MEASURES 32

30. COUNTERPARTS; DIGITAL SIGNATURES 33

41. PERFORMANCE UNDER PROTEST 33

42. AUTHORITY 33

43. CONFLICT 33

44. HAZARDOUS MATERIALS 33

**44.1** **Definitions** 33

**44.1** **Definitions** 34

**44.2** **Compliance and Response** 34

**44.3** **Other Emissions** 35

**44.4** **Indemnification** 35

**44.5** **Survival** 36

**44.6** **Disposal of Other Matter** 36

45. FORCE MAJEURE 36

46. CASP INSPECTION 36

47. NO RIGHT TO RECEIVE RELOCATION BENEFITS 38

48. ENERGY USE DISCLOSURE 38

49. CALIFORNIA CIVIL CODE WAIVER 38

50. FAIR WAGE/FAIR WORK 38

51. ADDENDUM 40

EXHIBIT A DESCRIPTION OF PREMISES 42

EXHIBIT B CONFIRMATION OF LEASE TERM 43

EXHIBIT C SUMMARY OF SERVICES AND UTILITIES 44

EXHIBIT D SUMMARY OF REPAIR AND MAINTENANCE RESPONSIBILITIES 46

EXHIBIT E LANDLORD’S GENERAL RULES AND REGULATIONS 48

EXHIBIT F FORM OF GUARANTY 51

EXHIBIT G POSSESSORY INTERESTS 56

EXHIBIT G POSSESSORY INTERESTS 56

EXHIBIT F FORM OF GUARANTY 57

ADDENDUM 1 PARKING REQUIREMENTS 58

ADDENDUM 2 EXTENSION OPTION 61

ADDENDUM 3A MONTHLY RENT 63

ADDENDUM 3B PERCENTAGE RENT RIDER 64

ADDENDUM 4 WORK AGREEMENT 79

ADDENDUM \* APPLICABLE EXCLUSIVES AND USE RESTRICTIONS 83

ADDENDUM 5 PROHIBITED USES 84

ADDENDUM \* OPERATING AGREEMENT 86

ADDENDUM 5 PROHIBITED USES 87

**SUMMARY OF LEASE TERMS**

Landlord: THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

Tenant: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Tenant’s Tradename: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address of Premises: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

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

County of Premises: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Premises: \_\_\_\_\_\_\_\_\_\_\_\_ Square Feet (See Section 2.1)

[Anticipated Delivery Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[IF APPLICABLE]* (See Section 3.1)]

Lease Commencement Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(See Section 3.1)

Expiration Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (See Section 3.1)

[Opening Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[IF APPLICABLE]* (See Section 3.1)]

[Extended Term: \_\_\_\_\_\_ (\_\_) extension option at \_\_\_\_ (\_\_) months (See Section 3.2

 *[AND IF APPLICABLE* Addendum 2 – Extended Term)*]*]

Rent Commencement Date: (See Section 4.1)

[Rent for Extended Term: (See Section 3.2)

 *[AND IF APPLICABLE* Addendum 2)*]*]

Monthly Rent: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(See Section 4.1)

*[OR IF APPLICABLE* (See Addendum 3a)*]*

[Percentage Rent Rate: \_\_\_\_\_\_\_ % (See Section 4.2) and Addendum 3b]

[Guarantor: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*[IF APPLICABLE]* (See Section 5.2)*]*]

**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**

**STANDARD RETAIL LEASE**

**THE REGENTS AS LANDLORD**

**1. PARTIES** **.** This lease (the “**Lease**”) is made as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_ (the “**Effective Date**”), by and between THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, a California public corporation (the “**Landlord**”) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “**Tenant**”). Each of Landlord and Tenant may be referred to herein individually as a “**Party**” and collectively as the “**Parties**”.

**2. GRANT OF LEASE** **.**

**2.1 Premises; Building; Real Property**. Landlord hereby leases to Tenant and Tenant leases from Landlord for the Lease Term (as defined in Section 3.1 below), in exchange for the Rent (as defined below), and upon all of the terms and conditions set forth herein, the premises described as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and as depicted in **Exhibit A** attached hereto and incorporated herein (the “**Premises**”) of that certain building located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “**Building**”) in the County of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, State of\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, which Premises consist of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ square feet, within the Building as depicted in Exhibit A. The Premises represent \_\_\_\_\_\_ percent (\_\_\_\_\_%) of the Building. The Building, the areas servicing the Building (including any adjacent parking structure and parking area), and the land on which the Building and those areas are located are sometimes referred to collectively as the “**Real Property**.”

 **2.2 Common Areas**. Landlord hereby grants to Tenant, during the Lease Term, the nonexclusive right to use, in common with all others so entitled, the Common Areas of the Building. As used herein, the term “**Common Areas**” shall mean and include all areas, facilities and improvements provided from time to time for the general, common or joint use on a non-exclusive basis by Landlord, the tenants and other users of the Building, including, without limitation, designated parking spaces and parking garages, *[ADD IF APPLICABLE* common bicycle parking, shower facilities,*]* pedestrian sidewalks, driveways, curbing, retaining walls, truck-ways, access roads, ramps, loading docks, delivery areas, lobbies and lobby elevator areas, elevators, storm and sanitary sewer systems, signs, landscaped and vacant areas and lighting facilities, except as may be otherwise designated by Landlord for the exclusive use of any tenant or other user. The Common Areas shall be subject to the exclusive control and management of Landlord and to such rules and regulations as Landlord may, from time to time, adopt. Tenant shall refrain from doing any act which interferes with Landlord’s exclusive control and management of the Common Areas or with the use of Common Areas by others. Landlord hereby reserves the right at any time or from time to time, but using commercially reasonable efforts not to unreasonably interfere with Tenant’s use of the Premises, to: (a) change the areas, locations and arrangement of all elements of the Real Property and the Building, including parking areas and other Common Areas, but excluding the space within the Premises; (b) enter into, modify and terminate easements and other agreements pertaining to the maintenance and use of the parking garage and parking areas and other Common Areas; (c) close any or all portions of the Common Areas to such extent and from such time as may, in the sole discretion of Landlord’s counsel, be legally necessary to prevent a dedication thereof or the accrual of any rights to any person or to the public therein; (d) close temporarily, if necessary, any part of the Common Areas in order to discourage non-customer parking; (e) make changes, additions, deletions, alterations or improvements in and to such Common Areas, provided that there shall be no unreasonable obstruction of Tenant’s right of ingress to or egress from the Premises; and (f) adopt rules and regulations by which Tenant shall abide relating to the use of the Common Areas. *[IF APPLICABLE:* Nothing contained herein shall be deemed to be a warranty, representation or agreement by Landlord that the Building will be, or will continue to be, as indicated on **Exhibit A** without change. Landlord may demolish buildings and improvements, build additional buildings, add additional floors, change the layout and otherwise change or reduce, if applicable, any building in the complex where the Building is located, the parking areas or Common Areas at any time, as Landlord deems necessary or desirable. *]*

 **2.3** *[IF APPLICABLE:* **Parking**. Requirements with respect to the use by Tenant and its employees of any parking areas, parking lots or parking garages situated in or adjacent to the Building as may be provided from time to time and designated by Landlord are specified in **Addendum 1** attached hereto and by this reference made a part hereof.*] [NOTE TO CAMPUS: THE UC SUSTAINABLE PRACTICIES POLICY PROVIDES THAT CAMPUSES “SHALL IMPLEMENT PARKING MANAGEMENT AND PRICING STRATEGIES TO SUPPORT EMISSIONS REDUCTION AND SUSTAINABLE TRANSPORTATION GOALS, INCLUDING VARIABLE PRICING AND UNBUNDLING PARKING AND HOUSING COSTS.”]*

 **2.4** *[IF APPLICABLE:* **Relocation** **.** At any time after Tenant’s execution of this Lease, Landlord shall have the right, in Landlord’s sole discretion, upon providing Tenant sixty (60) days’ written notice (the “**Relocation Notice**”), to relocate the Premises to a new location in the Building (the “**New Premises**”). The New Premises shall be described in the Relocation Notice. Landlord will endeavor to provide Tenant with New Premises substantially similar in size to the existing Premises. Tenant shall be required to provide written notice to Landlord within ten (10) days following its receipt of the Relocation Notice of Tenant’s acceptance of the New Premises. Landlord shall improve the New Premises, at its sole cost and expense, with tenant improvements of comparable quality and utility to the tenant improvements in the original Premises. Landlord shall arrange for moving Tenant’s personal property and relocating Tenant’s operations from the existing Premises to the New Premises and shall pay the actual reasonable costs of the relocation of any utilities and wiring and the cost of up to a three (3) months’ supply of new business cards and stationery for Tenant’s employees. If Landlord relocates Tenant to the New Premises, then this Lease and each and all of the agreements, covenants, conditions and provisions of this Lease shall remain in full force and effect and be applicable to the New Premises, except that (i) a revised floor plan shall become part of this Lease and shall reflect the location of the New Premises, (ii) Tenant’s Percentage Share shall be adjusted to reflect any increase or decrease in the rentable square feet of the New Premises, and (iii) the Monthly Rent shall be equitably and proportionately adjusted to reflect any increase or decrease in rentable square feet of the New Premises. If Tenant refuses to permit Landlord to move Tenant to the New Premises, then Landlord shall have the right to immediately terminate this Lease by written notice to Tenant at any time following the date of such refusal and, if such refusal is imparted after Landlord has started design and improvement work to prepare the New Premises for Tenant’s occupancy, Tenant shall be liable for and shall reimburse Landlord for all costs incurred by Landlord in designing and constructing tenant improvements at the New Premises prior to Tenant’s refusal to relocate.*]*

**2.5 *[THE FOLLOWING MAY BE APPLICABLE(for buildings with 4 or more retail tenants other than food court tenants:* Shopping Center Lease**. Landlord and Tenant acknowledge and agree that this Lease is a lease of real property in a “shopping center” within the meaning of 11 U.S.C. Section 365(b)(3), as evidence by the following factors, among other things: parking, a cluster of commercial leases held by one lessor, agreements regarding types of permissible business activity, and areas with common management.*]*

**3. TERM**.

 **3.1 Term**. The terms and provisions of this Lease shall be effective as of the Effective Date. The term of this Lease (the “**Lease Term**”) shall be for \_\_\_\_\_\_ months, commencing (the “**Lease Commencement Date**” ) *[SELECT AS APPLICABLE - ALTERNATIVE 1:* on the date specified in the Summary of Lease Terms as the Lease Commencement Date*]*

*[OR ALTERNATIVE 2*: upon substantial completion of the Tenant Improvements (as defined below), but in no event later than \_\_\_\_\_\_\_\_\_\_\_\_\_*]*

 *[OR ALTERNATIVE 3:* the earlier to occur of (i) \_\_\_\_\_\_\_\_\_\_ (\_\_) calendar days after the Delivery Date described in Section 7.1 below (the “**Date Certain**”), or (ii) the date Tenant first opens for business in the Premises*]*

*[OR ALTERNATIVE 4:*  the date specified in the Summary of Lease Terms as the Opening Date (the “Opening Date”)*]*, and ending on the last day of the \_\_\_ month after the Lease Commencement Date (the “**Lease Expiration Date**”), unless this Lease is sooner terminated or extended pursuant to any provision hereof. Within thirty (30) calendar days after the Lease Commencement Date, the parties shall execute a written memorial of such date in the form attached as **Exhibit B**. For all purposes under this Lease, all references to the Lease Term shall include any and all Extended Term(s) (as defined in Section 3.2 below), if applicable.

 **3.2 Options to Extend the Lease Term** **.** Provided: (i) no Event of Default (as defined in Section 18.1) exists nor any condition that, with notice and/or the passage of time, would constitute an Event of Default; (ii) there has not previously been a material monetary Event of Default, i.e., representing a failure to pay Monthly Rent for a period of three (3) consecutive months or more during the Term (irrespective of the fact that Tenant cured such default); (iii) this Lease is in full force and effect; (iv) Tenant is the original Tenant named in this Lease; and (iv) Tenant is then occupying 100% of the Premises for the conduct of Tenant’s business, Tenant shall have \_\_\_\_\_\_\_\_\_ (\_\_\_) option(s) (each, an “**Extension Option**”) to extend the Lease Term beyond the original Lease Expiration Date for consecutive periods of \_\_\_\_ (\_\_\_) month(s) each (each, an “**Extended Term**”). Each Extension Option must be exercised, if at all, by written notice from Tenant to Landlord given not more than \_\_\_\_\_ (\_\_) months nor less than \_\_\_\_ (\_\_) months prior to the expiration of the then current Lease Term. If Tenant fails to exercise the Extension Option in a timely manner, the Extension Option shall be void and of no force or effect. The conditions and requirements for the exercise of the Extension Option, including the Monthly Rent (as defined below) payable during each Extended Term shall be as provided in **Addendum 2**, attached hereto and incorporated herein by this reference. All other terms and conditions of this Lease shall remain in full force and effect during the Extended Term(s).

 **3.3 Delay in Possession**. If for any reason Landlord cannot deliver possession of the Premises to Tenant on the Anticipated Delivery Date (the “**Anticipated Delivery Date**”) specified in the Summary of Lease Terms, Landlord shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or the obligations of Tenant hereunder or extend the term hereof, but in such case, Tenant shall not be obligated to pay Rent until possession of the Premises is tendered to Tenant; provided further, however, that if Landlord shall not have delivered possession of the Premises within \_\_\_\_\_\_ (\_\_) days from the Anticipated Delivery Date, subject to Force Majeure (as defined in Section 45 below), Tenant may, at Tenant’s option, by notice in writing to Landlord within thirty (30) days thereafter, cancel this Lease, in which event the parties shall be discharged from all obligations hereunder; provided, however, that if such written notice of Tenant is not received by Landlord within said thirty (30) day period, Tenant’s right to cancel this Lease hereunder shall terminate and be of no further force or effect.

 *[IF APPLICABLE* **3.4 Early Access**. Tenant shall be entitled to access the Premises at any time after \_ \_[*e.g., specific date/specific number of days after lease execution/specific number of days before the Lease Commencement Date*]\_ \_ for the purpose of installing Tenant’s systems, furniture, telecommunications cabling, and other fixtures and equipment, but not for the purpose of operating Tenant’s business on the Premises, provided that this Lease and the Guaranty, if applicable, \_ \_[*has/have*]\_ \_ been executed by all parties on or before such date, and provided further that Tenant has provided to Landlord certificates of insurance for all insurance that Tenant is required to maintain under this Lease. If Tenant is provided access to the Premises before the Lease Commencement Date under this section, all of the terms and provisions of this Lease shall apply to Tenant’s use of the Premises and such occupancy or possession shall be subject to, and Tenant shall abide by, all requirements hereof (except those provisions pertaining to the payment of Rent, which in no event shall be payable until the Rent Commencement Date), and such occupancy shall not advance the Lease Expiration Date. *]*

 **3.5 Termination Right**. *[AS APPLICABLE [*Tenant] [Landlord] shall have the right to terminate this Lease if Tenant’s annual Gross Sales (as described in Addendum 3B hereto) at the Premises do not exceed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “**Gross Sales Threshold**”) by a date which is \_\_\_\_\_\_\_\_ (\_\_\_) years following the Lease Commencement Date (the “**Minimum** **Threshold Date**”), as follows. *[AS APPLICABLE* With respect to Tenant, provided that no uncured Event of Default under any provision of this Lease exists beyond applicable notice and cure periods, Tenant shall have a one-time right to terminate this Lease during the thirty (30) day period following the Minimum Threshold Date by giving written notice of its election to terminate to Landlord (the “**Tenant’s Termination Notice**”). Should Tenant exercise the foregoing right to terminate, Tenant shall pay to Landlord, concurrently with its delivery of Tenant’s Termination Notice, a separate termination fee (the “**Tenant’s Termination Fee**”), in the amount of [\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Dollars ($\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_)], which is comprised of the sum of (a) \_\_\_\_ (\_\_\_) months of the Monthly Rent payable during such Lease Year, plus (b) all Percentage Rent payable by Tenant for such time period, plus (c) the unamortized portion (based upon amortization on a straight line basis at \_\_\_ percent (\_\_%) over the \_\_\_ month period as of the effective date of termination of (i) any Tenant Improvement Allowance (defined in Section 7.2 below) provided by Landlord to Tenant, and (ii) all brokerage commissions paid by Landlord in connection with this Lease. Any such termination shall not abrogate any obligation existing under this Lease as of the effective date of termination or otherwise attributable to Tenant’s occupancy of the Premises.]

*[AS APPLICABLE* With respect to Landlord, Landlord shall have a right to terminate this Lease if Tenant fails to meet the Gross Sales Threshold at any time following the Minimum Threshold Date by giving written notice of its election to terminate to Tenant (the “**Landlord’s Termination Notice**”)]. Following the date of any such termination hereunder, *[AS APPLICABLE* and the payment by Tenant of any applicable Termination Fee,] Tenant shall immediately surrender possession of the Premises to Landlord and the parties shall have no further obligations to the other, except for obligations that are specifically made in this Lease to survive the termination hereof.

**4. RENT** **.** For all purposes under this Lease, “Rent” shall mean any and all sums that may become due and payable from Tenant under this Lease including, without limitation, Monthly Rent, Percentage Rent, and Additional Rent (as defined below). Rent for any period during the term hereof which is for less than one (1) month shall be prorated based on a 30-day month. Rent shall be payable to Landlord at the address stated herein or at such other address as Landlord may from time to time designate in writing. If so required by Landlord, all Rent payments shall be made by electronic funds transfer in the form of an ACH credit of immediately available funds to the account designated by Landlord, as provided in Section 4.6 below, or at such other address as Landlord may from time to time designate in writing. “ACH” means Automated Clearing House network or similar system commonly used for such transfers as designated by Landlord. *[AS APPLICABLE]* Concurrently with the execution and delivery of this Lease by Tenant, Tenant shall pay to Landlord the Monthly Rent for the first full calendar month of the Lease Term after the Rent Commencement Date.*]*

**4.1 Monthly Rent** **.** Tenant shall pay to Landlord the base rent (“**Monthly Rent**”) for the Premises, as set forth below: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Monthly Rent is payable in advance, on or before the first day of each month commencing on \_\_\_\_\_\_\_\_\_\_\_\_\_ *[OR AS AN ALTERNATIVE:* \_\_\_\_\_\_\_\_\_\_\_ (\_\_\_\_) days from the Delivery Date as defined in Section 7.1*]* (the “**Rent Commencement Date**”). The Monthly Rent payable by Tenant shall be increased *[AS APPLICABLE:* on each anniversary of the Rent Commencement Date by \_\_\_\_\_\_\_\_\_\_\_\_\_ percent (\_\_\_%) of the Monthly Rent in effect in the month immediately preceding such anniversary of the Rent Commencement Date*] [OR IF APPLICABLE a schedule can be attached as an Addendum]* as provided in Addendum 3A, attached hereto and incorporated herein by this reference*]*.

##  4.2 Percentage Rent . *[IF APPLICABLE]* In addition to the Monthly Rent, Tenant shall pay to Landlord the following percentage rent (the “Percentage Rent”) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, which shall be calculated and paid in accordance with the terms and conditions provided for in the Percentage Rent Addendum (Addendum 3B, attached hereto and incorporated herein by this reference), if applicable.*]*

**4.3 Additional Rent** **.** In addition to the Monthly Rent and Percentage Rent payable by Tenant pursuant to this Article 4, Tenant shall also pay, as additional rent (the “**Additional Rent**”) Tenant’s proportionate share of Operating Expenses, as provided in Article 15 below, and any other charges, expenses or reimbursements for which Tenant is responsible under this Lease.

**4.4 Late Charge** **.** Tenant hereby acknowledges that late payment by Tenant to Landlord of Rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord’s designee within ten (10) days after such amount shall be due, then, without any requirement for notice to Tenant, Tenant shall pay to Landlord a late charge equal to 6% of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant’s default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for three (3) consecutive installments of Rent, then Rent shall automatically become due and payable quarterly in advance, rather than monthly, notwithstanding Section 4.1 or any other provision of this Lease to the contrary. Notwithstanding anything contained herein to the contrary, late charges shall not be payable to the extent such payment would violate any applicable usury or similar law.

**4.5 Interest** **.** Except as expressly herein provided, any amount due to Landlord not paid when due shall bear interest at the maximum rate then allowable by Applicable Law from the date due until paid. Payment of such interest shall not excuse or cure any default by Tenant under this Lease, provided, however, that interest shall not be payable on late charges incurred by Tenant.

**4.6 Rent Payment Address** **.** Rent payments shall be payable to “The Regents of the University of California” and sent to (need not be sent certified):

Electronic payments (ACH) may be made as follows:

Bank Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Bank Account #: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Bank Account Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 The Regents of the University of California - \_\_\_\_\_\_\_\_\_\_

ABA Routing #: \_\_\_\_\_\_\_\_\_\_\_\_\_

**5. LEASE SECURITY** **.**

**5.1 Security Deposit**. Tenant shall deposit with Landlord upon execution hereof $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as security for Tenant’s faithful performance of Tenant’s obligations hereunder (the “**Security Deposit**”). If Tenant fails to pay Rent or other charges due hereunder, or otherwise defaults with respect to any provision of this Lease, Landlord may use, apply or retain all or any portion of the Security Deposit for the payment of any Rent or other charge in default or for the payment of any other sum to which Landlord may become entitled by reason of Tenant’s default, or to compensate Landlord for any loss or damage which Landlord may suffer thereby, including any future damages that Landlord may incur. If Landlord so uses or applies all or any portion of the Security Deposit, Tenant shall within ten (10) days after written demand therefor deposit with Landlord an amount sufficient to restore the Security Deposit to the full amount hereinabove stated and Tenant’s failure to do so shall be a material breach of this Lease. If the Monthly Rent shall, from time to time, increase during the Lease Term, Tenant shall thereupon deposit with Landlord additional funds to increase the Security Deposit so that the amount of the Security Deposit held by Landlord shall at all times bear the same proportion to current Monthly Rent as the original Security Deposit bears to the original Monthly Rent set forth herein. Landlord shall not be required to keep the Security Deposit separate from its general accounts.

If Tenant performs all of Tenant’s obligations hereunder, the Security Deposit, or so much thereof as has not been applied by Landlord pursuant to the terms hereof, shall be returned, without payment of interest or other increment for its use, to Tenant (or, at Landlord’s option, to the last assignee, if any, of Tenant’s interest hereunder) after Tenant has vacated the Premises at the expiration of the Lease Term. No trust relationship is created herein between Landlord and Tenant with respect to the Security Deposit. Tenant explicitly waives the provisions of California Civil Code Section 1950.7 with respect to the time periods by which a security deposit must be returned.

**5.2 Guaranty**. If a Guarantor is referenced in the Summary of Lease Terms, it shall be a condition precedent to the effectiveness of this Lease that the Guarantor execute and deliver to Landlord a guaranty of lease in the form attached to this Lease as **Exhibit F** and incorporated into this Lease by this reference, guaranteeing the full and faithful performance of all obligations of Tenant under this Lease.

**6. NOTICES**. All notices, statutory notices, demands, statements or communications given or required to be given by either party to the other hereunder shall be in writing, and shall be (i) sent by United States certified or registered mail, postage prepaid, return receipt requested, (ii) sent by recognized overnight delivery service (such as, but not limited to, FedEx, DHL Express or United Parcel Service) with tracking capability, (iii) delivered personally, or (iv) by electronic mail but only if a copy of such notice is also sent by one of the means specified in (i) through (iii) above within one (1) business day of the email transmittal, in each case addressed as follows: (a) to Tenant at the appropriate address set forth below, or to such other place as Tenant may from time to time designate in a notice to Landlord; or (b) to Landlord at the addresses set forth below, or to such other firm or to such other place as Landlord may from time to time designate in a notice to Tenant. Notwithstanding anything in the forgoing that may be to the contrary, any notice or correspondence given by Landlord or Tenant as set forth herein by electronic mail shall be deemed delivered and effective only if and when the counter-party acknowledges receipt of the notice or correspondence.

 Any notice will be deemed given (w) on the date that is three (3) business days following the date it was deposited in the United States Mail, (x) on the first business day following deposit with a recognized overnight delivery service (delivery charges prepaid or billed to sender) for next business day delivery, (y) on the date personal delivery is made, if given by personal delivery, or (z) on the date the email transmittal is sent.

To Landlord: The Regents of the University of California

 c/o

To Tenant:\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

and a copy to:

 Attention:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. **TENANT IMPROVEMENTS**.

 **7.1 Tenant Improvements** **.** *[IF APPLICABLE: if Landlord prepares the Premises for construction of the Tenant Improvements, or if Landlord will construct the Tenant Improvements:* Prior to the Delivery Date described below, Landlord shall construct certain improvements in accordance with the requirements of **Addendum 4** (the “**Work Agreement**”), attached hereto and incorporated herein by this reference (the “**Landlord’s Work**”), pursuant to plans and specifications therefor to be developed by *[AS APPLICABLE: [*Landlord’s architect*] [*Tenant’s architect.*]* For purposes of this Lease, the “**Delivery Date**” shall be the date on which Landlord delivers the Premises to Tenant *[IF APPLICABLE* with Landlord’s Work complete and*]* in the condition provided for in Section 8.5(a) of this Lease (unless Tenant is already in possession). *[IF APPLICABLE, if Tenant constructs the Tenant Improvements:* Within \_\_\_\_\_\_\_\_\_ (\_\_\_) days after the Delivery Date, Tenant shall construct its tenant improvements and make installations in the Premises (collectively, the “**Tenant Improvements**”) in accordance with the plans and specifications approved by Tenant and Landlord (the “**Plans and Specifications**”) and in accordance with the terms and conditions set forth in **Addendum 4** (the “**Work Agreement**”), attached hereto and incorporated herein by this reference.

