THE ODDIE DISTRICT
SPARKS, NEVADA

COMMERCIAL LEASE

Oddie District, LLC,
a Delaware limited liability company
Landlord

and

Cartwheel Robotics, Inc.
a Delaware corporation
Tenant

Dated: May 7, 2024

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THE ODDIE DISTRICT, SPARKS, NEVADA
COMMERCIAL LEASE FOR PREMISES

ARTICLE 1: <u>BASIC LEASE PROVISIONS</u>

1.1	**Effective Date of Lease:**	May 7, 2024
1.2	**Parties:**	
	(a) Landlord:	Oddie District, LLC, a Delaware limited liability company
	(b) Tenant:	Cartwheel Robotics, Inc., a Delaware corporation
	(c) Guarantor(s):	None
1.3	**Premises:**	
	(a) Location of and Leasable Area of the Premises	Approximately 10,057 Leasable Square Feet (the **"Premises"**), as more particularly depicted on **Exhibit A-1** and **Exhibit A-2** (the **"Project Site Plan"**).
	(b) Street Address of the Premises	2450 Oddie Boulevard, Suite ___(TBD)_______ Sparks, Nevada 89431
1.4	**Project:**	A commercial mixed-use approximately 170,000 leasable square foot building (**"Building"**) located in the City of Sparks, County of Washoe, State of Nevada, of which the Premises are a part, together with the land upon which the Building is located and the improvements from time to time located thereon (collectively, the **"Project"**), all as more particularly depicted on the **Project Site Plan**.
1.5	**Term Provisions**	
	(a) Initial Term:	Five (5) Lease Years, (as defined in **Section 24.1** below), as measured from the Commencement Date (as defined in **Section 1.5(d)** below), plus the term of the Fixturing Period (as defined in **Section 1.5(c)** below), plus an option to an Extended Term as described in **Exhibit H** to this Lease at its Section 2.
	(b) Premises Delivery Date:	The date upon which Landlord delivers possession of the Premises to Tenant, as defined in **Section 3.3** below, and as subject to the conditions as described in **Section 3.1(b)** below.
	(c) Fixturing Period:	A period of time commencing on the Premises Delivery Date and continuing to the Commencement Date.
	(d) Commencement Date:	That date which is the earlier to occur of (i) one hundred twenty (120) days after the Premises Delivery Date or (ii) the date Tenant first opens for business at the Premises.
	(e) Initial Term Expiration Date:	That date which is Five (5) Lease Years following the Commencement Date.
	(f) Outside Delivery Date:	December 31, 2025, as provided in **Section 3.3**.
	(g) Early Termination:	Landlord may elect to terminate this Lease prior to delivery of the Premises as provided in **Section 3.6.**

1.6 Rent Provisions:

(a) Base Rent: The Base Rent schedule is as follows.

Period	Monthly Rate/Sq. Ft.	Approx. Monthly Amount
Rent Start Date through Month 8	\$0.37½	\$3,777.38
Months 9 thru 16	\$0.75	\$7,542.95
Remainder of Lease Year 2	\$1.12½	\$11,314.13
Lease Year 3	\$1.50	\$15,085.50

At the commencement of Lease Year 4 and annually thereafter at the commencement of each subsequent Lease Year through the Initial Term and, as applicable, any Extended Term, Base Rent shall be increased to an amount equal to the product obtained when the Base Rent then in effect multiplied by one hundred three percent (103%);

(b) Prepaid Rent: Eight Thousand Two Hundred Fifty Dollars (\$8,250.00), paid upon the Delivery Date.

(c) Tenant's Pro Rata Share of Operating Expenses: As set forth in Section 5.4(a) and subject to adjustment as provided in Section 5.6.

(d) Open Date: On the Commencement Date.

(e) Rent Start Date: On the Commencement Date.

(e) Percentage Rent Rate: Not applicable.

(f) Security Deposit: Twenty Thousand Dollars (\$20,000.00), paid upon the Delivery Date.

1.7 Use Provisions:

(a) Permitted Use: A business engaged in the design, engineering, assembly, manufacturing, coating, painting, testing, production and sales of robots and robotics equipment sales and ancillary related operation (the "**Permitted Use**") and for no other use whatsoever without the express written consent of the Landlord as further set forth in **Section 7.1.**

(b) Trade Name: Cartwheel Robotics, Inc. (the "**Trade Name**"), and for no other Trade Name whatsoever without the express written consent of Landlord as further set forth in **Section 7.1.**

(c) Required Days and Hours: Not applicable.

(d) Radius Area: Not applicable

1.8 Tenant Improvement Allowance: Twenty Dollars (\$20.00) per Leasable Square Foot, or approximately Two Hundred Thousand Dollars in total, to be paid upon compliance with the provisions of **Exhibit D.**

1.9 Addresses of Parties:

To Landlord:

Oddie District, LLC
c/o Foothill Partners, Inc.
1121 White Rock Rd., Ste 200
El Dorado Hills CA 95762
Attention: Douglas Wiele

With a required copy to:
Oddie District, LLC.
c/o AREAS
PO Box 1865
Loomis, CA 95650
Attention: Rob Cord

	To Tenant:	Prior to the Commencement Date: 6127 Reno Highway Fallon, Nevada 89406 Attn: Samantha Conway, COO After the Commencement Date: To the Premises	
1.10	**Brokers:**	Landlord's Broker: Colliers International Reno, Nevada Attention: Amanda Lavi	Tenant's Broker: None.

1.11 **Exhibits:**

Exhibits A1, A2	Project Site Plan; Lease Plan of Premises
Exhibit B	Legal Description of Project
Exhibit C	Memorandum of Commencement of Term
Exhibit D	Work Letter
Exhibit E	Operating Costs
Exhibit F	Rules and Regulations
Exhibit G	Sign Criteria
Exhibit H	Addendum to Lease

1.12 **References:** Each reference in the Lease to any Section of the Basic Lease Provisions shall be construed to incorporate all of the terms in the referenced Basic Lease Provisions Section. In the event of any conflict between a provision in the Basic Lease Provisions and a provision in the Lease, the Lease shall control.

ARTICLE 2: **PREMISES AND COMMON AREAS; ALTERATIONS TO PROJECT**

2.1 Premises. The "**Premises**" is hereby leased by Landlord to Tenant and by Tenant from Landlord. The Premises consists of that certain demised space containing an area set forth in Lease **Section 1.3**, located within the Project described in Lease **Section 1.4**. The **Work Letter** attached to this Lease as **Exhibit D** sets forth the obligations, if any, of Landlord and/or Tenant to perform work and to supply materials necessary to prepare the Premises for occupancy. The terms **"Leasable Square Feet"** and **"Leasable Square Footage"** are synonymous and mean the number of square feet of floor area of buildings in the Project, including outside sales areas (if included in Leasable Square Feet by Landlord), and mezzanines (if mezzanines are used as retail sales area), bounded by the center lines of common demising walls and the far side surface of all other walls. Landlord reserves the right to install, maintain, use, repair and replace pipes, conduits and wires leading through the Premises and servicing other parts of the Project in a manner that will not materially impair Tenant's reasonable access to or ability to conduct business from the Premises in a commercially reasonable manner, and Landlord agrees that any such installation, maintenance, use and/or repair conducted in or around the Premises shall be conducted in a commercially reasonable manner so as to minimize any interference with Tenant's access to or use of the Premises.

2.2 Verification of Leasable Area. At the time Landlord delivers possession of the Premises to Tenant, Landlord at its election may cause the Landlord's architect (referred to as "**Landlord's Architect**") to certify in writing to Landlord and to Tenant the actual number of Leasable Square Feet of the Premises. If the number of Leasable Square Feet as certified by Landlord's architect is greater or less than the Leasable Square Feet stated in **Article 1** of this lease, then Base Rent (as defined in **Article 4**) shall be recalculated by multiplying the applicable rental rate per square foot by the number of Leasable Square Feet of the Premises as determined by this Section, and Tenant's Share as defined in **Section 5.1** shall be based upon the actual amount of Leasable Square Feet of the Premises. Should Landlord's Architect determine that the actual number of Leasable Square Feet of the Premises is different than the number stated in **Article 1** of the Lease, the parties hereby agree to promptly thereafter enter into an amendment of this Lease to memorialize the actual number of Leasable Square Feet of the Premises and recalculated Base Rent and Tenant's Share. If Landlord elects not or fails to cause Landlord's Architect to measure the Premises and to certify the number of Leasable Square Feet of the Premises at the time of delivery of the Premises, then the Leasable Square Feet of the Premises shall be the number of Leasable Square Feet stated in **Article 1** of this Lease.

2.3 Intentionally omitted.

2.4 Common Areas.

(a) Definition of Common Areas; Tenant's Rights. The term **"Common Areas"** means all areas and facilities outside the Premises and within the exterior boundary lines of the Project that are designated by Landlord from time to time for the general and nonexclusive use and convenience of Landlord, Tenant, any other tenants of the Project and their respective Authorized Representatives (defined in **Section 24.1**), suppliers, shippers, customers or invitees, and other third parties who have the right to use the Common Areas as granted by Landlord (collectively, **"Invitees"**). The Common Areas include, without limitation, and to the extent applicable, patio and plaza areas, vehicle parking areas, bicycle parking areas and racks, loading and unloading areas, trash areas, sidewalks, driveways and landscaped areas, common area consumer patron seating and dining areas, common area restrooms, service corridors, monument sign structures, common utilities systems and improvements of the Project including plumbing, utility systems, wiring, pipes, and sewers, mechanical systems, mechanical and service rooms and other such areas, irrigation systems, lighting facilities, fences and gates serving the Project. Landlord hereby grants to Tenant, for the benefit of Tenant and its Invitees, the nonexclusive right to use the Common Areas, including without limitation the parking areas, but excluding the roof or its membrane or underlayment, in common with all others entitled to such use, subject to all rights and powers reserved by Landlord under the terms of this Lease. Except as otherwise provided in this Lease, Landlord shall not make any changes to the Common Areas that would deprive Tenant of the reasonable use thereof or the reasonable operation of Tenant's business, or which would materially and adversely impair reasonable access to the Premises, reasonable visibility of the Premises, the amount and proximity of parking available for Tenant's customers, or ingress to or egress from the Project as may be required by law.

(b) Landlord's Control and Management. Subject to the other terms and conditions set forth in this Lease, Landlord shall manage, operate, and maintain the Common Areas in good order and repair, and shall, without limitation, have the following rights:

(i) Establish and enforce reasonable rules and regulations applicable to all tenants within the Project and others having the right to use the Common Areas concerning the maintenance, management, use and operation of the Common Areas, including, without limitation, the types of vehicles permitted to park in the parking areas, and restricting the duration of parking in certain parking stalls within the parking areas;

(ii) Close, if necessary, parts of the Common Areas to whatever extent may be legally sufficient in the opinion of Landlord's counsel to prevent dedication of any of the Common Areas or the accrual of any rights of any person or of the public to the Common Areas, provided any such closure shall not prevent access to and from the Project and will not materially interfere with Tenant's reasonable access to the Premises or ability to conduct business at the Premises in a commercially reasonable manner;

(iii) Close temporarily parts of the Common Areas for maintenance, repair and renovation purposes, provided any such closure shall not prevent access to and from the Project and will not materially interfere with Tenant's reasonable access to the Premises and ability to conduct business at the Premises in a commercially reasonable manner;

(iv) Expand, renovate and/or reconfigure the area and improvements constituting the Project to include, without limitation, additional buildings available for lease and additional or re-configured Common Areas. The term **"Project,"** as used in this Lease, shall also include, at Landlord's discretion, any additional real property, areas, land, buildings or other improvements added thereto outside of the original boundaries of the Project; as additional Project area; but only to the extent such additional Project area does not a) materially interfere with the ability of Tenant to operate its business in the Premises, b) materially impact negatively Tenant's access to available parking, and c) directly or indirectly materially increase any of Tenant's costs related occupying the Premises; and

(v) Select a person(s), firm(s), or corporation(s) (which may be a related entity) to maintain and operate the Common Areas, if at any time Landlord determines that the best interests of the Project shall be served by having the Common Areas maintained and operated by any such person(s), firm(s), or corporation(s), provided that the maintenance and/or operational services provided by such person(s), firm(s), or corporation(s) are at competitive rates for the area in which the Project is located.

(c) Employee Parking. Tenant shall require all of its Authorized Representatives (as defined in **Section 24.1**) to park motor vehicles solely in areas of the Project designated by Landlord from time to time for that purpose.

