

Year 2	Annual Increase based on CPI West Table A. All Categories but not to exceed Three (3) percent https://www.bls.gov/regions/west/news-release/consumerpriceindex_west.htm
Year 3	Annual Increase based on CPI West Table A. All Categories but not to exceed Three (3) percent https://www.bls.gov/regions/west/news-release/consumerpriceindex_west.htm
Year 4	Annual Increase based on CPI West Table A. All Categories but not to exceed Three (3) percent https://www.bls.gov/regions/west/news-release/consumerpriceindex_west.htm
Year 5	Annual Increase based on CPI West Table A. All Categories but not to exceed Three (3) percent https://www.bls.gov/regions/west/news-release/consumerpriceindex_west.htm

Tenant shall pay Landlord base rent for the first month rent (plus NNN charges) upon execution of this Lease. Payment is deemed made when received in hand. Base rent shall be paid to the following address or such address as Landlord may herein after specify by notice or otherwise:

Lampert Property Management
PO BOX 5513
Salem, OR 97304

2.3 Base Rent During the First Renewal Term. During the first renewal term (which the parties agree and understand shall commence after month Sixty (60) of this Lease) Tenant shall pay to Landlord as base rent, on the first day of each month, the following (unless otherwise assigned by Landlord's assessment of current market value (whichever is greater)): **CPI index increases which is calculated based on CPI West All Categories; Limited to 3% per year, or 15% for the five year period.**

2.4 Base Rent During the Second Renewal Term. During the second renewal term (which the parties agree and understand shall commence after month One Hundred Twenty (120) of this Lease) Tenant shall pay to Landlord as base rent, on the first day of each month, the following: **CPI index increases which is calculated based on CPI West All Categories; Limited to 3% per year, or 15% for the five year period.**

2.5 Calculation, Time and Place of Payment. The base rent will be paid in advance on the first day of each month at the address for Landlord set forth in this Lease. Base rent is uniformly apportioned day to day.

2.6 Interest and Late Charges. All rent and other payments not paid after ten (10) days shall bear interest from the due date until fully paid at the same rate as specified in paragraph 11.4, Cure of Tenant's Default, below. In addition, Tenant acknowledges that late payment of any rent or other payment required by this Lease from Tenant to Landlord will result in collection costs to Landlord, the extent of which additional costs is extremely difficult and economically impractical to ascertain. Tenant therefore agrees that if Tenant fails to make any rent and/or other payment(s) required by this Lease to be paid to Landlord when it is due, Landlord may elect to impose a late charge of Five Hundred Dollars and no/100 (\$500.00) for the first such late payment and One Thousand Dollars and no/100 (\$1000.00) for each such subsequent late payment throughout the term of this Lease, including any additional renewal term(s). Additionally, Tenant shall reimburse Landlord for all costs and expenses, including attorney fees, incurred in collecting the overdue rent and/or other payment(s). Tenant shall pay the late charge upon demand by Landlord. Tenant agrees that the late charge is a reasonable estimate of the costs to Landlord of collecting in addition to all other remedies available for Tenant's default, and collection of a late charge shall not waive the breach caused by the late payment.

2.7 Net Lease Provisions. All payments required paid by Tenant under this Lease, other than base rent, will constitute additional rent. This is intended to be a net lease, meaning that Tenant shall pay its proportional share of all expenses of every type relating to the Premises after commencement of the lease term. As of the effective date of this Lease, the triple net expenses are currently estimated at \$4.41 per square foot per year. All rent (including base rent and additional rent) shall be received by Landlord without setoff, offset, abatement, or deduction of any kind.