 **7.2 Cost of Tenant Improvements**. *[IF APPLICABLE:* Landlord shall provide at its sole cost and expense the Landlord’s Work described in **Addendum 4** on the terms and conditions provided in such Addendum.*] [OR IF APPLICABLE:* Landlord will perform Landlord’s Work at Tenant’s cost and expense, provided that Landlord shall contribute toward the cost of Landlord’s Work the Tenant Improvement Allowance (as defined below) in accordance with the terms of **Addendum 4**, to be applied towards the actual hard and soft costs incurred by Landlord in connection with permanently affixed improvements made to the Premises (including the cost of all architectural and engineering fees, licenses and permits in connection therewith, but not including costs of telecommunications and furniture installation).*] [OR, if Tenant constructs its Tenant Improvements:* Tenant shall provide at its sole cost and expense the Tenant Improvements described in **Addendum 4** on the terms and conditions set forth herein and as provided in **Addendum 4**. *[IF APPLICABLE:* Landlord shall provide to Tenant a Tenant Improvement Allowance of Dollars ($\_\_\_\_ ) per square foot (the “**Tenant Improvement Allowance**”) to be applied towards the actual costs *[AS APPLICABLE:* incurred by Landlord in performing the Landlord’s Work*,* as is provided in the Work Agreement. Tenant shall pay any Excess Costs (defined in the Work Agreement) above the amount of the Tenant Improvement Allowance to Landlord within the time period and as otherwise provided for in the Work Agreement*] [OR IF APPLICABLE:* incurred by Tenant for the Tenant Improvements pursuant to the terms and conditions provided for, and as specified, in the Work Agreement. Landlord shall disburse the Tenant Improvement Allowance to Tenant upon completion of the Tenant Improvements and upon Landlord’s receipt of final lien releases from all parties who performed the Tenant Improvements and all other documentation required to be submitted by Tenant for Close-Out as provided for and in accordance with the terms and conditions of the Work Agreement. In order to receive disbursement of the Tenant Improvement Allowance, Tenant shall deliver to Landlord a written request for disbursement of the Tenant Improvement Allowance (or portions thereof) (a “**Request for Disbursement**”), which Request for Disbursement shall (A) specify the amount of Tenant Improvement costs incurred during completion of the Tenant Improvements and reasonable substantiation of payment by Tenant of the same, and (B) itemize the actual cost to Tenant of materials, labor and other services involved in connection with the Tenant Improvement work for which the reimbursement is requested. Any unused portion of the Tenant Improvement Allowance that is not claimed within twelve (12) months from the Delivery Date shall revert to and become the sole property of Landlord, and Tenant shall have no further right to such portion.*]*

 **7.3 Tenant Improvement Warranties**. Tenant warrants to Landlord that all materials and equipment furnished by Tenant in any improvement Tenant makes to the Premises shall be new unless otherwise specified in the Work Agreement, and that all of Tenant’s work to be performed under the Work Agreement shall be of good and workmanlike quality, free from faults and defects, and in accordance with the final Plans and Specifications and the requirements of the Work Agreement. Any of Tenant’s work not conforming to the above standards shall be considered defective.

 **7.4 Notice of Completion.** *[IF APPLICABLE: when Tenant constructs the Tenant Improvements:* **Notice of Completion**. Tenant shall complete construction of the Tenant Improvements and will open for business on a date which is \_\_\_\_\_\_\_\_\_\_\_ (\_\_\_) days after the Plans and Specifications have been approved by Landlord and Tenant*] [ALTERNATIVE:* on or before the Date Certain set forth in paragraph 3.1*]*. Tenant shall immediately upon completion of construction of the Tenant Improvements give written notice to Landlord of such completion. *]*

 **7.5 Prevailing Wage Requirement**. In connection with the construction or installation of the Tenant Improvements or any Alterations made to the Premises by Tenant pursuant to Article 10 below, Tenant shall comply, and shall contractually obligate all of its contractors who are in contractual privity with Tenant that perform any construction activity with respect to any work of construction or improvements to the Premises, to comply, and to contractually obligate their respective subcontractors to comply, with the requirements of the prevailing wage law set forth in Section 1720 *et seq.* of the State of California Labor Code. Compliance with the requirements thereof is required by this Lease.  Notwithstanding the generality of the foregoing, Tenant hereby agrees to pay, or cause its contractors to pay, not less than prevailing wage rates, as specified by the California Department of Industrial Relations, to all workers employed by Tenant or its contractors in the construction or installation of the Tenant Improvements or any Alterations. Landlord shall be a third party beneficiary of any prevailing wage provisions contained in any construction contracts between Tenant and contractors performing work on the Real Property.

 **7.6 Permitting Authority.**

 (a) Tenant and its employees, agents and contractors shall comply with and give notices required by any Applicable Law (as defined below in Section 8.4) bearing on any work in the Premises, including the Tenant Improvements and any Alterations made to the Premises by Tenant pursuant to Article 10, whether under jurisdiction of Landlord’s building officials or other governmental authorities. The Parties acknowledge and agree that Landlord holds separate functions under this Lease (a) as landlord or owner, in its proprietary capacity, under this Lease, and (b) as the permitting agency, acting in its sovereign and autonomous governmental capacity under Article IX of the California State Constitution (the “**Permitting Authority**”), as building official with full power and authority to authorize, approve, permit and inspect the design, alteration, improvement, and construction of buildings and structures, including activities related to design review, building permit issuance, construction inspections, permit sign-off, final inspections, and issuance of Certificates of Occupancy.

 (b) The officials responsible for compliance and enforcement of Landlord’s facilities are the Certified Building Official and Designated State Fire Marshal who provide compliance oversight and enforcement of all Applicable Laws for building and codes and standards (including California Code of Regulations, Title 24) as well as fire and life safety under delegated authority from the California State Fire Marshal. Official acts issued or taken under the authority of Landlord’s Certified Building Official or Designated State Fire Marshal shall be made under each official’s authority. Tenant or its employees, agents and contractors shall pay all reasonable and customary fees and costs for the services referenced in this Section.

 (c) Tenant and its employees, agents and contractors accept the requirements governing the permitting of the Tenant Improvements and will file all submittals reasonably requested by the Permitting Authority required in order to ensure compliance of all work. Tenant agrees to abide by the jurisdiction of the Permitting Authority throughout the Term and shall perform all work and construct any improvements or alterations, including the Tenant Improvements, in conformance with the approved Plans and Specifications, construction documents and Applicable Law.

 (d) The Permitting Authority shall at all times, during which construction or any activities are occurring on the Premises, be afforded reasonable access to the Premises for the purpose of observing and inspecting the work, and observing any testing or inspections performed by other governmental authorities, independent inspection firms and testing laboratories hired by Tenant or its employees, agents and contractors. The Permitting Authority shall inspect all work to assess conformance with all Applicable Laws. Such review and inspection will not relieve Tenant from the obligation during the Term to be in full compliance with all Applicable Laws, the construction documents and this Lease.

 (e) Upon receipt of verification by the Architect that the work has been completed, the Permitting Authority shall conduct a final inspection and shall either issue a Certificate of Occupancy or advise Tenant of any deficiencies or additional work that the Permitting Authority determines must be completed to achieve conformance with the permitted final Plans and Specifications and Applicable Laws. When the Permitting Authority determines that the applicable work has reached final completion, the Permitting Authority shall issue a duly executed Certificate of Occupancy with respect to the Premises in a customary and legally compliant form. All decisions of the Permitting Authority shall be final and binding.

 (f) The Permitting Authority’s reviews, comments, approvals or disapprovals of any submittals made by Tenant or its employees, agents and contractors, including submittals made prior to execution of the Lease, shall not constitute an opinion or warranty by Lessor or the Permitting Authority of their adequacy, shall not make Lessor or the Permitting Authority responsible for the work or its design, and shall not constitute a waiver of any claim by Lessor or the Permitting Authority for any defect or deficiency with respect to the Plans and Specifications or any portion of the work.

 **7.7** *[AS APPLICABLE:* **Tenant Delay in Completion of the Tenant Improvements**. Tenant acknowledges that the financial success of the Building depends, in part, on Tenant’s opening the Premises for business on or before \_\_\_\_\_\_\_\_\_\_ *[Insert appropriate date from ALTERNATIVE used in Section 3.1]*described in Section 3.1 and that Landlord’s damages arising from Tenant’s failure to do so are extremely difficult and impracticable to fix. Therefore, in the event Tenant’s initial opening for business in the Premises occurs after the Date Certain, commencing with the Date Certain and continuing until the date Tenant opens for business in the Premises, Tenant shall pay Landlord as liquidated damages, in addition to and not in lieu of Landlord’s other remedies, \_\_\_\_\_\_\_\_\_\_ percent (\_\_\_%) of the daily Monthly Rent for each day, or fraction thereof, that Tenant fails to open and operate in the Premises as required under this Lease. Tenant agrees that the aforementioned sums are fair compensation to Landlord for said damages. It is expressly agreed and understood that the payment of the aforementioned damages shall in no event relieve Tenant of its responsibility to pay Rent commencing on the Rent Commencement Date or prevent Landlord from pursuing its rights, remedies, and damages for any Event of Default by Tenant pursuant to Article 18 of this Lease.*]*

**8. USE**.

 **8.1 Permitted Use**. Tenant shall operate its business in the Premises during the Lease Term for the purpose of \_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “**Permitted Use**”), and for no other purpose without Landlord’s prior written consent, which Landlord may withhold in its sole discretion. Tenant shall operate its business in the Premises solely under the tradename specified in the Summary of Lease Terms (the “**Tradename**”).

 **8.2 Operating Covenant** **.** Tenant shall open for business on or before \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[Insert appropriate date from ALTERNATIVE used in Section 3.1]* described in Section 3.1 and shall not thereafter abandon or leave the Premises vacant, except as provided below. From \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[Insert appropriate date from ALTERNATIVE used in Section 3.1]*and thereafter continuing through the Lease Term, Tenant shall operate for the Permitted Use during the hours specified herein continuously with due diligence and efficiency so as to produce a maximum volume of receipts from Gross Sales, unless prevented from doing so by Force Majeure causes (as provided in Section 45 below). At a minimum, during academic sessions, Tenant shall be open for not less than the following days and hours: Monday through Thursday, \_\_\_\_\_ a.m. to \_\_\_\_ p.m., Friday, \_\_\_\_\_ a.m. to \_\_\_\_\_ p.m., and on Saturday from \_\_\_\_ a.m. and \_\_\_\_\_ p.m. (the “**Minimum Hours**”), and Tenant may be open during such additional days and hours as determined by Tenant and approved by Landlord. Tenant shall not reduce the minimum hours of operation noted above without the prior written approval of Landlord. *[AS APPLICABLE:* Notwithstanding the foregoing, Tenant shall open for business on Sundays and during academic breaks if requested by Landlord for campus service requirements as determined in Landlord’s discretion. *]* In addition to any other rights that Tenant may have at law or in equity or as otherwise provided in this Lease, in the event Tenant shall cease operations from the Premises for at least the Minimum Hours set forth above for a period exceeding ten (10) days (excluding Permitted Closure Periods, as defined below), Landlord shall have the right, but not the obligation, to terminate this Lease and recapture the Premises (a “**Recapture**”) by providing Tenant with written notice of Landlord’s election to do so (hereinafter referred to as the “**Recapture Notice**”). In such event, this Lease shall terminate ten (10) days after Tenant’s receipt of the Recapture Notice and Tenant shall surrender the Premises to Landlord in accordance with the terms of this Lease. Nothing herein shall limit Tenant’s liability to Landlord for any damages incurred by Landlord, including the Percentage Rent Damages provided for in Section 18.3 below, if applicable, as a result of Landlord’s election to Recapture the Premises as provided herein. As used herein, the term “**Permitted Closure Periods**” shall mean temporary closures due to (a) casualty, condemnation or other delay described in Article 13 below, or (b) Landlord-approved remodeling or repairs (not to exceed 60 days).

 **8.3 Use Restrictions/Prohibited Uses**. For purposes hereof, the term “**Prohibited Use**” will mean and refer to *[IF APPLICABLE*: (i) any use that violates any of the applicable exclusives and use restrictions previously granted or imposed by Landlord (the “**Applicable Exclusives and Use Restrictions**”), which Applicable Exclusives and Use Restrictions are set forth in **Addendum 5** attached hereto and made a part hereof by this reference, or (ii)*] [*any activity that is listed as a prohibited use or activity in **Addendum 6**, attached hereto and made a part hereof by this reference, or (iii)*]* any use that conflicts (in Landlord’s reasonable opinion) with the primary use of another tenant of the Building. *[AS APPLICABLE* Tenant shall not engage in any use which is restricted by the Applicable Exclusives and Use Restrictions. *[AS APPLICABLE, If Tenant’s Permitted Use is as a food service provider or restaurant use:* Tenant shall comply with the specific requirements governing Tenant’s use, occupation and operation of its business and conformity with the UC Sustainable Food Service Practices (the “**Operating Agreement**”), as set forth in **Addendum 7** attached hereto and incorporated herein by this reference.*]*

**8.4 Compliance with Law; Rules and Regulations** **.**

 (a) Except as provided in this paragraph, Tenant shall, at Tenant’s expense, comply promptly with all Applicable Laws (as defined below), title matters, covenants and restrictions of record, and requirements in effect during the Lease Term or any part thereof, regulating the use by Tenant of the Premises. Any Alteration to the Premises or the provision of any auxiliary aids or services required by any Applicable Laws for Tenant to conduct business shall be undertaken at Tenant’s sole cost and expense. In addition to the foregoing, if Tenant’s use of the Premises, or the undertaking of any Alteration, results in the need for modifications or alterations to any portion of the Building in order to comply with any Applicable Laws, then Landlord shall perform such modifications or alterations and Tenant shall promptly upon demand pay Landlord the cost thereof. Tenant shall not use nor permit the use of the Premises in any manner that will tend to create waste or a nuisance or that will disturb other tenants of the Building or that would adversely affect Landlord’s use of the Building and the use of the Building by other tenants. The term “**Applicable Law**” shall include all applicable federal, state and local statutes, regulations, rules, ordinances; all other applicable governmental or court orders and requirements; all Environmental Laws (as defined below in Section 44.1(a)); and all policies, procedures, and regulations promulgated by Landlord pertaining to the use of Landlord’s owned or leased property generally and to activities taking place on the Real Property, including, without limitation, those relating to health, safety, and traffic enforcement.

 (b) Tenant acknowledges and agrees that Landlord is entering into this Lease in its capacity as a property owner and, except as explicitly provided in this Lease, not as a regulatory agency. Tenant acknowledges and agrees that neither Landlord’s entering into this Lease nor any approvals given by Landlord under this Lease shall be deemed to imply that Tenant will be able to obtain any required approvals from Landlord in its regulatory capacity or as the Permitting Agency. By entering into this Lease, Landlord is in no way modifying or limiting the obligations of Tenant to comply with all Applicable Laws, as provided in this Lease.

 (c) Tenant acknowledges and understands that the Permitted Use, and any Alterations by Tenant to the Premises, may require that regulatory approvals, authorizations or permits be obtained from governmental agencies other than Landlord. Tenant shall be solely responsible for obtaining any such regulatory approvals, authorizations or permits as further provided herein. Without limiting the generality of the foregoing, Tenant shall: (i) obtain, at Tenant’s expense, before engaging in Tenant’s business or profession within the Premises, all necessary licenses and permits including, but not limited to, state and local business licenses, and permits; and (ii) remain in compliance with and keep in full force and effect at all times all licenses, consents, and permits necessary for the lawful conduct of Tenant’s business or profession at the Premises. Throughout the process for obtaining any regulatory approval, authorization or permit, Tenant shall consult and coordinate with Landlord in Tenant’s efforts to obtain the same, and Landlord shall cooperate reasonably with Tenant in connection therewith at no cost to Landlord. Tenant shall not agree to the imposition of conditions or restrictions if the conditions or restrictions could create any obligation (as determined by Landlord in its reasonable discretion) on the part of Landlord whether on or off the Premises, unless where in each instance Landlord has previously approved such conditions in writing.

 (d) Tenant agrees that it will abide by, keep and observe all rules and regulations, as designated in **Exhibit E**, attached hereto and incorporated herein by this reference, which Landlord may make from time to time for the management, safety, care, and cleanliness of the Building and Real Property, the parking of vehicles and the preservation of good order therein as well as for the convenience of other occupants and tenants of the Building. Any violation of any such rules and regulations shall be deemed a material breach of this Lease by Tenant.

 **8.5 Condition of Premises**.

(a) Landlord shall deliver the Premises to Tenant clean and free of debris. *[IF APPLICABLE*: ***delete in case of an “as is” deal where the Tenant agrees to accept or correct deficiencies****]* Landlord warrants to Tenant that the Premises, in its state existing on the Delivery Date, but without regard to the use for which Tenant will use the Premises, does not violate any covenants or restrictions of record, or, to its knowledge, any applicable building code, regulation or ordinance in effect on such date. If this warranty has been violated, then Landlord shall, after receipt of written notice from Tenant setting forth with specificity the nature of the violation, promptly, at Landlord’s sole cost, rectify such violation. Tenant’s failure to give such written notice to Landlord within thirty (30) days after the Lease Commencement Date shall cause the conclusive presumption that Landlord has complied with all of Landlord’s obligations hereunder. The warranty contained in this paragraph shall be of no force or effect if prior to the date of this Lease, Tenant was the owner or occupant of the Premises.

(b) Except as otherwise provided in this Lease, Tenant hereby accepts the Premises in their “AS IS”, “WHERE IS”, “WITH ALL FAULTS” condition existing as of the Delivery Date or the date that Tenant takes possession of the Premises, whichever is earlier, subject to all Applicable Laws, title matters, covenants and restrictions or record, and requirements governing and regulating the use of the Premises, and Tenant shall conclusively be deemed to have accepted the Premises and this Lease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty as to the condition of the Real Property or the present or future suitability of the Premises for the conduct of Tenant’s business and Tenant hereby waives any and all rights or claims against Landlord arising out of the condition of the Premises. In connection herewith, Tenant hereby acknowledges that neither Landlord or any employees or agents of Landlord have made any oral or written warranties or representations to Tenant relative to the condition or use by Tenant of said Premises and Tenant acknowledges that Tenant assumes all responsibility regarding the Occupational Safety Health Act, the legal use and adaptability of the Premises and the compliance thereof with all Applicable Laws in effect during the Lease Term.

 **8.6 Deliveries**. All deliveries to Tenant and servicing of the Premises (exclusive of United Parcel Service, FedEx, U.S. Postal Service and other reputable overnight courier service) *[IF APPLICABLE*: shall be made through the rear “service” doors, if any, and*]* shall be made at such times and in such a manner as to cause the least disturbance to the Common Areas and other occupants of the Building.*]* Tenant shall use its commercially reasonable efforts to complete or cause to be completed, all deliveries, loading, unloading, rubbish removal, and other services (exclusive of United Parcel Service, FedEx, U.S. Postal Service and other reputable overnight courier service) *[*prior to 10:00 a.m.*] [*prior to \_\_\_\_\_\_\_ a.m. *]*of each day. *[*Landlord reserves the right to further reasonably regulate the activities of Tenant in regard to deliveries and servicing of the Premises.*] [OR IF APPLICABLE comply with Landlord’s policies concerning deliveries and servicing at the Complex and/or Building, including allowable delivery and servicing times and procedures.]*

**8.7 Use of Names** **.** All advertisements, brochures and other printed materials that use the name, logo or other trademarks of The Regents of the University of California, \_\_\_\_\_\_, \_\_\_\_\_\_\_\_, or [Name of Tenant (in association with UC\_\_\_)], shall be subject to the prior written approval of the respective owner of the name, logo, or other trademarks. However, it is understood and agreed that Tenant shall not be required to obtain Landlord’s prior written consent when Tenant is merely listing the University’s name and address when describing Tenant’s location on any brochure or advertising materials distributed by Tenant. At all times, the parties agree to comply with Section 92000 of the California Education Code relating to use of the University of California name.

**9. MAINTENANCE AND REPAIRS** **.**

**9.1 Landlord’s and Tenant’s Obligations** . The respective repair and maintenance responsibilities of Landlord and Tenant are set forth in **Exhibit D**, Summary of Repair and Maintenance Responsibilities, which by this reference is incorporated herein. Except as may be provided in Section 7.1 and **Exhibit D**, Landlord has no obligation to alter, remodel, improve, repair, decorate or paint the Building or the Premises, or any part thereof, nor any obligation respecting the condition, maintenance and repair of the Premises or any other portion of the Building. Tenant hereby waives all rights, including those provided in California Civil Code Section 1941 or any successor statute, to make repairs which are Landlord’s obligation under this Lease, at the expense of Landlord or to receive any setoff or abatement of Rent or in lieu thereof to vacate the Premises or terminate this Lease. All repairs and maintenance shall be completed in compliance with all Applicable Laws, and any rules and regulations of Landlord, and sustainable guidelines and procedures, using new or comparable materials only, by a contractor approved in writing by Landlord, and on days and at times approved in writing by Landlord. Tenant shall provide Landlord with a certificate of insurance from each contractor evidencing that insurance is in effect during repairs and maintenance in an amount reasonably required by Landlord and naming Landlord as an additional insured.

 **9.2** **Landlord’s Rights**. If Tenant fails to perform Tenant’s obligations under this Article 9, or under any other section of this Lease, Landlord may at its option (but shall not be required to) enter upon the Premises after ten (10) days prior written notice to Tenant (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Tenant’s behalf and put the same in good order, condition and repair, and the cost thereof together with interest thereon at the maximum rate then allowable by Applicable Law shall become due and payable as Additional Rent to Landlord together with Tenant’s next installment of Monthly Rent.

**10. ALTERATIONS AND ADDITIONS**.

 (a) Tenant shall not, without Landlord’s prior written consent, make any alterations, improvements, additions, installations or physical additions of any kind (the “**Alterations**”) in, on or about the Premises during the Lease Term. Tenant shall make no change or modification to the exterior of the Building without Landlord’s prior written consent. Landlord may require that Tenant remove any or all of said Alterations at the expiration or earlier termination of the Lease Term, and restore the Premises to their prior condition, at Tenant’s sole cost and expense. All Alterations shall be completed in compliance with all Applicable Laws and any rules and regulations for construction of Landlord, and sustainable guidelines and procedures, using new or comparable materials only, by a contractor approved in writing by Landlord, and on days and at times approved in writing by Landlord. Tenant shall be solely responsible for the installation and maintenance of its data, telecommunication, and security systems and wiring at the Premises, which shall be done in compliance with all Applicable Laws, the requirements of Sections 7.3, 7.5 and 7.6 above, and any applicable Landlord rules and regulations. In connection with any Alterations, Landlord may require Tenant to provide Landlord, at Tenant’s sole cost and expense, a lien and completion bond in an amount equal to one and one-half times the estimated cost of such improvements, to insure Landlord against any liability for mechanics’ and materialmen’s liens and to insure completion of the work. Should Tenant make any Alterations without the prior written approval of Landlord, Landlord may require that Tenant remove any or all of the same at Tenant’s sole cost and expense. Notwithstanding the foregoing, Landlord’s consent shall not be required for any Alteration costing less than $\_\_\_\_\_\_\_\_\_ provided that it: (i) is nonstructural; (ii) does not impact any of the building systems, involve electrical or drywall work, require a building permit, or materially affect the air quality in the Building; and (iii) is not visible from outside of the Premises.

 (b) Tenant shall provide to Landlord prior written notice of its intention to perform any Alteration, together with a certificate of insurance from each contractor evidencing that insurance is in effect during all construction activities in an amount reasonably required by Landlord and naming Landlord as an additional insured. Any Alterations in, on, or about the Premises that Tenant shall desire to make, and which requires the consent of Landlord, shall be presented to Landlord in written form, with proposed detailed plans. If Landlord shall give its consent, the consent shall be deemed conditioned upon Tenant acquiring a permit to do so from appropriate governmental agencies (including the Permitting Authority), the furnishing of a copy thereof to Landlord prior to the commencement of the work and the compliance by Tenant of all conditions of said permit in a prompt and expeditious manner. Tenant shall not overload any floor or part thereof in the Premises or the Building, including any public corridors or elevators, by bringing in, placing, storing, installing or removing any large or heavy articles, and Landlord may prohibit, or may direct and control the location and size of, safes and all other heavy articles, and may require, at Tenant’s sole cost and expense, supplementary supports of such material and dimensions as Landlord may deem necessary to properly distribute the weight. All Alteration work shall be performed in a good and workmanlike manner, free from faults and defects and in accordance with the approved plans therefor.

 (c) Tenant shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Tenant at or for use in the Premises, which claims are or may be secured by any mechanics’ or materialmen’s liens against the Premises or any interest therein. Tenant shall give Landlord not less than ten (10) days’ notice prior to the commencement of any work in the Premises, and Landlord shall have the right to post notices of non-responsibility in or on the Premises as provided by Applicable Law. If Tenant shall, in good faith, contest the validity of any such lien, claim or demand, then Tenant shall, at its sole cost and expense defend itself and Landlord against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof against Landlord or the Premises, upon the condition that if Landlord shall require, Tenant shall furnish to Landlord a surety bond satisfactory to Landlord, in an amount equal to 150% of such contested lien claim or demand, indemnifying Landlord against liability for the same and holding the Premises free from the effect of such lien or claim. In addition, Landlord may require Tenant to pay Landlord’s attorneys’ fees and costs in participating in such action if Landlord shall decide it is in its best interest to do so.

 (d) Unless Landlord requires their removal, as set forth in Section 10(a), all Alterations (whether or not such Alterations constitute trade fixtures of Tenant), which may be made on and affixed to the Premises, shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration or earlier termination of the Lease Term. Notwithstanding the provisions of this Section, Tenant’s machinery and equipment, other than that which is affixed to the Premises so that it cannot be removed without material damage to the Premises, as well as all personal property incorporating Tenant’s intellectual property rights, shall be and remain the property of Tenant and may be removed by Tenant subject to the provisions of Section 28.1 (Surrender).

**11. INDEMNIFICATION.**

**11.1 Landlord’s Obligation**. Landlord shall indemnify, defend and hold harmless Tenant, its officers, agents, and employees from and against any claims, damages, costs, expenses, or liabilities (collectively “**Claims**”) arising out of or in any way connected with this Lease including, without limitation, Claims for loss or damage to any property, or for death or injury to any person or persons, but only in proportion to and to the extent that such Claims arise from the negligent or wrongful acts or omissions of Landlord, its officers, agents, or employees.

 **11.2 Tenant’s Obligation**. Tenant shall indemnify, defend and hold harmless Landlord, its officers,agents, and employees from and against any Claims arising out of or in any way connected with this Lease including, without limitation, Claims for loss or damage to any property or for death or injury to any person or persons, but only in proportion to and to the extent that such Claims arise from the negligent or wrongful acts or omissions of Tenant, its officers, partners, agents, invitees, or employees.