ARTICLE 3: **~~TERM~~**

~~3.1~~ ~~Lease Effective Date.~~

~~(a)~~ ~~This Lease shall be effective and binding upon the parties as of the date specified in **Section 1.1** above.~~

~~(b)~~ ~~Tenant's obligations under this Lease shall be contingent upon the satisfaction of the following conditions by the following date(s) (the "**Deadline Dates**"). If any such condition is not satisfied by such date, either Party shall have the right to terminate this Lease at any time thereafter by written notice to the other so long as such termination notice is delivered before Tenant receives written notice of the satisfaction of such condition, and further provided that Landlord reserves the right to unilaterally extend at will either or both of the Permit Deadline Dates for up to one year at any time prior to then then prevailing Permit Deadline Date, and in so doing delay Tenant's right to terminate this Lease:~~

~~(i)~~ ~~On or before June 1, 2024, the securing by Tenant of Qualified Financing for Tenant's operation of the Permitted Use of the Premises. For the purposes of this Lease, "**Qualified Financing**" is defined as a transaction or series of related transactions pursuant to which the Tenant sells its equity securities (regardless of class or series) (A) for the principal purpose of raising capital and (B) generating aggregate gross proceeds to the Company that amount to not less than Fifteen Million Dollars ($15,000,000.00); and~~

~~(ii)~~ ~~Delivery and execution of a Warrant Agreement in a form and amount acceptable to Landlord.~~

3.2 Initial Term. The "**Initial Term**" of this Lease shall commence on the Premises Delivery Date as specified in **Section 1.5(b)** above and shall expire on the Expiration Date as specified in **Section 1.5(e)** above, unless sooner terminated as provided in this Lease.

3.3 Rent Commencement.

(a) Base Rent. Tenant's obligation to pay Base Rent and Percentage Rent (if any) shall commence on the Rent Start Date set forth in **Section 1.6(d)** above .

(b) Operating Costs. Tenant's obligation to pay its share of Project Operating Costs (as defined in **Section 5.2**) shall commence on the Commencement Date set forth in **Section 1.5(d)** above.

(c) Delivery of Possession. Subject to the provisions of the **Work Letter**, the "**Premises Delivery Date**" is the date upon which all the following conditions precedent have been fulfilled by Landlord: (i) Landlord's Work is Substantially Complete (as such phrases are defined in the **Work Letter**) subject only to Punch List Items as provided in the Work Letter; and (ii) Landlord has delivered possession of the Premises to Tenant.

(d) Performance of Tenant's Work. Upon delivery of possession of the Premises to Tenant from Landlord, Tenant shall take possession of the Premises and commence construction of Tenant's Work pursuant to the Work Letter. During the fixturing period set forth in section 1.5(c) above (Basic Lease Provisions) Tenant shall pay for all utilities consumed by Tenant and the agents, employees and contractors of Tenant in preparing the Premises for opening of Tenant's business.

(e) Failure of Landlord to deliver. Notwithstanding the foregoing, and in deference to so-called agreements-in-perpetuity statutes, if Landlord is not able to deliver possession of the Premises to Tenant as required hereunder by December 31, 2025, then upon that date this Lease shall terminate and shall be null and void and no further effect.

3.4 Confirmation of Term. When the Commencement Date and Expiration Date of the Initial Term are determined, upon request of Landlord Tenant shall execute a memorandum substantially in the form attached as Exhibit C ("**Memorandum Confirming Term**"), which shall thereupon be deemed attached hereto and made a part of this Lease; provided, the execution of the Memorandum Confirming Term shall not be a condition precedent to the commencement of the Initial Term and/or the commencement of Tenant's obligation to pay Rent.

3.5 Early Termination. Notwithstanding anything contained in this Lease to the contrary, Landlord may elect to terminate this Lease ("**Early Termination**") at any time up to December 31, 2024 in the event that Landlord determines it is unable to obtain construction financing for work it requires in order to fully redevelop the Building into the Project contemplated by Landlord upon terms Landlord deems favorable and acceptable in its sole and absolute discretion. To effect an Early Termination Landlord shall deliver written notice to Tenant of Landlord's election to terminate, whereupon this Lease shall terminate upon that date (the "Early Termination Date") which is thirty (30) days after the date of such notice.

3.6 Prepaid Rent. On or before the Premises Delivery Date Tenant shall pay to Landlord Prepaid Rent in the amount set forth in **Section 1.6** ("**Prepaid Rent**"). The Prepaid Rent shall be applied by Landlord against the Minimum Rent (defined in **Article 4** below) until exhausted, at which time full Base Rent payments (defined in **Section 4.1** below), as may be adjusted to account for the remaining Prepaid Rent, shall commence.

3.7 Security Deposit. On or before the Premises Delivery Date Tenant shall deposit with Landlord a security deposit ("Security Deposit") in the amount set forth in **Section 1.6(f)** above (Basic Lease Provisions). Said sum shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants and conditions of this Lease to be kept and performed by Tenant and not as an advance rental deposit or as a measure of Landlord's damages in case of Tenant's default. If Tenant defaults with respect to any provision of this Lease, Landlord may use any part of the Security Deposit for the payment of any Rent or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion is so used, Tenant shall within five (5) calendar days after demand therefor deposit with Landlord an amount sufficient to restore the Security Deposit to its pre-existing amount and Tenant's failure to do so shall be an Event of Default under this Lease. Landlord shall not be required to keep this Security Deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the Security Deposit or any balance thereof shall be returned to Tenant at such time after termination of this Lease when Landlord shall have determined that all of Tenant's obligations under this Lease have been fulfilled. The Security Deposit or any balance thereof shall be returned to Tenant within thirty (30) calendar days after termination of this Lease. The foregoing obligations of Landlord to return the Security Deposit, or such portion as if appropriate, is a Surviving Obligation.

ARTICLE 4: <u>MONETARY PROVISIONS</u>

4.1 Minimum Rent. Tenant shall pay to Landlord, commencing on the Rent Start Date, "Base Rent" in the amounts set forth in Section 1.6(a), subject to possible adjustment as provided in **Section 2.2**.

(a) Base Rent. Tenant shall pay its Base Rent in advance, on the first business day of each calendar month, throughout the Term and any applicable extended term, without deduction, offset, prior notice, demand, withholding, or right of recoupment, in lawful money of the United States.

(b) Partial Month. In the event the Base Rent commences on a day other than the first (1st) day of a calendar month, then the Base Rent for the first fractional month shall be computed on a daily basis for the period at an amount equal to one - thirtieth (1/30th) of the Base Rent for each such day, and thereafter shall be computed and paid as aforesaid. Base Rent for a partial month at the beginning of the Lease Term shall be paid as part of the Prepaid Rent owed pursuant to Section 3.6 above. Base Rent for a partial month at the end of the Lease Term shall be prorated in the same manner as aforesaid.

(c) Monthly statements. Tenant hereby acknowledges that Landlord need not send monthly statements and invoices as a condition to Tenant paying any **Rent** due under this Lease.

(d) Accounting; Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount of Base Rent or any other sum due hereunder shall be deemed to be other than on account of the earliest due Rent or other sum payable by Tenant to Landlord hereunder, nor shall any endorsement or statement on any check or any letter accompanying any such check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or payment due or pursue any other remedy available in this Lease, at law or in equity. Landlord may accept any partial payment from Tenant without invalidation of any contractual notice required to be given herein (to the extent such contractual notice is required) and without invalidation of any notice required to be given pursuant to applicable Nevada law.

4.2 Adjustments to Rent. The Base Rent set forth hereinabove shall be increased pursuant to the provisions of **Lease Section 1.6(a)** above.

4.3 Intentionally Omitted.

4.4 Additional Rent. All sums of money due to Landlord hereunder not specifically characterized as **"Rent"** shall constitute **"Additional Rent"**, and if any such sum is not paid when due it shall nevertheless be collectible as Additional Rent with the next installment of Minimum Rent thereafter due, but nothing contained herein shall be deemed to suspend or delay the payment of any amount of money at the time it becomes due and payable hereunder, or to limit any other remedy of Landlord. All Additional Rent which is owed but remains unpaid as of the expiration or earlier termination of this Lease is a Surviving Obligation.

4.5 Late Charges; Interest.

(a) Late Charges. Tenant hereby acknowledges that late payment by Tenant to Landlord of Rent (as defined in **Section 4.5** below) 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, personnel costs, 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 due from Tenant shall not be received by Landlord within five (5) days following receipt of written notice that such installment of Rent is due, Tenant shall pay to Landlord a late charge equal to five percent (5.0%) of such overdue amount; provided, Landlord shall not be required to give more than two (2) notices in any twelve (12) month period with respect to payments of Base Rent and/or monthly payments of Tenant's Share of Operating Costs and Real Property Taxes (as defined and provided in **Article 5**), in which event the late charge shall automatically apply to any subsequent late payment of Base Rent and/or monthly payments of Tenant's Share of Operating Costs and Real Property Taxes within the twelve (12) month period in question. Landlord and Tenant hereby agree that such late charge represents a fair and reasonable estimate of the cost Landlord shall 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.

(b) Interest. In addition to the late charges provided in **Section 4.4(a),** if any installment of Rent due from Tenant shall not be received by Landlord when due, Tenant shall pay to Landlord Annual Applicable Interest (as defined in **Section 24.1**) on such overdue amount from the date that is thirty (30) days following the date the overdue amount is payable until paid. Acceptance of such interest 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.

4.6 Rent. The terms **"Rent"** and **"Rental"** as used in this Lease are synonymous and mean Minimum Annual Rent, Base Rent, Tenant's Share of Operating Costs and Real Property Taxes, Additional Rent and/or any and all other sums, however designated, required to be paid by Tenant hereunder, whether payable to Landlord or third parties unless otherwise specifically provided by this Lease.

4.7 Warrant To Purchase Shares Of Common Stock. As an inducement to Tenant to enter into this Lease, Base Rent scheduled for Lease Years 1 and 2 is discounted from what would otherwise be applicable for those

Lease Years, in the sum total of One Hundred Eighty Thousand Dollars ($180,000.00). In consideration of that discounted Base Rent, Tenant has offered to Landlord the prospect of an equivalent value of optional share of ownership in Cartwheel Robotics, Inc., documented in a **"Warrant To Purchase Shares Of Common Stock"** (the **"Warrant Agreement"**).. The Warrant Agreement shall be executed by Landlord and Tenant in their respective roles as parties to the Warrant Agreement upon delivery in a form and amount acceptable to Landlord.

ARTICLE 5: <u>OPERATING COSTS: REAL PROPERTY TAXES</u>

5.1 Tenant's Share of Operating Costs. Commencing on the Commencement Date, Tenant shall pay to Landlord Tenant's Share of Operating Costs.

5.2 Definition of Operating Costs. **"Operating Costs"** shall include all reasonable costs and expenses incurred by Landlord in connection with operating, managing, and maintaining the Project and Common Areas of the Project. Operating Costs include, without limitation, those categories and items of costs and expenses set forth in **Exhibit E** attached hereto. Exclusions to Operating Costs are also set forth in **Exhibit E.**

5.3 Real Property Taxes.

(a) Definition of Real Property Taxes. The term **"Real Property Taxes"** is all inclusive and shall mean and include all taxes, assessments, and other governmental charges, general and special, including, without limitation, possessory interest taxes, assessments for public improvements or benefits, which shall, during the Term, be assessed, levied, and imposed upon the Project, whether or not such taxes, assessments, and other charges were foreseen or unforeseen at the Effective Date of this Lease. Real Property Taxes shall also include, without limitation, any tax, fee, or excise levied, assessed and/or based on Rent, on the square footage of Premises, on the act of entering into leases, on the occupancy of space in the Project, and any other tax, fee, or excise, however described, in substitution for or in addition to Real Property Taxes, including, without limitation, a so-called value added tax. Real Property Taxes shall not include any municipal, county, state or federal income or franchise taxes of Landlord, transfer taxes of Landlord in connection with the sale or other transfer of all or part of the Project, and any penalties or interest due to Landlord's failure to pay Real Property Taxes when due.

(b) Inclusion of Assessments. With respect to any assessment which may be levied against or upon the Project and which under the laws then in force may be evidenced by improvement or other bonds, and may be paid in annual installments, there shall be included within the definitions of Real Property Taxes with respect to any tax fiscal year, only the current annual installment for such tax fiscal year.

5.4 Payment of Operating Costs and Real Property Taxes.

(a) Operating Costs. On or before the Commencement Date, or as soon thereafter as practicable, and on or before the first (1st) day of each subsequent calendar year during the Term of this Lease, or as soon thereafter as practicable, Landlord shall give Tenant written notice of Landlord's estimate of Tenant's Share of Operating Costs (which shall include Landlord's estimate of Tenant's Share of Real Property Taxes as provided in **Section 5.4(b)**) for the remainder of the first calendar year of the Term and for the ensuing calendar years, as the case may be. On or before the first (1st) day of each month during the remainder of the first (1st) calendar year of the Term, and during each ensuing calendar year, as the case may be, Tenant shall pay to Landlord one twelfth (1/12) of such estimated amount. If such notice is not given for any calendar year, Tenant shall continue to pay on the basis of the prior year's estimate until the month after such notice, is given and subsequent payments by Tenant shall be based on Landlord's estimate contained in such notice. If at any time it appears to Landlord that Tenant's Share of Operating Costs for the current calendar year will vary from Landlord's estimate by more than five percent (5%), Landlord may, by giving written notice to Tenant, revise its estimate for such year, and subsequent payments by Tenant for such year shall be based on the revised estimate.

(b) Statement of Operating Costs. Within ninety (90) days after the end of each calendar year, Landlord shall give to Tenant a statement of Tenant's Share of Operating Costs for such calendar year certified by Landlord. If such statement shows an amount owing by Tenant that is less than the estimated payments for such calendar year previously made by Tenant, Landlord shall promptly refund to Tenant the excess amount that Tenant paid. If such statement shows an amount owing by Tenant that is more than the estimated payments for such calendar year previously made by Tenant, Tenant shall pay the deficiency to Landlord within fifteen (15) days after delivery of such statement. Failure by Landlord to give any notice or statement to Tenant under this **Section 5.4** shall not constitute a waiver of Landlord's right to receive and Tenant's obligation to pay Tenant's Share of Operating Costs. The provisions of this paragraph shall survive termination of this Lease.