2.8 Security Deposit. Tenant, upon execution of this Lease, shall deposit with Landlord the sum of Five Thousand Dollars and 00/100 (\$5000.00) as a security deposit (the "Security Deposit"). Throughout the years of the Lease, the Security Deposit shall be held by Landlord, without liability for interest. The Security Deposit is security for the faithful performance by Tenant of all the terms of this Lease by said Tenant to be observed and performed. The Security Deposit shall not be mortgaged, assigned, transferred, or encumbered by Tenant and any such act on the part of Tenant shall be without force and effect and shall not be binding upon Landlord. The Security Deposit shall be a debt from Landlord to Tenant, refundable within thirty (30) days following the end of the lease term, so long as lease is in good standing. Security Deposit may also be refunded upon a lease termination not caused by Tenant's default. Landlord shall have the right to offset against the Security Deposit any sums owing from Tenant to Landlord. The offset against the Security Deposit shall not be the exclusive remedy, but may be invoked by Landlord, at its option, in addition to any other remedy provided by law, or equity, or this Lease, for

Tenant's non-performance. Landlord shall give notice to Tenant each time an offset is properly claimed against the Security Deposit, unless the Lease is terminated. Tenant shall within ten (10) days following such notice deposit with Landlord a sum equal to the amount of the offset so the total deposit amount, net of offset, shall remain constant throughout the lease term.

3. **USE OF PREMISES.**

3.1. **Permitted Use.** Tenant shall use the Premises only for conducting the following business:

Toy Store and Party/Meeting Room, and for no other purpose without Landlord's written consent.

3.2. **Compliance with Laws.** In connection with its use, Tenant, throughout the term of this Lease, and any renewal term, shall comply, at its sole cost(s) and expense(s) with all applicable laws, regulations and requirements of any public authority, including, but not limited to, the Americans with Disabilities Act, and including those regarding maintenance, operation, and use of the Premises and appliances on the Premises (including signs). At time of possession, Landlord has ensured the space is in current compliance with all laws including, ADA and fire codes.

3.3. **No Offensive Activities.** Tenant shall not conduct or permit any activities on the Premises that create a nuisance or damage the reputation of the Premises, or which are offensive to Landlord or other owners, tenants, or users of adjoining property. Without limiting the foregoing, Tenant shall not use the Premises for any establishment offering the provision of goods, services or amusements from which minors would customarily be excluded because of the sexually explicit nature thereof or for any other reason such as adult book stores, massage parlors, public or private bathhouses, escort services, adult movie theaters, adult video or movie arcades or other establishments which display adult movies or adult video recordings, or establishments, including, but not limited to, those which display brothels, "topless" dancing, bikini dancing, erotic strip, nude or semi-nude dancers. Except as specifically provided in paragraph 14.25, Human Health and Environment, of this Lease, Tenant shall not use, transport, store, treat, dispose of, or otherwise handle hazardous substances on the Premises without the specific prior written consent of Landlord.

3.4. **Supervision.** Tenant shall keep the Premises clean and orderly and will cause its employees on the Premises to be well-groomed and dressed in accordance with a first class, professional operation of Tenant's business. Tenant will supervise its employees and cause Tenant's agents, independent contractors, employees, customers, suppliers, and invitees to conduct their activities in such a manner as to comply with the requirements of this Lease and the rules and regulations described in paragraph 3.11, Regulations.

3.5. **Common Areas/Parking/Access.** All access, customer parking, employee parking, and common areas within the Shopping Center shall be used in strict compliance with the rules

and regulations of the Landlord, currently existing and created by the Landlord throughout the term of this Lease, including any renewal terms. The Tenant shall require all of its employees to park in those parking spaces designated by Landlord. Additionally, the Landlord may, if necessary designate parking spaces for "Customer Only", and all employees of the Tenant are prohibited from parking in those designated spaces. The Tenant's employees' failure to comply with Landlord's rules and regulations and the terms of this Section, shall cause Landlord to incur contractual damages and may result in an administrative parking enforcement fee, which shall be paid directly to Landlord. Tenant shall be solely responsible for dealing with any governmental agency and for paying any additional costs or expenses with regard to any traffic congestion issues and/or concerns due to or the result of the Tenant's business.