**12. INSURANCE REQUIREMENTS**.

 **12.1 Landlord’s Insurance** **.** Landlord, at its sole cost and expense, shall insure its activities in connection with this Lease and obtain, keep in force and maintain insurance as follows:

a. General Liability Self-Insurance Program (contractual liability included) with minimum limits as follows:

 1. Each Occurrence $\_\_\_\_\_\_\_\_

1. Products/Completed Operations Aggregate $\_\_\_\_\_\_\_
2. Personal and Advertising Injury $\_\_\_\_\_\_\_\_
3. General Aggregate $\_\_\_\_\_\_\_
4. Business Automobile Liability Self‑Insurance Program for owned, non‑owned, or hired automobiles with a combined single limit of not less than \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ dollars ($\_\_\_\_\_\_\_\_\_\_) per occurrence.
5. Property, Fire and Extended Coverage Self-Insurance Program in an amount equal to one hundred percent (100%) of the full replacement value of the Building (excluding land and the footings, foundations and installations below the basement level) and the costs of demolition and debris removal.
6. Workers’ Compensation as required by California law.

The coverages referred to under a. and b. of this Section 12.1 shall include Tenant as an additional insured. Such a provision shall apply only in proportion to and to the extent of the negligent acts or omissions of Landlord, its officers, agents and employees. Landlord’s certificate of insurance is available at <http://www.ucop.edu/risk-services/risk-financing-claims/certificates-of-insurance.html>.

The coverages required herein shall not limit the liability of Landlord.

 **12.2 Tenant’s Insurance**. Tenant, at its sole cost and expense, shall insure its activities in connection with this Lease and obtain, keep in force and maintain insurance as follows:

a. Commercial Form General Liability Insurance (contractual liability included) with minimum limits as follows:

 1. Each Occurrence $\_\_\_\_\_\_\_\_

1. Products/Completed Operations Aggregate $\_\_\_\_\_\_\_\_
2. Personal and Advertising Injury $\_\_\_\_\_\_\_\_

4. General Aggregate $\_\_\_\_\_\_\_\_

5. Liquor Liability $\_\_\_\_\_\_\_\_*[IF APPLICABLE]*

If the above insurance is written on a claims-made form, it shall continue for three (3) years following termination of this Lease. The insurance shall have a retroactive date of placement prior to or coinciding with the Lease Commencement Date.

b. Business Automobile Liability Insurance for owned, scheduled, non‑owned, or hired automobiles with a combined single limit of not less than \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ dollars ($\_\_\_\_\_\_\_\_\_\_) per occurrence.

1. Property, Fire and Extended Coverage Insurance in an amount sufficient to reimburse Tenant for all of its equipment, trade fixtures, inventory, fixtures and other personal property located on or in the Premises including leasehold improvements hereinafter constructed or installed.
2. Workers’ Compensation as required by California law.
3. Such other insurance in such amounts which from time to time may be reasonably required by the mutual consent of Tenant and Landlord against other insurable risks relating to performance.

The coverages referred to under a. and b. of this Section 12.2 shall include “THE REGENTS OF THE UNIVERSITY OF CALIFORNIA” as an additional insured. Such a provision shall apply only in proportion to and to the extent of the negligent acts or omissions of Tenant, its officers, partners, agents, invitees, and employees. Tenant, upon the execution of this Lease, shall furnish Landlord with certificates evidencing compliance with all requirements. Certificates shall provide for thirty (30) days (ten (10) days for non-payment of premium) advance written notice to Landlord of any material modification, change or cancellation of any of the above insurance coverages.

The coverages required herein shall not limit the liability of Tenant.

**12.3 Waiver of Subrogation** **.** Notwithstanding the provisions of Article 11, Tenant hereby waives any right of recovery against the Landlord due to loss of or damage to the property of Tenant when such loss of or damage to property arises out of an act of God or any of the property perils included in the classification of fire or extended perils (“all risk” as such term is used in the insurance industry) whether or not such perils have been insured, self-insured or non-insured.

 **12.4 Exemption of Landlord from Liability** **.** Except as provided in Section 11.1, Tenant hereby agrees that Landlord shall not be liable for injury to Tenant’s business or any loss of income therefrom or for damage to the goods, wares, merchandise or other property of Tenant, Tenant’s employees, invitees, customers, or any other person in or about the Premises, nor shall Landlord be liable for injury to the person of Tenant, Tenant’s employees, agents or contractors, as a result of any condition of the Premises or the Building, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause in or about the Premises or the Real Property, whether the said damage or injury results from conditions arising in the Premises or in other portions of the Building or Real Property, or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant, if any, of the Building.

**13. DAMAGE OR DESTRUCTION; CONDEMNATION** **.**

 **13.1 Damage or Destruction**.

 (a) **Definitions**.

 (i) “**Partial Premises Damage**” shall mean damage or destruction, when and as determined by Landlord, to the Premises to the extent that the cost of repair is less than 10% of the then replacement cost of the Premises. “**Partial Building Damage**” shall mean damage or destruction to the Building to the extent that the cost of repair is less than 10% of the then replacement cost of the Building as a whole.

 (ii) “**Total Premises Destruction**” shall mean damage or destruction, when and as determined by Landlord, to the Premises to the extent that the cost of repair is 10% or more of the then replacement cost of the Premises. “**Total Building Destruction**” shall mean damage or destruction to the Building to the extent that the cost of repair is 10% or more of the then replacement cost of the Building as a whole.

 (iii) “**Insured Loss**” shall herein mean damage or destruction which was caused by an event required to be covered by the insurance described in this Lease.

 **(b) Partial Damage -- Insured Loss.** Subject to the provisions of subsections (d), (e) and (f) below, if at any time during the Lease Term there is damage which is an Insured Loss and which falls into the classification of Partial Premises Damage or Partial Building Damage, then Landlord shall, at Landlord’s expense, repair such damage, but not Tenant’s fixtures, equipment or tenant improvements unless the same have become a part of the Premises pursuant to Article 10 hereof, as soon as reasonably possible, and this Lease shall continue in full force and effect.

 (c) **Partial Damage -- Uninsured Loss.** Subject to the provisions of subsections (d), (e) and (f) below, if at any time during the term of this Lease there is damage which is not an Insured Loss and which falls within the classification of Partial Premises Damage or Partial Building Damage, unless caused by a negligent or willful act of Tenant (in which event Tenant shall make the repairs at Tenant’s expense), Landlord may at Landlord’s option either (i) repair such damage as soon as reasonably possible at Landlord’s expense in which event this Lease shall continue in full force and effect, or (ii) give written notice to Tenant within thirty (30) days after the date of the occurrence of such damage of Landlord’s intention to cancel and terminate this Lease, as of the date of the occurrence of such damage. In the event Landlord elects to give such notice of Landlord’s intention to cancel and terminate this Lease, Tenant shall have the right within ten (10) days after the receipt of such notice to give written notice to Landlord of Tenant’s intention to repair such damage at Tenant’s expense, without reimbursement from Landlord, in which event this Lease shall continue in full force and effect, and Tenant shall proceed to make such repairs as soon as reasonably possible. If Tenant does not give such notice within such ten (10) day period, this Lease shall be canceled and terminated as of the date of the occurrence of such damage.

 (d) **Total Destruction**. If at any time during the term of this Lease there is damage, whether or not an Insured Loss (including destruction required by any authorized public authority), which falls into the classification of Total Premises Destruction or Total Building Destruction, Landlord shall be entitled to terminate this Lease in its sole discretion as of the date of such total destruction. However, if the total destruction is caused by a negligent or willful act of Tenant, Landlord shall have the right to require that Tenant pay all damages to and costs of Landlord resulting therefrom, whether or not Landlord elects to keep the Lease in effect.

(e) **Damage Near End of Term.**

 (i) If at any time during the last twelve (12) months of the term of this Lease there is damage, whether or not an Insured Loss, which falls within the classification of Partial Premises Damage, Landlord may at Landlord’s option cancel and terminate this Lease as of the date of occurrence of such damage by giving written notice to Tenant of Landlord’s election to do so within thirty (30) days after the date of occurrence of such damage.

 (ii) Notwithstanding subsection (i) above, in the event that Tenant has an option to extend or renew this Lease, and the time within which said option may be exercised has not yet expired, Tenant shall exercise such option, if it is to be exercised at all, no later than twenty (20) days after the occurrence of an Insured Loss falling within the classification of Partial Premises Damage during the last twelve months of the term of this Lease. If Tenant duly exercises such option during said twenty (20) day period, Landlord shall at Landlord’s expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Tenant fails to exercise such option during said twenty (20) day period, then Landlord may at Landlord’s option terminate and cancel this Lease as of the expiration of said twenty (20) day period by giving written notice to Tenant of Landlord’s election to do so within ten (10) days after the expiration of said twenty (20) day period, notwithstanding any term or provision in the grant of option to the contrary.

 (f) **Abatement of Rent; Tenant’s Remedies**.

 (i) In the event of damage described in subsections (b) and (c) above, and Landlord or Tenant repairs or restores the Premises, the Monthly Rent payable hereunder for the period during which such damage, repair or restoration continues shall be abated in proportion to the degree to which Tenant’s use of the Premises is impaired, unless such damage is caused by a negligent or willful act of Tenant (in which event Monthly Rent shall not be abated). Except for abatement of Monthly Rent, if any, Tenant shall have no claim against Landlord to any damage suffered by reason of any such damage, destruction, repair or restoration.

 (ii) If Landlord shall be obligated to repair or restore the Premises under the provisions of this Article 13 and shall not commence such repair or restoration within one-hundred eighty (180) days after such obligations shall accrue, then, notwithstanding anything to the contrary contained in this Lease, Tenant may at Tenant’s option cancel and terminate this Lease by giving Landlord written notice of Tenant’s election to do so at any time prior to the commencement of such repair or restoration. In such event this Lease shall terminate as of the date of such notice.

 (g) **Termination -- Advance Payments**. Upon termination of this Lease pursuant to this Article 13, an equitable adjustment shall be made concerning advance Rent and any advance payments made by Tenant to Landlord. Landlord shall, in addition, return to Tenant so much of Tenant’s security deposit as has not theretofore been applied by Landlord.

 (h) **Waiver.** Tenant waives the provisions of any statutes which relate to termination of leases when leased property is destroyed and agree that such event shall be governed by the terms of this Lease.

**14. TAXES** **.**

 **14.1 Payment of Taxes**. Landlord specifically calls to Tenant’s attention the fact that this Lease may create a possessory interest subject to property taxation, and Tenant may be subject to property tax levied on such interest. Tenant alone shall pay such tax. If the right is given to pay any of the taxes, assessments or other impositions which Tenant is herein obligated to pay either in one sum or in installments, Tenant may elect either mode of payment.

 **14.2 Personal Property Taxes**. Tenant shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Tenant contained in the Premises or elsewhere. Tenant shall cause said trade fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Landlord.

**15.** *[IF APPLICABLE:* **OPERATING EXPENSES** **.**

**15.1 Operating Expenses**. Tenant shall pay to Landlord in the manner set forth in Paragraph 15.3 below, Tenant’s pro rata share of the expenses (hereafter “**Operating Expenses**”) in connection with the maintenance, repair, replacement, and operation of the Real Property. It is understood and agreed that the term “Operating Expenses” shall include , but shall not be limited to, all sums expended in connection with the Real Property for (1) salaries, wages, benefits and other payroll expenses of employees engaged in the operation, maintenance or repair of the Building; (2) property management fees and expenses; (3) rent (or rental value) and expenses for Landlord’s and any property manager’s offices in the Building; (4) janitorial, maintenance, security, life safety and other services, such as alarm service, window cleaning and elevator maintenance (if applicable) and uniforms for personnel providing services; (5) general maintenance, repairs, painting and pest control within the Building; (6) maintenance, repair and replacement, resurfacing or repaving, painting, and re-striping of paved areas, sidewalks, curbs and gutters; (7) cleaning, sweeping and trash removal; (8) maintenance, replacement and repair of sprinkler systems, irrigation systems, landscaping and ground keeping; (9) management, operation, maintenance and repair of all public, private and park areas within and adjacent to the Building; (10) lighting, electricity, natural gas, water, waste disposal, sewage, music and other utilities and services; (11) maintenance, repair and replacement of signs on the Real Property which tenants and/or occupants of the Real Property are not obligated to repair, including any pylon, monument, or directional signs and other markers and bumpers; (12) maintenance, repair or replacement of any fire protection systems, automatic sprinkler systems, lighting systems, heating, ventilation and air conditioning systems, storm drainage systems, and any other utility systems, and costs associated with the submetering of utilities; (13) compliance with all federal, state, local codes laws including, but not limited to, the requirements of the Americans with Disabilities Act (the “**ADA**”), including costs incurred in connection with the defense and/or settlement of any claims alleging any violation of the ADA or similar laws and the remediation or correction of any such violations; (14) legal, accounting and other professional services for the Real Property, including costs, fees and expenses of contesting the validity or applicability of any law, ordinance, rule, regulation or order relating to the Real Property; (15) personnel to implement such services and to police the Real Property,  police and fire protection services, including security guards, all at the sole discretion of Landlord; (16) depreciation and maintenance on personal property, including window and floor coverings in the Common Areas and other public portions of the Real Property, and operating machinery and equipment (if owned) and rental paid for furniture, fixtures, materials, supplies, tools ,machinery and equipment (if rented) used for the management, operation and maintenance of the Real Property; (17) license, permit and inspection fees and costs; (18) costs associated with obtaining and maintaining the insurance described in Section 12.1, above, including any deductibles and attorneys’ fees paid in connection with an insured loss and costs incurred in obtaining insurance proceeds, and including an imputed insurance premium if Landlord self-insures, or a proportionate share if Landlord insures under a “blanket” policy; (19) any parking charges, surcharges or any other costs levied or assessed by local, state or federal government agencies in connection with the use of parking facilities; (20) the cost of any capital improvements made at any time to the Building in accordance with Section 15.2 (11); (21) sales, use and excise taxes; *[*and*]* (22) real estate taxes including all real property taxes, general and special assessments, taxes as a result of possessory interest, fees, or any other tax, fee or excise that may be levied or assessed as a substitute for any other real estate tax *[ADD IF APPLICABLE:* and (23) costs associated with shower facilities, bicycle parking, vehicle charging stations*]*. Landlord may cause any or all of said services to be provided by an independent contractor or contractors. Notwithstanding anything to the contrary contained herein, Landlord shall have the right, from time to time, to equitably allocate some or all of the Operating Expenses for the Real Property among different portions or user groups of the Real Property (the “**Cost Pool**”) in Landlord’s good faith and reasonable business judgment. The Operating Expenses within each such Cost Pool shall be allocated and charged to the occupants within such Cost Pool in an equitable manner as determined in Landlord’s good faith and reasonable business judgment. *[IF APPLICABLE:* In addition, Tenant shall pay Landlord, along with Tenant’s monthly payment of such Operating Expenses, an administrative fee equal to \_\_\_\_ percent (\_\_%) of the *[*Rent then payable by Tenant during the year in question*][*of the Operating Expenses paid by Landlord and charged back to Tenant.*]*

**15.2 Exclusions from Operating Expenses**. Notwithstanding anything to the contrary contained herein, in no event shall Operating Expenses include any of the following: (1) costs for which Landlord is reimbursed, receives a credit or is otherwise compensated (other than tenant reimbursements for Operating Expenses); (2) rent or other amounts payable under any ground lease or master lease, or interest, amortization or other repayment of indebtedness or costs, fees, points or other expenses in connection with any financing or refinancing of all or any part of the Real Property; (3) costs of correcting defects in the initial design or construction of the Building or any expansion thereof or any expenses resulting from inferior or deficient workmanship; (4) costs of repair or restoration required due to casualty damage or condemnation (except for commercially reasonable deductibles); (5) non-refundable reserves for anticipated or unanticipated future expenses; (6) interest or penalties incurred as a result of Landlord’s failure to pay any bill as it shall become due; (7) costs resulting from the gross negligence or willful misconduct of Landlord, its employees, and/or agents; (8) leasing commissions, attorneys’ fees, costs and disbursements, and other expenses (including, without limitation, advertising and marketing costs) incurred in connection with leasing, renovating, or improving space for tenants or other occupants or prospective tenants or occupants of the Building, or costs (including, without limitation, permit, license, and inspection fees) incurred in renovating or otherwise improving or decorating, painting or redecorating space for tenants or other occupants or vacant space; (9) costs of any services sold to tenants or other occupants for which Landlord is entitled to be reimbursed by such tenants or other occupants as an additional charge or rental over and above the basic rent and escalations payable under the lease with such tenant or other occupant; (10) allowances for depreciation of improvements in the Common Areas; and (11) so called “capital items” or “capital expenditures” which, pursuant to generally accepted accounting principles, are not fully chargeable to current expenses in the year the expenditure is incurred, except to the extent such capital expenditures are amortized over their useful life (with commercially reasonable interest) in accordance with generally accepted accounting principles and only with respect to those that (A) are intended to effect economies in the operation or maintenance of the Real Property, or any portion thereof, or (B) are installed with a reasonable and good faith expectation by Landlord that the same will reduce current or future Operating Expenses, or (C) are intended to enhance the safety or security of the Real Property or its occupants, or (D) are required to comply with present or anticipated conservation programs, or (E) are otherwise includable in Operating Expenses pursuant to the application of sound real estate management principles (including but not limited to, parking lot repair and resurfacing).

**15.3 Payment of Operating Expenses**. On or about the Rent Commencement Date, and as soon as possible after the beginning of each "**Expense Year**" (which shall mean each *[AS APPLICABLE [*calendar*] [*fiscal*]* year in which any portion of the Term falls, through and including the *[*calendar*] [*fiscal*]* year in which the Lease Term expires), Landlord shall provide Tenant with an estimate of the Operating Expenses. On or before the first day of each month, commencing on the Rent Commencement Date, Tenant shall pay, in advance, as monthly Additional Rent, the amount estimated by Landlord to be Tenant’s Operating Expenses. As soon as possible after the end of the Expense Year, Landlord shall provide Tenant with a written statement of the actual Operating Expense, the amount of Tenant’s share thereof for such Expense Year, and the payments made by Tenant for such Expense Year. Any overpayments shall be credited against subsequent Additional Rent payments, and any underpayments shall be paid by Tenant in a lump sum within thirty (30) days of receipt of Landlord’s statement. Such overpayments or underpayments shall be deemed to have accrued during the prior Expense Year and shall be credited to Tenant or become due and payable from Tenant, as the case may be, even though the Term of this Lease may have expired or this Lease may have been terminated prior to Tenant’s receipt of the statement. If payment is made after the fifth (5th) of the month, Tenant shall pay Landlord a late charge as set forth in Section 4.4 above.

**16. SERVICES, UTILITIES.**

**16.1 Services and Utilities**. Services and utilities shall be furnished or obtained and the cost shall be paid by the Landlord or Tenant as outlined in **Exhibit C**, attached hereto and incorporated herein. If any such services are not separately metered to Tenant, Tenant shall pay a reasonable proportion to be determined by Landlord of all charges jointly metered with other premises. Whenever heat generating machines or other machines or equipment are used by Tenant in the Premises which affect the temperature otherwise maintained by the heating and air conditioning equipment or result in a disproportionate level of use by Tenant of any service provided by Landlord, Landlord reserves the right to install supplementary air conditioning units or other supplementary equipment or machinery in the Premises (or for the use of the Premises) and the expense of such purchase, installation, maintenance, operation and repair shall be paid by Tenant upon demand as and Additional Rent and/or, as applicable, to install, at Tenant’s sole cost and expense, meters or similar devises to monitor such use and/or to charge Tenant for such disproportionate use.

**16.2 Interruption in Services and Utilities**. Notwithstanding anything in the foregoing that may be to the contrary, the failure to any extent to furnish, or any stoppage, malfunction or interruption of, services and utilities, resulting from any cause, shall not constitute an eviction or disturbance of Tenant’s use and possession of the Premises or a breach by Landlord of any of its obligations hereunder, nor render Landlord liable in any respect for damages to any person, property, or business (including, without limitation, consequential or special damages), nor entitle Tenant to be relieved from any of its obligations, covenant or agreement hereof hereunder (including the obligation to pay Rent) nor grant Tenant any right of off-set, recoupment or abatement of Rent, nor relieve Tenant from fulfillment of any covenants or agreements hereunder. In the event of any such interruption of any such services or utilities, Landlord shall use reasonable diligence to restore such service in any circumstances in which such interruption is caused by Landlord’s fault.

**17. ASSIGNMENT AND SUBLETTING** **.**

 **17.1 Landlord’s Consent Required**. Except in connection with a Permitted Transfer (defined in Section 17.6 below), Tenant shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of Tenant’s interest in this Lease or in the Premises, or allow any third party to use all or any portion of the Premises (in each such case, collectively or individually, a “Transfer” to a “Transferee”), without Landlord’s prior written consent, which Landlord shall not unreasonably withhold if Landlord does not exercise its recapture rights under Section 17.2 below. Without limitation, it is agreed that Landlord may refuse its consent if: (a) the Transferee’s character, reputation, credit history, business, or proposed use is not consistent with the character or quality of the Building or the service needs of the Campus; (b) the Transfer would subject the Premises to a use which (i) would involve increased insurance, personnel or wear upon the Building, (ii) would violate any exclusive right or restriction granted to another tenant or other occupant of the Building, or contained in another lease or occupancy agreement of the Building, (iii) would require any addition to or modification of the Premises, or the Building in order to comply with building code or other governmental requirement, (iv) is different from the Permitted Use, incompatible with the tenant mix and/or the proposed Transferee does not provide the type of service, or offer the same food choices, or product line (or quality or level of service, food choices or products) that Landlord requires to meet the needs of the student body; (c) the proposed Transferee’s financial condition is less than Tenant’s net worth and is or may become insufficient to support all of the financial and other obligations of this Lease; (d) the nature of the proposed Transferee’s proposed or likely use of the Premises would involve any increase risk of the use, release or mishandling of Hazardous Material; (e) the proposed Transferee is an entity with which Landlord is already in negotiation as evidenced by the issuance of a written proposal within the preceding twelve (12) month period or is already an occupant within the Building; (f) Landlord is not satisfied that the proposed Transferee’s assets, business and occupancy of the Premises would generate substantially the same Percentage Rent as Tenant has been generating, on an average basis, during the two years prior to the date of the proposed Transfer, or (g) in the case of a proposed sublease of the Premises, the proposed Transfer is for less than the entire Premises. Landlord shall be entitled to condition its consent to any sublease or other Transfer of less than the entire Premises on Tenant’s restoring the Premises at the Lease Expiration Date or earlier termination of this Lease. Tenant expressly agrees that Landlord shall have the absolute right to refuse consent to any Transfer reflecting the foregoing reasons and that for the purposes of any statutory or other requirement of reasonableness on the part of Landlord such refusal shall be deemed to be reasonable. If the entity(ies) that directly or indirectly controls the voting shares/rights of Tenant (other than through the ownership of voting securities listed on a recognized securities exchange) changes at any time, other than a change transferring voting rights or shares to an Affiliate of Tenant, such change of ownership or control shall constitute a Transfer. Any attempted assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void, and shall constitute a breach of this Lease.

 **17.2 Right of Recapture** **.** In the event Tenant notifies Landlord of its intent (the “**Intent to Transfer Notice**”) to assign this Lease or sublease all or any part of the Premises, unless such Transfer is a Permitted Transfer, Landlord shall have the right to recapture the Premises and to terminate this Lease (in the case of a sublease as to the portion of the Premises proposed to be subleased) by providing written notice of such recapture to Tenant (the “**Recapture Notice**”) within thirty (30) days of Landlord’s receipt of Tenant’s Intent to Transfer Notice. If Landlord exercises such recapture right, this Lease shall automatically be terminated (in the case of a sublease as to the portion of the Premises proposed to be subleased) effective on the date proposed by Tenant in its Intent to Transfer Notice, or if no date is proposed by Tenant, on a date which is thirty (30) days after Tenant’s receipt of Landlord’s Recapture Notice. In the case where less than the entire Premises has been recaptured, Landlord may require Tenant to execute a reasonable Lease amendment to reflect the change in the square footage of the Premises and the prorata adjustment to Monthly Rent, based on the number of square feet retained by Tenant, and this Lease as so amended shall continue in full force and effect. Where the entire Premises has been recaptured, the parties shall execute a reasonable termination agreement reflecting the termination of this Lease. If Landlord fails to exercise the foregoing recapture right, Tenant shall be entitled to continue with its proposed Transfer, provided that any such Transfer shall be subject to Landlord’s approval as provided in Section 17.1 above (and Tenant shall provide to Landlord all reasonable documentation required for Landlord to consent or deny its consent to any such Transfer as provided in Section 17.3 at the time of its request for consent), and provided further that, if Tenant fails to enter into an assignment or sublease of the Premises within nine (9) months from the date of Tenant’s Intent to Transfer Notice, then upon any future request for Landlord’s consent to a proposed Transfer provided for in this Article 17, Landlord shall have, in addition to the right to either consent to or refuse to consent to any such request from Tenant, the right to recapture the Premises as aforesaid.

 **17.3 Requirements**.

1. If Tenant desires at any time to Transfer this Lease, the Premises or any portion thereof, and such Transfer requires Landlord’s prior consent hereunder, Tenant shall give Landlord written notice of such desire, which notice shall contain: (1) the name and address of the proposed Transferee and its form of organization, (2) the nature of the proposed business, (3) the material terms and conditions of the proposed Transfer (including, without limitation, the financial terms of such proposed assignment or sublease), (4) financial statements for the three (3) most recently completed fiscal years of the proposed Transferee and such other financial information as Landlord shall reasonably request (or if the proposed assignee or sublessee has not been extant for at least three (3) years, such financial statements as are available), (5) an executed estoppel certificate from Tenant in the manner provided for in Section 21 below, and (6) such other information, financial or otherwise, as Landlord may request concerning the proposed Transferee.
2. At any time within thirty (30) days after Landlord’s receipt of the information specified in subsection (a) above, Landlord may by written notice to Tenant elect to either (i) accept the Transfer of the Premises or the portion thereof as shall be specified in said notice upon the same terms as those offered to the proposed Transferee, as the case may be; or (ii) reject the proposed Transfer, and Tenant shall remain in possession under the terms of this Lease. If Landlord does not accept or reject the Transfer set forth in this Section 17.3 within said thirty (30) day period, then the proposed Transfer shall be deemed disapproved.
3. Landlord shall have the absolute right, in its sole discretion, to refuse consent to any such Transfer if, at the time of either Tenant’s notice of the proposed Transfer or the proposed commencement date thereof there shall exist any uncured default of Tenant or matter which will become a default of Tenant with the passage of time unless cured.