(c) Computation and Payment of Tenant's Share of Real Property Taxes. At Landlord's election, Tenant shall pay Tenant's Share of Real Property Taxes to Landlord either (i) semiannually no later than thirty (30) days prior to the applicable delinquency date of the taxing authorities, or (ii) Landlord shall include Real Property Taxes as part of Operating Costs, and Tenant shall pay Tenant's Share thereof pursuant to **Section 5.4(a).** Landlord shall provide Tenant on at least an annual basis: (i) proof of payment by Landlord of all Real Property Taxes; and (ii) a statement showing the amount of Real Property Taxes for the preceding calendar or fiscal year, and a statement of Tenant's Share of Real Property Taxes due and the calculations made for determination of the same. Tenant's obligation to pay Tenant's Share of Real Property Taxes is a Surviving Obligation.

(d) Proration of Real Property Taxes. Tenant's liability to pay Tenant's Share of Real Property Taxes shall be prorated on the basis of a 365-day year to account for any fractional portion of a tax fiscal year included in the Term at its commencement or expiration.

5.5 Evidence of Operating Costs; Tenant Audit.

(a) Evidence of Operating Costs. Upon written request by Tenant, Landlord shall within a reasonable time thereafter provide Tenant with appropriate documentation (e.g., bills, invoices, payment stubs, and the like) evidencing certain specified items of Operating Costs and/or Real Property Taxes that Tenant questions in the exercise of its reasonable business judgment. Landlord shall keep and maintain in its offices full, complete and accurate books of account and records solely of the Operating Costs for the Project in accordance with standard accounting practices.

(b) Tenant Audit. Subject to the conditions set forth in the following paragraph, and provided Tenant shall not have committed an Event of Default at the time of Tenant's notice, Tenant or Tenant's Authorized Representatives will have the right once during each calendar year and upon at least thirty (30) days' notice to Landlord to inspect or audit, at reasonable times and in a reasonable manner and at Tenant's cost. Landlord's records as pertain to Operating Costs (a **"Tenant Audit"**). Tenant shall provide Landlord with a copy of any report of the results of a Tenant Audit. If it is ultimately determined that there has been an underpayment of Tenant's Share of Operating Costs, Tenant shall immediately pay to Landlord the amount of the underpayment, and if it has been determined that there has been an overpayment of Tenant's Share of Operating Costs, such overpayment shall be credited against the next installments of Tenant's Share of Operating Costs or paid to Tenant, as applicable, as provided in **Section 5.4(b)**. Landlord shall be obligated to retain its records regarding Operating Costs for a period of not more than three (3) years following the calendar or fiscal year in question, which obligation is a Surviving Obligation. If a Tenant Audit establishes that Landlord has overstated Operating Costs by more than four percent (4%) and as a result such overstatement resulted in Tenant making an overpayment of Tenant's Share of Operating Costs, Landlord shall pay to Tenant, within thirty (30) days following Landlord's receipt of demand from Tenant, the reasonable out-of-pocket costs incurred by Tenant in connection with the Tenant Audit.

Tenant's right to conduct a Tenant Audit shall be subject to the following conditions:

(i) The Tenant Audit shall be limited strictly to those items of Operating Costs that Tenant has specifically identified in writing as being allegedly incorrect.

(ii) No subtenant has any right to conduct a Tenant Audit and no assignee shall conduct a Tenant Audit for any period during which such assignee was not in possession of the Premises.

(iii) Once having conducted a Tenant Audit with respect to a specific item of Operating Costs in any year, Tenant shall have no right to conduct another Tenant Audit of the same specific item for such year.

(iv) A Tenant Audit shall not be conducted by any auditor or other person, firm or entity whose compensation is based, either in whole or in part, upon a contingency fee arrangement.

(v) Tenant shall keep the results of a Tenant Audit confidential and shall not disclose the results thereof to any third parties except as specifically required in connection with any litigation between Landlord and Tenant.

5.6 Tenant's Share of Operating Costs. **"Tenant's Share"** of Operating Costs is defined as following:

(a) As to all Operating Costs other than Common Area Maintenance Costs, that amount calculated by dividing (i) as the numerator, the Leasable Square Feet of the Premises by (ii) as the denominator, the sum of all Leasable Square Feet of the Project (whether or not leased, and assuming 100% occupancy), all as reasonably determined from time to time by Landlord.

(b) As to the Common Area Maintenance Costs portion of Operating Costs, that amount calculated by dividing (i) as the numerator, the Leasable Square Feet of the Premises by (ii) as the denominator, the difference calculated by subtracting from the Leasable Square Feet of the Project (whether or not leased, and assuming 100% occupancy) that portion of the Leasable Square Feet of the Project which is leased to bona fide United States Internal Revenue Service Code Section 501(c)(3) not-for-profit charitable organizations (the "**Non-Profit Tenancies**"), and expressed as a prorated percentage amount, all as reasonably determined from time to time by Landlord. The Leasable Square Feet of Non-Profit Tenancies shall not exceed 37,000 sf in area. By way of example, The Generator, an initial 37,000 square foot tenant of the Project, is a 501(c)(3) not-for-profit charitable organization.

(c) Notwithstanding the foregoing, Landlord shall have the right, from time to time, to equitably allocate some or all of the Operating Costs in cost pools among Tenant and other tenants of the Project in Landlord's reasonable discretion, including allocation based on a tenants' respective impact or lack of impact on costs or consumption of services. In the instance of this Lease, the cost of operating and maintaining the Commons common food and beverage seating area shall NOT be a part of Tenant's Share of Operating Expenses attributable to Tenant's leased Premises.

(d) Operating Costs that cover a period of time not within the Term shall be prorated on a daily basis using a 365 day calendar year.

ARTICLE 6: **<u>OTHER TAXES</u>**

Tenant shall pay prior to delinquency all taxes and assessments levied and assessed against trade fixtures, furnishings, equipment, tenant improvements, and all other personal property of Tenant. When possible, Tenant shall cause its trade fixtures, tenant improvements, Tenant's Work, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Landlord. If any of Tenant's property described in the preceding sentence shall be assessed as part of Real Property Taxes, Tenant shall pay to Landlord the taxes attributable to Tenant's property within fifteen (15) days after receipt of a written statement setting forth the taxes applicable to Tenant's property and such amount owed by Tenant shall be excluded from the definition of Real Property Taxes.

ARTICLE 7: **<u>USE PROVISIONS</u>**

7.6 Permitted Use; Trade Name. Tenant shall use the Premises for the operation of a business engaged in the use set forth in **Section 1.7(a) ("Permitted Use").**") and under the Trade Name set forth in Section 1.7(b). Tenant acknowledges that Landlord and/or its authorized representatives have not made any warranties and/or representations as to the Permitted Use that can be made of the Premises under existing laws, ordinances, rules, regulations or codes (including zoning ordinances).

(a) Change in Use. Tenant shall not have the right to change the Permitted Use without the prior consent of Landlord, in Landlord's sole and absolute discretion. Without limiting the foregoing, Landlord shall not be deemed to have unreasonably withheld its consent if Landlord determines, in its reasonable business judgment, that the proposed change in the Permitted Use will (i) be inconsistent with Landlord's merchandising purposes of the Project, and/or (ii) diminish the value or appearance of the Project, and/or (c) conflict with other tenants and existing leases at the Project. Without limiting the foregoing, Landlord shall be entitled to (i) condition Landlord's consent to any change in Permitted Use, upon an increase in the Percentage Rent Rate, if applicable, to a rate consistent with the nature of the new business as determined by Landlord in its sole business judgment, and

(ii) terminate this Lease upon thirty (30) days' notice to Tenant in the event of a proposed change in the Permitted Use by Tenant, in which case this Lease shall automatically terminate at the expiration of such 30-day period.

(b) Compliance with Law. Tenant shall, at Tenant's expense, promptly comply with all Applicable Laws following the Delivery Date in connection with Tenant's use of the Premises or any other area which Tenant may be permitted to use under this Lease (**"License Area"**), including the Americans With Disabilities Act and any corollary provision under the laws, rules and regulations of the State of Nevada, or other governmental agencies having jurisdiction, and all requirements of any property insurance underwriters or rating bureaus, now in effect or which may hereafter come into effect, which compliance shall include the making of any required improvements and alterations to the Premises and/or the License Area required as a result of Tenant's specific use of the Premises and/or the License Area. Tenant shall not use, or permit the use of, the Premises, any License Area, or Common Areas for any illegal or immoral purpose or in any manner that will tend to create waste or a nuisance or violate the terms and conditions of any applicable reciprocal or other easements or CC&Rs applicable to the Project.

(c) Risks and Hazards. Tenant shall not permit the Premises to be used for any purpose or in any manner, other than Tenant's customary business operation, which would render the insurance thereon void or the insurance risk more hazardous or result in any loss or reduction of insurance benefit for Landlord.

(d) Trade Name. Tenant shall conduct its business at the Premises under the Trade Name set forth in Section 1.7(b) and no other Trade Name without Landlord's prior approval, which will not be unreasonably withheld.

7.7 Restrictions on Use. Tenant will not use or suffer or permit any person or persons to use the Premises or any part thereof for conducting therein a second-hand store, auction, distress or fire sale or bankruptcy or going-out-of-business sale, or any other use which Landlord, in its reasonable discretion, determines to be incompatible with the overall nature of the Project. During the Initial Term and any applicable extended term Tenant shall keep the Premises and every part thereof, in a clean and wholesome condition. Tenant may not display or sell merchandise or allow carts, portable signs, devices or any other objects to be stored, or to remain, outside the exterior walls and permanent doorways of the Premises. Tenant shall not place or authorize to have placed or affixed handbills or other advertising material in the Project. No advertising or entertainment medium shall be utilized by Tenant which can be heard or experienced outside the Premises including flashing lights, searchlights, loudspeakers; phonographs, radios or televisions, without the prior express written approval of Landlord in each case which shall not be unreasonably withheld. In addition, Tenant shall fully and timely comply with all restrictions on uses and other requirements within the Project as set forth in the Rules and Regulations for the Project from time to time.

7.8 Radius Restriction. Tenant, its constituent controlling shareholders, members, partners, owners, guarantor(s), officers, and/or directors shall not own, operate, maintain or control, directly or indirectly, or in any way participate in the ownership, management, control, operation or profits of any business substantially similar to the Permitted Use if such business is located or to be located within the Radius Area as defined in **Section 1.7(d)**. The Radius Area shall mean a straight line measurement and not measured along existing streets and highways. Without limiting Landlord's rights and remedies for Tenant's breach of this provision, at Landlord's election, all revenues from any such business shall be deemed part of Tenant's Gross Receipts from the Premises.

7.9 Covenant to Open; Going Dark.

(a) Agreement to Open. Tenant covenants that at the Open Date, as defined in **Section 1.5(e)** above, Tenant shall open for business at the Premises and shall operate the Permitted Use of the Premises for not less than one day.

(b) Going Dark; Landlord Termination Option. Except for permitted closures, events of Force Majeure, remodeling, casualty or condemnation of the Premises, in the event Tenant ceases operation of the Permitted Use specified in **Section 1.7(a)** in the Premises for a period in excess of ninety (90) consecutive days (the ninety (90)) day period being the **"Shutdown Period"**), then Landlord, in addition to any other rights or remedies that it may have, shall have the option to terminate this Lease by delivering to Tenant written notice of such decision at any time following the Shutdown Period but prior to Tenant reopening for business at the Premises. If Landlord exercises Landlord's option to terminate, this Lease will automatically terminate on the thirtieth (30th) day following the giving of the notice; provided, as long as Tenant has not committed an Event of Default, if within the thirty 30-

day period Tenant notifies Landlord that Tenant shall reopen for business at the Premises no later than forty-five (45) days following Landlord's receipt of Tenant's notice, and in fact Tenant reopens for business at the Premises within the 45-day period, Landlord's notice to terminate this Lease shall no longer be effective. If Tenant does not reopen for business at the Premises within such 45-day period, this Lease shall terminate at the end of the 45-day period pursuant to Landlord's prior notice of termination. Notwithstanding anything to the contrary contained in this **Section 7.4(b),** no Event of Default shall occur, and Landlord will not have a right of termination, with respect to any Shutdown Period resulting from Force Majeure, remodeling, casualty or condemnation of the Premises which is being diligently repaired, restored, or pursued.