- 3.6. **Covenant of Continuous Operation.** Tenant shall continuously use and conduct its business on the Premises during customary hours in Keizer, Oregon. Open 6-7 days a week or a minimum of 40 hours.
- 3.7. **Name of Business.** The advertised name of the business operated in the Premises shall be "Bricks and Minifigs". Tenant shall obtain Landlord's written consent, which shall not be unreasonably withheld, for any other changes to the name of the business operated on the Premises.
- 3.8. **Storage, Trash.** Tenant shall not store anything outside except in areas approved by Landlord. Tenant will use only trash and garbage receptacles approved by Landlord. Tenant shall dispose of trash and other matter in a manner acceptable to Landlord, at Tenant's expense. Landlord may, at Landlord's option, contract for trash receptacles to be shared by Tenant's and Tenant's shall pay it's pro-rata share when billed.
- 3.9. **Sign.** Tenant shall not construct or install, or in any way through agreement or otherwise, allow a third party to construct, install, locate, or place any signs, including but not limited to any billboards, signs, posters, painted windows, stickers, or transparencies on the interior or exterior of the Premises that are visible from the exterior of the Premises without the prior written consent of Landlord, except as specifically provided below. All of Tenant's signage shall comply with Landlord's signage criteria for the Shopping Center. Additionally, any sign on the Premises or on the pylon sign for the Shopping Center will be designed and constructed in compliance with applicable governmental sign code(s). Tenant shall be permitted to place its identification sign on the pylon sign. *See Exhibit C.*
- 3.10. **The Shopping Center.** Tenant's share of the identification space on the pylon sign shall be determined by Landlord. Tenant's share of the pylon sign cost will be based on the ratio that Tenant's share of the identification space bears to the entire tenant identification space on the pylon sign. Any additional signs allowed by Landlord shall be at Tenant's sole cost and expense.
- 3.11. **Regulations.** Landlord shall have the right to make and enforce reasonable rules and regulations consistent with this Lease for the purpose of regulating access, parking,

and the use of common areas, establishing standards and requirements concerning the conduct and operation of business, and promoting safety, order, cleanliness, and good service to the Premises, Shopping Center, and adjacent property. Tenant will promptly comply with all such rules and regulations, provided Tenant is given at least fifteen (15) days advance written notice of any such rules and regulations or any changes to such rules.

4. **REPAIRS, MAINTENANCE, REPLACEMENTS, ALTERATIONS, AND IMPROVEMENTS.**

4.1.Landlord's Obligations. Except as herein otherwise provided, Landlord shall be under no obligation to make or perform any repairs, maintenance, replacements, alterations, or improvements on the Premises at any time. Landlord shall make and pay for any necessary repairs, maintenance or replacements to the roof (excluding interior ceiling), the exterior walls (including painting and dryvit/e.f.i.s. repairs), the foundation for the building in which the Premises is located, and the parking lot for the Premises. Landlord, at Landlord's option, shall employ during the entire term hereof, a firm engaged in the business of maintaining HVAC systems to perform periodic inspections of the HVAC system serving the Premises and to perform any necessary repairs, maintenance or replacements. Tenant shall reimburse as part of CAMS all of the costs incurred by Landlord in repairing, maintaining, or replacing the HVAC system with an annual cap of \$500.00 annually. Tenant shall pay its proportionate share for repairs, maintenance of the roof, the exterior walls, the foundation for the building in which the Premises is located, and the parking lot for the Premises. Tenant will reimburse as part of CAMs Tenant's estimated proportionate share of common expense charges in equal monthly installments on the first day of each calendar month during the term hereof. Tenant's proportionate share of such expenses shall be based on the ratio that the rentable area of the Premises bears to the entire rentable area of the building in which the Premises is located.

4.2.Tenant's Obligations. Tenant, at its expense, shall keep the Premises (including but not limited to: tenant improvements, electrical, plumbing, the store front, door closure and hinges, equipment, fixtures, displays, and all glass) in first class repair, operating condition, working order, and appearance. Tenant shall deliver to Landlord copies of all maintenance contracts, all periodic inspection reports, and all other repair, maintenance, or replacement records.