 **17.4 Excess of Consideration**. If the value of the consideration to be received by Tenant for such assignment or sublease (after deducting leasing commissions, the unamortized part of Tenant’s contribution to tenant improvements, if any, and any other reasonable out-of-pocket expenses of Tenant incurred in connection with such subleasing or assignment of the Premises) will exceed the sum of the Monthly Rent and the Additional Rent, or prorated portion thereof, as the case may be, Tenant shall pay to Landlord, as Additional Rent, \_\_\_\_\_\_ percent (\_\_\_%) of the excess of the consideration paid in connection with or pursuant to the assignment or sublease, over the sum of the Monthly Rent and the Additional Rent then due applicable to the assigned or subleased space.

 **17.5 Administrative Fees**. In the event Tenant shall assign or sublet the Premises or request the consent of Landlord to any assignment or subletting or if Tenant shall request the consent of Landlord for any act Tenant proposes to do, then Tenant shall pay Landlord’s reasonable administrative fees (including attorneys’ fees) incurred in connection therewith, *[*such fees not to exceed ($3,000.00) for each such request*]*.

 **17.6 Permitted Transfers** **.** *[IF APPLICABLE: conditioned upon the operations of tenant remaining substantially the same (e.g. significantly the same menu, same product line, and/or type of service)]*, Notwithstanding any contrary provision in this Lease, neither (a) a Transfer of all or a portion of the Premises to (1) an entity which is controlled by, controls or is under common control with Tenant, or (2) a purchaser of all or substantially all of the assets of Tenant or of an entity which is controlled by, controls or is under common control with Tenant, or (b) a Transfer, by operation of law or otherwise, in connection with the merger, consolidation or other reorganization of Tenant or of an entity which is controlled by, controls or is under common control with Tenant (the entities described in both (a) and (b) are collectively referred to as a “**Tenant Affiliate**”) shall be subject to Landlord’s consent under this Lease; provided, however, that no Transfer to a Tenant Affiliate shall release Tenant from any liability under this Lease and provided further that the resulting entity who shall become the Tenant as a result of any such assignment has the financial ability to perform Tenant’s obligations under this Lease. Tenant shall immediately notify Landlord of any Transfer to a Tenant Affiliate for which Landlord’s consent is not required (a “**Permitted Transfer**”). For purposes of this Lease, “control” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled person. Except as provided in this Section 17.6, any Transfer of this Lease or the Premises pursuant to this Section 17.6 shall be subject to all terms and conditions of this Lease that are applicable to any Transfer made with Landlord’s consent.

 **17.7 No Release of Tenant** **.** Regardless of Landlord’s consent, no Transfer shall release Tenant of Tenant’s obligation or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of Rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one Transfer shall not be deemed consent to any subsequent Transfer. In the event of default by any Transferee of Tenant, or any successor of Tenant, in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against said Transferee. Landlord may consent to subsequent Transfers of this Lease or amendments or modifications to this Lease with Transferees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto and such action shall not relieve Tenant of liability under this Lease. Any Transfer of this Lease or subletting which does not comply with the provisions of this Article 17 shall, at Landlord’s option, be deemed a default by Tenant, and shall be voidable by Landlord.

**17.8** **Limitation on Remedies** **.** Tenant will not be entitled to make any claim for any relief or damages, and Tenant by this Section 17.8 waives any claim, for relief or damages, based upon any assertion by Tenant that Landlord has unreasonably withheld or unreasonably delayed its consent or approval to a proposed Transfer of this Lease.

 [*IF APPLICABLE* **17.9 Tenant Franchise** . Tenant shall be entitled to Transfer all of the Premises to an approved franchisee of Tenant (the “**Tenant Franchisee**”), provided Landlord shall first review and approve such Tenant Franchisee’s operating history, financial information, the franchise agreement terms, and other documentation concerning such franchise as may be reasonably required by Landlord to enable Landlord to make an evaluation of whether the Tenant Franchisee has the financial wherewithal and business experience to perform all of the obligations of Tenant under this Lease,*[IF APPLICABLE* and provided further that the menu and food service program shall not materially change*]*. No such Transfer to an approved Tenant Franchisee shall release Tenant from any liability under this Lease and Tenant shall provide to Landlord in connection with and as a condition to any such Transfer to any Tenant Franchisee a corporate guarantee from Tenant in a form acceptable to Landlord.]

**18. DEFAULTS; REMEDIES** **.**

 **18.1 Defaults by Tenant** **.** The occurrence of any one or more of the following events shall constitute a material default and breach (an “**Event of Default**”) of this Lease by Tenant:

 (a) The vacating or abandonment of the Premises by Tenant.

 (b) An act or failure to act which is identified in this Lease as material breach of this Lease, including a failure of Tenant to execute any documents referenced in Article 21 within the time periods set forth therein if the failure continues for a period of fifteen (15) days after Tenant’s receipt from Landlord of a written notice of such failure delivered following the expiration of the applicable time periods set forth in Article 21.

 (c) The failure by Tenant to make any payment of Rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of three (3) days after written notice thereof from Landlord to Tenant. In the event that Landlord serves Tenant with a Notice to Pay Rent or Quit pursuant to applicable Unlawful Detainer statutes such Notice to Pay Rent or Quit shall also constitute the notice required by this Section 18.1(c).

 (d) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant, other than described in Sections 18.1(b) and 18.1(c) above, where such failure shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant; provided, however, that if the nature of Tenant’s default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commenced such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

 (e) The making by Tenant of (i) any general arrangement or assignment for the benefit of creditors; (ii) Tenant becomes a “debtor” as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Tenant’s assets located at the Premises or of Tenant’s interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Tenant’s assets located at the Premises or of Tenant’s interest in this Lease, where such seizure is not discharged within thirty (30) days, provided, however, in the event that any provision of this Section 18.1(e) is contrary to any Applicable Law, such provision shall be of no force or effect.

 (f) The discovery by Landlord that any written report or any financial statement given to Landlord by Tenant, any assignee of Tenant, any subtenant of Tenant, any successor in interest of Tenant or any guarantor of Tenant’s obligation hereunder, and any of them, was materially or intentionally false or misleading.

 Any notice required under this Section 18.1 shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161 or any successor law.

 **18.2 Remedies** .

 (a) Landlord’s Remedies Generally. Upon the occurrence and during the continuance of an Event of Default under this Lease (but without obligation on the part of Landlord following the occurrence of an Event of Default to accept a cure of such Event of Default other than as required by law or the terms of this Lease), Landlord shall have all rights and remedies provided in this Lease or available at law or equity, including termination of this Lease.

 (b) Right to Keep Lease in Effect.

 (i) Continuation of Lease. Upon the occurrence of an Event of Default hereunder, Landlord may continue this Lease in full force and effect, as permitted by California Civil Code Section 1951.4 (or any successor provisions). Specifically, Landlord has the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee’s breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations). In the event Landlord elects this remedy, Landlord shall have the right to enforce by suit or otherwise, all covenants and conditions hereof to be performed or complied with by Tenant and exercise all of Landlord’ rights, including the right to collect Rent, including any and all Additional Rent, when and as such sums become due, even though Tenant has breached this Lease and is no longer in possession of the Premises or actively managing or operating the Premises. If Tenant abandons the Premises in violation of this Lease, Landlord may (A) enter the Premises and relet the Premises, or any part thereof, to third Persons for Tenant’s account without notice to Tenant, Tenant hereby waiving rights, if any, to any such notice under any applicable Law, and (B) alter, install or modify the Improvements or any portion thereof.

 (ii) No Termination. No act by Landlord allowed by this Section 18.2(b), nor any act of maintenance or preservation, nor any appointment of a receiver upon Landlord’s initiative to protect its interest under this Lease, nor any withholding of consent to an assignment or termination of an assignment in accordance herewith, shall constitute a termination of this Lease, unless and until Landlord notifies Tenant in writing that Landlord elects to terminate this Lease.

 (iii) Application of Proceeds of Reletting. If Landlord elects to relet the Premises as provided hereinabove in Section 18.2(b)(i), the rent that Landlord receives from reletting shall be applied to the payment of:

 (A) First, all costs incurred by Landlord in enforcing this Lease, whether or not any action or proceeding is commenced, including, without limitation, reasonable attorneys’ fees and costs, brokers’ fees or commissions, the costs of removing and storing the personal property of Tenant, costs incurred by Landlord in connection with reletting the Premises, or any portion thereof, and the costs of repairing, securing and maintaining the Premises or any portion thereof;

 (B) Second, the satisfaction of all monetary obligations of Tenant hereunder, due and unpaid under this Lease;

 (C) After deducting the payments referred to in this Section 18.2(b)(iii), any sum remaining from the rent Landlord receives from reletting shall be held by Landlord. In no event shall Tenant be entitled to any excess rent received by Landlord.

 (iv) Payment of Rent. Tenant shall pay to Landlord any Rent due under this Lease, if any, on the dates the Rent is due, less the rent Landlord has received from any reletting which exceeds all costs and expenses of Landlord incurred in connection with Tenant’s default and the reletting of all or any portion of the Premises.

 (c) Right to Terminate Lease. Upon the occurrence of an Event of Default hereunder, Landlord may terminate Tenant’s right to possession of the Premises by any lawful means in which case this Lease and the term hereof shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all sums allowed under California Civil Code Section 1951.2, including, without limitation, the following:

 (i) The worth at the time of award of the unpaid Rent which had been earned at the time of termination;

 (ii) The worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided;

 (iii) The worth at the time of award of the amount by which the unpaid Rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; and

 (iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant’s failure to perform its obligations under the Lease or which in the ordinary course of things would be likely to result therefrom.

 (v) The “worth at the time of award” of the amounts referred to in Sections 18.2(c)(i) and 18.2(c)(ii) is computed by allowing interest at the maximum rate then allowable by Applicable Law. The worth at the time of award of the amount referred to in Section 18.2(c)(iii) is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

 (d) Waiver of Rights to Recover Possession. In the event Landlord terminates Tenant’s right to possession of the Premises pursuant to Section 18.2(c), Tenant hereby waives any rights to recover or regain possession of the Premises under any rights of redemption to which it may be entitled by or under any present or future law, including, without limitation, California Code of Civil Procedure Sections 1174 and 1179 or any successor provisions.

 (e) Right to Cure. Landlord may, but shall not be obligated to, cure any such default without waiving its right based upon any default of Tenant and without releasing Tenant from any obligations hereunder, in which event, Tenant shall promptly reimburse Landlord for sums incurred by Landlord in connection therewith.

 *[IF APPLICABLE* **18.3 Percentage Rent Damages**  **.** For the purpose of computing Tenant’s liability under this Lease in case of an Event of Default, the annual amount of Percentage Rent for which Tenant shall be liable after termination of the Lease or Tenant’s right to possession of the Premises shall be the total of all the amounts Tenant was obligated to pay as Percentage Rent during the entire period before such termination divided by the number of the full years in such entire time. Tenant will also pay a pro rata part of such annual Percentage Rent, based upon the length of time between the previous payment of Percentage Rent and the date of such termination; and upon such termination Tenant will be obligated to submit to Landlord a statement accurately showing Gross Sales made since submission of its last previous statement, together with such additional supporting financial records as Landlord may require.*]*

**18.4 Default by Landlord**. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord’s obligation is such that more than thirty (30) days are required for performance then Landlord shall not be in default if Landlord commences performance within such 30-day period and thereafter diligently prosecutes the same to completion.

**19. CONDEMNATION**. If the Premises or a material portion thereof (as determined by Landlord in its reasonable discretion) are taken under the power of eminent domain, or sold under the threat of the exercise of said power (all of which are herein called “condemnation”), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs. Any award for the taking of all or any part of the Premises under the power of eminent domain or any payment made under threat of the exercise of such power shall be the property of Landlord, whether such award shall be made as compensation for diminution in value of the leasehold or for the taking of the fee, or as severance damages; provided, however, that Tenant shall be entitled to any award for loss of or damage to Tenant’s trade fixtures and removable personal property. In the event that this Lease is not terminated by reason of such condemnation, Landlord shall to the extent of severance damages received by Landlord in connection with such condemnation, repair any damage to the Premises caused by such condemnation except to the extent that Tenant has been reimbursed therefor by the condemning authority. Tenant shall pay any amount in excess of such severance damages required to complete such repair.

**20. BROKER’S FEE** **.** Tenant represents and warrants to Landlord that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Landlord against any loss, cost, liability or expense incurred by Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Tenant. The provisions of this Article 20 shall not apply to brokers with whom Landlord has an express written brokerage agreement.

**21. ESTOPPEL CERTIFICATE; SUBORDINATION** **.**

 **21.1 Estoppel Certificate.**

(a) Tenant shall at any time upon not less than ten (10) business days’ prior written notice from Landlord execute, acknowledge and deliver to Landlord a statement written on a commercially reasonable estoppel certificate form (i) certifying 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) and the date to which the Rent and other charges are paid in advance, if any, (ii) acknowledging 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, and (iii) containing such other commercially reasonable certifications as Landlord may request. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises.

 (b) At Landlord’s option, 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, and (iii) that not more than one (1) month’s rent has been paid in advance.

 **21.2 Subordination.**

 (a) This Lease, at Landlord’s option, shall be subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation or security now or hereafter placed upon the real property of which the Premises are a part and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding such subordination, Tenant’s right to possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant shall pay the Rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust, or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust, or ground lease, or the date of recording thereof.

 (b) Tenant agrees to execute any documents required to effectuate an attornment, a subordination or to make this Lease prior to the lien of any mortgage, deed of trust or ground lease, as the case may be. Tenant’s failure to execute such documents within ten (10) days after written demand shall constitute a material breach by Tenant hereunder, or, at Landlord’s option, Landlord shall execute such documents on behalf of Tenant as Tenant’s attorney-in-fact. Tenant does hereby make, constitute and irrevocably appoint Landlord as Tenant’s attorney-in-fact and in Tenant’s name, place and stead, to execute such documents in accordance with this paragraph.

**22. SEVERABILITY** **.** The invalidity of any provision of this Lease as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof and such other provisions shall remain in full force and effect. If any provision of this Lease is capable of two (2) constructions, one which would render the provision void and one which would render the provision valid, the provision shall be interpreted in the manner which would render it valid.

**23. FINANCIAL STATEMENTS** **.** Within fifteen (15) days after Landlord’s written request, from time to time, Tenant shall furnish Landlord with financial statements, prepared by an independent, certified public accountant and certified by an officer of Tenant as being true, complete and correct, including, but not limited to, balance sheets, profit and loss statements, income statements and changes to financial condition, which reflect Tenant’s current financial condition. Any information obtained from Tenant’s financial statements shall be confidential and shall not be disclosed to any third party, other than to carry out the purposes of this Lease; provided, however, Landlord shall incur no liability for the inadvertent disclosure of any such information, and Landlord may divulge the contents of any financial statements of Tenant in connection with any financing arrangement or assignment of Landlord’s interest in the Premises or in connection with any administrative or judicial proceedings, or as otherwise may be required by Applicable Laws, including the California Public Records Act (Cal. Gov’t Code § 6250 et seq.).

**24. TIME OF ESSENCE** **.** Subject to Article 45 below (Force Majeure), time limits in this Lease are to be strictly observed. Time is of the essence in the performance of, and compliance with, each term and provision of this Lease.

**25. COVENANT AGAINST LIENS** **.** Tenant shall not be the cause or object of any liens or allow such liens to exist, attach to, be placed on, or encumber Landlord’s or Tenant’s interest in the Premises or the Real Property by operation of law or otherwise. Tenant shall not suffer or permit any lien of mechanics, material suppliers, or others to be placed against the Premises or the Real Property with respect to work or services performed or claimed to have been performed for Tenant or materials furnished or claimed to have been furnished to Tenant or the Premises. Landlord has the right at all times to post and keep posted on the Premises any notice that it considers necessary for protection from such liens. At least seven (7) days before beginning construction of any alteration, Tenant shall give Landlord written notice of the expected commencement date of that construction to permit Landlord to post and record a notice of non-responsibility. If any such lien attaches or Tenant receives notice of any such lien, Tenant shall cause the lien to be immediately released and removed of record. Despite any other provision of this Lease, if the lien is not released and removed within five (5) days after Landlord delivers notice of the lien to Tenant, Landlord may immediately take all action necessary to release and remove the lien, without any duty to investigate the validity of it. All expenses (including reasonable attorney fees) incurred by Landlord in connection with the lien shall be considered Additional Rent under this Lease and be immediately due and payable by Tenant.

**26. INCORPORATION OF PRIOR AGREEMENTS; AMENDMENTS** **.** This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Lease may be modified in writing only, signed by the parties in interest at the time of the modification.

**27. WAIVERS** **.** No waiver by Landlord or any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Tenant of the same or any other provision. Landlord’s consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Landlord’s consent to or approval of any subsequent act by Tenant. The acceptance of Rent hereunder by Landlord shall not be a waiver of any preceding breach by Tenant of any provision hereof, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord’s knowledge of such preceding breach at the time of acceptance of such Rent.

**28. SURRENDER; HOLDING OVER** **.**

28.1 **Surrender.** On or before the last day of the Lease Term, or on any sooner termination, Tenant shall surrender the Premises to Landlord broom clean and free of debris and in otherwise good condition, reasonable wear and tear excepted, and shall deliver all keys to Landlord. Tenant, at Tenant’s expense, shall remove from the Premises all of its personal property and trade fixtures and all telephone, security, and communication equipment and systems, and all wiring and cabling, and all Alterations which Landlord has required to be removed, and restore in a good and workmanlike manner any damage to the Premises and/or the Building caused by such installation or removal or replace the damaged component of the Premises and/or the Building if such component cannot be restored as aforesaid as reasonably determined by Landlord.

28.2 **Holding Over With Consent.** If Tenant, with Landlord’s prior written consent, remains in possession of the Premises or any part thereof after the expiration of the Lease Term, such occupancy shall be deemed to be a tenancy from month-to-month cancelable upon thirty (30) days’ notice, upon all the provisions of this Lease pertaining to the obligations of Tenant, with the exception of Monthly Rent which shall be at % of the then current Monthly Rent, but all options and rights of first refusal, if any, granted upon the terms of this Lease shall be deemed terminated and be of no further effect during said month-to month-tenancy.

28.3 **Holding Over Without Consent.** Subject to Section 28.2, if Tenant fails to surrender all or any part of the Premises at the expiration or earlier termination of this Lease, occupancy of the Premises shall be that of a tenancy at sufferance. Tenant’s occupancy shall be subject to all the terms and provisions of this Lease and Tenant shall pay an amount (on a per month basis without reduction for partial months during the holdover) equal to 200% of the sum of the Monthly Rent and Additional Rent due for the period immediately preceding the holdover. No holdover by Tenant or payment by Tenant after the termination of this Lease shall be construed to extend the Term or prevent Landlord from immediate recovery of possession of the Premises by summary proceedings or otherwise. Tenant shall be liable for, and shall indemnify Landlord from and against, any and all damages direct and/or consequential, or as otherwise provided by Applicable Laws that Landlord may suffer on account of Tenant’s failure or refusal to so surrender possession of the Premises.

**29. CUMULATIVE REMEDIES** **.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

**30. COVENANTS AND CONDITIONS** **.** Each provision of this Lease performable by Tenant shall be deemed both a covenant and a condition.

**31. BINDING EFFECT; JOINT AND SEVERAL LIABILITY; CHOICE OF LAW** **.** Subject to any provisions hereof restricting assignment or subletting by Tenant and subject to the provisions of Article 32, this Lease and the covenants and conditions contained herein shall bind the parties and the respective heirs, successors, executors, administrators and assigns of all of the parties hereto. All of the parties hereto shall be jointly and severally liable for the covenants contained herein. This Lease shall be governed by the laws of the state where the Premises are located.

**32.** **TRANSFER OF THE PREMISES BY LANDLORD** **.** Notwithstanding any other provisions of this Lease, Landlord may assign, in whole or in part, Landlord’s interest in this Lease and may sell, exchange, or master lease all or part of the real estate of which the Premises are a part. In the event of any sale or exchange of the Premises by Landlord and assignment by Landlord of this Lease, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all covenants and obligations contained in or derived from this Lease or arising out of any act, occurrence or omission relating to the Premises which occurs after the consummation of such sale, exchange, or assignment, and Tenant shall look to any such transferee and assignee for the performance of all of Landlord’s duties, obligations, liabilities, covenants and responsibilities under this Lease accruing from and after the effective date of such sale, exchange and/or assignment.

**33. ATTORNEYS**’ **FEES** **.** If Landlord is made a party defendant to any litigation relating to this Lease or the Premises by reason of any act or omission of Tenant, then Tenant shall hold Landlord harmless from any loss, cost or expense, including reasonable attorney’s fees, arising out of or relating to any such litigation. If either party brings an action or proceeding against the other to enforce the terms hereof or declare rights hereunder, the prevailing party in any such action or proceeding shall be entitled to recover from the other, in addition to any other award, an amount equal to reasonable attorneys’ fees and costs to be fixed by the court.

**34. LANDLORD’S ACCESS** **.** Landlord and Landlord’s agents shall have the right to enter the Premises at reasonable times for the purpose of inspecting the same, showing the same to prospective purchasers, lenders, or lessees, and making such alterations, repairs, improvements or additions to the Premises or to the Building as Landlord may deem necessary or desirable. Landlord may at any time place on or about the Premises any ordinary “For Sale” signs and Landlord may at any time during the last \_\_\_\_\_\_\_\_\_\_\_\_ (\_\_\_\_) months of the Lease Term place on or about the Premises any ordinary “For Lease” signs, all without rebate of Rent or liability to Tenant.

**35. SIGNS; ADVERTISING** **.**

**35.1 Permitted Signage**. Tenant shall not place any sign upon any window or upon the exterior of the Building any signs, decorations, awning, canopy, advertising placards, names, insignias, trademarks or other descriptive material without the prior written approval of Landlord as to size, type, color, location, copy, nature, material and display qualities, which shall be subject to any sign criteria provided by Landlord to Tenant. *[IF APPLICABLE* A sample identifying sign bearing Tenant’s logo is attached hereto as **Exhibit G**.*]* Said approval by Landlord may be withheld in its sole and absolute discretion. Landlord may, at Tenant’s sole cost, remove any item erected or maintained in violation of this provision.

**35.2 Prohibited Advertising**. Tenant shall not, without Landlord’s consent, install any exterior lighting, amplifiers or similar devices or use in, upon or about the Premises any advertising media which may be heard or seen outside the Premises, such as flashing lights, search lights, loudspeakers, phonographs or radio broadcasts. Landlord may withhold its consent in its sole and absolute discretion. Tenant shall not, without Landlord’s written consent, which may be withheld in its sole and absolute discretion, solicit business in the Common Areas, nor distribute any hand bills or other advertising matter in the Common Areas.

**35.3 Tenant’s Obligations**. *[IF APPLICABLE:*  Tenant must install its approved signage on the exterior of the Premises, within thirty (30) days from Tenant’s opening for business. Such sign shall be manufactured and installed by Tenant’s experienced and licensed contractor.*]* *[IF APPLICABLE* Tenant shall keep exterior signs lighted during hours reasonably established by Landlord.*]* Tenant shall at all times maintain its approved show windows and signs in a neat and orderly condition. Tenant further agrees to maintain any approved sign, awning, canopy, decoration, lettering, or advertising matter in good condition and repair at all times. Landlord may require Tenant to replace any sign or portion thereof which, in Landlord’s sole discretion, has deteriorated, faded or weathered beyond a reasonable condition. If Tenant, after five (5) days written notice, shall fail to properly maintain or repair any exterior sign, Landlord may do so and the total cost thereof shall be immediately payable by Tenant to Landlord.

**36. MERGER** **.** The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, or a termination by Landlord, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subtenancies or may, at the option of Landlord, operate as an assignment to Landlord of any or all of such subtenancies.

**37. QUIET ENJOYMENT** **.** On Tenant’s observation and performance of all of the covenants, terms, and conditions of this Lease to be observed and performed by Tenant, Tenant shall peaceably and quietly hold and enjoy the Premises from and after its delivery to Tenant without disturbance from Landlord; this is subject, however, to (a) the rights of the parties as set forth in this Lease, and (b) the terms of any instruments or encumbrances to which this Lease is subordinate.

**38. NO PARTNERSHIP** **.** Notwithstanding any other provision of this Lease, Landlord does not by this Lease, in any manner nor for any purpose, become a partner or joint venturer of Tenant in the conduct of its business or otherwise. The provisions of this Lease relating to Percentage Rent and Additional Rent are included solely for the purpose of providing a method whereby Rent is to be measured, ascertained and paid.

**39. SECURITY MEASURES** **.** During all hours on Saturdays, Sundays, legal holidays and on weekdays between the hours of 7:00 p.m. and 7:00 a.m. the following day, access to the Building or to the halls, corridors, or stairways in the Building, or to the Premises may be refused unless the person seeking access is known to any person or employee of the Building in charge and has a pass or is properly identified. Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building and/or Common Areas of any person. In case of invasion, mob, riot, public excitement, emergency or other commotion or any structural damage from any cause whatsoever, Landlord reserves the right to prevent access to the Building and/or Common Areas during the continuance of the same, by closing the doors or otherwise, for the safety of the tenants and protection of the Building and/or Common Areas and property located therein. Anything to the foregoing notwithstanding, Landlord shall have no duty to provide security protection for the Building and/or Common Areas at any time or to monitor access thereto. Tenant hereby acknowledges that (i) the Rent payable to Landlord hereunder does not include the cost of guard service or other security measures, (ii) Landlord shall have no obligation whatsoever to provide any such security measures, (iii) Landlord has made no representation to Tenant regarding the safety or security of the Building, and (iv) Tenant assumes all responsibility for providing any security it deems necessary to protect itself, its property, and Tenant’s employees, agents, contractors, and invitees in, on, or about the Building from acts of third parties. If Landlord provides any security measures at any time, then the cost thereof shall be included as part of the Operating Expenses, but Landlord will not be obligated to continue providing such security measures for any period of time, Landlord may discontinue such security measures without notice and without liability to Tenant, and Landlord will not be obligated to provide such security measures with any particular standard of care.

**40. COUNTERPARTS; ELECTRONIC SIGNATURES**. This Lease, including all attachments and other documents incorporated in this Lease or made applicable by reference, and any amendments, waivers, consents or supplements hereto or thereto may be executed in counterparts (and by different parties hereto in different counterparts), each of which will constitute an original, but all taken together will constitute a single document binding on the parties. This Lease and any amendments, waivers, consents or supplements hereto may be executed and delivered by facsimile signature, PDF or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (e.g., www.docusign.com).