7.10 Rules and Regulations. Tenant's use of the Premises and the Common Areas shall be subject at all times during the Initial Term and any applicable extended term to the rules and regulations attached to this Lease as **Exhibit F** (**"Rules and Regulations"**) and to any reasonable and nondiscriminatory modifications of the Rules and Regulations and additional Rules and Regulations from time to time reasonably promulgated by Landlord. Additional Rules and Regulations shall not become effective and a part of this Lease until a copy of same has been delivered to Tenant. The failure of another tenant and/or occupant of the Project to comply with the Rules and Regulations will neither excuse Tenant's obligation to comply with such Rules and Regulations or any other obligation of Tenant under this Lease nor cause Landlord to be liable to Tenant for any damage resulting to Tenant. Landlord shall exercise commercially reasonable efforts to enforce the Rules and Regulations against other tenants at the Project. Tenant shall cause Tenant's Authorized Representatives and invitees to comply with the Rules and Regulations

7.11 Signs and Advertising Matters.

(a) Exterior Premises Sign. Subject to (i) the reasonable approval of Landlord, compliance with Landlord's sign criteria applicable to the Project and attached to this Lease as **Exhibit G** (the **"Sign Criteria"**), and (iii) compliance with all Applicable Laws, Tenant will have the right to install, at Tenant's sole cost and expense, on the exterior of the Premises Tenant's customary signage package (including its customary lettering, logo and colors) in a to be determined location. Tenant may at any time change or replace its exterior sign(s) to conform with Tenant's then standard signage so long as such signage does not violate the Sign Criteria and Applicable Laws, and that Landlord has approved such new signage, which approval Landlord shall not unreasonably withhold.

(b) Advertising Matter. Tenant shall not construct or maintain any other sign, awning, canopy, decoration, lettering, or like matter (**"Advertising Matter"**) on or at the Premises, glass panes, supports of the show windows, doors, or exterior walls of the Premises, or in the Common Areas, without Landlord's approval, nor shall Tenant construct or maintain any Advertising Matter which may be in violation of the Sign Criteria and/or then Applicable Laws. Any Advertising Matter must be prepared by a professional sign company or advertising organization and be, in Landlord's reasonable opinion, in "good taste." The provisions of the immediately preceding to the contrary notwithstanding, Tenant shall have the right from time to time, and without obtaining Landlord's approval, to maintain on the show windows of the Premises temporary promotional signs provided such signs are professionally prepared, are in "good taste" and compatible with the aesthetics of the Project, and comply with the provisions of the Sign Criteria, and Tenant may not maintain any such promotional signs more than thirty (30) days in the aggregate in any calendar year, which number of days shall be proportionately reduced for any partial calendar year.

ARTICLE 8: UTILITIES

8.6 Payment of Utilities. Tenant shall pay the charges (together with any taxes and surcharges thereon) for all water, gas, heat, light, power, telephone and other utilities and services furnished to the Premises used by Tenant. The Premises shall be separately metered or sub-metered for electricity, gas, if applicable, water and sewer, at Landlord's cost.

8.7 Interruption of Utility Services. Landlord shall not be liable to Tenant in damages or otherwise: (i) if any utility becomes unavailable from any public utility company, public authority or any other third party supplying or distributing such utility; or (ii) for any disruption in any utility service caused by the making of any repairs or improvements or by any cause beyond Landlord's reasonable control, and such interruption shall not constitute a termination of this Lease, or an eviction of Tenant, and/or give Tenant the right to reduce or abate Rent.

ARTICLE 9: MAINTENANCE AND REPAIR

9.1 Tenant's Obligations.

(a) Tenant's Maintenance. Subject to Landlord's obligations set forth in Section 9.2 and **Articles** 13 and 15, Tenant, at Tenant's expense, shall maintain the Premises and every part thereof in good order and repair (including making required replacements), including, without limitation, all plumbing, electrical, lighting and heating, outlets, ventilating and air conditioning facilities and equipment located within the Premises, all sanitary waste line and facilities within and beyond the Premises to the point of intersection with common waste lines; all fixtures, personal property, interior walls and interior surfaces of exterior walls, ceilings, windows, doors, plate glass and skylights located within the Premises, storefronts, store windows and Tenant's signs. Tenant shall not dispose of grease or any food waste using the sanitary waste lines in the Premises or any common waste lines in the Project. Tenant shall, at Tenant's sole cost and expense, obtain and maintain during Lease Term, a maintenance contract for the heating, venting, and air conditioning facilities for the Premises.

(b) Additional Costs. In addition to Tenant's obligations pursuant to the preceding paragraph, but except for matters to the extent they are an Insured Casualty as provided in **Section 13** below, all costs and expenses incurred by Landlord in making any repairs to the Project, including the Premises and the building where the Premises are located, caused solely by the acts or omissions of Tenant or Tenant's Authorized Representatives, subtenants, and/or licensees, shall all be at the sole cost and expense of Tenant (provided Landlord shall notify Tenant of Landlord's intent to make any such repairs and the approximate cost thereof at least five (5) days prior to commencing such repairs except for emergency repairs), and Tenant shall reimburse Landlord for such costs upon receipt of demand for payment. Any obligation of Tenant to reimburse such costs is a Surviving Obligation.

9.2 Landlord's Obligations.

(a) Landlord's Maintenance. Subject to Tenant's obligations set forth in **Section 9.1, Articles 13 and 15,** Landlord shall maintain in good condition and repair, at Landlord's sole cost and expense, the following: the foundations, exterior walls, roof and structural portions of the building, of the Premises and of all other buildings (if any) in the Project and the Common Area. The structural portions shall be deemed to include without limitation, the roof joists, columns, footings, foundation, exterior walls (excluding repainting, and also excluding plate glass, storefront windows, doors, door closure devices, window and doorframes, molding, locks and hardware, and painting or other treatment of interior walls); and the floor slab (excluding damage caused by Tenant; and further excluding floor coverings unless the same is damaged as a result of a floor defect or settling). In addition, Landlord shall maintain in good condition and repair all of the Common Areas, electric, gas, water, sanitary sewer, and other public utility lines serving the Premises, to the point of connection to the Premises; all utilities located within or below the floor slab of the Premises or otherwise under or passing through the Premises which do not exclusively serve the Premises; including promptly removing all accumulated snow, ice, and debris from same, the cost of which Landlord may charge a portion thereof to Tenant pursuant to **Sections 5.1 and 5.2**. Landlord shall not be required to maintain, repair or replace windows, exterior doors, storefront, or plate glass of the Premises, the responsibility for which is the Tenant's. Landlord shall have no obligation to make repairs under this **Section 9.2** until a reasonable time after receipt of written notice from Tenant of the need for such repairs, except if such repair is an emergency, in which event Landlord shall commence such repairs, inclusive of securing all municipal and other permits necessary as a prerequisite of such repairs, immediately upon receipt of notice.

(b) Compliance with Applicable Laws. Subject to Tenant's compliance obligations pursuant to **Section 7.1(c)**, if any Applicable Laws are imposed or enforced on Landlord, Tenant, the Premises or the Project by any federal, state, regional or local governmental authority or public agency, then Landlord agrees, at Landlord's cost and expense, to comply promptly with such Applicable Laws and to pay all costs incurred thereby, including the costs of any alterations or improvements to the Premises that may be required thereunder and any and all costs of defense and such costs, collectively, shall constitute Operating Costs and Tenant shall pay Tenant's Share of such costs unless (i) the costs are excluded from Operating Costs pursuant to **Exhibit E**, in which case Landlord shall be solely responsible for such costs, or the costs are related to a requirement of compliance caused by Tenant's specific use of the Premises or Tenant's specific tenant improvements and/or alterations of the Premises, in which case Tenant shall comply with such requirements at Tenant's sole cost and expense. Notwithstanding the foregoing, if any governmental authority should require (i) that a structural, health or life safety improvement be made to the

Project, the Common Areas or the Premises, or (ii) access be modified to the Project, the Common Areas or the Premises, and such measures are imposed as a consequence of Landlord's failure to comply with Applicable Laws in effect as of the Effective Date of this Lease (rather than as a condition to Tenant's specific use of the Premises or Tenant's specific tenant improvements and/or alterations of the Premises, which shall be the obligation of Tenant to perform), such work shall be performed by and at the sole cost of Landlord. No cost described herein shall be included in Operating Costs.

ARTICLE 10: **<u>HAZARDOUS MATERIALS</u>**

10.1 Hazardous Materials Laws. "**Hazardous Materials Laws**" means any and all federal, state or local laws, ordinances, rules, decrees, orders, regulations or court decisions relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Project, including the Premises, or soil and ground water conditions, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("**CERCLA**"), as amended, 42 U.S.C. §9601, et seq., the Resource Conservation and Recovery Act ("**RCRA**"), 42 U.S.C. §6901, et seq., the Hazardous Materials Transportation Act and the Carpenter-Presley Tanner Hazardous Substances Account Act, Cal. Health and Safety Code §25100, et seq., and §25300, et seq., the Safe Drinking Water and Toxic Enforcement Act, Cal. Health and Safety Code §25249.5, et seq., the Porter-Cologne Water Quality Control Act, Cal. Water Code §13000, et seq., any amendments to the foregoing, and any similar federal, state or local laws, ordinances, rules, decrees, orders or regulations.

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

10.3 Tenant's Obligations Concerning Hazardous Materials.

(a) Use. Tenant shall not allow any Hazardous Materials to be used, generated, released, stored or disposed of on, under or about, or transported from, the Premises, unless such Hazardous Materials are necessary to Tenant's business, provided that such Hazardous Materials will be used, kept, and stored in a manner which complies with all Hazardous Materials Laws.

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

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

(d) Notice; Reporting. Tenant shall notify Landlord, in writing, promptly after any of the following: (i) a release or discharge of any Hazardous Materials, whether or not the release or discharge is in quantities that would otherwise be reportable to a public agency; (ii) Tenant's receipt of any order of a governmental agency requiring any Remedial Work pursuant to any Hazardous Materials Laws; (iii) Tenant's receipt of any warning, notice of inspection, notice of violation or alleged violation, or Tenant's receipt of notice or knowledge of any proceeding, investigation of enforcement action, pursuant to any Hazardous Materials Laws; or (iv) Tenant's receipt of notice or knowledge of any claims made or threatened by any third party against Tenant or the Premises relating to any loss or injury resulting from Hazardous Materials. Upon Landlord's written request, Tenant shall deliver to Landlord copies of all test results, reports, inventories, and business or management plans required to be filed with any governmental agency pursuant to any Hazardous Materials Laws.

(e) Termination/Expiration. Upon termination or expiration of the Initial Term and any applicable Extended Term of this Lease, Tenant shall, at Tenant's cost, remove any equipment, improvements or storage facilities utilized in connection with any Hazardous Materials stored, released, or discharged by Tenant, its subtenants, and/or their Authorized Representatives, and shall clean up, detoxify, repair and otherwise restore the Premises to a condition free of Hazardous Materials, to the extent such condition has been caused by Tenant or its subtenants, or their respective Authorized Representatives or invitees.

(f) Environmental Indemnity. Tenant shall protect, indemnify, defend and hold Landlord harmless from and against any and all claims, costs, losses, damages, expenses, liens, suits, judgments, actions, investigations, proceedings and liabilities including, but not limited to, all fines and penalties, all foreseeable and unforeseeable consequential damages and the cost of any Remedial Work (including, without limitation, reasonable attorneys' and experts' fees and costs) (collectively, "**Hazardous Claims**"), arising out of or in connection with any breach of any provisions of this Section 10.3 or arising out of the use, generation, storage, release, disposal, presence or transportation of Hazardous Materials stored, released, or discharged by Tenant, its subtenants, and/or their Authorized Representatives in violation of applicable Hazardous Materials Laws, except to the extent such Hazardous Claims arise out of the negligence or wrongful acts of Landlord or Landlord's Authorized Representatives (but not with respect to Hazardous Claims that are waived by Tenant pursuant to Sections 14.4 and 14.5 or elsewhere under this Lease), on, under or about the Premises, or by the breach of Landlord's obligations set forth in Section 10.4. Neither the consent by Landlord to the use, generation, storage, release, disposal, or transportation of Hazardous Materials, nor the strict compliance with all Hazardous Materials Laws shall excuse Tenant from Tenant's indemnification obligations pursuant to this Section. The foregoing indemnity shall be in addition to and not a limitation of the indemnification provisions of **Article 14**. Tenant's obligations pursuant to this Section 10.3 is a Surviving Obligation.

(g) Assignment; Subletting. Landlord shall have the right to refuse consent to any assignment of this Lease or a sublease of the Premises if the possibility of a release of Hazardous Materials is materially increased as a result of the assignment or sublease or if Landlord does not receive reasonable assurances that the assignee or subtenant has the experience and the financial ability to remedy a violation of Hazardous Materials and fulfill its obligations under this Section 10.3.

(h) Entry and Inspection; Cure. If a release by Tenant, its subtenants, and/or their Authorized Representatives, of Hazardous Materials on the Premises may have occurred or could be imminent, Landlord, and its Authorized Representatives, shall have the right, but not the obligation, to enter the Premises at all reasonable times to inspect the Premises and Tenant's compliance with the terms and conditions of this Section 10.3, or to conduct investigations and tests. No prior notice to Tenant shall be required in the event of an emergency, or if Tenant consents at the time of entry. In all other cases, Landlord shall give at least twenty-four (24) hours' prior notice to Tenant. Provided Tenant is first given written notice and a reasonable period of time to perform such Remedial Work, and fails to do so, Landlord shall have the right, but not the obligation, to remedy any violation by Tenant of the provisions of this Section 10.3 or to perform any Remedial Work which is necessary or appropriate as a result of any governmental order, investigation or proceeding. If Tenant is liable for the same under the provisions of this Section 10.3, Tenant shall pay, upon demand, all costs incurred by Landlord in remedying such violations or performing all remedial work, plus interest thereon at the rate specified in the Lease from the date of demand until the date paid by Tenant.