4.3.Alterations; Signs. Tenant shall not alter the Premises or install additional electrical equipment, machinery, or any signs without Landlord's prior written consent. Tenant may remodel, redecorate, repaint, or recarpet the interior of the Premises without Landlord's approval provided that the cost of any such improvement does not exceed \$10,000.00, and does not affect the structural integrity of the building or the building system, and provided further that Landlord shall have the right to require Tenant to remove any improvement installed without Landlord's consent upon expiration of the term and restore any damage caused by removal. Additionally, Tenant shall provide Landlord with all plans and specifications for the improvements, and notify Landlord fifteen (15) days prior to the

commencement of any Tenant improvements. All alterations shall be made in a good and workmanlike manner, and any alterations and fixtures installed by Tenant (other than trade fixtures and equipment) shall become part of the Premises and belong to Landlord. Title to all alterations, additions, improvements, repairs, decorations (including any hard-surfaced, bonded or adhesively fixed flooring), heating and air-conditioning equipment and fixtures (other than Tenant's trade fixtures and equipment) which shall have been made, furnished or installed by or at the expense of either Landlord or Tenant in or upon the Premises, shall vest in Landlord upon the installation thereof, and the same shall remain upon and be surrendered at Lease termination with the Premises as part thereof without disturbance, charge, or any further obligation to Tenant to alter same; provided, however, that Tenant shall, at Landlord's option, remove any alterations, additions, or improvements, and restore any damage caused by such removal.

4.4. Common Area Maintenance. Landlord shall maintain the common areas consistent with a first class Shopping Center including but not limited to keeping the parking lots, access roads and sidewalks of the Shopping Center paved, pothole free, and free from accumulation of snow, ice and storm water; keeping the utility facilities (e.g., electric, sewer, lines, transformers, meters, etc.) located in or serving the common areas in good condition and repair; keeping all common areas properly lighted; maintaining all landscaping and trees located in the common areas in good condition; keeping the Shopping Center's common areas free from refuse and trash, including periodic mechanical cleaning of the parking areas; keeping the parking lots, fire lanes, handicap areas, crosswalks and sidewalks properly striped; and maintaining adequate liability insurance and casualty insurance for the common areas.

5. TAXES; UTILITIES; COMMON EXPENSES.

5.1. Personal Premises Taxes. Tenant shall pay when due all personal property taxes assessed against its personal property, equipment, or trade fixtures on the Premises.

5.2. Taxes and Assessments. Tenant shall pay its proportionate share of all taxes, assessments, and public charges on the Premises and other land and improvements included in the Shopping Center. Taxes for the year in which the Lease commences and terminates will be prorated and adjusted for any partial year. Upon execution of this Lease, Tenant shall pay to Landlord Tenant's proportionate share of any prepaid taxes and assessments for the then current tax year. Thereafter, Tenant will pay its proportionate share within the (10) days after receipt of Landlord's notice of the amount due from Tenant. Tenant's proportionate share of such taxes and assessments shall be based on the ratio that the rentable area of the Premises bears to the entire rentable area of the building(s) in the Shopping Center.

5.3. Utilities. Tenant shall pay for all charges, including but not limited to all costs and expenses for services and utilities incurred in connection with the use, occupancy, and operation of the Premises, including (without limitation) service charges for electricity, gas, telephone, water, and sewer (if applicable). If consumption is not separately metered



to the Premises, Tenant shall pay Landlord for all utilities consumed on the Premises at a rate which as nearly as possible represents the cost to Landlord of providing such utilities to Tenant. Payments shall be made within ten (10) days after billings from Landlord, or within the time permitted for payment by the utility company where Tenant is directly billed. Landlord shall select all the utility companies for the common areas of the Shopping Center.

5.4. Common Area and Maintenance Expenses. Tenant shall pay its proportionate share of common expense charges incurred by Landlord for the Shopping Center, including (without limitation) the costs of cleaning, lighting, patrolling, security, striping, repairing, replacing, and maintaining the access, parking, common areas of the Shopping Center, pressure washing of sidewalks, parking lot sweeping, awning cleaning, trash removal, cost of trash/ash tray receptacles, window washing, pest control, any landscaping and any and all expenses associated with maintaining and repairing the property and premise. Tenant shall also pay its pro rata share for the maintenance and repair and replacement of HVAC and all major building systems. Tenant's proportionate share of common expense charges shall be based on the ratio that the rentable area of the Premises bears to the entire rentable area of the building(s) in the Shopping Center. Throughout the term of this Lease, the common expense charges will include a management fee, which is equal to three percent (3%) of the then current monthly base rent. Upon the Commencement Date of the Lease, and at the beginning of each calendar year during the term of the Lease, Landlord, acting reasonably, will estimate Tenant's proportionate share of the common expense charges for the ensuing calendar year or portion thereof. Landlord may revise the estimate during the course of any year. Tenant will pay Tenant's estimated proportionate share of common expense charges in equal monthly installments on the first day of each calendar month during the term hereof. Within one hundred twenty (120) days (or as soon thereafter as possible) after the end of any calendar year, Landlord shall give Tenant written notice of Tenant's actual proportionate share of common expense charges incurred during such calendar year. If Tenant's payments of its estimated proportionate share of common expense charges for such calendar year differ from Tenant's actual proportionate share of common expense charge for such year, an appropriate adjustment shall be made within thirty (30) days after the giving of such notice. Any objections by Tenant to the form or content of the annual statement from Landlord shall be made in writing by Tenant within thirty (30) days after the receipt thereof. Otherwise the annual statement shall be deemed conclusive and binding on the parties. Tenant's proportionate share of common expense charges shall be based on the ratio that the rentable area of the Premises bears to the entire rentable area of the building(s) in the Shopping Center.