**41. PERFORMANCE UNDER PROTEST** **.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one party to the other under the provisions hereof, the party against whom the obligation to pay the money is asserted shall have the right to make payment “under protest” by depositing such payment in an escrow account pending resolution of the dispute, and such payment shall not be regarded as a voluntary payment, and there shall survive the right on the part of said party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said party to pay such sum of any part thereof, said party shall be entitled to recover such sum or so much thereof as it was not legally required to pay under the provisions of this Lease.

**42. AUTHORITY** **.** If Tenant is a corporation, trust, limited liability company, general or limited partnership, or any other form of entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said entity, and Tenant shall, concurrently with its execution of this Lease, deliver to Landlord evidence of such authority satisfactory to Landlord.

**43. CONFLICT** **.** Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

**44. HAZARDOUS MATERIALS** **.**

 **44.1 Definitions**.

(a) **“Environmental Laws**” shall mean all applicable federal, state, and local laws, statutes, ordinances, rules, regulations, orders and judgments relating to the protection or clean-up of the environment; the use, treatment, storage, transportation, generation, manufacture, processing, distribution, handling or disposal of, or emission, discharge or other release or threatened release of hazardous or toxic materials or substances; the preservation or protection of waterways, groundwater, drinking water, air, wildlife, plants or other natural resources; the health and safety of persons or property; or the protection of the health and safety of employees, as the same may be amended, modified or supplemented from time to time, including, without limitation: the Clean Air Act, as amended, 42 U.S.C. section 7401 et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. section 1251 et seq.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. section 6901 et seq.; the Comprehensive Environment Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986), 42 U.S.C. section 9601 et seq.; the Toxic Substances Control Act, as amended, 15 U.S.C. section 2601 et seq.; the Occupational Safety and Health Act, as amended, 29 U.S.C. section 651, the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. section 11001 et seq.; the Safe Drinking Water Act, as amended, 42 U.S.C. section 300 et seq.; Division 20 of the California Health and Safety Code; the California Water Code, section 13000 et seq.; all comparable federal, state, and local laws and regulations; and any and all common law requirements, rules and bases of liability regulating, relating to or imposing liability or standards of conduct concerning pollution or protection of human health or the environment, as now or may at any time hereafter be in effect.

(b) “**Hazardous Material”** shall mean any element, compound, mixture, solution, substance, or waste that might pose a hazard to human health and safety or to the environment, or otherwise give rise to liability under Environmental Laws, including, but not limited to (i) any element, compound, mixture, solution, substance or waste that is or hereafter shall be listed, regulated, or defined by Environmental Laws to be hazardous, acutely hazardous, extremely hazardous, radioactive, toxic, or dangerous; (ii) asbestos or asbestos-containing materials; (iii) polychlorinated biphenyls (PCBs); (iv) per- and polyfluoroalkyl substances (PFAS) (v) radon gas; (vi) laboratory wastes; (vii) experimental products, including genetically engineered microbes; (viii) petroleum (including crude oil and any components, fractions, or derivatives thereof) or natural gas; and (ix) medical waste as defined in the Medical Waste Management Act, California Health and Safety Code section 117690.

(c) **“Release”** shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, seeping, dumping, or disposing into, on, above, from, or under the Premises (including the abandonment or discarding of barrels, containers, and other closed receptacles containing any Hazardous Material or pollutant or contaminant).

 **44.2 Compliance and Response**. During the Lease Term:

 (a) Tenant shall comply with Applicable Law in all respects, including, but not limited to, the acquisition of and compliance with all permits, licenses, orders, requirements, approvals, plans and authorizations that are or may become necessary for conduct of Tenant's operations on the Premises.

(b) Tenant covenants and agrees that it will not, without the prior written consent of Landlord, which may be given or withheld in Landlord’s sole discretion, store, use, handle, nor permit the storage, use, or handling of any Hazardous Material on, under or about the Premises, except for janitorial or office supplies or materials in such limited amounts as are customarily used for general office purposes so long as such handling is at all times in full compliance with all Environmental Laws. Landlord shall not be responsible for any Hazardous Material brought on to the Premises by Tenant.

 (c) Should Tenant discover or become aware of any Release of any Hazardous Material on the Premises, or of the existence of any other condition or occurrence that may constitute or pose a significant present or potential hazard to human health and safety or to the Premises or environment, Tenant shall do all of the following:

(1) Within twenty-four (24) hours, notify Landlord of the Release, regardless of whether such discovery necessitates any report to any governmental agency. The notice shall describe the nature and quantity of Hazardous Material discovered and assess, if then known, the immediate potential risks posed to the public, the environment, and Landlord.

(2) Notify all applicable governmental agencies of the Release in accordance with Environmental Laws. Tenant shall deliver to Landlord copies of any notice and correspondence to and from the applicable governmental agencies. Landlord’s receipt of such notice and correspondence shall not be deemed to create any obligation on the part of Landlord to defend or otherwise respond to any such Release.

(d) Tenant shall promptly respond to and remedy (by removal and proper disposal or such other methods as shall be reasonably required) to the satisfaction of applicable governmental agencies any Release or threatened Release of any Hazardous Material connected with Tenant's operations or Tenant's presence on the Premises. Except as otherwise provided in Section 44.4, all such action shall be done in Tenant's name, and at Tenant's sole cost and expense. For purposes of this Section 44.2(d), the term "respond" shall include, but not be limited to, the investigation of the Release and resulting environmental conditions, the preparation of feasibility reports or remedial plans, and the performance of any cleanup, remediation, containment, maintenance, monitoring or restoration work. Any such actions shall be performed in a good, safe, workmanlike manner and shall minimize any impact on the businesses or operations conducted at the Premises. In its discretion, Landlord may, but shall not be required to, enter the Premises personally or through its agents, consultants or contractors and perform all or any part of the response activity or remedial action that it feels is reasonably necessary to comply with the terms of this Lease, and Tenant shall reimburse Landlord for its costs thereof and for any liabilities resulting therefrom.

 (e) Tenant shall promptly deliver to Landlord copies of Tenant's receipt of any notice, request, demand, inquiry or order from any government agency or any other individual or entity relating in any way to a Release or threatened Release of any Hazardous Material or Tenant's compliance with, or failure to comply with, Environmental Laws. Landlord’s receipt of such notice and correspondence shall not be deemed to create any obligation on the part of Landlord to defend or otherwise respond to any such notification, Release, or threatened Release.

 **44.3 Other Emissions**. Tenant shall not:

 (a) Permit any vehicle on the property of which the Premises are a part to emit exhaust which is in violation of any Environmental Laws;

 (b) Create, or permit to be created, any sound pressure level and/or use, release or emit any odorous or noxious substances which will interfere with the quiet enjoyment of any other tenant of the Building or any real property adjacent to the Building, or which will create a nuisance or violate any Applicable Law;

 (c) Transmit, receive, or permit to be transmitted or received, any electromagnetic, microwave or other radiation which is harmful or hazardous to any person or property in, on or about the Premises, or anywhere else, or which interferes with the operation of any electrical, electronic, telephonic or other equipment wherever located, whether on the Premises or anywhere else;

 (d) Create, or permit to be created, any ground or building vibration that is discernible outside the Premises; and

 (e) Produce, or permit to be produced, any intense glare, light or heat except within an enclosed or screened area and then only in such manner that the glare, light or heat shall not be discernible outside the Premises.

 **44.4 Indemnification**. Tenant shall indemnify, defend (with counsel reasonably satisfactory to Landlord), and hold harmless Landlord (including all of Landlord’s Regents, officers, employees and directors) from and against any and all actions, claims, damages (including, but not limited to any diminution in property value, losses due to non-rentability, or other consequential damages or loss), expenses, encumbrances, fees, fines, penalties or costs (including, but not limited to, legal fees; the costs of notice to any other person; the costs of environmental or technical risk assessment; any cleanup or remedial costs; and the costs of any monitoring, sampling or analysis)arising out of or in any way connected with (a) the presence, Release, or threatened Release of any Hazardous Material in, on, above, under, or from the Premises, whether or not such condition was known or unknown to Tenant; or (b) Tenant's alleged violation of Environmental Laws. These obligations shall not apply, if and to the extent that (a) such actions, claims, damages, expenses, encumbrances, fees, fines, penalties, or costs arose solely out of conditions existing on the Premises prior to the commencement of Tenant's first possession of the Premises or conditions created on the Premises after Tenant has quit the Premises; and (b) Tenant did not violate any Environmental Laws or act negligently with respect to, or otherwise contribute to, the condition or the hazard posed by the condition.

 **44.5 Survival**. The duties set forth in this Article 44 shall survive the termination of this Lease.

 **44.6 Disposal of Other Matter** **.** *[MAKE SURE THIS IS CONSISTENT WITH EXHIBIT D.]*

 (a) Refuse Disposal. Tenant shall not keep any trash, garbage, waste or other refuse on the Premises except in sanitary containers and shall regularly and frequently remove and dispose of the same from the Premises. Tenant shall keep all incinerators, containers or other equipment used for storage or disposal of such matter in a clean and sanitary condition, and shall promptly dispose of all other waste.

 (b) Sewage Disposal. Tenant shall properly dispose of all sanitary sewage and shall not use the sewage disposal system (i) for the disposal of anything except sanitary sewage, or (ii) in excess of the lesser of the amount allowed by the sewage treatment works, or permitted by any governmental entity. Tenant shall keep the sewage disposal system free of all obstructions and in good operating condition.

**45. FORCE MAJEURE** **.** “**Force Majeure**” shall mean any prevention, delay or stoppage of a party’s performance of its obligations under this Lease which arises as a result of (i) events beyond the reasonable control, prevention and foreseeability of the party affected by the delay, including, but not restricted to, strikes, curfews, insurrection, rebellion, riots, acts of God, pandemics, epidemics, quarantine restrictions, freight embargoes, inability to obtain labor or materials, temporary governmental order, restriction or delay (but only to the extent that any such delay is not attributable to the failure of the party whose performance is delayed to comply with requirements imposed by Applicable Laws) or other temporary governmental acts, war, invasion, enemy action, civil commotion, explosion, fire, earthquakes, or other casualty, but (x) expressly excluding financial inability, and (y) expressly acknowledging that the actions of any party’s employees, agents and invitees are to be deemed to be within the reasonable control, prevention and foreseeability of such party for the purposes of this definition; (ii) in the case of Landlord, any condition that threatens the security or safety of persons or property within the Building or the Real Property, or (iii) with respect to a claim of Force Majeure by (x) Tenant as the affected party, any default by Landlord, which adversely affects Tenant’s ability to perform, and (y) Landlord as the affected party, any default by Tenant, which adversely affects Landlord’s ability to perform. If any event of force majeure prevents a party from performing an obligation under this Lease or causes a delay in the performance of such obligation, such party shall be excused from such performance and such performance obligation shall be postponed for the duration of the Force Majeure event.

**46. CASP INSPECTION** **.**

[OPTION 1] The Premises have undergone an inspection by a Certified Access Specialist (CASp) and, to the best of Landlord’s knowledge, there have been no modifications or alterations completed or commenced between the date of the inspection and the Effective Date which have impacted the Premises’ compliance with construction-related accessibility standards. Landlord has provided, at least forty-eight (48) hours prior to execution of this Lease, a copy of such CASp report to Tenant.

The Premises have been issued an inspection report by a CASp, as described in paragraph (1) of subdivision (a) of Section 55.53 of the California Civil Code, indicating that it meets applicable standards, as defined in paragraph (4) of subdivision (a) of Section 55.52 of the California Civil Code. Landlord shall provide a copy of the current disability access inspection certificate and any inspection report to Tenant no later than seven (7) days after the Effective Date.

***OR***

[OPTION 2] The Premises have undergone an inspection by a Certified Access Specialist (CASp), and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. To the best of Landlord’s knowledge, there have been no modifications or alterations completed or commenced between the date of the inspection and the Effective Date which have impacted the Premises’ compliance with construction-related accessibility standards. Landlord has provided, at least forty-eight (48) hours prior to execution of this Lease, a copy of such CASp report to Tenant.

Because a disability access inspection certificate, as described in subdivision (e) of Section 55.53 of the California Civil Code, was not issued for the Premises, Tenant is advised of the following (pursuant to Section 1938 of the California Civil Code):

“A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.”

The parties hereby agree that Tenant shall have the right, but not the obligation, to have a CASp further inspect the Premises. If Tenant elects to obtain a CASp inspection, Tenant shall be responsible for the payment thereof. Additionally, if Tenant elects to make any repairs necessary to correct violations of construction-related accessibility standards, Tenant may do so, at its sole cost and expense, subject to Section 10 hereof.

***OR***

[OPTION 3] The Premises have not undergone an inspection by a Certified Access Specialist (CASp), and a disability access inspection certificate, as described in subdivision (e) of Section 55.53 of the California Civil Code, has not been issued for the Premises. In accordance with Section 1938 of the California Civil Code, Tenant is advised of the following:

“A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.”

Accordingly, the parties hereby agree that Tenant shall have the right, but not the obligation, to have a CASp inspect the Premises and determine whether the Premises complies with all of the applicable construction-related accessibility standards under state law. If it is determined that the Premises do not meet all applicable construction-related accessibility standards, then Tenant shall promptly make, as soon as reasonably possible, but subject to Section 10 hereof, any repairs necessary to correct violations of construction-related accessibility standards identified by such inspection, at Tenant’s sole cost and expense.

**47. NO RIGHT TO RECEIVE RELOCATION BENEFITS** **. *[Consider adding this provision to new leases, or lease extensions, entered into with existing tenants of occupied properties that the University acquired.]*** Landlord is a public entity. Landlord may, at the expiration of the Lease Term or extension thereof, decide to utilize the Premises for its own purposes inconsistent with continued occupancy by Tenant. In the event that Landlord decides to use the Premises for its own purposes upon the expiration of the Lease Term or extensions thereof, Landlord may decide not to negotiate with Tenant for Tenant’s continued occupancy of the Premises. Tenant’s occupancy during the Lease Term or extensions thereof is an interim use of the Property, pending potential use of the Premises by Landlord for public uses consistent with the educational mission of Landlord. Nothing in this Lease creates any implied or express expectation that Landlord will re-let the Premises to Tenant at the expiration of the Lease term, or that Landlord will offer any extensions of the Lease Term to Tenant, except as expressly provided in this Lease. Tenant acknowledges the foregoing, and understands that in the event that Landlord declines to negotiate for renewal or extension of this Lease upon expiration of the Lease Term or extension thereof, Tenant shall not be eligible to receive relocation assistance or relocation benefits pursuant to any Federal law, state law, or University of California policy, including without limitation Government Code section 7260 *et seq*. Tenant hereby waives any right to receive relocation assistance or relocation benefits from Landlord pursuant to any Federal law, state law, or University of California policy, including without limitation Government Code section 7260 *et seq.*, so long as Landlord permits Tenant to remain in possession of the Premises during the Lease Term or extensions thereof, subject to Tenant’s compliance with all terms and conditions of this Lease.

**48. ENERGY USE DISCLOSURE** **.** To the extent applicable,Landlord shall comply with the requirements to disclose certain information concerning the energy performance of the Building pursuant to California Public Resources Code Section 25402.10 and the regulations adopted pursuant thereto.

**49. CALIFORNIA CIVIL CODE WAIVER** **.** Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to the destruction of the Premises, California Civil Code Sections 1941 and 1942 with respect to Landlord’s repair duties and Tenant’s right to repair, California Civil Code Section 1950.7 with respect to the return of a security deposit, and California Code of Civil Procedure Section 1265.130, allowing either party to petition the Superior Court to terminate this Lease in the event of a partial taking of the Premises by condemnation as herein defined, and any right of redemption or reinstatement of Tenant under any present or future case law or statutory provision (including California Code of Civil Procedure Sections 473 and 1179, California Civil Code Section 3275) in the event Tenant is dispossessed from the Premises for any reason, and California Civil Code Section 1950.7 with respect to time periods during which any Security Deposit must be returned. This waiver applies to future statutes enacted in addition or in substitution of the statutes specified herein.

**50. *[IF APPLICABLE]* FAIR WAGE/FAIR WORK** **.**

(a) Compliance with the Plan. Tenant agrees to abide by Landlord’s Fair Wage/Fair Work plan (the “**Plan**”). In accordance therewith, Tenant shall (i) comply with the Plan for all of its employees and contractors working more than 20 hours per week in the Premises (*e.g.* pay a “**Fair Wage**” of at least $15 per hour); (ii) post a notice in the Premises (in all break rooms and other public notice areas), which notice clearly references the Plan’s applicability to Tenant’s employees and contractors; and (iii) provide a certification, in the form attached hereto as Exhibit H, on each anniversary of the Lease Commencement Date certifying that Tenant has complied with the requirements of the Plan.

(b) Audit Rights. Tenant agrees that Landlord may conduct such audits as Landlord reasonably requests to determine Tenant’s compliance with the requirements of the Plan. Tenant shall provide sufficient access to its records in order for Landlord to perform such audit.

(c) Remedies. If Tenant either (i) fails to provide the annual certification, or (ii) upon audit, is determined not to have materially complied with the Plan, then Tenant shall be deemed to be in material breach of this Lease and Landlord shall be able to pursue all remedies available under this Lease.

**51. *[IF APPLICABLE]* CONTRACTING FOR COVERED SERVICES.** Tenant hereby agrees to comply with Regents Policy 5402: Policy Generally Prohibiting Contracting for Services (“**Policy 5402**”), which requires Tenant to pay (or cause its contractors to pay) the equivalent of Landlord’s wages and benefits to individuals performing Covered Services at the Premises on behalf of Tenant under the Lease. For the purpose of this Lease, “**Covered Services**” are defined as work customarily performed by bargaining unit employees at the University of California in the categories of services described in (a) Policy 5402 and (b) American Federation of State, County, and Municipal Employees (AFSCME) Collective Bargaining Lease Article 5. Covered Services include, but are not necessarily limited to, the following services: cleaning, custodial, janitorial, or housekeeping services; food services; laundry services; grounds keeping; building maintenance (excluding skilled crafts); transportation and parking services; and security services. Tenant may access a copy of Policy 5402 at this link: <https://www.ucop.edu/procurement-services/policies-forms/contracting-covered-services/contracting-for-covered-services-resources.html>

Tenant further agrees as follows.

 (a) Tenant shall pay (or cause its contractors to pay) to individuals performing Covered Services at the Premises the equivalent value of the wages and benefits received by Landlord’s employees providing similar services at the same or nearest University of California location. The initial rates are as set forth in the Wage and Benefit Parity Appendix, attached hereto as Addendum 8 and incorporated herein. Wage and benefit parity rates for each job listed thereon shall be subject to adjustment on an annual basis in the month of January. Such adjusted rates shall be paid as of the effective date of the adjustment.

 (b) Landlord may conduct such compliance audits as Landlord reasonably requests of Tenant’s books and records to ensure compliance with Policy 5402.

(c) Tenant shall post “Contracting for Covered Services” notices, in the template supplied by Landlord, in prominent and accessible places (such as break rooms and lunch rooms) where it may be easily seen by individuals who perform Covered Services.

(d) Tenant’s failure to cure a default under this Section 51 within thirty (30) days after receipt of written notice from Landlord shall be considered a material breach under this Lease, and Landlord shall have all rights and remedies available at law or in equity including the right to terminate this Lease.

**52. OFAC REPRESENTATION.** Tenant represents and warrants to Landlord, and agrees, that each individual executing this Lease on behalf of Tenant is authorized to do so on behalf of Tenant and that the entity(ies) or individual(s) constituting Tenant, or which may own or control Tenant, or which may be owned or controlled by Tenant, or any of Tenant’s affiliates, or any of their respective partners, members, shareholders or other equity owners, and their respective employees, officers, directors, representatives or agents are not and at no time will be (i) in violation of any Applicable Laws relating to terrorism or money laundering, or (ii) among the individuals or entities with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Assets Control (“**OFAC**”) of the Department of the Treasury (including those named on OFAC’s Specially Designated Nationals and Blocked Persons List for the purpose of identifying suspected terrorists or on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx> or any replacement website or other replacement official publication of such list) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, known as Executive Order 13224) or other governmental action and Tenant will not Transfer this Lease to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

**53. FOREIGN ENTITIES.** Tenant represents and warrants to Landlord that the entity(ies) or individual(s) constituting Tenant, or which may own or control Tenant, or which may be owned or controlled by Tenant, or which may be an affiliate of Tenant, are not a Foreign Source, as defined in Section 117 of the Higher Education Act (HEA) of 1965.  If, at any time during the Term of this Lease, any such entity(ies) or individual(s) shall be deemed to be a Foreign Source, Tenant shall promptly notify Landlord of such fact and shall provide all relevant information required to be reported by Landlord under the HEA.  *[NOTE: If Tenant cannot make this representation, please consult with Real Estate Services and Strategies for reporting requirements.]*

**54.**  *[IF APPLICABLE: Use of Addenda is optional depending on the transaction. The selected Addenda attached are for reference purposes.]***ADDENDUM** **.** Attached hereto is an addendum or addenda containing Sections through which constitutes a part of this Lease.

[Signatures Appear on Following Page]

**The parties hereto have executed this Lease** **as of the Effective Date.**

**LANDLORD**

**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**

By:

Name:

Its:

**TENANT**

By:

Name:

Its:

**Exhibit A**

**DESCRIPTION OF PREMISES**

(Floor Plan with Dimensions)

(Site Plan of Building)

**Exhibit B**

 **CONFIRMATION OF LEASE TERM**

This Confirmation of Lease Term is entered into as of , 20 between The Regents of the University of California (the “Landlord”) and (the “Tenant”).

 WHEREAS, Landlord and Tenant entered into that certain Lease dated for the premises located at (the “Lease”).

 NOW, THEREFORE, in consideration of the mutual covenants herein, the parties hereto agree as follows:

 1. Lease Term. Landlord and Tenant agree that the Lease Term as defined in the Lease commences on (the “Lease Commencement Date”) and ends on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Lease Expiration Date”) unless sooner terminated or extended pursuant to the terms of the Lease.

 2. Monthly Rent. Landlord and Tenant agree that Tenant’s obligation to pay Monthly Rent (as defined in the Lease) commences on (the “Rent Commencement Date”).

 The parties have caused this Confirmation of Lease Term to be executed as of the date first set forth above.

**TENANT: LANDLORD:**

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

Name: Name: **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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

**EXHIBIT C**

# **SUMMARY OF SERVICES AND UTILITIES**

*[CUSTOMIZE BY LOCATION]*

The following is a summary of service and utility responsibilities of Landlord and Tenant:

|  |  |  |  |
| --- | --- | --- | --- |
| NOTAPPLICABLE | LANDLORD | TENANT | FREQUENCY |
| Paper Supplies, dispensers and waste containers (Premises) |  |  |  |  |
| Light bulbs & fluorescent light tubes and starters |  |  |   |  |
| Ballasts and transformers for fluorescent lights, light switches and electrical outlets |  |  |   |  |
| Heating and air conditioning control switches |  |  |   |  |
| Janitorial service for interior of Premises & patio, if applicable (dust, waste removal, vacuum, mop, cleaning) |  |  |  |  |
| Janitorial service for exterior of Premises and Common Areas |  |  |  |  |
| Carpet, title and linoleum |  |  |  |  |
| Gas |  |  |   |  |
| Electric |  |  |   |  |
| Water |  |  |   |  |
| Window washing – interior |  |  |  |  |
| Landscaping and gardening |  |  |  |  |
| Drapes, blinds, window shades |  |  |   |  |
| Kitchen appliances |  |  |  |  |
| Refuse, rubbish & garbage disposal |  |  |   |  |
| Pest control on a \_\_\_\_\_\_\_\_ basis by a contractor designated by Landlord *[IF APPLICABLE:*  and approved by the Landlord’s Environment, Health & Safety department.*]* |  |  |  |  |
| Fire and Life Safety Testing and Reporting |  |  |  |  |
| Other: |  |  |  |  |

Items indicated as Landlord responsibilities may be subject to reimbursement by Tenant as Operating Expenses in accordance with the terms and conditions of the Lease.

**EXHIBIT D**

 **SUMMARY OF REPAIR AND MAINTENANCE RESPONSIBILITIES**

*[CUSTOMIZE BY LOCATION]*

The following is a summary of repairs and maintenance responsibilities of Landlord and Tenant:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Landlord | Tenant | NotApplicable |
| Foundations |  |  |  |
| Exterior & Bearing Walls |  |  |  |
| Roof |  |  |  |
| Electrical Systems |  |  |  |
| Lighting Systems |  |  |  |
| Plumbing Systems |  |  |  |
| Heating Systems |  |  |  |
| Ventilation Systems |  |  |  |
| Air Conditioning Systems |  |  |  |
| Alarm Systems |  |  |  |
| Plate Glass |  |  |  |
| Windows & Window Frames |  |  |  |
| Gutters, Drains, Downspouts |  |  |  |
| Elevators |  |  |  |
| Exterior Doors |  |   |  |
| Floor Slabs |  |  |  |
| Common Areas |  |  |  |
| Ceilings |  |  |  |
| Interior Walls |  |  |  |
| Interior Doors |  |  |  |
| Interior Surfaces & Windows |  |  |  |
| Appliances  |  |  |  |
| Repainting of Interior Walls  |  |  |  |
| Base and/or moldings |  |  |  |
| Parking Lot Area |  |  |  |
| *[IF APPLICABLE]* Quarterly maintenance and cleaning of exhaust hood system from the Premises to the rooftop unit including but not limited to motor, fan, duct system, etc. *[IF APPLICABLE]* Tenant shall provide to Landlord quarterly copies of receipts or contract documenting regularly scheduled performance of such services.  |  |  |  |
| *[IF APPLICABLE]* Quarterly maintenance and service of the cooking hood fire suppression system for the Premises. *[IF APPLICABLE]* Tenant shall provide to Landlord quarterly copies of receipts or contract documenting regularly scheduled performance of such services. |  |  |  |
| [IF APPLICABLE] Quarterly maintenance and service of the grease trap or interceptor for the Premises. *[IF APPLICABLE]* Tenant shall provide to Landlord quarterly copies of receipts or contract documenting regularly scheduled performance of such services. |  |  |  |
|  |  |  |  |
| Other: |  |  |  |

Items indicated as Landlord responsibilities may be subject to reimbursement by Tenant as Operating Expenses in accordance with the terms and conditions of the Lease.

**EXHIBIT E**

## LANDLORD’S GENERAL RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the following Rules and Regulations, except as may be otherwise set forth in the Lease. Landlord shall not be responsible to Tenant for the nonperformance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Building.