(i) Default. The release or discharge of any Hazardous Materials or the violation of any Hazardous Materials Laws by Tenant (or any assignee or subtenant of Tenant or their respective Authorized Representatives) and the failure by Tenant to effect the timely Remedial Work required under the circumstances shall be an Event of Default by Tenant. In addition to or in lieu of the remedies available under this Lease as a result of such default, Landlord shall have the right, without terminating this Lease, to require Tenant to suspend its operations and activities, to the extent they are contributing to the problem on the Premises, until Landlord is satisfied that appropriate Remedial Work has been or is being adequately performed; and Landlord's election of this remedy shall not constitute a waiver of Landlord's right thereafter to declare a default and pursue other remedies set forth in this Lease.

(j) Limited Waiver and Release of Hazardous Materials Claims. Tenant, and Tenant on behalf of itself and its officers, directors, managers, partners, members, shareholders, employees, lenders and Authorized Representatives (collectively, "**Tenant Parties**"), hereby waives and releases the Landlord and its officers, directors, managers, partners, members, shareholders, employees, lenders, ground lessors and Authorized Representatives (collectively, "**Landlord Parties**") from and against all Hazardous Claims, known and unknown, arising out of the release or presence of Hazardous Materials in or about the Premises and/or the Project area except to the extent such Hazardous Claims are based solely on Landlord's indemnity obligations set forth in Section 10.4(b) below. Landlord and Tenant expressly represent and acknowledge that this **Section 10.3(j)** was explicitly negotiated and bargained for as a material part of Tenant's consideration to Landlord in connection with this Lease.

10.4 Hazardous Materials.

(a) Landlord's Disclosure Obligation; Remediation Costs not Operating Costs. Landlord shall deliver the Premises free of Hazardous Materials not in compliance with Hazardous Materials Laws. In connection with the execution and delivery of this Lease, Tenant acknowledges that Landlord has disclosed to Tenant in writing whether or not, to Landlord's knowledge or reasonable belief, Hazardous Materials have come to be located on or beneath the Premises and/or the Project as of the Effective Date of this Lease. If any Hazardous Materials are deposited, released, stored, disposed, discovered or present in or on the Premises, and/or the Project in violation of Hazardous Materials Laws, the investigation and remediation costs therefor shall not be included in Operating Costs pursuant to **Section 5.2** above.

(b) Landlord's Responsibility. Landlord shall protect, indemnify, defend, and hold Tenant harmless from and against any and all Hazardous Claims arising out of or in connection with the use, generation, storage, release, disposal, presence or transportation of Hazardous Materials which (i) existed on or under the land comprising the Project as of the Effective Date of Lease, or (ii) were released by Landlord or any of the Landlord Parties after such date, except to the extent such Hazardous Claims (x) arise out of the negligence or the wrongful acts of Tenant, its subtenants, and/or their Authorized Representatives, or invitees, on, under or about the Project, or by the breach of Tenant's obligations set forth in **Section 10.3** or elsewhere in this Lease, or (y) fall within the scope of Hazardous Claims that are waived by Tenant pursuant to **Section 14.5** or elsewhere under this Lease. Landlord's obligations pursuant to this **Section 10.4(b)** do not cover foreseeable and unforeseeable consequential damages of Tenant. Landlord's obligations pursuant to this **Section 10.4** is a Surviving Obligation.

ARTICLE 11: **<u>LANDLORD AND TENANT WORK; TENANT ALTERATIONS</u>**

11.1 Initial Construction Obligations. The Work Letter to this Lease sets forth the initial construction obligations, if any, of Landlord and/or Tenant to construct the Premises, and Tenant's Work. Landlord guarantees all work performed by, or at the expense of, Landlord in performing its construction obligations pursuant to the Work Letter against defective workmanship and materials and will remedy any such defects which appear within a period ending one (1) year after the Commencement Date, provided Landlord receives notice of any defective workmanship and materials within such one (1) year period.

11.2 Alterations by Tenant. Subsequent to the construction of Tenant's Work pursuant to the Work Letter, Tenant shall not make any structural or exterior alterations, additions or improvements to the Premises (hereinafter collectively referred to as "**Alterations**") without Landlord's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned. Tenant shall present any proposed Alterations to Landlord in writing accompanied by detailed proposed plans. Landlord's approval shall be deemed conditioned upon Tenant's acquiring all proper permits for the Alterations from the appropriate governmental agencies, if necessary, and complying with all conditions of the permits. Landlord may, at any time, require Tenant, at Tenant's expense, to remove immediately any or all Alterations made by Tenant without Landlord's prior approval and to restore the Premises to their condition prior to the making of such unauthorized Alterations. When granting consent for any Alterations, Landlord shall indicate in writing whether the Alterations shall be owned by Landlord or if it will require Tenant to remove those Alterations before the Lease Expiration Date. If Landlord fails to so indicate, the Alterations shall be deemed to be the property of Landlord and Tenant shall not be required to remove them. Unless otherwise indicated by Landlord, all Alterations made by Tenant shall become the property of Landlord and shall be surrendered to Landlord on or before the Lease Expiration Date. Notwithstanding the foregoing, movable equipment, trade fixtures, personal property, furniture, or any other items that can be removed without material harm to the Premises will remain Tenant's property (collectively, the "Tenant Owned Property") and shall not become the property of Landlord.

ARTICLE 12: MECHANICS' LIENS

Tenant shall give Landlord at least ten (10) calendar days' written notice prior to the commencement of any work in the Premises or the delivery of materials to the Premises for use in Alterations, repairs, and/or interior nonstructural alterations. Landlord shall have the right to post notices of non-responsibility on the Premises. If any mechanics' or other liens to be filed against the Premises or against Tenant's leasehold interest therein by reason of labor or materials furnished to the Premises at Tenant's instance or request, Tenant shall, within ten (10) calendar days after demand by Landlord, cause any such lien filed against the Premises to be discharged of record, or post a bond therefor. Tenant shall indemnify, hold harmless, protect, and defend Landlord from and against all Claims arising out of any such lien which is not removed or bonded within the specified period. Tenant's foregoing obligations pursuant to this Article 12 is a Surviving Obligation.

ARTICLE 13: DAMAGE AND DESTRUCTION

13.1 Definitions.

(a) Casualty. Casualty shall mean an event or circumstance that causes damage to improvements that require repair, replacement or restoration, excluding routine maintenance and repair of the types to be conducted by Landlord or Tenant pursuant to Article 9 of this Lease.

(b) Major Casualty. Major Casualty shall mean either or both of the following, as applicable: (i) damage to the Premises such that all or a material portion of the Premises is reasonably unusable by Tenant, or such damage prevents Tenant from operating for its intended use, and restoration thereof to the point of substantial completion will take more than 240 calendar days from the date of the Casualty event as reasonably estimated by Landlord's contractor as provided below; (ii) damage to the Project such that more than 25% of the Leasable Square Footage in the Project is unusable by the respective tenants therefor <u>and</u> restoration thereof to the point of substantial completion will take more than 240 calendar days from the date of the Casualty event as reasonably estimated by Landlord's contractor as provided below, or (iii) damage to the Premises during the last two years of the Lease.

(c) Minor Casualty. Minor Casualty shall mean damage to either or both of the Premises and/or the Project which is not a Major Casualty as pertains to such improvements.

(d) Insured Casualty. Insured Casualty shall mean a Casualty event to the extent such damage is insured against by insurance required under this Lease to be carried (or otherwise carried) by Landlord with respect to the Building and Common Area Improvements, and/or by Tenant with respect to the Tenant Improvements and Tenant Items (defined in subsection 13.2(d) below) required under this Lease to be carried (or otherwise carried) by Tenant.

(e) Uninsured Casualty. Uninsured Casualty shall mean a casualty event to the extent such damage is not an Insured Casualty.

13.2 <u>Procedure.</u>

(a) Notice of Casualty Event. In the event of any Casualty that affects the Premises, Tenant shall deliver written notice to Landlord of such event and information about the general nature and extent of such damage within three (3) business days of the casualty event ("**Tenant Casualty Notice**"), failing which Tenant shall not have the right to terminate this Lease as may otherwise be provided in Section 13.2(c) below. In the event of any Casualty that affects the Project and/or its Common Areas (other than the Premises), Landlord shall deliver written notice to Tenant of such event and information about the general nature and extent of such damage within three (3) business days of the Casualty event ("**Landlord Casualty Notice**"). In addition, Landlord and Tenant shall immediately deliver their respective Casualty Notices to any Landlord Mortgagee. (as defined in Section 17.3 below).

(b) Damage, Usability and Insurance Determinations. Upon Landlord's receipt of a Tenant Casualty Notice or Landlord's delivery of a Landlord Casualty Notice, Landlord shall engage a contractor and arrange for an insurance adjuster for Landlord's insurance policy or policies to inspect the damage and to make their determinations of whether or not such damage constitutes a Major Casualty, the extent of unusability of the areas and improvements affected by the Casualty, and/or if and to the extent such damage constitutes an Insured Casualty. In addition, Tenant shall engage its own insurance adjuster for Tenant's policies of insurance applicable to the Casualty. Landlord shall endeavor to provide to Tenant a copy of the contractor's inspection and evaluation report along with the contractor's estimate ("**Completion Estimate**") of the amount of time reasonably needed to clear debris, submit and obtain approval of plans and specifications for any restoration work and obtain permits therefor, and to substantially complete restoration efforts for the improvements so damaged ("**Contractor's Report**"), and a summary of the Landlord's insurance adjuster's report ("**Adjuster's Report**"), within sixty (60) calendar days after the date of the Casualty event. Tenant shall also deliver to Landlord a copy of any report prepared by Tenant's insurance adjuster within said time period.

(c) Initial Termination Rights. In the event of a Major Casualty affecting the Project (whether or not the Premises are so affected), Landlord shall have the right to terminate the Lease by delivering written notice thereof to Tenant within thirty (30) calendar days of Landlord's delivery of the Contractor's and Insurance Adjuster's Reports ("**Landlord's Casualty Termination Notice**") which termination shall be effective as of the date of delivery of such notice. If Landlord declines to so terminate the Lease or fails to deliver Landlord's Casualty Termination Notice within said time, then if the Premises have suffered a Major Casualty, Tenant shall have a one-time right to terminate the Lease by delivering written notice thereof to Landlord within fourteen (14) calendar days of the first to occur of the following: (i) Landlord's delivery to Tenant of written notice of Landlord's election not to so terminate the Lease, or (ii) the passage of time as provided above without Landlord having delivered to Tenant Landlord's Casualty Termination Notice, which termination shall be effective as of the date of delivery of such notice. Neither party shall have a right to terminate the Lease upon the occurrence of a Minor Casualty, except as may be permitted pursuant to Section 13.6 below. If Landlord's Mortgagee requires that any available insurance proceeds be applied to any indebtedness of Landlord secured by the Premises and/or the Project and not be used to restore the Premises and/or the Project, then Landlord may thereafter terminate this Lease upon delivery of written notice thereof.

(d) Restoration. If neither party terminates the Lease as provided above, or in the case of a Minor Casualty, then Tenant shall undertake the removal of all debris and its Tenant's Items from the Premises or portion thereof so damaged. Thereafter, Landlord shall obtain permits and contract for and use commercially reasonable efforts to remove debris from the Common Areas or portion(s) thereof so damaged, and to restore the Premises and/or the Project, as applicable, to substantially the same condition, quality and quantity as they were immediately prior to the Casualty, normal wear and tear excepted, at Landlord's sole expense regardless of the amount of insurance coverage therefor held by Landlord, within the Completion Estimate; provided, however, (i) Landlord's restoration efforts are subject to the release of insurance proceeds by Landlord's Mortgagee, if any, with respect to an Insured Casualty; (ii) Landlord's restoration of the Common Area may utilize revised plans and specifications as may be appropriate to such time of restoration and/or may incorporate modifications required by Law or any other modifications to the Common Areas deemed desirable by Landlord; and (iii) Landlord's restoration obligations with respect to the Premises shall extend only to the Landlord's Work as set forth in the Work Letter (exclusive of Tenant's Work and Tenant's Items). Upon Substantial Completion of Landlord's restoration work and the issuance by the City of Sparks ("**City**") of a temporary certificate of occupancy, or the effective equivalent thereof as issued by the City, Tenant shall undertake and complete Tenant's Work (in the time and manner provided in the Work Letter), any previously approved Alterations, and install Tenant's trade fixtures, equipment, merchandise and other items of personal property (collectively, "**Tenant's Items**") in and to the Premises to substantially the same condition, quality and quantity as they were immediately prior to the Casualty at Tenant's sole expense regardless of the amount of insurance coverage therefor held by Tenant. Tenant's restoration of the Leasehold Improvements and Tenant's Items in the Premises shall be accomplished as an Alteration and shall comply with the requirements of **Article** 11. During any period of Tenant's restoration work, Tenant shall be responsible for properly securing the Premises. Tenant acknowledges that the Completion Estimate is only an estimate of the amount of time that

Landlord projects will need to be taken for Landlord and Tenant to substantially complete the restoration of the damage and such estimate shall be subject to extension for Force Majeure delays and any Tenant Delays.