6. LIENS, INDEMNIFICATION AND LIABILITY.

6.1. Liens. Tenant shall pay as due all claims for work done on or for services rendered or material furnished to the Premises, and shall keep the Premises free from any liens other than liens created by Landlord. If Tenant fails to pay such claim or to discharge any lien,

Landlord may do so and collect such amount as additional rent. Amounts paid by Landlord shall bear interest and be repaid by Tenant as provided in paragraph 11.4, Cure of Tenant's Default, below. Such payment by Landlord shall not constitute a waiver of any right or remedy Landlord may have because of Tenant's default.

6.2. Indemnification of Landlord. Tenant shall indemnify and defend Landlord from any claim, loss, or liability arising out of or related to any action or inaction of Tenant or its agents, independent contractors, employees, customers, suppliers or invitees, any condition of the Premises which is the responsibility of Tenant under this Lease, or any goods sold by Tenant from the Premises (including product liability and other claims).

6.3. Landlord's Liability. Landlord shall have no liability to Tenant for acts of other tenants or users of adjacent property or acts of any third party, or for any defect in the Premises which is the responsibility of Tenant under this Lease, or for any interruption or failure in the supply of utilities or services to the Premises.

7. INSURANCE AND DAMAGE.

7.1. Liability Insurance. Tenant shall continuously maintain at its expense comprehensive general liability insurance with a combined single limit of \$1,000,000.00, or such higher limits as Landlord may reasonably require from time to time. Tenant shall also maintain product liability insurance and such other insurance on Tenant's operation as Landlord may require during the lease term. Such insurance shall name Landlord as an additional insured and shall contain a contractual liability endorsement referring to this Lease. All insurance shall be written on an "occurrence" basis. The policies shall be in a form, amounts, and with companies reasonably acceptable to Landlord. Certificates evidencing such insurance and bearing endorsements requiring thirty (30) days' written notice to Landlord prior to any change or cancellation shall be furnished to Landlord prior to Tenant's occupancy of the Premises.

7.2. Casualty Insurance. Landlord shall obtain and maintain during the term hereof fire and extended insurance coverage (including, at Landlord's option, earthquake, flood, and rental abatement (the "*business income insurance*")) on the Premises and the Shopping Center in the amount of the full replacement cost thereof. Tenant will pay Tenant's estimated proportionate share of insurance premium in equal monthly installments on the first day of each calendar month during the term hereof. Tenant's proportionate share of the premiums will be based on the ratio that the rentable area of the Premises bears to the entire rentable area of the building(s) in Shopping Center. Tenant shall, at its sole cost and expense, obtain and maintain during the term hereof fire and extended coverage on Tenant's improvements, personal property, equipment, trade fixtures, and inventory in and upon the Premises in an amount not less than eighty (80%) percent of the full replacement cost thereof. Neither party shall be liable to the other for any loss or damage caused by water damage or any of the risks covered by a standard fire insurance policy with extended coverage endorsements, and there shall be no subrogated claim by one party's insurance carrier against the other party arising out of any such loss.