1. The sidewalks, walkways, plaza entries, corridors, ramps, doorways, elevators, stairways and similar areas of the Building shall not be obstructed by tenants or used for any purpose other than ingress and egress to and from the Premises and for going from one to another part of the Building. No skateboards, roller skates, roller blades or similar items shall be used in or about the Building.

2. Plumbing fixtures and appliances shall be used only for purposes for which they are constructed, and no sweepings, rubbish, rags or other unsuitable or foreign substance or material of any kind shall be thrown or placed therein. The expense of any breakage, stoppage or damage resulting from a violation of this rule shall be borne by the tenant who, or whose employees, sublessees, assignees, agents, licensees, or invitees, shall have caused it, and Landlord shall not in any case be responsible therefor.

3. No signs, advertisements or notices shall be painted or affixed on or to any windows or doors, or other part of the building, except of such color, size and style and in such places as shall be first approved in writing by Landlord in its discretion. Landlord shall have the right to remove any sign, placard, picture, advertisement, name or notice which has not been approved by Landlord or is being displayed in a non-approved manner without notice to and at the expense of the Tenant. Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall which may appear unsightly from outside of the Premises.

4. Directories and directional signage will be placed by Landlord in such places in the Building as selected by Landlord. No other directories shall be permitted unless previously consented to by Landlord in writing.

5. Tenants shall not do, or permit anything to be done in or about the building, or bring or keep anything therein, that will in any way increase the rate of fire or other insurance on the building, or on property kept therein, or do, or keep anything in or about the Premises that will cause a cancellation of any insurance carried by Landlord covering the Building, or obstruct or interfere with the rights of, or otherwise injure or annoy, other tenants, or do anything in conflict with the valid pertinent laws, rules or regulations of any governmental authority. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

6. Tenant shall not display or sell goods or merchandise outside the boundaries of its premises nor shall Tenant place or permit tables, chairs, umbrellas, portable signs, placards, pictures, advertisements or banners (except with express consent from Landlord or except as expressly permitted by this Lease) or any other objects or devices to be used or stored outside such boundaries. Tenant shall not place or permit pay phones, newspaper racks, vending machines, equipment or machines of any type to be placed on the exterior premises and/or sidewalks.

7. No premises shall be used, or permitted to be used, for lodging or any illegal purpose.

8. Tenant shall assume any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed during the hours and days Tenant is not open for business to the public. Further, Tenant shall bear the cost of any lock changes or repairs required by Tenant or for Tenant’s use.

9. No loud speakers, televisions, radios, unreasonably bright or flashing lights or other devices shall be used in a manner so as to be heard or seen outside of the Premises without the prior written consent of Landlord. Tenant shall not otherwise make or permit any improper noises in the Building.

10. Tenant shall use reasonable commercial efforts to prevent pest infestation within the Premises and shall as necessary, at Tenant’s cost, engage the services of a licensed pest extermination contractor at such intervals as Landlord may require.

11. All loading and unloading of merchandise, supplies and fixtures to and from the Premises shall be done only at such times, in the areas, and through the entrances designated for such purposes by Landlord or in the Lease. The loading dock and service areas are not for the use of the general public and Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence in the judgment of Landlord shall be prejudicial to the safety, character, reputation and interests of the Building or its tenants, or invitees; provided that Tenant or its building-approved contractors shall be able to use the loading dock in its normal course of loading and unloading activities, and for merchandise and other articles to be delivered to or received from the Tenant’s premises. Children under the age of 18 are specifically prohibited from being in the loading dock and service areas at any time, unless prior written permission is received from Landlord.

12. Tenant shall not place, or cause or allow to be placed, any radio or television antenna, loudspeaker, satellite dish, communications equipment, or computer or microwave receiving equipment, or other similar equipment on the roof or exterior walls of the Premises, Building or Building without obtaining Landlord’s prior approval as set forth in the Lease. Landlord may remove any such equipment so placed without notice to, and at the expense of, Tenant. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere.

13. Tenant shall not disturb, solicit or canvass any occupant or customer of the Building within the Common Areas of the Building, nor shall Tenant permit the distribution of flyers, handbills or other such advertising to pedestrians or on vehicles anywhere in the Common Areas of the Building. Tenant agrees to cooperate with Landlord and its agents to prevent such activities.

14. Tenants shall not interfere in any way with other tenants, or persons having business with them. No animals (other than those aiding the disabled such as “seeing eye” dogs) shall be brought in or kept in or about the Premises or the Building and/or Common Areas.

15. All trash, refuse and waste materials shall be stored in adequate containers which shall be removed from the Premises by Tenant and disposed of in a clean and sanitary manner. No trash may be dragged across or stored in the Common Areas. Trash must be contained in leak-proof containers. Sidewalk trash containers are not to be used for Tenant’s trash; they are for customers’ use. Tenant shall not burn any trash or garbage of any kind in or about the Premises or the Building. Any tenant using grease must contract with a grease removal company and store the grease barrel(s) inside its premises.

16. Except in connection with normal and customary equipment, goods and supplies used in connection with the operation of Tenant’s permitted use, Tenant shall not use or keep in or on the Premises or Common Area of the Building any kerosene, gasoline or other flammable, inflammable or explosive or combustible fluid or substance.

17. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or whose presence in the judgment of Landlord shall be prejudicial to the safety, character, reputation and interests of the Building or its tenants, or who shall in any manner do any act in violation of any of these Rules and Regulations; provided, however, that nothing herein contained shall be construed to prevent access by persons with whom the Tenant normally deals in the ordinary course of Tenant’s business unless such persons are engaged in illegal activities.

18. In case of invasion, mob, riot, public excitement, emergency or other commotion or any structural damage from any cause whatsoever, Landlord reserves the right to prevent access to the Building and/or Common Areas, or any part thereof, during the continuance of the same, by closing entrances, doors, or otherwise, for the safety of the tenants and protection of the Building and/or Common Areas and persons and property therein. Anything to the foregoing notwithstanding, Landlord shall have no duty to provide security protection for the Building and/or Common Areas at any time or to monitor access thereto.

19. Tenants shall comply with Landlord’s no-smoking and sustainability policies.

20. Tenant must provide Landlord with names and telephone numbers of persons to contact in case of emergency.

21. Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or any other tenant but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of Tenant, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Building.

22. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant’s employees, agents, licensees, sublessees, assigns, and invitees.

Landlord reserves the right to rescind any of these rules and make such other and further rules and regulations as in its judgment shall from time to time be needed for the safety, protection, care and cleanliness of the building, the operation thereof, the preservation of good order therein, and the protection and comfort of its tenants, their agents, employees and invitees.

**EXHIBIT F**

**FORM OF GUARANTY**

THIS GUARANTY is made as of the       day of \_\_\_\_\_\_  , 20**\_\_** (the “Effective Date”) by**\_\_\_\_\_\_\_\_\_\_\_\_\_\_** (the “**Guarantor**”), to and for the benefit of **THE REGENTS OF THE UNIVERSITY OF CALIFORNIA** and its successors and assigns (the “**Landlord**”).

WHEREAS, concurrently with the execution of this Guaranty the Landlord and\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “**Tenant**”), have entered into a certain Standard Retail Lease dated as of \_\_\_\_\_\_ \_\_, 20\_\_, (the “**Lease**”) for certain premiseslocated at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(the “**Premises**”); and

WHEREAS, the Guarantor owns, or has a direct and/or indirect financial interest in, the Tenant; and

WHEREAS, it is recognized by the parties that the terms and conditions contained in the Lease were agreed to by the Landlord solely because the Guarantor has agreed to guarantee the performance of the obligations of the Tenant and its successors and assigns under the Lease, and such guarantee was and is a material inducement to the execution and delivery of the Lease by the Landlord; and

WHEREAS, the Guarantor warrants and acknowledges that because of its financial interest, direct and indirect, in the Tenant and in the benefits and advantages which will result from the Lease, it will be significantly benefitted by the Lease.

NOW, THEREFORE, in consideration of the foregoing and as an inducement for the granting, execution and delivery of the Lease, the sum of ten dollars ($10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor hereby unconditionally and irrevocably guarantees, promises and agrees as follows:

1. The Guarantor hereby guarantees to the Landlord, absolutely, unconditionally and irrevocably, (a) the full and prompt payment of all sums which may at any time become due under the Lease, including, but not limited to, Monthly Rent, Percentage Rent, Additional Rent, and all other sums and charges (including, without limitation, Landlord’s legal expenses, reasonable attorneys’ fees and disbursements) (hereinafter sometimes collectively referred to as “**Tenant’s Monetary Obligations**”) which the Tenant is obligated to pay to, or on behalf of, the Landlord or to pay to third parties under the provisions of the Lease, and (b) the full and timely performance and observance of all of the covenants, terms, conditions and agreements provided in the Lease to be performed and observed by the Tenant (hereinafter sometimes collectively referred to as “**Tenant’s Non‑Monetary Obligations**”). The Guarantor hereby covenants and agrees to and with the Landlord that if at any time the Tenant shall fail to make payment when due of any of Tenant’s Monetary Obligations, or if at any time the Tenant shall fail to perform and observe when and as required any of Tenant’s Non‑Monetary Obligations, the Guarantor shall forthwith pay Tenant’s Monetary Obligations to the Landlord and any arrears thereof, and shall forthwith faithfully and punctually perform and fulfill all of Tenant’s Non‑Monetary Obligations and, in addition thereto, shall forthwith pay to Landlord all reasonable attorneys’ fees and disbursements incurred by the Landlord or caused by any such Default or the enforcement of this Guaranty, including any attorneys’ fees, costs or other expenses incurred in any negotiations, action or proceeding commenced to enforce this Guaranty.

2. This Guaranty is an absolute and unconditional guaranty of payment (and not merely of collection) and of performance. The liability of the Guarantor under this Guaranty is primary, irrevocable and co‑extensive with that of the Tenant and also joint and several (with that of the Tenant), and this Guaranty shall be enforceable against the Guarantor without the necessity of any suit or proceeding on the Landlord’s part of any kind or nature whatsoever against the Tenant and without the necessity of any notice of non‑payment, non‑performance or non‑observance or of any notice of acceptance of this Guaranty or of any other notice or demand to which the Guarantor might otherwise be entitled, all of which the Guarantor hereby expressly waives. The Guarantor waives the right to require the Landlord to proceed against, exhaust or apply any security that the Landlord holds from the Tenant or to pursue any other remedy in the Landlord’s power. Accordingly, the Guarantor waives all rights and defenses under California Civil Code Sections 2845, 2849 and 2850, or any successor statute or statutes thereto, as well as any similar code section(s) which may be applicable in the State where the Premises are located.

3. The Guarantor hereby expressly agrees that the validity of this Guaranty and the obligations of the Guarantor hereunder shall in no way be terminated, affected, diminished or impaired by reason of (a) the assertion of, or the failure to assert by the Landlord, against the Tenant any of the rights or remedies reserved to the Landlord pursuant to the terms, covenants and conditions of the Lease, or (b) any non‑liability of the Tenant under the Lease, whether by insolvency, discharge in bankruptcy, or any other defect or defense which may now or hereafter exist in favor of the Tenant. This Guaranty will continue unchanged by any bankruptcy, reorganization or insolvency of the Tenant or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee to the Tenant, it being the intent that the Guarantor’s obligations hereunder shall continue in full force and effect as if the Tenant’s obligations under the Lease had not been discharged or modified by any such action. Accordingly, the Guarantor waives all rights and defenses under California Civil Code Section 2819, or any successor statute or statutes thereto, as well as any similar code section(s) which may be applicable in the State where the Premises are located.

4. This Guaranty guarantees the performance of the obligations of the Tenant, its successors and assigns.

5. The Guarantor waives any defense by reason of any disability of the Tenant, including, without limitation, the incapacity or lack of authority of the Tenant, and the Guarantor shall remain liable even if the Tenant had no liability at the time of execution of the Lease or thereafter ceases to be liable, the Guarantor acknowledging and agreeing that the Guarantor’s obligations hereunder may be larger and more burdensome than those of the Tenant. Accordingly, the Guarantor waives all rights and defenses under California Civil Code Sections 2809 and 2810, or any successor statute or statutes thereto, as well as any similar code section(s) which may be applicable in the State where the Premises are located.

6. This Guaranty shall be a continuing guaranty, and it is expressly agreed that this Guaranty will be unchanged by, and the liability of the Guarantor hereunder shall in no way be affected, modified or diminished by reason of, (a) any assignment, renewal, modification, amendment, extension or waiver of the Lease or any of the terms, covenants and conditions thereof, even if the effect of such assignment, renewal, modification, amendment, extension or waiver shall be to increase the obligations of the Guarantor hereunder, or (b) any extension of time that may be granted by the Landlord to the Tenant, or (c) any consent, release, indulgence or other action, inaction or omission under or in respect of the Lease, or (d) any dealings or transactions or matter or thing occurring between the Landlord and the Tenant, or (e) any bankruptcy, insolvency, reorganization, liquidation, arrangement, assignment for the benefit or creditors, receivership, trusteeship or similar proceeding affecting the Tenant, or (f) whether such obligation may be or hereafter become barred by any statute of limitations, or (g) whether such obligation is or may otherwise be or become unenforceable, whether or not notice of any of the aforesaid (a) through (g) is given to the Guarantor. Without limiting any of the foregoing, the Guarantor hereby knowingly and intentionally waives any and all of the Guarantor’s rights and defenses that are or may become available to the Guarantor by reason of California Civil Code Sections 2787 through 2855, inclusive, and any successor statute or statutes thereto, as well as any similar code section(s) which may be applicable in the State where the Premises are located.

7. Should the Landlord be obligated by any bankruptcy or other law to repay to the Tenant or to the Guarantor or to any trustee, receiver or other representative of either of them, any amounts previously paid, this Guaranty shall be reinstated in the amount of such repayments. The Landlord shall not be required to litigate or otherwise dispute its obligations to make such repayments if it in good faith believes that such obligation exists.

8. The Guarantor hereby waives notice of any demand by the Landlord as well as any notice of the Tenant’s Default in the payment of Rent or any other amounts contained or reserved in the Lease. No delay on the part of the Landlord in exercising any right, power or privilege under this Guaranty or failure to exercise the same shall operate as a waiver of or otherwise affect any such right, power or privilege, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

9. No waiver or modification of any provision of this Guaranty nor any termination of this Guaranty shall be effective unless in writing and signed by the Landlord; nor shall any such waiver be applicable except in the specific instance for which it is given.

10. All of the Landlord’s rights and remedies under the Lease and under this Guaranty, now or hereafter existing at law or in equity or by statute or otherwise, are intended to be distinct, separate and cumulative and no exercise or partial exercise of any such right or remedy therein or herein mentioned is intended to be in exclusion of or a waiver of any of the others.

11. The Guarantor agrees that whenever at any time or from time to time the Guarantor shall make any payment to the Landlord or perform or fulfill any term, covenant or condition hereunder on account of the liability of the Guarantor hereunder, the Guarantor will notify the Landlord in writing that such payment or performance, as the case may be, is for such purpose. No such payment or performance by the Guarantor pursuant to any provision hereof or otherwise shall entitle the Guarantor, by subrogation or otherwise, to the rights of the Landlord to any payment by the Tenant or out of the property of the Tenant, except and until after payment of all sums and fulfillment of all covenants, terms, conditions or agreements to be paid or performed by the Tenant and its successors or assigns under the Lease have been paid and/or performed. Accordingly, the Guarantor waives all rights under California Civil Code Sections 2847 and 2848, and any successor statute or statutes thereto, as well as any similar code section(s) which may be applicable in the State where the Premises are located.

12. The Guarantor agrees that it will, at any time and from time to time, within ten (10) days following written request by the Landlord, execute, acknowledge and deliver to the Landlord a statement certifying that this Guaranty is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating such modification). The Guarantor agrees that such certificate may be relied on by anyone holding or proposing to acquire any interest in the Premises, the Building, or the Real Property (as defined in the Lease) of which the Premises is a part from or through the Landlord or by the holder of any mortgage or prospective holder of any mortgage or of any interest therein.

13. The Guarantor covenants, warrants and agrees with the Landlord, and is hereby irrevocably estopped from denying, that the subject matter of this Guaranty is unique, that any failure to perform the covenants, agreements, conditions and obligations under this Guaranty shall cause irreparable injury and damage to the Landlord and that, accordingly, in addition to and without limiting, reducing, altering, or otherwise affecting any of the rights of the Landlord at law or in equity to seek damages or other relief, Landlord shall have the right to obtain from any court of competent jurisdiction an order or decree compelling specific performance by the Guarantor of this Guaranty and of all the obligations, undertakings, conditions, agreements, covenants and other provision of this Guaranty.

14. If this Guaranty is signed by more than one party, their obligations shall be joint and several, and the release of one or more of such parties or of any other guarantor of the Lease shall not release any other party.

15. This Guaranty shall be applicable to and binding upon the heirs, executors, administrators, representatives, successors and assigns of Guarantor and shall inure to the benefit of the heirs, executors, administrators, representatives, successors and assigns of Landlord. Landlord may, without notice, assign this Guaranty in whole or in part and no assignment or transfer of the Lease shall operate to extinguish or diminish the liability of the Guarantor hereunder.

16. Guarantor hereby consents to personal jurisdiction and venue in the state and judicial district in which the Premises are located.

17. If any provision of this Guaranty shall be declared to be unenforceable in whole or in part by a court of competent jurisdiction, that part of the Guaranty found to be unenforceable shall be deemed stricken and severed and the remaining provisions and portions shall continue in full force and effect.

18. The person or persons executing this Guaranty of Lease on behalf of the Guarantor represent, covenant, and warrant to the Landlord as of the Effective Date that the signatories signing on behalf of the Guarantor have the requisite authority to bind the Guarantor. Further, if the Guarantor is a corporation, the Guarantor represents, covenants, and warrants to the Landlord that: (a) as of the Effective Date, the Guarantor is a duly constituted corporation in good standing and qualified to do business in the state where the Premises are located, (b) the Guarantor has paid all applicable franchise and corporate taxes, and (c) the Guarantor will file when due all forms, reports, fees, and other documents necessary to comply with applicable laws.

19. This Guaranty, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of California.

20. The use of the singular herein shall include the plural. This Guaranty contains the entire agreement between the Landlord and the Guarantor with respect to the matters set forth herein, and supersedes all prior agreements with respect thereto. No terms or provisions of this Guaranty may be changed, waived or revoked without the Landlord’s prior written consent. Although the provisions of this Guaranty were drafted primarily by the Landlord, the Guarantor agrees that such fact shall not create any presumption, construction or implication favoring the position of either the Landlord or the Guarantor. This Guaranty may be enforced by the Landlord without the necessity of its signature appearing hereon.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty as of the day and year first above written.

**WITNESS: GUARANTOR:**

 ADDRESS:

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

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

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 ADDRESS:

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

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

***[IF APPLICABLE:***

**EXHIBIT G**

**SAMPLE SIGN SHOWING TENANT’S LOGO*]***

**EXHIBIT H**

**FAIR WAGE/FAIR WORK VERIFICATION FORM**



Verification Time Period: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

In connection with the lease agreement (Agreement) dated \_\_\_\_\_\_\_\_\_\_\_, by and between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Tenant”) and THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, Tenant agreed, among other things, to comply with the Fair Wage / Fair Work Plan Requirements set forth in Section 50 thereof.

The undersigned authorized representative hereby certifies that the Tenant has fully complied with the Fair Wage / Fair Work Plan Requirements set forth in the Agreement at all times during the above-referenced verification period.

Executed on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

Name and Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**ADDENDUM 1** **- PARKING REQUIREMENTS**

**TO LEASE AGREEMENT**

**BY AND BETWEEN**

**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**

**AND**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

 *[IF APPLICABLE* Tenant shall have the right to use with other tenants or occupants of the Building \_\_\_\_\_\_ parking spaces in the common parking areas of the Building. Tenant agrees that Tenant, Tenant’s employees, agents, representatives and/or invitees shall not use parking spaces in excess of said \_\_\_\_\_ spaces allocated to Tenant hereunder.*]* Landlord reserves the right, from time to time, to the extent Landlord deems it desirable for the efficient operation of the Building, in its sole discretion, to require Tenant to cause its employees, agents, and invitees to either (i) restrict their parking to designated portions of the common parking areas of the Building, (ii) require them to refrain from parking in designated portions of the parking areas of the Building, or (iii) park off-site, and Tenant will cause its employees, agents, and invitees to comply with any such requirement and shall not use any parking spaces other than those parking spaces specifically designated by Landlord for Tenant’s use, if any. Said parking spaces, if specifically designated by Landlord to Tenant, may be relocated by Landlord at any time, and from time to time. Landlord reserves the right, at Landlord’s sole discretion, to rescind any specific designation of parking spaces, thereby returning Tenant’s parking spaces to the common parking area. Landlord shall give Tenant written notice of any change in Tenant’s parking spaces. Tenant shall not, at any time, park, or permit to be parked, any truck or vehicles adjacent to the loading areas so as to interfere in any way with the use of such areas, nor shall Tenant at any time park, or permit the parking of, Tenant’s trucks or other vehicles or the trucks and vehicles of Tenant’s suppliers or others in any portion of the Common Area not designated by Landlord for such use by Tenant. If any such vehicle improperly parked or parked in any unauthorized parking area in the Building is not removed within two (2) hours after Tenant has actually received verbal notice from Landlord, then such vehicle may be towed at Tenant’s expense and without further notice. Tenant agrees to assume responsibility for compliance by its employees, agents, and/or invitees with the parking rules and regulations (the “**Parking Rules and Regulations**”) attached hereto as Attachment 1 to this **Addendum 1** and incorporated herein by this reference. If Tenant, or any of Tenant’s employees, agents, vendors, delivery services, and/or invitees fail to comply with any such Parking Rules and Regulations, then Landlord will have the right, and Tenant hereby authorizes Landlord at Tenant’s sole expense, to either have such vehicles towed from the Building at Tenant’s expense, or to attach violation stickers or notices to such vehicles and to charge Tenant $100.00 per day (as such daily sum may be increased from time-to-time pursuant to Landlord’s rules therefor) per vehicle for any vehicles which are parked in violation of such requirements. Furthermore, Landlord shall have the right to immobilize such improperly parked vehicles by use of a “boot” or other device or to take any other action authorized under campus parking regulations or other campus policy. Tenant shall use the parking areas for vehicle parking only, and shall not use the parking areas for storage. Tenant will not tow or authorize the towing of any vehicle, but will contact Landlord, if any vehicle is believed to be in violation of the above regulations whether belonging to another Tenant, employee, customer or other entity.

**ATTACHMENT 1**

**SUPPLEMENTAL PARKING RULES AND REGULATIONS**

The following rules and regulations shall govern use of the parking facilities which are appurtenant to the Building and supplement applicable campus parking regulations. Tenant shall inform its vendors, delivery services, employees, agents, and/or invitees of Landlord’s parking regulations and rules and ensure such vendors, delivery services and employees are aware they are subject to such rules and regulations.

1. Landlord reserves the right at any time to grant similar reserved and/or non-exclusive use to other tenants, to promulgate rules and regulations relating to the use of such parking areas, including reasonable restrictions on parking by tenants, employees, invitees, contractors and/or customers or visitors to designate specific spaces for the use of any tenant, to make changes in parking layout from time to time, and to establish reasonable time limits on parking.

2. Landlord reserves the right to charge for parking and/or parking permits at rates to be established by Landlord from time to time. The monthly rate for the purchase of parking permits and/or rental of parking spaces (together with all sales and other governmental taxes thereon) is payable one (1) month in advance to the authority named by Landlord and must be paid prior to the first day of each month. Failure to do so may cancel parking privileges and a charge at the prevailing rate may be charged. No deductions and/or and allowances from the rate will be made for days user does not use the parking facility. Monthly parking rates are payable without the submission of an invoice or statement and a late charge, equal to the daily posted maximum charge may be imposed for each day beyond the fifth working day of each month.

3. Except as may be provided by Landlord by valet or assisted parking services, every parker is required to park and lock his/her own vehicle. All responsibility for damage to vehicle is assumed by the parker. Landlord and/or its parking operator shall not be responsible for any theft or vandalism to any vehicle or the contents thereof while parked in the parking facility.

4. Tenant shall not park or permit the parking of any vehicle under its control in any parking areas designated by Landlord as areas for valet, other tenants’ reserved stalls, disabled, van pool and car pool parking or parking by visitors to the Building. Tenant shall not leave vehicles in the parking areas other than automobiles, motorcycles, motor driven bicycles or 4-wheeled trucks.

5. Tenant shall not park nor permit to be parked any inoperative vehicles or equipment on any portion of the common parking area or other Common Areas of the Building

6. Washing, waxing, cleaning or servicing of any vehicle is prohibited.

7. Vehicles must be parked entirely within the painted stall lines of a single parking stall.

8. All directional signs and arrows must be observed.

9. All parkers shall adhere to established speed limits within all parking areas.

1. Parking is prohibited by Tenant:

 (a) in areas not striped for parking;

 (b) in aisles unless provided for by valet or assisted parking services;

 (c) where “no parking” signs are posted;

 (d) on ramps;

 (e) in cross hatched areas;

 (f) in areas marked for customer or visitor parking only; and

 (g) in such other areas, as may be designated by Landlord or Landlord’s parking operator.

**ADDENDUM 2** **- EXTENSION OPTION**

**TO LEASE AGREEMENT**

**BY AND BETWEEN**

**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**

**AND**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Tenant shall have the option(s) to extend the Lease Term for the Extended Term as set forth in Section 3.2.

**Terms and Conditions of Lease.** The terms and conditions of this Lease during the Extension Term shall remain unchanged except Tenant shall only be entitled to the Extension Term(s) provided for in Section 3.2 of the Lease, the Monthly Rent for the Extension Term shall be the Extension Rent (as defined below), the Expiration Date shall be the last day of the Extension Term (or such earlier date of termination of this Lease pursuant to the terms hereof), and, except to the extent reflected in the Extension Rent, Landlord shall have no obligation to perform any tenant improvements to the Premises or provide any tenant improvement allowance to Tenant. Upon Tenant’s delivery of its written extension election notice, Tenant may not thereafter revoke its exercise of the Extension Option. Notwithstanding anything to the contrary in this Lease, Tenant shall have no right to extend the Term other than or beyond the Extension Term(s) described in such Section 3.2.