(e) Delays. If Landlord does not substantially complete its repair and restoration of the Premises and of any Common Areas necessary to provide access and/or building utilities to the Premises on or before the Outside Restoration Date (defined below), then, Tenant may terminate this Lease by notifying Landlord within 15 days after the Outside Restoration Date (as same may be extended as provided below). As used herein, **"Outside Restoration Date"** means the date occurring 125 calendar days after the date set forth in the Completion Estimate (as may be extended for Force Majeure and Tenant Delays). Notwithstanding the foregoing, if Landlord determines in good faith that it will be unable to substantially complete its repairs on or before the Outside Restoration Date, Landlord may cease its performance of the repairs and provide Tenant with a written notice (the **"Restoration Date Extension Notice")** stating such inability and identifying the new date on which Landlord reasonably believes such substantial completion may occur, in which event Tenant may terminate this Lease by so notifying Landlord in writing within five (5) business days after receiving the Restoration Date Extension Notice. If Tenant does not so terminate this Lease within such 5-business day period, the Outside Restoration Date shall be automatically extended to be the date identified in the Restoration Date Extension Notice.

13.3 Destruction During Last Part of Initial Term or Applicable Extended Term. The provisions of this **Article 13** to the contrary notwithstanding, Landlord shall have the election to terminate this Lease in the event of any material damage or destruction to the Premises, or other parts of the building in which the Premises are located or the Common Areas (whether or not the Premises is damaged or destroyed) that occurs within one (1) year prior to the expiration date of the Initial Term, or one (1) year prior to the expiration of any applicable Extended Term, and which casualty will render the Premises unusable for 90 calendar days or more based upon the Contractor's Report, in which event the parties shall be released from all further rights and obligations after the date of termination except for Surviving Obligations.

13.4 Rent Abatement. Provided that neither party has terminated the Lease as provided **in subsection 13.2(c)** above, and further provided that rental interruption insurance covering the period of the Completion Estimate is carried by Landlord and is in effect as of the date of the Casualty, and also that the premiums therefor were included in Operating Costs, Tenant's obligation to pay Base Rent, and Tenant's Share of Operating Costs and Real Property Taxes shall be reduced or abated in proportion to the degree to which Tenant's use of the Premises is reasonably impaired by such Casualty until Landlord has substantially completed any restoration work to the Premises and reasonable access and utilities to the Premises have been provided, as required of Landlord above.

13.5 Limitation on Tenant Termination Rights. Notwithstanding anything to the contrary above in **Article 13,** Tenant shall have no right to terminate this Lease in the event the Casualty was caused or materially contributed to by a default of Tenant under this Lease, or by the negligence or willful misconduct of Tenant or any party claiming by, through or under Tenant. Subject to the foregoing, any termination of this Lease shall result in the parties being released from all further rights and obligations under the Lease after the date of termination except for Surviving Obligations.

13.6 Uninsured Casualty. If the Premises, the Common Areas or both suffer a Major Casualty that is, or to the extent that it is, an Uninsured Casualty, unless same was caused or materially contributed to by a negligent or willful act of Tenant (in which event Tenant shall make the repairs at Tenant's expense for the portion of the damage which is an Uninsured Casualty), Landlord may 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) terminate this Lease by giving a Landlord's Casualty Termination Notice to Tenant within 30 days after receipt by Landlord of the Completion Estimate. Such termination shall be effective 60 days following the date of such notice. In the event Landlord elects to terminate this Lease, Tenant shall have the right within 10 days after receipt of the Landlord's Casualty Termination Notice to give written notice to Landlord of Tenant's commitment to pay for the repair of such Uninsured Casualty damage without reimbursement from Landlord. Tenant shall provide Landlord with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Landlord shall proceed to make such repairs, and Tenant shall restore its Leasehold Improvements and Tenant's Items, as soon as reasonably possible after the required funds are available and as provided in **subsections 13.2(d) and (e)** above. If Tenant does not timely make the required commitment, this Lease shall terminate as of the date specified in the Landlord's Casualty Termination Notice, in which event of termination the parties shall be relieved of further rights and obligations except for Surviving Obligations. If the Premises, the Common Areas or both suffer a Minor Casualty that is, or to the extent that it is, an Uninsured Casualty, unless same was caused or materially contributed to by a negligent or willful act of Tenant (in which event Tenant shall make the repairs at Tenant's expense for the portion of the damage which is an Uninsured Casualty), Landlord shall cause the damage to be restored at Landlord's expense and otherwise as provided in this **Article 13**.

ARTICLE 14: **LIABILITY AND INSURANCE**

14.1 Tenant Indemnity. Tenant agrees to indemnify, defend, protect, and hold Landlord and its Landlord Parties harmless from and against all loss, liability, cause of action, claims, liens, damages, cost, expense and attorney fees (**"Claims"**) to the extent the same arise out of (i) Tenant's use of the Premises and/or the License Area, or (ii) any negligent act or omission of Tenant, or its Authorized Representatives, except to the extent such Claims are caused or contributed to by the negligence or willful acts or omissions of Landlord and its Authorized Representatives (but not with respect to Claims that are waived by Tenant pursuant to **Sections 14.4 and 14.5** or elsewhere under this Lease). Tenant's indemnity obligations above are Surviving Obligations.

14.2 Insurance to be Maintained by Tenant. Tenant shall, at Tenant's expense, obtain and keep in force from and after possession of the Premises is delivered to Tenant and for the remainder of the Initial Term and any applicable extended term the following insurance:

(a) General Liability. A policy of commercial general liability insurance having a limit of not less than Two Million Dollars ($2,000,000) per occurrence and general aggregate, for bodily injury (including death) and personal injury to any one person, injury and/or death to any number of persons in any one incident, and for property damage in any one occurrence and umbrella coverage of at least Three Million Dollars ($3,000,000.00). Such policy or policies shall name Landlord and other designees of Landlord as an additional insured. Such liability insurance shall insure the indemnity provisions of Section 14.1, and shall contain a provision or endorsement that Landlord and other designees of Landlord, although an additional insured, shall nevertheless be entitled to recover under such policy or policies for any damage or injury to Landlord, other designees of Landlord, and/or their Authorized Representatives by reason of acts or omissions of Tenant or its Authorized Representatives; and further such liability insurance shall be primary and non-contributory to any liability insurance carried by Landlord.

(b) Workers' Compensation and Employers' Liability. Workers' compensation insurance having limits not less than those required by statute and covering all persons employed by Tenant in the conduct of its operations on the Premises, and employer's liability insurance coverage in the amount of at least One Million Dollars ($1,000,000.00).

(c) Property Insurance. Causes of Loss Special form property insurance covering Tenant against damage to or loss of any personal property, fixtures, Tenant's Work, tenant improvements, and equipment and merchandise of Tenant. Such insurance shall be written on a replacement cost basis.

(d) License Area. If this Lease provides to Tenant a license for the permanent or temporary exclusive use of a portion of the Common Areas or other areas of the Project, then Tenant's obligations with respect to insurance described in this **Section 14.2** shall also apply to that licensed area.

(e) Specialty Uses. If the nature of Tenant's permitted use is such that special insurance is required in Landlord's reasonable judgment, then Tenant shall procure and maintain during the Term such specialty insurance at Tenant's sole expense.

(f) Insurance Companies. Insurance required to be maintained by Tenant hereunder shall be written by companies licensed to do business in the state in which the Premises are located and having a **"General Policyholders Rating"** of at least A: VIII (or such higher rating as may be required by a lender having a lien on the Premises or the Building or the Project) as set forth in the most current issue of **"Best's Insurance Guide."** Tenant shall deliver to Landlord certificates of such insurance together with all required and other commercially reasonable endorsements no later than seven (7) days prior to the Commencement Date (or the date of possession of the Premises if earlier). Tenant shall, at least thirty (30) days prior to the expiration of such policies, furnish Landlord with certificates of renewal or "binders" thereof. All such insurance may be carried under a blanket policy covering the Premises and other locations, provided that the coverage afforded Landlord by such blanket policy shall not be reduced or diminished by reason of the use of such blanket policy of insurance and provided further that the requirements of this **Section 14.2** are otherwise satisfied.

14.3 Insurance Maintained by Landlord. Landlord shall obtain and keep in force (i) commercial general liability insurance having a limit of not less than Two Million Dollars ($2,000,000.00) per occurrence and Three Million Dollars ($3,000,000.00) aggregate; and (ii) Causes of Loss Special form property insurance covering loss or damage to the Premises and the Project, but not Tenant's Items and merchandise, in an amount equal to the full replacement cost thereof (with commercially reasonable deductible amounts). Insurance required to be maintained by Landlord hereunder shall be written by companies licensed to do business in the state in which the Premises are located and having a **"General Policyholders Rating"** of at least A: VIII (or such higher rating as may be required by a lender having a lien on the Premises, Building or Project) as set forth in the most current issue of **"Best's Insurance Guide."** Upon request, Landlord shall deliver to Tenant proof of Landlord's insurance.

14.4 Waiver of Subrogation. Landlord and Tenant hereby release the other and waive any rights each may have against the other in connection with any claims suffered by Landlord or Tenant, as the case may be, on account of their respective property, the Premises, the Building and the Project, or the contents thereof, arising from covered causes of loss for which property insurance is carried or required to be carried pursuant to this Lease by such party, regardless of the limits on coverage of the applicable insurance policy. The foregoing waiver and release by Tenant shall also apply to any Landlord Party. Each party on behalf of their respective insurance companies insuring their respective property against any such loss, waive any right of subrogation that it may have against the other party. Tenant shall obtain from its subtenants and other occupants of the Premises a similar waiver and release of claims against any or all of Tenant or Landlord Parties. The insurance policies required by this Lease shall contain no provision that would invalidate or restrict the parties' waiver and release of the rights of recovery in this section. The parties hereto covenant that no insurer shall hold any right of subrogation against the parties hereto by virtue of such insurance policy.

14.5 Landlord Exculpation. The liability of Landlord or the Landlord Parties to Tenant for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Project or the Premises shall be limited solely and exclusively to the assets owned directly by the landlord and equivalent of tenant's one (1) year's rent calculated by annualizing the Base Rent Tenant is paying to Landlord in the Project at time of such default. Neither Landlord, nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this Section 14.5 shall inure to the benefit of Landlord and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, members, managers, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner, member or manager of Landlord, or trustee or beneficiary have any liability for the performance of Landlord's obligations under this Lease. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for any indirect or consequential damages or any injury or damage to Tenant, or interference with Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

14.6 Survival of Obligations. The obligations of Tenant and Landlord, respectively, under this **Article 14** are Surviving Obligations.

ARTICLE 15: <u>CONDEMNATION</u>

15.1 Effects of Condemnation. If the Premises, the Building, or the Project, or any portion of either or both, are taken under the power of eminent domain or are sold under the threat of the exercise of such power (all of which are herein called "**Condemnation**"), this Lease shall terminate as to any part of the Premises taken as of the date the condemning authority takes title or possession, whichever occurs first, and shall remain in effect as to portion of the Premises remaining, except that the then current Base Rent and any charges based on the Leasable Square Footage of the Premises shall be reduced in the proportion that the area of the Premises taken bears to the area of the total Premises before the Condemnation. In the event of a partial Condemnation, Landlord shall, at

Landlord's expense, restore the Premises to a complete unit of like quality and character, except as to size, as existed prior to the date on which the condemning authority took possession, except Landlord shall not be obligated to restore Tenant Improvements, trade fixtures, equipment, and other items of personal property of Tenant. Any award under the Condemnation shall be the property of Landlord; provided, however, that Tenant shall be entitled to any award for loss of or damage to Tenant's goodwill, trade fixtures and removable personal property, the unamortized portion of any Tenant Improvements paid for by Tenant, and any relocation award. Tenant hereby waives any right to claim and to receive from the condemning authority or from Landlord any award for severance damages or for the value of the unexpired portion of the Initial Term and any applicable extended term as respects the portion of the Premises taken.

15.2 Tenant's Election to Terminate. Notwithstanding the preceding paragraph, if any portion of the Premises is taken and the remaining portion of the Premises is not reasonably suitable for Tenant's continued operation of its business, Tenant may elect to terminate this Lease by providing written notice to Landlord no later than fifteen (15) days after the date the condemning authority takes title or possession, whichever occurs first, and this Lease then will terminate as of the date of the Condemnation and the parties shall be relieved of further rights and obligations except Surviving Obligations.

ARTICLE 16: <u>ASSIGNMENT AND SUBLETTING</u>

16.1 Definitions. The use of the words **"assignment" "assign," "assigned," "subletting,"** or **"sublet,"** and any derivations thereof, in this **Article 16** shall include, without limitation, the following: (i) the pledging, mortgaging or encumbering of Tenant's interest in this Lease or the Premises or any part thereof (**"Tenant Encumbrance"**); (ii) the total or partial occupation of all or any part of the Premises by any person, firm, partnership, corporation, other business entity, or any groups of persons, firms, partnerships, corporations, business entities, or any combination thereof, other than Tenant and its Authorized Representatives; (iii) an assignment or transfer by operation of law; and (iv) a transfer by sale, assignment, bequest, inheritance, or other disposition, or by subscription, of any part or all of the corporate shares or ownership interests) of Tenant, so as to result in any change in the present effective voting control of Tenant by the party or parties holding such voting control as of the Effective Date of this Lease. Notwithstanding the provisions of this **Section 16.1** above, a transfer of the shares of stock of Tenant pursuant to an initial public offering or a transfer of publicly traded stock of Tenant shall not constitute an "assignment" of pursuant to the provisions of this **Section 16.1**.