7.3. Restoration of Damage. If fire or other casualty causes damage to the building in which the Premises is located in an amount exceeding twenty-five (25%) percent of its full construction-replacement cost, then Landlord may elect to terminate this Lease by giving written notice of such termination to Tenant within sixty (60) days following the date of damage. Otherwise, Landlord shall proceed to restore the building to a condition comparable in function and value to that existing prior to the damage. If the Landlord's business income insurance for the Tenant covers the time period necessary to complete the restoration of the Premises, Tenant shall receive an abatement of rent for said time period. If the Landlord's business income insurance does not cover the time necessary to complete the restoration of the Premises, or if the damage does not cause any material interference with Tenant's use, there shall be no rent abatement. Tenant shall cooperate with Landlord during the period of repair and agrees to vacate all or any part of the Premises to the extent necessary for the performance of the required work.

7.4. Repair of Tenant's Premises. Repair, replacement, or restoration of any fixtures, equipment, and personal property owned by Tenant, tenant improvements, or any additions or improvements to the Premises shall be the responsibility of Tenant regardless of the cause of the damage, unless damage cause is Landlord or Landlord's negligence. Tenant shall pay all costs of moving its property when required in connection with the repairs of the Premises for which Landlord is responsible.

8. CONDEMNATION.

8.1. If the entire Premises is condemned, or if a portion is taken which causes the remainder to be unsuited to the use permitted hereunder, then this Lease shall terminate as of the date upon which possession of the Premises is taken by the condemning authority. Otherwise, Landlord shall proceed to make necessary repairs and alterations to the Premises to permit Tenant to continue its operations thereon, except for repairs to Tenant's property for which Tenant is responsible under paragraph 7.4, Repair of Tenant's Premises, above. The base rent shall be abated during the period of restoration to the extent the Premises is not reasonably usable for Tenant's use, and shall be reduced for the remainder of the lease term to the extent and in the same proportion as the reduction in rentable area of the Premises. Landlord reserves all rights to the condemnation proceeds for the Premises and/or Premises and the leasehold hereby created, accruing by reason of action of public or other authority, or by exercise of eminent domain or by reason of anything lawfully done in the pursuance of public or other authority. Tenant hereby grants to Landlord all Tenant's rights to such damages and covenants to deliver such further assignments thereof as Landlord may from time to time request. Nothing herein shall prevent Tenant from pursuing its separate award for the value of its leasehold improvements, loss of business, or rights to relocation expenses. Sale of all or a part of the Premises to a purchaser with the power of eminent domain in the face of a threat or the probability of the exercise of the power shall be treated as a taking by condemnation. Landlord need not incur expenses for restoration in excess of the amount of condemnation proceeds received by Landlord

after payment of all reasonable costs, expenses and attorneys' fees paid or incurred by Landlord in connection with the condemnation.

9. TRANSFERS BY TENANT.

9.1. Assignment and Subletting. Tenant shall not assign, mortgage, pledge, hypothecate, or encumber the Premises or Tenant's leasehold estate, or sublet any portion of the Premises, or license the use of any portion of the Premises, or otherwise transfer any interest in the Premises (whether voluntary, involuntary, by operation of law, or otherwise) ("**Transfer**"), without the prior written consent of Landlord, which shall not be unreasonably withheld, and without meeting all of the following requirements:

A. The party to which the Premises is being Transferred to (the "**New Tenant**") has:

1. A financial worth that is acceptable to Landlord; and
2. Has operated a business with a net profit for at least three (3) years; and
3. OR- has purchased a franchise in good standing and

B. Landlord is offered the right to recapture, (the right to retake the Premises) at its square foot rental for the Premises then applicable pursuant to this Lease or the rental which Tenant proposed to obtain, whichever is lower; and

C. Landlord shall receive all rent or other payments from the Premises, including but not limited to any rent above the base rent amount.

D. Tenant is required to transfer the entire Premises, and is prohibited from transferring any space less than the entire Premises.