**Option(s) Personal**. Each Extension Option granted to Tenant in the Lease is personal to the original Tenant named herein and may not be exercised by or be assigned to, voluntarily or involuntarily, any person or entity other than Tenant.

**Multiple Options**. In the event that Tenant has multiple options to extend the Lease Term, a later Extension Option cannot be exercised unless the prior Extension Option was timely exercised.

**Extension Rent.** The Monthly Rent payable by Tenant during the Extension Term (the “**Extension** **Rent**”) shall be as follows:

*[AS APPLICABLE -*

Monthly Rent for the Extended Term shall be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**OR**

Monthly Rent for the Extended Term shall be the greater of (i) percent ( %) of the then-prevailing market rate for comparable space in the area, or (ii) the amount of Monthly Rent payable for the month immediately preceding the commencement of each Extended Term. In the event Landlord and Tenant are unable to agree upon a mutually acceptable prevailing market rate within four (4) months prior to the expiration of the Lease Term (as such may have been previously extended), the matter shall be submitted to arbitration using an independent M.A.I. appraiser jointly selected by the parties as arbitrator. If the parties are unable to agree on an arbitrator, either party may petition the Chief Judge of the Superior Court of the County in which the Premises is located to appoint an arbitrator.

**OR**

Monthly Rent for the Extended Term shall be the lesser of (i) \_\_\_\_\_\_\_\_\_ percent (\_\_\_\_%) of the then‑prevailing market rate for comparable space in the area, or (ii) the amount of Monthly Rent payable for the month immediately preceding the commencement of such Extended Term. In the event Landlord and Tenant are unable to agree upon a mutually acceptable prevailing market rate within four (4) months prior to the expiration of the Lease Term (as such may have been previously extended), the rate shall be determined under the following “baseball” methodology. Each party shall select an appraiser. Each appraiser shall arrive at a reasoned, supportable conclusion of the market rate, and then they will mutually appoint a third, neutral appraiser. This neutral appraiser will be provided with the two different valuations, and then must make a binding selection as to which of the two appraisals most closely approximates the true market rate. If the parties’ appraisers are unable to agree on a neutral appraiser, either party may petition the Chief Judge of the Superior Court of the County in which the Premises is located to appoint such third appraiser.

**OR**

Monthly Rent for the Extended Term shall be the lesser of (i) \_\_\_\_\_\_\_\_\_ percent (\_\_\_\_%) of the then‑prevailing market rate for comparable space in the area, or (ii) the amount of Monthly Rent payable for the month immediately preceding the commencement of such Extended Term. In the event Landlord and Tenant are unable to agree upon a mutually acceptable prevailing market rate within four (4) months prior to the expiration of the Lease Term (as such may have been previously extended), the rate shall be determined under the following “appraiser average” methodology. Each party shall select an appraiser to conduct an appraisal according to the requirements of the Lease. If the two appraisers are unable to agree on a determination of market rent, they must together pick a third appraiser to conduct his or her own appraisal. If a majority of the three appraisers cannot agree on the market rent, the three appraisals shall be averaged together, and the average shall be binding on the parties; provided, however, that any low or high appraisal that varies by more than 10 percent from the middle appraisal shall be disregarded and the average shall be based on the two remaining appraisals. If the parties’ appraisers are unable to agree on the third appraiser, either party may petition the Chief Judge of the Superior Court of the County in which the Premises is located to appoint such third appraiser.

***[AS APPLICABLE IF ELECTION IS MADE TO INSERT A RENT SCHEDULE AS AN ADDENDUM INSTEAD OF IN THE BODY OF THE LEASE]***

**ADDENDUM 3A** - **MONTHLY RENT**

**TO LEASE AGREEMENT DATED**

**BY AND BETWEEN**

**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**

**AND**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

The Monthly Rent payable by Tenant shall be as follows:

*[Rent Schedule to be inserted]*

***[AS APPLICABLE IF THE LEASE PROVIDES FOR PAYMENT OF PERCENTAGE RENT]***

**ADDENDUM 3B** - **PERCENTAGE RENT RIDER**

**TO LEASE AGREEMENT DATED**

**BY AND BETWEEN**

**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**

**AND**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

***[AS APPLICABLE; other percentage rent provisions may be substituted to fit practice of the Campus]***

1. **Percentage Rent.** In addition to Monthly Rent, Tenant agrees to pay to Landlord, as “**Percentage Rent**”, the following:

1. **Definition of Percentage Rent.** The term “Percentage Rent” as used in this Lease shall mean the amount by which Tenant’s monthly Gross Sales (as defined below) multiplied by the Percentage Rent Rate (as defined below) exceeds the Monthly Rent as set forth in Section 4.1 of the Lease, as adjusted pursuant to the provisions set forth in the Lease.
2. **Definition of Percentage Rent Rate.** The term “Percentage Rent Rate” as used in this Lease shall mean \_\_\_\_ percent (\_\_%) of monthly Gross Sales from the sale of goods and services at or from the Premises
3. **Definition of Fiscal Year.** The term “Fiscal Year” as used in this Lease shall mean each such successive twelve calendar month period beginning July first (1st) and ending June thirtieth (30th).
4. **Definition of Month.** The term “Month” or “Monthly” as used in this Lease shall mean a calendar month.
5. **Definition of Gross Sales.** The term “Gross Sales” as used in this Lease shall mean the gross receipts of Tenant derived from all sales of goods and services at or from the Premises *[IF APPLICABLE* and Licensed Premises*]*, whether made for cash, check, credit account or otherwise and shall include, but not be limited to, sales where the orders for such sales originate or are accepted by Tenant at the Premises *[IF APPLICABLE* or the Licensed Premises*]* even though delivery or performance is made elsewhere and where orders originate outside of the Premises *[IF APPLICABLE* or the Licensed Premises*]* but delivery or performance of the orders is made from the Premises *[IF APPLICABLE* or the Licensed Premises*]*, or whether such sales are made by means of mechanical or other vending device on the Premises *[IF APPLICABLE* or the Licensed Premises*]*. No franchise, occupancy, capital stock, income or similar tax based upon income or profits as such shall be deducted from Gross Sales in any event whatsoever.
6. **Exclusion from Gross Sales.** Gross Sales shall not, however, include, or if included there shall be deducted (but only to the extent included), as the case may be, the following:
7. Any sums collected and remitted for any sales, use or excise taxes imposed by any duly constituted governmental authority on sales or services rendered from the Premises *[IF APPLICABLE* or the Licensed Premises*]*, where such taxes are added to the selling price, are stated separately, and are paid by Tenant directly to a taxing authority;
8. Any exchanges or transfers of supplies between the premises of Tenant where such exchanges or transfers are made solely for the convenient operation of Tenant’s business and do not have the effect of consummating elsewhere a sale which has in fact been made, at, in, on, about or from the Premises or the Licensed Premises nor for the purpose of depriving Landlord of the benefits of the sale which otherwise would be made at, in, on, about or from the Premises *[IF APPLICABLE* or the Licensed Premises*]*;
9. The net amount of any cash or credit refunds, which in the aggregate shall not exceed \_\_\_\_\_ percent (\_%) of Gross Sales, made on sales from the Premises *[IF APPLICABLE* or the Licensed Premises*]* where the merchandise sold or some part of it is returned by the purchaser to and accepted by Tenant but not exceeding in any instance the selling price of the item in question; and
10. Sales of fixtures, which are not a part of Tenant’s stock in trade.
11. Rental fees for after hours private events held in the Premises and approved in advance by Landlord; provided, however, the sales of food and beverages for such events at the Premises shall be included in Gross Sales and further provided that Tenant pays one half of the rental fees for after hours private events held in the Premises to Landlord.
12. Sales of alcoholic beverages at or from those areas of the Premises that have obtained a permit license for the sale of such beverages at or from the Premises.
13. **Definition of Monthly Sales Report.** The term “Monthly Sales Report” as used in this Lease shall mean a monthly written statement of Tenant’s monthly Gross Sales net of any permitted exclusions and/or deductions. The Monthly Sales Report is to be signed by an authorized employee of Tenant, and certified by an officer of Tenant or accountant as being true, complete and correct.

(h) **Statements of Gross Sales.** On or before the tenth (10th) day of each month during the Lease Term, Tenant shall deliver a monthly sales report (the “**Monthly Sales Report**”) to Landlord for the preceding month. Tenant shall submit its Monthly Sales Report form attached to this Addendum 3B as Attachment 1, which may be revised by Landlord from time to time. Tenant shall also submit to Landlord, within forty-five (45) days following the end of each Fiscal Year, a statement (the “**Annual Statement**”) setting forth the aggregate Gross Sales for the previous Fiscal Year, in the form of and containing the same type of information set forth in the Monthly Sales Report. Upon Landlord’s request, Tenant shall also provide copies of the past year’s sales tax returns filed by Tenant with respect to business conducted from the Premises, or Tenant shall supply Landlord with appropriate documentation of Tenant’s tax exemption status.

(i) **Failure to Submit Reports or Statements.** Failure of Tenant to submit any Monthly Sales Report or Annual Statement as required hereunder shall be deemed a default under this Lease. In the event the Tenant shall fail or refuse to submit the Monthly Sales Report within ten (10) days after the end of each calendar month of the Lease Term or the Annual Statement within forty-five (45) days after the end of the Fiscal Year, then (despite anything contained in this Lease to the contrary, and without limiting any of the Landlord’s other rights and remedies available under this Lease or at law), Tenant shall pay as liquidated damages one hundred dollars ($100) for each day that the Monthly Sales Report or Annual Statement is late. The parties agree that this is a reasonable estimate of Landlord’s actual damages. Payment of such liquidated damages shall be in addition to any other remedies described in this Lease.

(j) **Tenant’s Records.** Tenant shall keep full, complete, and proper books, records and accounts (the “**Books**”) of its daily Gross Sales (both for cash and on credit) of each separate department and concessionaire operating at any time in the Premises. The Books shall be kept on the Premises or at Tenant’s Head/Corporate Office for at least thirty-six (36) months after expiration of each Fiscal Year. The Books shall be full, true and accurate and conform to generally accepted accounting principles showing Gross Sales for each Fiscal Year and each month, including all tax reports, dated cash register tapes, sales slips, sales checks, sales books, bank check and deposit records, purchase records, invoices, cash receipt and disbursement records and other supporting data.

(k) **Audit by Landlord.** Notwithstanding the foregoing, Landlord shall have the right from time to time, during normal business hours through accountants or representatives of its selection to audit Tenant’s Monthly Sales Reports and, in connection with such audits, to examine all of Tenant’s Books (including all supporting data and any other records from which Gross Sales and gross profits may be tested or determined), including without limitation for any period or periods for which Tenant has failed to furnish a Monthly Sales Report or Annual Statement. Tenant shall make the Books readily available for such examination. The costs of an audit shall be paid by Landlord, unless the audit discloses that the Gross Sales transacted by Tenant exceeds those reported by Tenant by more than \_\_\_ percent (\_%) or that Tenant’s accounting records and procedures were not sufficient to permit a determination of Gross Sales for any period in question, or, in the case of an attempted audit that Landlord’s accountant was unable to perform or complete due to Tenant’s failure to keep records as required hereunder, in which case Tenant shall pay to Landlord within five (5) days after written request, as Additional Rent, all costs of such audit. In the event of an underpayment of Percentage Rent, Tenant shall immediately pay to Landlord the amount of such underpayment, together with interest in accordance with Section 4.5 of the Lease. If such audit reveals that Tenant’s accounting records and procedures were not sufficient to permit a determination of Gross Sales for any period in question, Landlord may thereafter deliver to Tenant an estimate made by Landlord of Gross Sales for any such period and the amount of any underpayment of Percentage Rent. In such an instance, Tenant shall forthwith pay to Landlord any amount therein set out as an underpayment of Percentage Rent. Every such estimate shall be binding upon Tenant until and except to the extent that Tenant proves it inaccurate and shall not be contestable by Tenant after one year. If such audit discloses any willful or material inaccuracy by Tenant, or any understatement of Gross Sales by more than \_\_\_ percent (\_%), this Lease may, at the option of Landlord, be immediately canceled and terminated. Any information obtained by Landlord pursuant to the provisions of this subsection (k) shall be treated as confidential, except in any litigation or arbitration proceedings between the parties, or as otherwise required by Applicable Law, including the California Public Records Act [California Government Code Sections 6254.7(d) and 6255(a)] or except for the disclosure of such information to prospective buyers and lenders.

**OR**

1. **Percentage Rent.** In addition to Monthly Rent, Tenant agrees to pay to Landlord, as “**Percentage Rent**”, the following:

A sum equal to \_\_\_\_\_\_\_\_\_\_\_ percent (\_\_\_\_%) of all “Gross Sales” (as hereinafter defined) in excess of the “Breakpoint” (as hereinafter defined) during each calendar year of the Lease Term (January 1 to December 31 (the “**Lease Year**”).

The “**Breakpoint**” as referred to hereinabove shall be an amount equal to the quotient of the annualized Monthly Rent payable during the applicable Lease Year divided by \_\_\_\_\_\_ or \_\_\_\_\_\_\_\_\_\_\_ percent (\_\_\_\_\_%).

In the event that the annual Base Rent for any Lease Year shall be reduced or abated for any reason whatsoever, the Breakpoint for such Lease Year shall be reduced by a percentage thereof equal to the percentage decrease in the Minimum Rent payable for such Lease Year. In the event that any Lease Year contains more or less than twelve (12) full calendar months, the Breakpoint shall be proportionately increased or decreased, as the case may be, for any such Lease Year.

Computation of the Percentage Rent shall be made separately and independently for each Lease Year of the Lease Term, without regard to the Gross Sales made during or rental paid for any other Lease Year. Percentage Rent shall be determined and paid along with the monthly statements to be furnished pursuant to Paragraph 3 below on a monthly basis commencing when Tenant’s Gross Sales first exceed the Breakpoint during the Lease Year with respect to which Percentage Rent is being paid. Upon receipt by Landlord of each annual statement of Tenant’s Gross Sales furnished pursuant to Paragraph 3 below, if the total amount of Percentage Rent previously paid by Tenant for the period covered is less than the amount due Landlord for that period, any balance due Landlord shall be paid by Tenant at the time of delivery to Landlord of such statement. If the amount previously paid by Tenant exceeds the total amount of Percentage Rent required to be paid by Tenant during such Lease Year, the excess shall thereafter be credited by Landlord for Tenant’s account toward sums that are due hereunder by Tenant as they become due.

2. **Gross Sales.** The term “**Gross Sales**” includes all moneys or things of value received or receivable, including lease or rental revenue (without deductions for uncollectibles), by Tenant, its sublessees, licensees or concessionaires or others, for merchandise sold or services performed or equipment, merchandise or other inventory items leased or rented or business conducted (including: interest, time-price differential, finance charges and service charges on time-payment sales, credit sales or lay-away sales) in, about or from the Premises (including, without limitation, orders received in person or by mail, telephone or telegraph, and services performed by Tenant away from the Premises), including transactions in which delivery is made to the customer at the Premises but the order is taken elsewhere, transactions in which the order is taken at the Premises but delivery is made elsewhere, receipts from mechanical and other vending machines, and deposits not refunded to purchasers. The term “Gross Sales” shall not include (i) governmental excise or sales taxes added to the selling price of the item and paid by Tenant directly to the taxing authority, or (ii) refunds or allowances to customers not in excess of the original selling price of the item, or (iii) transfers or exchanges of merchandise to another of Tenant’s stores made in the regular course of Tenant’s business and not for the purpose of avoiding consummation of a sale in the Premises, or (iv) returns to shippers or manufacturers, or (v) sales of Tenant’s “Removable Trade Fixtures” (as defined in the Lease) after use by Tenant in the Premises. Under no circumstances shall there be any deduction from Gross Sales by reason of Tenant’s being liable to pay any franchise tax, capital stock tax, income tax or similar or dissimilar tax based upon Tenant’s income, capital structure, or profits.

All Gross Sales will be recorded so that each transaction is evidenced accurately in accordance with generally accepted accounting principles. Full and adequate records and books of account shall be accurately maintained by Tenant on all business operations in or about the Premises. All books of account, records, daily cash register total slips, sales slips and Federal income tax returns relating to Tenant’s operation in or about the Premises will be retained by Tenant for a period of three (3) years after preparation, and will be open to inspection by Landlord (or its representative) at all reasonable times. Tenant shall also furnish Landlord copies of any financial statements of Tenant or sales tax reports that are prepared during the Term of this Lease.

3. **Statement of Gross Sales and Audit Right.**  Within fifteen (15) days after the end of each month in the Lease Term, Tenant will deliver to Landlord a statement signed by Tenant (if Tenant is an individual), or a general partner of Tenant (if Tenant is a partnership) or a corporate officer of Tenant (if Tenant is a corporation) accurately setting forth the amount of Gross Sales made during such month, itemized in reasonable detail. Within thirty (30) days after the end of each Lease Year, Tenant will furnish to Landlord a statement signed and sworn to by the same party who is to sign the monthly statement of sales according to the foregoing provisions hereof, accurately showing Gross Sales for the preceding Lease Year itemized in reasonable detail.

Landlord may, at any time or times, have an audit made of any such statement, may examine Tenant’s sales tax reports, Tenant’s inventory movement sheets, and other relevant records for such period, and acceptance of the Percentage Rent tendered by Tenant shall not prejudice these rights. The cost of the audit shall be borne by Landlord unless such audit shows that Tenant’s statement was in error by three percent (3%) or more of the Gross Sales of Tenant for the relevant Lease Year, in which event Tenant will pay the cost of such audit. Any such audit may be required by Landlord at any time or times during normal business hours designated by Landlord upon three (3) days prior written notice to Tenant.

In the event Tenant fails to submit to Landlord its statement of Gross Sales in accordance with the terms and conditions contained herein, Percentage Rent shall be payable by Tenant based upon Gross Sales generated by Tenant in the Premises during the same period of the immediately preceding Lease Year and such sum shall be immediately due and payable by Tenant to Landlord. At any time after the date upon which such statement should have been submitted but has not been received by Landlord, Landlord shall have the right to audit Tenant’s books and records at Tenant’s sole cost and expense and Tenant shall pay to Landlord upon demand the cost of such audit. Any additional Percentage Rent due following any audit plus interest at the rate provided for in Section 4.5 of the Lease) shall be due and payable immediately upon demand.

**OR**

1. **Percentage Rent.** In addition to Monthly Rent, Tenant agrees to pay to Landlord, as “**Percentage Rent**”, the following:

(a) **Definitions**.

1. Percentage Rent. The term “**Percentage Rent**” as used in this Lease shall mean the amount of Tenant’s monthly Gross Sales (as defined below) multiplied by the Percentage Rent Rate (as defined below), as adjusted pursuant to subsection (c) below.
2. Percentage Rent Rate. The term “**Percentage Rent Rate**” as used in this Lease shall mean the percentage of monthly Gross Sales specified in *[AS APPLICABLE* Section 4.2 of the Lease *][*the Summary of Lease Terms*]*.
3. Fiscal Year. The term “**Fiscal Year**” as used in this Lease shall mean the period from July 1 through June 30.
4. Monthly Sales Report. The term “**Monthly Sales Report**” as used in this Lease shall mean a monthly written statement of Gross Sales net of any permitted exclusions and/or deductions. The Monthly Sales Report is to be signed by an authorized employee of Tenant and certified by an officer of Tenant or its accountant as being true, complete and correct.
5. Gross Sales. The term “**Gross Sales**” as used in this Lease shall mean the gross selling price of all food, merchandise or services sold or rented in or from the Premises, including catering to the campus, by Tenant, its subtenants, licensees and concessionaires, whether for cash or on credit and whether made by store personnel or by machines, as well as any business interruption or loss of income insurance proceeds attributable to lost sales revenue received by Tenant with respect to the Premises, excluding there from the following: (A) The selling price of all merchandise returned by customers and accepted for full credit; (B) interest or other charges paid by customers for extension of credit; (C) receipts from vending machines used solely by Tenant's employees; (D) sales taxes, excise taxes or gross receipts taxes imposed by governmental entities upon the sale of merchandise or services, but only if collected from customers separately from the selling price and paid directly to the respective governmental entities; (E) proceeds from the sale of fixtures, equipment or property which are not stock in trade; (F) trade services supplied to Landlord, and (G) the selling price of Tenant’s gift certificates, gift cards, rewards cards or cash cards. The exclusions listed in this subparagraph (iv) shall be referred to as "**Exclusions from Gross Sales**". All sales originating at the Premises shall be deemed made and completed from the Premises even though bookkeeping or payment of the account is transferred to another location for collection or filing of the sale or service order and actual delivery of the merchandise is made from a location other than the Premises. Each installment sale, credit sale or layaway sale shall be treated as a sale for the full cash price at the time of such sale or deposit.

(b) **Statements of Gross Sales**. On or before the tenth (10th) day of each month during the Lease Term, Tenant shall deliver a Monthly Sales Report to Landlord for the preceding month. Tenant shall submit its Monthly Sales Report in the form attached to this Addendum 3B as Attachment 1, which may be revised by Landlord from time to time. Tenant shall also submit to Landlord, within forty-five (45) days following the end of each Fiscal Year, a certified annual statement (the “**Annual Statement**”) prepared by an independent certified public accountant setting forth the aggregate Gross Sales for the previous Fiscal Year, in the form of and containing the same type of information set forth in the Monthly Sales Report. Upon Landlord’s request, Tenant shall also provide copies of the past year’s sales tax returns filed by Tenant with respect to the business conducted from the Premises, or Tenant shall supply Landlord with appropriate documentation of Tenant’s tax exemption status. Statements shall include the Gross Sales of all subtenants, licensees and concessionaires of Tenant. The certified annual statement shall be accompanied by a payment to Landlord of any underpayment of Percentage Rent, as provided in subparagraph (c)(iii) below.

(c) **Payment of Percentage R**ent.

1. During the term of this Lease, in addition to the Monthly Rent, Tenant shall pay to Landlord the Percentage Rent as provided in Section 4.2 of the Lease. Beginning with the second year of the Lease Term, on or before the 15th day following the last day of each month during the term following the Rent Commencement Date, Tenant shall pay to Landlord as Percentage Rent the amount of Gross Sales during the preceding month multiplied by the Percentage Rent Rate. For the purpose of computing Percentage Rent, Gross Sales made during the first partial month, if any, following the Rent Commencement Date shall be added to the Gross Sales made during the first full calendar month (provided the first partial month is within the same calendar year as the first month) and Tenant shall pay to Landlord the Percentage Rent calculated for this period less any minimum Monthly Rent paid by Tenant pursuant to Section 4.1 of the Lease during such month.
2. At least ten (10) days prior to the first day of each month, Landlord shall provide Tenant a statement of Tenant’s Rent (including Monthly Rent, estimated Percentage Rent, if any, due for the following month, estimated Operating Expenses, and any Additional Rent) as described in Article 4 of the Lease. Percentage Rent shall be estimated based on the actual monthly Gross Sales for the same month in the prior year as provided in subsection (iii) below.
3. Following receipt by Landlord of Tenant's certified Annual Statement, as provided in subparagraph (b) above, Landlord shall determine the Gross Sales of Tenant for the preceding calendar year and the amounts paid to Landlord as Minimum Rent and Percentage Rent and shall make an adjustment as follows: If Tenant paid to Landlord an amount greater than the Percentage Rent required to be paid for said year, Tenant shall be entitled to a credit against Tenant's next payment(s) of Percentage Rent for the amount of the overpayment. If Tenant paid an amount less than the Percentage Rent required to be paid, the difference shall be paid to Landlord with the submission of said certified annual statement. Percentage Rent shall be computed separately with respect to each calendar year. For the purpose of computing Percentage Rent, Tenant's Gross Sales for any period during which Tenant does not continuously and uninterruptedly conduct its business, as required by Section 8.2 of the Lease, shall be deemed to be Tenant's Gross Sales for the corresponding period during the last calendar year in which Tenant operated continuously and uninterruptedly.

(d) Failure to Submit Reports or Statements. Failure of Tenant to submit any Monthly Sales Report or Annual Statement as required hereunder shall be deemed a default under the Lease. In the event Tenant shall fail or refuse to submit the Monthly Sales Report within ten (10) days after the end of each calendar month of the Lease Term or the Annual Statement within forty-five (45) days after the end of the Fiscal Year, then (despite anything contained in this Lease to the contrary, and without limiting any of the Landlord’s other rights and remedies available under this Lease or at law), Tenant shall pay as liquidated damages one hundred dollars ($100) for each day that the Monthly Sales Report or Annual Statement is late. The parties agree that this is a reasonable estimate of Landlord’s actual damages. Payment of such liquidated damages shall be in addition to any other remedies described in this Lease.

2. **Tenant's Records.** Tenant shall keep full, complete, and proper books, records and accounts (the "**Books**") of its daily Gross Sales (both for cash and on credit) of each separate department and concessionaire operating at any time in the Premises. The Books shall be made reasonably available to Landlord for at least thirty-six (36) months after expiration of each Fiscal Year. Books shall be full, true and accurate and conform to generally accepted accounting principles showing Gross Sales for each Fiscal Year and each month, including all tax reports, dated cash register tapes, sales slips, catering sales and recharge receipts, sales checks, sales books, bank check and deposit records, purchase records, invoices, cash receipt and disbursement records and other supporting data.

3. **Audit by Landlord.** Landlord shall have the right from time to time (not more than twice annually), during normal business hours through accountants or representatives to audit Tenant's Monthly Sales Reports and, in connection with such audits, to examine all of Tenant's Books relating to the Premises (including all supporting data and any other records from which Gross Sales and gross profits may be confirmed). Tenant shall make the Books readily available for such examination. The costs of an audit shall be paid by Landlord, unless the audit discloses that the amount of Gross Sales transacted by Tenant exceeds those reported by Tenant by more than two percent (2%), in which case Tenant shall pay to Landlord within five (5) days after written request all costs of such audit. In the event of an underpayment of Percentage Rent, Tenant shall immediately pay to Landlord the amount of such underpayment, together with interest in accordance with Section 4.5. If such audit discloses any willful or material inaccuracy by Tenant, or any understatement of Gross Sales by more than five percent (5%), this Lease may, at the option of Landlord, be immediately canceled and terminated.

4. **Confidentiality**. The parties hereby acknowledge that Landlord is a public institution subject to the California Public Records Act. All "trade secrets" or proprietary business information the parties wish not to be disclosed must be identified as "Confidential" and should be stamped or identified with the following, "These Records are exempt from disclosure pursuant to the California Public Records Act, including California Government Code Sections 6254.7(d) and 6255(a).” The parties acknowledge that Landlord may nevertheless be required to disclose any such information as may be required by the California Public Records Act, or other legal process. In the event that Landlord is advised by its counsel that it is obligated to disclose any information marked “Confidential” to a third party, prior to disclosing the same, Landlord will promptly inform Tenant of such required disclosure to afford Tenant the opportunity to take such actions as it deems reasonably necessary to attempt to prevent the disclosure.