16.2 Tenant Encumbrance. Tenant shall have no right to enter into or make a Tenant Encumbrance.

16.3 Landlord Consent. Tenant shall not assign this Lease or sublet all or any portion of the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed provided the requirements of this **Article 16** are satisfied in full. If consent to any assignment or subletting is given by Landlord, such consent shall not relieve Tenant from any obligation or liability under this Lease, nor shall such consent constitute a waiver of the provisions of this **Article 16** with respect to any future assignment or subletting. Landlord and Tenant acknowledge, by way of example and without limitation, that it shall be reasonable for Landlord to withhold its consent if any of the following situations or matters exist or may exist:

(a) Sufficient Business Experience. In Landlord's reasonable business judgment, the proposed assignee or subtenant lacks sufficient business reputation or experience to operate a successful business of the type and quality permitted and required under this Lease;

(b) Net Worth of Proposed Tenant. In Landlord's reasonable business judgment, the present net worth of the proposed assignee or subtenant is inadequate;

(c) No Breach of Covenant. In Landlord's reasonable judgment, the proposed assignment or subletting would breach any covenant of Landlord in any other lease, financing agreement, or other agreement relating to the Project, including, without limitation, covenants respecting radius, location, use and/or exclusivity, but only to the extent the proposed assignment or subletting is for a use other than the Permitted Use;

(d) No Material Change to Lease. In Landlord's reasonable judgment, the assignee or subtenant requires any material change or changes to the provisions of this Lease;

(e) No Material Adverse Effect on Parking. In Landlord's reasonable judgment, the assignee or subtenant's use would likely have a material adverse effect on parking and/or use of the Common Areas;

(f) Potential Increase in Hazardous Materials Risk. Landlord makes a determination as provided under Section 10.3(g) above.

(g) Assignee Fails to Expressly Assume the Lease. If the proposed assignee of Tenant fails or refuses to expressly assume and be bound by all provisions of the Lease in writing for the benefit of Landlord.

16.4 Procedures. Should Tenant desire to enter into an assignment of this Lease or sublease all or part of the Premises, Tenant shall give notice thereof to Landlord by requesting in writing Landlord's consent to such transaction at least thirty (30) days before the proposed effective date of any such transaction and shall provide Landlord with the following: the relevant particulars of the proposed transaction, including its nature, effective date, terms and conditions, and copies of any draft loan agreement, assignment, sublease, and other documents pertaining to such proposed transaction; a description of the identity, net worth and previous business experience of the proposed assignee or subtenant, including, without limitation, copies of the latest income, balance sheet and change of financial position statements (with accompanying notes and disclosures of all material changes thereto) in audited form, if available, and certified as accurate by the proposed assignee or subtenant; the description and financial terms of any leasehold financing sought by Tenant; copies of the transaction documents necessary to implement the proposed assignment executed by Tenant and the applicable assignee, subtenant or leasehold mortgagee, evidencing compliance with the conditions set forth and/or otherwise provided under this **Article 16**; and any further information relevant to the transaction which Landlord shall have reasonably requested within fifteen (15) days following receipt of Tenant's request for consent and the information and materials covered by the foregoing.

(a) Landlord's Election. Within thirty (30) days after receipt of Tenant's request for consent and the materials required by this **Section 16.5**, Landlord shall make its election to consent to the assignment or subletting; or refuse to consent to the assignment or subletting as allowed herein and stating the reason(s) therefor.

(b) Release of Liability. No assignment or subletting of the Premises shall relieve or release Tenant or any guarantor from any liability or responsibility under this Lease whether or not such liability or responsibility is assumed by any assignee or sublessee. The foregoing obligations of Tenant and any guarantor are Surviving Obligations.

16.5 Documentation and Expenses. Any assignment or sublease to which Landlord has consented shall be evidenced by an instrument made in such written form as is reasonably satisfactory to Landlord and executed by Tenant and the assignee, subtenant or leasehold mortgagee, as applicable. By such instrument, in the event of an assignment, the assignee shall expressly assume for the direct benefit of Landlord the terms, covenants and conditions of this Lease which are the obligations of Tenant; and in the event of a sublease, the obligations to which such transferee shall agree to be so bound shall be prorated on a basis of the number of Leasable Square Feet of the Premises so subleased in proportion to the number of Leasable Square Feet in the Premises. In addition, if the proposed transfer is a leasehold mortgage, Landlord's consent to such transfer shall be conditioned upon Landlord, Tenant and the applicable leasehold mortgagee entering into a mutually approved separate agreement addressing matters relevant to such financing, including, without limitation, priority of liens, inspection and removal of collateral, notices and cure rights, restoration of damage, and the leasehold mortgagee's obligations to perform the Lease. Upon the occurrence of any default by the transferee, such instrument shall provide that Landlord shall have the right, at its option, but not the obligation, on behalf of Tenant, to pursue any or all of the remedies available to Tenant under such transfer or at law or in equity (all of which remedies shall be distinct, separate and cumulative). If Landlord consents to a transfer, then (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified; and (ii) such consent shall not be deemed consent to any further transfer by either Tenant or a transferee. Tenant shall also deliver to Landlord within ten (10) calendar days of receiving Landlord's consent thereto, a full and complete copy of the executed transfer documents that effectuate the assignment or sublease, as applicable, between Tenant and the transferee and in form and content as provided above. Tenant shall, on demand of Landlord, reimburse Landlord for Landlord's administrative fees and Landlord's reasonable legal fees incurred by Landlord in obtaining advice and preparing documentation in connection with any proposed assignment or subletting, whether or not Landlord's consent is given, not to exceed Two Thousand Five Hundred Dollars

($2,500.00). Landlord shall have the right to estimate the amount of such administrative fees and legal fees in advance and require Tenant to pay such advance to Landlord at the time Tenant submits the materials required by Section 16.3.

16.6 Consideration Payable to Landlord. This Section 16.5 is applicable only in the event of (i) an assignment of this Lease which is not part of an assignment of other leases of Tenant, and (ii) a sublease of the Premises which is not part of a subletting of other locations of Tenant.

(a) Excess Rent. If Tenant receives any rent or other consideration for any assignment or sublease in excess of the Rent under this Lease or, in case of the sublease of a portion of the Premises, in excess of the Rent under this Lease that is fairly allocable to such portion, as determined by Landlord, after appropriate adjustments to assure that all other payments required hereunder are appropriately taken into account, Tenant shall pay Landlord fifty percent (50%) of the difference between each such payment of Rent or other consideration and the Rent required hereunder, less (i) the portion of Tenant's Concession Costs reasonably incurred by Tenant in connection with such subletting and allocable to such month, less (ii) the monthly installment of Base Rent for such month plus such other rent or consideration attributable to such month which would otherwise be required to be paid by Tenant to Landlord.

(b) Determination of Excess Rent. For purposes of determining rent or other consideration received by Tenant upon assignment or subletting, such amount shall not include sums allocable to Tenant's inventory, stock-in-trade, goodwill, noncompetition provisions, Tenant Improvements, personal property, free rent, cash in hand, and any other non-rent considerations. Moreover, in no event shall Landlord receive any portion of the consideration received from the assignee or subtenant unless and until Tenant has first recaptured the full cost on an unamortized basis of any leasing commissions, attorneys' fees, advertising costs, and improvement costs incurred by Tenant in locating an assignee or subtenant. Upon consummation of an assignment or sublease pursuant to the provisions of this **Article 16**, Tenant shall, provide Landlord with a written statement of such costs with reasonable evidence supporting such statement. The foregoing obligations with respect to Excess Rent are Surviving Obligations.

16.7 Recapture on Assignment. If Tenant shall propose by written notice pursuant to **Section 16.4** above (**"Tenant's Notice"**) to assign this Lease or sublet the Premises to an entity which would use the Premises for a use other than the Permitted Use specified in **Section 1.7(a)** above, then Landlord shall upon receipt of Tenant's Notice have the right to terminate this Lease and recapture the Premises (**"Recapture Right"**). Such Recapture Right must be exercised, if at all, within 30 days following Landlord's receipt of Tenant's Notice. Should Landlord exercise its Recapture Right, this Lease shall terminate upon the date given in Landlord's notice to Tenant exercising its Recapture Right (the **"Recapture Date"**), which Recapture Date shall be not less than 60 days from the date of Tenant's Notice, nor more than 180 days from the date of Tenant's Notice. Upon the Recapture Date, this Lease shall terminate, and neither party shall have any further obligation to the other, other than obligations accrued or owing prior to the Recapture Date.

16.8 Permitted Transfers.

(a) Notwithstanding the foregoing, Tenant may assign this Lease or sublease all or a portion of the Premises for the ongoing operation of the Permitted Use of the Premises, without the consent of Landlord (each a "Permitted Transfer"), to:

(i) An affiliate or subsidiary of Tenant;

(ii) Any entity that is a successor to Tenant by merger or other consolidation of Tenant;

(iii) A purchaser of all or substantially all of Tenant's assets or all or substantially all of Tenant's business operations in the Premises; or

(b) As used in this Section, the following terms have the following meanings:

(i) An "affiliate" means an entity controlled by, controlling, or under common control with Tenant; for this purpose, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities or by contract or otherwise; and

(ii) A "subsidiary" means an entity that is wholly owned by Tenant or for which Tenant owns at least fifty-one percent (51%) of the voting interests.

(c) Any Permitted Transfer may be made only if:

(i) Tenant is not in default under this Lease beyond any applicable notice and cure periods;

(ii) Tenant provides reasonable prior written notice to Landlord of such Permitted Transfer;

(iii) After such transaction is effected, the tangible net worth (excluding goodwill) of the transferee is not less than the tangible net worth (excluding goodwill) of Tenant on the date that is immediately before the effective date of such Permitted Transfer;

(iv) Such Permitted Transfer is for a valid business purpose and not to avoid any obligations under the Lease; and

(v) Landlord has received an executed copy of all documentation effectuating such transfer on or before its effective date.

ARTICLE 17: <u>DEFAULT AND REMEDIES</u>

17.1 Default. The occurrence of any one or more of the following events shall constitute an **"Event of Default"** of this Lease by Tenant:

(a) Payment of Rent. The failure by Tenant to make any payment of Rent required to be made by Tenant hereunder, as, where and when due, which failure continues for a period of five (5) days after Tenant's receipt of written notice from Landlord.

(b) Failure of Performance. Except as otherwise provided in this Lease, the failure by Tenant to observe or perform any of Tenant's obligations under this Lease, other than described in **Section 17.1(a)** above, where such failure shall continue for a period of thirty (30) days after delivery of written notice of demand therefor from Landlord to Tenant; provided, however, that if the nature of Tenant's noncompliance is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default thereof if Tenant, in good faith, has commenced such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion. Notwithstanding the foregoing, Tenant's violation of the provisions set forth in **Article 16** above shall constitute an incurable default by Tenant.

(c) Taking of Tenant's Interests in Lease. Tenant's interest in this Lease or in all or a part of the Premises is taken by process of law directed against Tenant, or becomes subject to any attachment at the instance of any creditor of or claimant against Tenant, and such attachment is not discharged within thirty (30) days.

(d) Insolvency of Tenant. Tenant: (i) is unable to pay Tenant's debts generally as they become due; (ii) makes an assignment of all or a substantial part of Tenant's property for the benefit of creditors; (iii) convenes or attends a meeting of Tenant's creditors, or any class thereof, for purposes of effecting a moratorium upon or extension or consolidation of Tenant's debts; (iv) applies for or consents to or acquiesces to the appointment of a receiver, trustee, liquidator or custodian of Tenant or of all or a substantial part of Tenant's property or of the Premises or of Tenant's interest in this Lease; or (v) files a voluntary petition in bankruptcy or a petition or an answer seeking reorganization under the Bankruptcy Code or any other law relating to bankruptcy, insolvency, reorganization or relief of debtors or an arrangement with creditors, or takes advantage of any insolvency law or files an answer admitting the material allegations of a petition filed against Tenant in any bankruptcy, relief, reorganization or insolvency proceedings.

(e) Entry of Judgment. The entry of a court order, judgment or decree against Tenant, without the application, approval or consent of Tenant, approving a petition seeking reorganization of Tenant or relief of debtors under the Bankruptcy Code or any other law relating to bankruptcy, insolvency, reorganization or relief of debtors or granting an order for relief against it as debtor or appointing a receiver, trustee, liquidator or custodian of Tenant or of all or a substantial part of Tenant's property or of the Premises or of Tenant's interest in this Lease, or adjudicating Tenant bankrupt or insolvent, and such order, judgment or decree will not be vacated, set aside or dismissed within sixty (60) days from the date of entry.