E. The New Tenant's use of the Premises is acceptable to Landlord and permitted under the terms of this Lease.

The parties agree and understand that it shall not be unreasonable for Landlord to withhold its consent to any Transfer of this Lease if the above requirements are not completely (100%) satisfied, in Landlord's sole discretion. In the event Landlord does consent to a Transfer of the Premises, no such Transfer shall release Tenant from any of its obligations under this Lease. In the event of any attempted Transfer without such consent of Landlord, this Lease, at the sole option of Landlord, may be immediately terminated. However, the parties agree and understand that Tenant shall be allowed to Transfer this Lease to an entity solely owned by the Tenant without the Landlord's consent, provided that such Transfer shall not be considered a novation of this Lease and Tenant continues to unconditionally and personally guaranty full and complete performance of all covenants, terms, and provisions of the Lease. If Tenant is a corporation, any transfer of a controlling interest in the stock of Tenant shall be deemed a Transfer of this Lease. If Tenant is a limited liability company, any change in the partners shall be deemed a Transfer of this Lease. If Tenant requests consent to a proposed Transfer, Tenant or the prospective transferee with pay a review fee of \$500.00 at the time of the request, for application to Landlord's expenses

(legal and administrative) in reviewing the request for consent to Transfer, which expenses will be paid by Tenant or the prospective transferee, but will not exceed \$1,000.00.

In the event this Lease is assigned to any person or entity pursuant to the provisions of the Bankruptcy Code, 11 USC Section 101 et seq. (the "*Bankruptcy Code*"), any and all monies or other considerations payable or otherwise to be delivered in connection with such assignment shall be paid or delivered to Landlord, shall be and remain the exclusive property of Landlord and shall not constitute property of Tenant or of the estate of Tenant within the meaning of the Bankruptcy Code. Any and all monies or other consideration constituting Landlord's property under the preceding sentence not paid or delivered to Landlord shall be held in trust for the benefit of Landlord and be promptly paid or delivered to Landlord. Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed without further act or deed to have assumed all of the obligations arising under this Lease on and after the date of such assignment. Any such assignee shall upon demand execute and deliver to Landlord an instrument confirming such assumption.

9.2. Obligations after Transfer. The giving of such consent in one instance shall not preclude the need for Tenant to obtain Landlord's consent to further Transfers. If Tenant is permitted to make any transfer, Tenant and any Guarantor(s) of this Lease shall not be relieved of their respective obligations and responsibilities under the terms of this Lease, and shall remain primarily liable to Landlord for performance of all such obligations and responsibilities under the terms of this Lease, unless and until the New Tenant, as defined above, has met all of the requirements, as stated in subparagraphs A – E of Paragraph 9.1, of this Lease, and the Landlord, Tenant, and New Tenant have executed an agreement, drafted by the Landlord's attorney, which transfers all of the obligations and responsibilities under the terms of this Lease to the New Tenant (the "*Transfer Agreement*"). The parties agree and understand that it shall not be unreasonable for the Landlord to withhold its consent to the Transfer, and thereby prohibit the Transfer to the New Tenant, if the New Tenant fails to meet all of the requirements as stated in subparagraphs A - E of Paragraph 9.1 of this Lease, and the Landlord, Tenant, and New Tenant fail to execute the Transfer Agreement. If the Transfer is not consented to and is prohibited by the Landlord, Tenant shall remain primarily liable to Landlord for performance of all such obligations and responsibilities under the terms of this Lease.

10. DEFAULT.

The following shall be events of default:

10.1. Payment Default. Failure of Tenant to make any rent or other payment under this Lease when due. Payments are due on 1st of each month, with a grace period ending on the 10th of each month for the duration of the lease.