***[USE THIS ADDENDUM 4 IF LANDLORD CONSTRUCTS TENANT IMPROVEMENTS]***

**ADDENDUM 4** - **WORK AGREEMENT**

**TO LEASE AGREEMENT DATED**

**BY AND BETWEEN**

**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**

**AND**

**WORK AGREEMENT**

THIS WORK AGREEMENT, dated , is by and between THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, a California corporation (the “**Landlord**”), and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “**Tenant**”).

1. Definitions. The terms used in this Work Agreement shall have the meanings as defined in the Lease dated , by and between Landlord and Tenant (the “**Lease**”).

2. Tenant Improvements. Landlord shall construct all Tenant Improvements in accordance with the Plans and Specifications and the conditions of any applicable state and federal approval. Tenant Improvements must be reviewed and approved by the Campus Building Official and the Designated Campus Fire Marshal. Tenant Improvements must satisfy the Federal Americans with Disabilities Act. *[ADD IF APPLICABLE:* Bicycle parking, if any, must be designed in accordance with bicycle parking guidelines of the Association of Pedestrian and Bicycle Professionals.*]*

3. Construction Plans, Landlord Review, Cost Estimate

(a) To the extent not already completed as of the Effective Date of the Lease, Tenant shall retain the services of a licensed architect approved by Landlord (the “**Tenant’s Architect**”) who shall work with Landlord and Landlord’s space planner to cause to be prepared as soon as reasonably possible, a mutually acceptable set of preliminary drawings and plans (the “**Conceptual Plans**”), the design of which shall conform to Tenant’s program for Tenant’s Permitted Use of the Premises, as summarized in Attachment 1 attached hereto.

(b) *[AS APPLICABLE, IF LANDLORD PREPARES THE PLANS AND SPECIFICATIONS:* Landlord, for Tenant’s approval, which approval shall not be unreasonably withheld or delayed, shall provide a complete and detailed set of proposed Plans and Specifications for the construction of the Tenant Improvements in the Premises, the design of which shall conform to the Conceptual Plans and Attachment 1. Landlord shall submit the proposed Plans and Specifications to Tenant for its approval on or before , 20 .*]* *[OR IF TENANT PREPARES THE PLANS AND SPECIFICATIONS:* Tenant shall submit to Landlord for Landlord’s approval, on or before , 20 , the Plans and Specifications for the Tenant Improvements, which shall be based upon the mutually approved Conceptual Plans and Attachment 1.*]*

(c) *[AS APPLICABLE, IF LANDLORD PREPARES THE PLANS AND SPECIFICATIONS:* Tenant shall provide Landlord with written notice of its approval or disapproval of the Plans and Specifications within ten (10) business days after receipt of such Plans and Specifications from Landlord. If Tenant disapproves the Plans and Specifications, Tenant shall notify Landlord within such ten (10) business day period of any matters as to which the Plans and Specifications fail to conform to the Conceptual Plans or otherwise fail to meet with Tenant’s reasonable approval.*]* *[OR IF TENANT PREPARES THE PLANS AND SPECIFICATIONS:* Tenant shall submit the proposed Plans and Specifications to Landlord upon completion thereof (which shall consist of two (2) half-size hard copies of all Plans and Specifications, as well as in PDF format). Landlord shall provide Tenant with written notice of its approval or disapproval of the Plans and Specifications within \_\_\_\_\_\_\_ (\_\_) business days after receipt of such Plans and Specifications from Tenant. If Landlord disapproves the Plans and Specifications, Landlord shall notify Tenant within such \_\_\_\_\_\_ (\_\_) business day period of any matters as to which the Plans and Specifications fail to conform to Landlord’s construction requirements or otherwise fail to meet with Landlord’s reasonable approval (it being agreed that Landlord may extend such \_\_\_\_\_\_\_ (\_\_) business day period by up to \_\_\_\_ (\_\_) additional business days with respect to any proposed structural portion of the Tenant Improvements). Approval of the Plans and Specifications is not a representation by Landlord that they are in compliance with the requirements of governing authorities. It shall be Tenant’s responsibility to meet and comply with all Federal, State, and local law and code requirements. The foregoing provision shall only apply to Landlord acting through Landlord’s Representative (as defined below), prior to submission of the Plans and Specifications to the Landlord, acting as the Permitting Authority for the issuance of building permits, and nothing in the foregoing shall apply to Landlord in its capacity as the Permitting Authority.*]*

(d) After the Plans and Specifications are approved by Landlord and Tenant, Landlord shall also provide to Tenant, an estimate of the costs for completion of the work required by the Plans and Specifications (the “**Work**”), which cost estimate shall include, as nearly as possible, the cost of all Tenant Improvement Allowance items to be incurred in connection with the construction of the Tenant Improvements (the “**Cost Estimate**”). Landlord and Tenant shall work together in good faith in an attempt to agree upon a mutually acceptable Cost Estimate as soon as reasonably possible after approval of the Plans and Specifications. Tenant shall approve and deliver the Cost Estimate to Landlord within \_\_\_\_ (\_\_) business days of the receipt of the same and prior to commencement of any Work by Landlord. *[AS APPLICABLE:* Notwithstanding anything to the contrary contained herein, in the event the Cost Estimate indicates that the total cost of constructing the Tenant Improvements will exceed the Tenant Improvement Allowance provided for in Section 7.2 of the Lease (the “**Threshold**”), Tenant shall be responsible for payment of any costs in excess of the Threshold (the “**Excess Costs**”). Notwithstanding anything in the foregoing to the contrary, Landlord shall have the right to terminate the Lease unless Tenant, within \_\_\_ (\_\_) days of Landlord’s election to terminate, gives Landlord assurances that Tenant has made arrangements satisfactory to Landlord in its sole discretion for the payment of any such Excess Costs.*]*

4. Construction.

(a) Tenant will pay to Landlord the construction costs in two (2) installments: (i) 50% within \_\_\_\_ (\_\_) days after approval of the final Cost Estimate; and (ii) the balance, less credit for the Tenant Improvement Allowance, upon Substantial Completion of construction.

(b) Landlord shall independently retain a licensed contractor to construct the Tenant Improvements in accordance with the approved Plans and Specifications and the Cost Estimate. Construction shall proceed in accordance with Section 7.4 of the Lease.

(c) Landlord and Tenant shall designate the following individuals to act as Landlord’s and Tenant’s representatives with respect to the Work to be performed. Such individuals shall have authority to transmit instructions and receive information for the construction of the Tenant Improvements on behalf of the party whom the individual represents. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, or such other person substituted for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ shall be Tenant’s designated representative (the “**Tenant’s Representative**”) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, or such other person substituted for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ shall be Landlord’s designated representative (the “**Landlord’s Representative**”). During construction, Landlord and Tenant’s Representatives shall confer periodically regarding the progress of the Work and the approximate cost of the Work completed. Tenant’s Representative may request changes, modifications or alterations to the Plans and Specifications by written change order delivered to Landlord in accordance with the provisions of Section 5 below.

(d) Landlord shall obtain approval of the Plans and Specifications for the Premises from all appropriate government agencies, and a copy of the Plans and Specifications, as approved, shall be dated and initialed by both Landlord and Tenant. Landlord shall exercise due diligence in obtaining any such approval.

(e) Landlord hereby assigns to Tenant, on a non-exclusive basis, all warranties and guaranties provided by Landlord’s contractor relating to the Tenant Improvement Work, and Tenant hereby waives all claims against Landlord relating to, or arising out of the construction of, the Tenant Improvements.

(f) *[IF APPLICABLE, WHERE THE TENANT’S ARCHITECT HAS PROVIDED THE PLANS AND SPECIFICATIONS FOR THE WORK:* Tenant hereby indemnifies Landlord for any loss, claims, damages or delays arising from the actions of Tenant’s Architect with respect to the Premises and the design thereof.*]*

5. Change Orders.

(a) No change in the Work shall be made without the written approval of Landlord, which approval shall not be unreasonably withheld. Any additional charges, expenses or costs including, without limitation, increased fees that Landlord may be required to pay for architectural, engineering, construction and other similar services arising by reason of any subsequent change in the approved Plans and Specifications made at the request of Tenant shall be the sole cost and expense of Tenant and shall be paid by Tenant to Landlord prior to the performance of the Work.

(b) If Tenant desires any change in the approved Plans and Specifications, such changes may only be requested by the delivery to Landlord by Tenant or Tenant’s Representative of a proposed written change order (the “**Change Order**”) request specifically setting forth the requested change. Landlord shall have \_\_\_\_\_\_\_ (\_\_) business days from the receipt of the proposed Change Order request to provide Tenant with information concerning: (i) a summary of any increase or decrease in the cost that would be caused by such change (the “**Change Order Cost**”), (ii) a statement of the number of days of delay, if any, caused by such proposed change (the “**Change Order Delay**”), and an explanation of any additional cost or expense that would be caused by any Change Order Delay (the “**Change Order Delay Expense**”). Tenant shall then have \_\_\_\_\_ (\_\_) business days to approve the proposed Change Order. If Tenant approves the Change Order, Landlord shall promptly execute the Change Order and cause the appropriate changes to the Plans and Specifications to be made, in which event Tenant shall pay to Landlord, within \_\_\_\_\_\_ (\_\_) days of demand, the total costs represented by the Change Order Cost and the Change Order Delay Expense to the extent not covered by the Tenant Improvement Allowance. If Tenant fails to respond to Landlord within said \_\_\_\_\_ (\_\_) business day period, the Change Order Cost, the Change Order Delay and the Change Order Delay Expense shall be deemed disapproved by Tenant and Landlord shall have no obligation to perform any work set forth in the proposed Change Order.

(c) The Change Order Cost shall include all costs associated with the Change Order, including architectural fees, engineering fees and construction costs. The Change Order Delay shall include all delays caused by the Change Order, including, without limitation, all design and construction delays. The Change Order Delay Expenses shall include any estimated cost or expenses resulting from a Change Order Delay. All Change Orders must be in writing and no Work based upon a Change Order shall be undertaken unless and until Tenant’s Representative shall have approved the Change Order (by notice to Landlord).

(d) If Landlord requests that Tenant clarify or refine the Plans and Specifications, then Tenant’s Representative shall meet with Landlord for the purpose of clarifying or refining the Plans and Specifications within \_\_\_\_ (\_\_) business days after Tenant’s receipt of Landlord’s request therefor. No such clarification or refinement shall be deemed to be a Change Order.

(e) *[IF LANDLORD PREPARED THE PLANS AND SPECIFICATIONS:* If Landlord determines that the Plans and Specifications must be changed as a result of omissions or errors in the Plans and Specifications, then Landlord shall, at Landlord’s cost, prepare and submit to Tenant revised Plans and Specifications correcting any such omission or error. Tenant shall approve or disapprove such revised Plans and Specifications within \_\_\_ (\_\_) business days after receipt and shall not unreasonably withhold its approval. *] [IF TENANT PREPARED THE PLANS AND SPECIFICATIONS:* If Landlord determines that the Plans and Specifications must be changed as a result of omissions or errors in the Plans and Specifications, then Tenant shall, at Tenant’s cost, prepare and submit to Landlord for its approval revised Plans and Specifications correcting any such omission or error.*]*

6. Delivery/Delivery Condition.

(a) Upon Substantial Completion of the Work, Landlord shall tender delivery of the Premises to Tenant for its fixturization. All Work performed hereunder shall be done in a good and workmanlike manner, in accordance with the Plans and Specifications. At any time during the construction of the Tenant Improvements, Tenant may reject any Work which does not conform substantially to the Plans and Specifications. All materials and equipment installed in the Tenant Improvements shall be new unless otherwise specified in the Plans and Specifications. Subject to the foregoing and to subparagraph (b) below, Tenant agrees that upon Substantial Completion of the Work, Tenant shall be deemed to have accepted the Premises and Tenant hereby waives any and all rights or claims against Landlord arising out of the condition of the Premises including, subject to Landlord’s assignment of the construction warranties as provided in Paragraph 4(e) above and subject to the completion by Landlord of the items in the “punch list” provided by Tenant, as provided in subparagraph (b) below.

(b) Within \_\_\_\_\_\_\_\_\_\_\_\_\_ (\_\_\_\_\_\_) days after Landlord delivers the Premises to Tenant and notifies Tenant that the Tenant Improvements are ready for inspection by Tenant’s Representative pursuant to Section 7.4 of the Lease, Tenant shall provide Landlord with a commercially reasonable list of those construction items, if any, which fail to conform to the Plans and Specifications. Said list shall be referred to as the “punch list”. Landlord shall promptly commence to complete or correct the items on the punch list provided by Tenant, except those it contends are not reasonably justified, and diligently complete such items in timely fashion. If Tenant fails to deliver such punch list within the ( ) day period, Tenant shall be deemed to have accepted the Premises and, other than as provided for in Section 7.4 of the Lease, to have approved the Work. Failure of Landlord and Tenant to agree on the items to be corrected or completed within ( ) days after Tenant delivers its punch list, shall entitle Tenant to initiate arbitration to be conducted pursuant to the Construction Industry Arbitration Rules of the American Arbitration Association, and judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction.

7. Tenant’s Access During Construction. Tenant and its agents and contractors shall have access to the Premises during the construction of the Tenant Improvements for activities and purposes related to construction of the Premises or preparation of the Premises for occupancy. Landlord shall provide to Tenant, at the earliest practicable time but in no event later than ( ) days prior to the date of Substantial Completion, Landlord’s best estimate of the date anticipated for substantial completion. Tenant may, beginning ( ) days prior to Landlord’s best estimate for such date of substantial completion, enter the Premises for the purpose of installing furniture, fixtures, and equipment. Prior to Tenant’s entry into the Premises as permitted by the terms of this Section 7, Tenant shall submit a schedule to Landlord and Landlord’s contractor for their approval, which schedule shall detail the timing and purpose of Tenant’s entry. Tenant’s representatives on the Premises during construction shall cooperate with Landlord’s contractor and not delay in any way the performance by Landlord’s contractor or Landlord’s representatives of any Work (including but not limited to the construction of Tenant Improvements). Should Landlord reasonably determine that such early access interferes with Landlord or its contractor in the completion of the Work, Landlord may deny Tenant further access to the Premises until the Tenant Improvements are Substantially Completed.

8. Tenant Delays. Landlord shall not be responsible for any delays in the time for completion of construction resulting from a Tenant Delay. For purposes herein, a “**Tenant Delay**” means any delay in the completion of the construction of the Tenant Improvements caused by Tenant, or any of its employees, representatives, agents, or contractors, including, without limitation, the following:

(i) Tenant’s failure to timely approve any matter requiring Tenant’s approval or process Tenant’s construction plans in accordance with the time deadlines set forth in this Work Agreement;

(ii) An Event of Default (after expiration of any applicable notice and cure period) by Tenant of the terms of this Work Agreement or the Lease that causes a delay in the critical path of construction;

(iii) Tenant’s request for changes in the Plans and Specifications pursuant to the Change Order process specified in Paragraph 5 above that is a Change Order Delay;

(iv) Extra time required to obtain any materials, components, finishes or improvements or other items that are long lead items specified by Tenant. (For purposes hereof, an item shall be considered a long-lead item if it is not readily available or readily installable in a commercially reasonable time given the anticipated date of Substantial Completion of the Tenant Improvements Work and Landlord advised Tenant that such requirement was likely to cause a delay in the critical path of construction); or

(v) Any other acts or omissions of Tenant, Tenant’s Representative, or any of Tenant’s agents (including Tenant’s Architect), or employees to the extent that such act or omission actually causes a delay.

9 Notices. All notices required or permitted hereunder shall be in writing and shall be delivered as follows:

(a) If to Tenant, to: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

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

 Attention: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 with a copy to:

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

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

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

 Attention: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(b) If to Landlord, to: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

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

 Attention: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 with a copy to:

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

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

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

 Attention: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

10. Responsibility for Damage. If Tenant installs equipment in the Premises prior to completion of the Work hereunder, Tenant shall bear the risk of loss to such equipment other than as a result of gross negligence or willful misconduct by Landlord, its employees or agents.

[Signatures Appear on Following Page]

**IN WITNESS WHEREOF,** the parties have executed this Work Agreement as of the date first above written.

 LANDLORD:

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

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

 TENANT:

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

***[USE THIS ADDENDUM 4 IF TENANT CONSTRUCTS TENANT IMPROVEMENTS]***

**ADDENDUM 4** - **WORK AGREEMENT**

**TO LEASE AGREEMENT DATED**

**BY AND BETWEEN**

**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**

**AND**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**WORK AGREEMENT**

THIS WORK AGREEMENT, dated , is by and between THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, a California corporation (the “**Landlord**”), and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “**Tenant**”).

1. Definitions. The terms used in this Work Agreement shall have the meanings as defined in the Lease dated as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, by and between Landlord and Tenant (the “**Lease**”).

2. Tenant Improvements. Tenant shall construct all Tenant Improvements in accordance with the Plans and Specifications and the conditions of any applicable governmental approval. Tenant improvements must be reviewed and approved by the Campus Building Official and the Designated Campus Fire Marshal. Tenant Improvements must satisfy the Federal Americans with Disabilities Act. *[ADD IF APPLICABLE:* Bicycle parking, if any, must be designed in accordance with bicycle parking guidelines of the Association of Pedestrian and Bicycle Professionals.*]*

3. Construction Plans, Landlord Review, Estimated Costs, Changes and Delay

1. Tenant, for Landlord’s approval, which approval shall not be unreasonably withheld, shall provide the complete and detailed proposed Plans and Specifications for the Premises the design of which shall conform to Tenant’s approved conceptual plans for use of the Premises as summarized or attached in Attachment 1 to this **Addendum 4**. Tenant shall submit the proposed Plans and Specifications to Landlord on or about \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1. Landlord shall provide Tenant with written notice of its approval or disapproval of the Plans and Specifications within \_\_\_\_\_\_\_\_\_ (\_\_) business days after receipt of such Plans and Specifications from Tenant. If Landlord disapproves the Plans and Specifications, Landlord shall notify Tenant thereof within the \_\_\_\_\_\_\_ (\_\_) business day period of any matters as to which the Plans and Specifications fail to conform to Landlord’s construction requirements or otherwise fail to meet with Landlord’s reasonable approval. It shall be reasonable for Landlord to withhold approval if any Plans and Specifications are inconsistent with the overall quality and style of the Building.
2. Notwithstanding that any Plans and Specifications are reviewed by Landlord or its construction professionals, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or its construction professionals, Landlord shall have no liability and shall not be responsible for any omissions or errors contained in the Tenant’s Plans and Specifications.

(d) Construction shall commence in accordance with Article 7 of the Lease.

(e) Landlord and Tenant shall designate the following individuals to act as Landlord’s and Tenant’s representatives with respect to the Work to be performed. Such individuals shall have authority to transmit instructions and receive information for the construction of the Tenant Improvements on behalf of the party whom the individual represents. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, or such other person substituted for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ shall be Tenant’s designated representative ("**Tenant's Representative**") and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, or such other person substituted for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ shall be Landlord’s designated representative (the “**Landlord’s Representative**”). During construction, Tenant and Landlord’s Representatives shall confer periodically regarding the progress of the Work. Landlord’s Representative may request changes, modifications or alterations to the Plans and Specifications by written change order delivered to Tenant, but no such change shall be made without the approval of Tenant, which approval shall not be unreasonably withheld. Tenant shall approve or deny each Landlord change order within four (4) business days, by written notice to Landlord’s Representative.

(f) If Tenant desires that Landlord approve any change in the Final Plans and Specifications, Tenant shall deliver to Landlord a proposed written change order (the “**Change Order**”) approval request, specifically setting forth the proposed change, accompanied by revised Plans and Specifications and other relevant information related thereto. Landlord shall have \_\_\_\_ (\_\_) business days from its receipt of the revised Plans and Specifications to approve or disapprove the Change Order. If Landlord fails to respond to Tenant within said \_\_\_\_\_ (\_\_) business day period, the Change Order shall be deemed disapproved by Landlord.

(g) If Landlord requests that Tenant clarify or refine the Plans and Specifications, then Tenant’s Representative shall meet with Landlord’s Representative for the purpose of clarifying or refining the Plans and Specifications within four (4) business days after Tenant’s receipt of Landlord’s request therefor. No such clarification or refinement shall be deemed to be a change order.

(h) If Landlord determines that the Plans and Specifications must be changed as a result of omissions or errors in the Plans and Specifications, then Tenant shall, at Tenant’s cost, prepare and submit to Landlord revised Plans and Specifications correcting any such omission or error. Landlord shall approve or disapprove such revised Plans and Specifications within \_\_\_\_\_\_ (\_\_) business days after receipt and shall not unreasonably withhold its approval.

Landlord shall not be responsible for any delays in the time for completion of construction.

4. Approval of Plans by Public Authorities. Prior to commencing construction, Tenant shall obtain approval of the Plans and Specifications for the Premises from all appropriate government agencies, and a copy of the Plans and Specifications, as approved, shall be dated and initialed by both Landlord and Tenant. Tenant shall exercise due diligence in obtaining any such approval.

5. Quality of Work. All Work performed hereunder shall be done in a good and workmanlike manner, free from faults and defects and in accordance with the Plans and Specifications. All materials and equipment installed in the Tenant Improvements shall be new unless otherwise specified in the Plans and Specifications.

6. Landlord’s Access During Construction. Landlord at all times shall have access to the Premises during the construction of the Tenant Improvements. Tenant shall provide to Landlord, at the earliest practicable time but in no event later than days prior to the date of substantial completion, Tenant’s best estimate of the date of substantial completion. Landlord shall charge Tenant a construction coordination fee payable by Tenant to Landlord equal to three percent (3%) of the total cost of the Tenant Improvements.

7. Close-out. At Close-Out, Tenant shall provide Landlord with three (3) sets of as-built Plans, and as-built Specifications, if applicable, marked to show field changes, in PDF and AutoCAD format on discs with typed labels. “Close-Out” of the Tenant Improvements shall be deemed to occur at such time as (i) the Tenant Improvements have been substantially completed in accordance with the Final Plans and Specifications; (ii) Tenant has received and provided to Landlord a certificate of substantial completion signed by Tenant’s Architect; (iii) a certificate of occupancy has been issued, and (iv) final and unconditional mechanic’s lien waivers and releases for all Tenant Improvement work have been obtained.

8. Notices. All notices required or permitted hereunder shall be in writing and shall be delivered as follows:

 (a) If to Tenant, to: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

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

 Attention: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 (b) If to Landlord, to: The Regents of the University of California

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

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

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

 Attention: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 With a copy to: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

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

 Attention: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

9. Notice of Non-Responsibility. Landlord may post such notices of non-responsibility as it reasonably deems appropriate in the Premises during the construction provided for herein.

10. Responsibility for Damage. If Tenant installs equipment in the Premises prior to completion of the Work hereunder, Tenant shall bear the risk of loss to such equipment other than as a result of gross negligence or willful misconduct by Landlord, its employees or agents.

[Signatures Appear on Following Page]

**IN WITNESS WHEREOF,** the parties have executed this Work Agreement as of the date first above written.

 LANDLORD:

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

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

 TENANT:

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

**ADDENDUM 5** - **APPLICABLE EXCLUSIVES AND USE RESTRICTIONS**

**TO LEASE AGREEMENT DATED \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**BY AND BETWEEN**

**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**

**AND**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**ADDENDUM 6** - **PROHIBITED USES**

**TO LEASE AGREEMENT DATED \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**BY AND BETWEEN**

**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**

**AND**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

*[AS APPLICABLE:* ***to be revised to meet specific requirements of Campus****]*

Tenant shall not permit the following uses in the Building (including the Premises):

* Manufacturing or industrial purposes (except for those functions that are incidental to the conduct of retail businesses);
* The sale, distribution or display of any drug paraphernalia primarily used in the use or ingestion of illicit drugs;
* Any purpose prohibited by law;
* A “second hand” store, including as examples those operated by Goodwill Industries or the Salvation Army, but “second hand store” shall not include antique stores or nationally recognized re-sellers of electronic games or sporting equipment;
* A bowling alley;
* A skating rink;
* A bar, nightclub or discotheque;
* A pool room;
* A massage parlor (except as part of the regular services offered by a doctor, chiropractor, health club, day spa or beauty salon);
* A tattoo or piercing parlor;
* Any off-track betting club or facility;
* Any operation primarily used as a storage facility;
* Any assembling, manufacturing, distilling, refining, smelting, agricultural, or mining operation;
* A mobile home park, trailer court, labor camp, junkyard or stockyard;
* Any dumping, disposing, incineration or reduction of garbage;
* An auction house or similar operation;
* A central laundry dry cleaning plant or Laundromat (except that a dry cleaner that performs all dry cleaning outside the Building shall be permitted);
* Any living quarters, sleeping apartments or lodging rooms;
* Any mortuary or funeral home;
* An adult bookstore or facility selling or displaying pornographic books, literature or videotapes (materials shall be considered “adult” or “pornographic” for such purpose if the same are not available for sale or rental to children under 18 years old because they explicitly deal with or depict human sexuality); the parties acknowledge and agree that the sale of books, magazines and other publications by a national bookstore (or its local equivalent) of the type normally located in first class shopping centers in the state or the operation of a full-line video store shall not be deemed a “pornographic use”;
* A pawn shop;
* A gun shop;
* A church or other place of religious worship or meeting hall;
* A carnival, amusement park or circus;
* A hotel/motel;
* A day care center;
* *[IF APPLICABLE:* ***delete for Campus food court tenants****]* A so-called “fast food” establishment;
* An automotive repair shop;
* A liquor store other than so-called upscale gourmet wine stores; or
* A check-cashing operation other than a bank which is not otherwise a prohibited use hereunder

**ADDENDUM 7** - **OPERATING AGREEMENT**

**TO LEASE AGREEMENT DATED \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**BY AND BETWEEN**

**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**

**AND**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

*[Insert applicable Operating Agreement for Campus]*

**ADDENDUM 8** - **WAGE AND BENEFIT PARITY**

**TO LEASE AGREEMENT DATED \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**BY AND BETWEEN**

**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**

**AND**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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| **Job Title** | **Location** | **Wage and Benefit Parity Rate** |
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