- 10.2. Unauthorized Transfer.** Tenant makes any transfer without Landlord's prior written consent as required under paragraph 9.1, Assignment and Subletting.
- 10.3. Abandonment of Premises.** Tenant abandons the Premises, for which purpose "abandons" means a failure by Tenant to occupy and use the Premises for one or more of the purposes permitted under this Lease for a total of seven (7) business days or more during the lease term, unless such failure is excused under other provisions of this Lease.
- 10.4. Default in Other Covenants.** Failure of Tenant to comply with any other term or condition or fulfill any other obligation of this Lease within twenty (20) calendar days after written notice by Landlord specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be remedied fully within the twenty (20) calendar day period, this requirement shall be satisfied if Tenant begins correction of the default within the twenty (20) calendar day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable. No notice and no opportunity to cure shall be required if Landlord has previously given Tenant notice of failure to comply with such term or condition or failure to fulfill such other obligation of this Lease during the term hereof.
- 10.5. Insolvency Defaults.** Dissolution, termination of existence, or business failure of Tenant; the commencement by Tenant of a voluntary case under the federal bankruptcy laws or under any other federal or state law relating to insolvency or debtor's relief; the entry of a decree or order for relief against Tenant in an involuntary case under the federal bankruptcy laws or under any other applicable federal or state law relating to insolvency or debtor's relief; the appointment of or the consent by Tenant to the appointment of a receiver, trustee, or custodian of Tenant or of any of Tenant's property; an assignment for the benefit of creditors by Tenant; Tenant's failure generally to pay its debts as such debts become due; the making or suffering by Tenant of a fraudulent transfer under applicable federal or state law; concealment by Tenant of any of its property in fraud of creditors; the making or suffering by Tenant of a preference within the meaning of the federal bankruptcy law; or the imposition of a lien through legal proceedings or distraint upon any of the property of Tenant which is not discharged or bonded. During any period in which there is a Guarantor(s) of this Lease, each reference to "Tenant" in this paragraph shall be deemed to refer to "Guarantor or Tenant," separately.

11. REMEDIES ON DEFAULT.

Upon default, and after written notice of default to tenant, and tenant's failure to cure default within 20 days of notice, Landlord may exercise any one or more of the following remedies or any other remedy available under applicable law:

- 11.1. Retake Possession.** To the extent permitted by law, Landlord may re-enter and retake possession of the Premises, without notice, either by summary proceedings, force, any other applicable action or proceeding, or otherwise. Landlord may use the Premises

for Landlord's own purposes or relet it upon any reasonable terms without prejudice to any other remedies that Landlord may have by reason of Tenant's default. None of these actions will be deemed an acceptance of surrender by Tenant. To the extent permitted by law, Tenant expressly waives the service of any notice of intention to terminate this Lease or to retake the Premises, and waives service of any demand for payment of rent or for possession, and of any and every other notice or demand required or permitted under applicable law.

11.2. **Relet the Premises.** Landlord at its option may relet the whole or any part of the Premises, from time to time, either in the name of Landlord or otherwise, to such tenants, for such terms ending before, on, or after the expiration date of the lease term, at such rentals and upon such other conditions (including concessions and free rent periods) as Landlord, in its sole discretion, may determine to be appropriate. Landlord shall have no obligation to relet the Premises or any part and shall not be liable for refusal or failure to relet the Premises, or in the event of any such reletting, for refusal or failure to collect any rent due upon such reletting. No such refusal or failure shall operate to relieve Tenant of any liability under this Lease or otherwise affecting such liability. Landlord at its option may make such physical changes to the Premises as Landlord, in its sole discretion, considers advisable or necessary in connection with any such reletting or proposed reletting without relieving Tenant of any liability under this Lease or otherwise affecting Tenant's liability. If there is other comparable unleased space in the Shopping Center, Landlord shall have no obligation to attempt to relet the Premises prior to leasing other space in the Shopping Center.

11.3. **Damages for Default.** Whether or not Landlord retakes possession or relets the Premises, Landlord may recover all damages caused by the default (including but not limited to unpaid rent, attorneys' fees, and the costs and expenses of reletting). Landlord may sue periodically to recover damages as they accrue during the remainder of the lease term without barring a later action for further damages. Landlord may at any time bring an action for accrued damages plus damages for the remaining lease term equal to the difference between the rent specified in this Lease and the reasonable rental value of the Premises for the remainder of the term, discounted to the time of judgment at the rate of nine (9%) percent per annum.

11.4. **Cure of Tenant's Default.** Without prejudice to any other remedy for default, Landlord may perform any obligation or make any payment required to cure a default by Tenant. The cost of performance, including attorneys' fees and all disbursements, shall immediately be repaid by Tenant upon demand, together with interest from the date of expenditure until fully paid at the rate of eighteen (18%) percent per annum, but not in any event at a rate greater than the maximum rate of interest permitted by law.

12. **SURRENDER AT EXPIRATION.**

12.1. **Condition of Premises.** Upon expiration of the lease term or earlier termination on account of default, Tenant shall deliver all keys to Landlord and surrender the Premises in