17.2 Remedies. Upon an Event of Default by Tenant, Landlord may, at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any other right or remedy:

(a) Termination of Possession and Recovery of Damages. Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant the following:

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

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

(iii) the worth at the time of the award of the amount by which the unpaid Rent for the balance of the Initial Term and, if Tenant has exercised its option to extend the Initial Term, any applicable extended term, after the time of the award exceeds the amount of the loss of such Rent that Tenant proves could have been reasonably avoided;

(iv) an amount equal to the then unamortized amount of the Tenant Improvement Allowance amortized on a monthly straight line basis, with interest thereon in the amount of the Annual Applicable Interest, over the Initial Term;

(v) any other amount necessary to compensate Landlord for the detriment proximately caused by Tenant's default or which in the ordinary course of things would be likely to result therefrom; and

(vi) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as maybe permitted from time to time by applicable Nevada law.

As used in subparagraphs (i) and (ii), the "worth at the time of the award" is computed by allowing interest at the rate of the Annual Applicable Interest. As used in subparagraph (iii), the "worth at the time of the award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent (1%).

(b) Continuation of Possession and Recovery of Damages. Maintain Tenant's right to possession in which case this Lease shall continue in effect whether or not Tenant shall have vacated or abandoned the Premises, in which event Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the Rent as it becomes due hereunder. Acts of maintenance or preservation or efforts to relet the Premises shall not constitute a termination of Tenant's right to possession or an acceptance by Landlord of Tenant's surrender of the Premises, unless written notice of termination or acceptance of surrender is given by Landlord to Tenant.

(c) Cure by Landlord. Cure any Event of Default by Tenant at Tenant's expense. Tenant shall, upon demand, immediately reimburse Landlord for the reasonable incurred cost of such cure plus interest in the amount of the Annual Applicable Interest from the date of the expenditure therefor by Landlord until such reimbursement is received by Landlord.

(d) Other Legal and Equitable Remedies. Pursue any other legal or equitable remedy now or hereafter available to Landlord.

17.3 Landlord's Duty to Mitigate. In the event that Landlord re-enters, retakes, and resumes possession of the Project following an Event of Default, Landlord hereby agrees to use commercially reasonable efforts to relet and thereby mitigate the loss or damage which Tenant shall incur hereunder. Any rent received by Landlord as a result of such efforts may, at Landlord's option, be first applied to the costs incurred by Landlord in connection with such efforts.

17.4 Landlord's Default. If Landlord shall default in any of its obligations under this Lease and such failure shall continue beyond the expiration of any applicable cure period provided for such default herein or, in the absence of a stated cure period for such default, for thirty (30) days (or such additional period which may, with the exercise of diligence, be required to cure the same, if the same cannot be cured within such thirty (30) day period) after written notice from Tenant to Landlord and to any Mortgagee (as defined below) specifying the circumstances of such default, then Tenant shall have the following rights and remedies: (1) to pursue an action for money damages, or (2) to seek equitable relief, against Landlord, but Tenant shall not be entitled to terminate this Lease on account of such Landlord default. In no event shall Landlord be liable to Tenant for any consequential damages. Tenant agrees to give the holder of any Encumbrance or other mortgage, deed of trust, or sale leaseback covering any part of the Property ("**Mortgagee**"), by certified mail, a copy of any notice of default served upon Landlord, provided that prior to such notice Tenant has been notified in writing (by way of notice of assignment of rents and leases, or otherwise) of the name and address of such Mortgagee. If Landlord shall have failed to cure such default within thirty (30) days from the effective date of such notice of default, then the Mortgagee shall have an additional thirty (30) days within which to cure such default or if such default cannot be cured within that time, then such additional time as may be necessary to cure such default (including the time necessary to foreclose or otherwise terminate its Encumbrance, if necessary to effect such cure), and Tenant's rights to pursue the above rights and remedies shall be deferred so long as such efforts to cure the default are being diligently pursued.

17.5 Tenant's Right to Abatement

(a) Access to and Use of the Premises. If as a result of any act or omission of Landlord or due to any work or installation performed by Landlord: (a) Tenant shall be unable for at least seven (7) days to operate its business in the Premises in the same manner as such business was operated prior to such act or omission; or (b) the Premises shall be in any way inaccessible or unfit for the Permitted Use for at least seven (7) days, Rent shall be reduced on a per diem basis in the proportion in which the area of the portion of the Premises which is untenantable, inaccessible, or unfit for the Permitted Use bears to the total area of the Premises for each day following the aforesaid seven (7) day period that such portion of the Premises remains untenantable, inaccessible, or unfit for the Permitted Use.

(b) Damage and Destruction. If the damage or destruction renders all or part of the Premises untenantable, inaccessible, or unfit for the Permitted Use, Rent shall proportionately abate commencing on the date of the damage or destruction and ending on the date the Premises are delivered to Tenant with Landlord's restoration obligation complete. The extent of the abatement shall be based upon the portion of the Premises rendered untenantable, inaccessible, or unfit for the Permitted Use on a per diem basis.

17.6 Landlord Exculpation. The liability of Landlord or the Landlord Parties to Tenant for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Project or the Premises shall be limited solely and exclusively to the equity interest of Landlord in the Project loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, except in the event such loss, damage or injury is due to Landlord's gross negligence or willful misconduct.

ARTICLE 18: LANDLORD'S ENTRY

18.1 Landlord's Right of Entry.

(a) Landlord and its Authorized Representatives shall have the right to enter the Premises upon twenty four (24) hours prior notice during normal business hours (except in the case of an emergency, in which event Landlord and its Authorized Representatives shall have the immediate right of entry) for the purpose of inspecting the same, showing the same to prospective purchasers and lenders, performing any of Landlord's obligations or exercising any of Landlord's rights hereunder, provided Landlord shall use reasonable efforts to minimize interference with the Tenant's reasonable access to and ability to conduct business from the Premises in a commercially reasonable manner.

(b) Notwithstanding any provision in this Lease to the contrary, Tenant may, at its own expense, designate in writing to Landlord certain areas within the Premises for which Tenant shall provide its own locks (each, a "Secured Area"). Tenant need not furnish Landlord with a key or grant Landlord access to any such Secured Area for any reason, but upon the expiration or earlier termination of this Lease, Tenant shall surrender all such keys to Landlord. If and only if Landlord determines in its commercially reasonable discretion that an emergency in the Building or the Premises requires Landlord to gain access to the Secured Area, Landlord shall have access to the Secured Area. Landlord will use its best efforts to give Tenant prior written notice of such emergency entry and, if prior notice is not possible, will give written notice to Tenant as soon as is practicable.

18.2 Conditions to Landlord's Entry. Landlord's access is subject to the following conditions:

(a) Landlord shall give Tenant at least 24 hours prior written notice of its intention to enter the Premises and shall specify the estimated time it anticipates being in the Premises (in the event of an emergency, if Landlord is unable to give prior notice to Tenant then it shall give notice to Tenant as soon as reasonably practicable after its entry);

(b) Landlord shall only enter the Premises if accompanied by an authorized representative of Tenant (other than in an emergency situation);

(c) Landlord shall not unreasonably interfere with Tenant's operations in the Premises; and

(d) Any work performed or installations made shall be made with reasonable diligence until complete.

ARTICLE 19: QUIET ENJOYMENT

Provided Tenant has not committed an Event of Default, Tenant shall have reasonably quiet possession of the Premises for the entire Initial Term and any applicable extended term, subject to all of the provisions of this Lease.

ARTICLE 20: TENANT HOLDOVER AND SURRENDER

20.1 Tenant Holdover. If Tenant, with Landlord's written consent, remains in possession of the Premises after the expiration or earlier termination of this Lease, Tenant's occupancy shall be a month-to-month tenancy at a rent of one hundred twenty-five percent (125%) of the Base Rent payable under this Lease during the last full month prior to the date of the expiration of this Lease. Except as provided in the preceding sentence, the month-to-month tenancy shall be on the terms and conditions of this Lease, except that any renewal options, expansion options, rights of first refusal, rights of first negotiation or any other rights or options pertaining to additional space in the Building contained in this Lease shall be deemed to have terminated and shall be inapplicable thereto. Landlord's acceptance of rent after such holding over with Landlord's written consent shall not result in any other tenancy or in a renewal of the Initial Term or applicable extended term of this Lease. The foregoing obligations of Tenant are Surviving Obligations.

20.2 Surrender of Premises to Landlord. At the expiration of the Initial Term or any applicable extended term or earlier termination of this Lease, Tenant shall surrender the Premises in broom clean condition, reasonable wear and tear, and damage due to Landlord's acts or omissions excepted (and with fire, casualty and taking being governed by the applicable provisions of this Lease), and shall deliver all keys to the Premises to Landlord. Before surrendering the Premises, Tenant shall, at Tenant's sole cost and expense, remove all of its personal property, trade fixtures, furniture, cabinets, counters, equipment and signs and shall repair any damage caused by such property or the removal thereof. If Tenant fails to remove its personal property, fixtures, furniture, cabinets, counters, equipment and signs within ten (10) days after the expiration of this Lease, the same shall be deemed abandoned and shall become the property of Landlord. The foregoing obligations of Tenant are Surviving Obligations.

20.3 Surrender of Lease Not a Merger. A surrender of this Lease by Tenant, a cancellation of this Lease by mutual agreement between Landlord and Tenant, or a termination of this Lease for any reason prior to the expiration of the Initial Term or any applicable extended term shall not automatically work a merger of any then-existing sublease. After such a surrender, cancellation or termination, Landlord may terminate any or all then existing subtenancies, and/or treat such surrender, cancellation or termination as effecting an assignment to Landlord of any of all existing subtenancies.

ARTICLE 21: SUBORDINATION AND NON-DISTURBANCE

This Lease shall be subject and subordinate to all ground leases and the lien of all mortgages and deeds of trust which now or hereafter affect the Premises and/or the Project or Landlord's interest or estate therein, without the necessity of Tenant executing further instruments to effect such subordination, provided that, in the event of termination of any ground lease or foreclosure of any mortgage or deed of trust or any other action or proceeding to enforce the same, this Lease shall not be terminated or foreclosed nor shall the right of possession of Tenant hereunder be disturbed if Tenant shall not then have committed an Event of Default. In such event, Tenant shall attorn to the successor landlord of any such underlying lease or to such mortgagee or beneficiary. Tenant agrees to execute, acknowledge and deliver, within twenty (20) days of Landlord's request therefor, any and all other instruments or documents evidencing such subordination which, from time to time, may be reasonably necessary.

ARTICLE 22: TRANSFER OF LANDLORD'S INTEREST

In the event of a transfer of Landlord's title or interest in the Project, Common Areas or the improvements thereon, then from and after the date of such transfer, Landlord herein named (or, in case of any subsequent transfers, the then grantor) shall be relieved of all liability with respect to Landlord's obligation thereafter to be performed (but not liability arising prior to such transfer), provided that such transferee of Landlord's interest in the Lease shall assume, in writing, all such obligations.

ARTICLE 23: ESTOPPEL CERTIFICATES

Within twenty (20) days after written demand by Landlord, Tenant shall execute, acknowledge and deliver to Landlord a written statement (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, (ii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord, or, if any, specifying such defaults as are claimed, and (iii) providing other reasonable certifications and statements as requested. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises or Project. Upon Tenant's request, Landlord shall execute and deliver a similar statement to Tenant within twenty (20) days after Landlord's receipt of such request.

ARTICLE 24: MISCELLANEOUS

24.1 Definitions. In addition to the defined words and phrases in this Lease, the following words and phrases have the following meanings:

"**Annual Applicable Interest**" is ten percent (10%).

"**Applicable Laws**" refers to present and future laws, statutes, ordinances, and regulations of federal, state, and local governmental authorities and applicable case law decided by appellate courts.

"**Authorized Representatives**" refers to the officers, directors, partners, employees, agents, licensees (which includes but is not limited to guests, customers, and invitees), and/or contractors of a party.

"**Concession Costs**" refers to leasing commissions and all other costs such as construction allowances, rent concessions, moving expenses, takeover obligations and other similar inducements, incurred in leasing, subleasing or assigning a lease.

"**Day**" referenced in this Lease is defined as one business day, unless, expressly indicated otherwise.

"**Force Majeure**" refers to any delay which is beyond a party's reasonable control, including, but not limited to, any delay due to inclement weather, strikes, acts of God, inability to obtain labor or materials, inability to secure government approval or permits, governmental restrictions, civil commotion, fire, earthquake, explosion, flood, hurricane, the elements or the public enemy, action or interference of governmental authorities or agents, war, invasion, insurrection, rebellion, riots, lockouts or any other cause similar to the foregoing which is beyond a party's control.

"**Lease Year**" is a twelve (12) month period beginning on the Commencement Date and each twelve (12) month period thereafter during the term, provided that if the first Lease Year commences on other than the first day of a calendar month, then the first Lease Year shall conclude on the last day of the twelfth full calendar month following the Commencement Date and the commencement of the second Lease Year shall be on the first day of the subsequent calendar month. The last Lease Year shall be the period from the first day of the calendar month following the conclusion of the next to last Lease Year until the Expiration Date.

"**Surviving Obligations**" are the rights and obligations of a party that arise prior to the Effective Date of the termination or expiration of this Lease, or as a result therefrom, and are to be performed or observed thereafter until fully completed.

"**Tenant Delays**" is any act or omission by Tenant and its Authorized Representatives that interferes with Landlord and its Authorized Representatives in the performance of their obligations under this Lease.

24.2 Attorneys' Fees. If either party shall bring an action or proceeding (including arbitration proceedings) against the other party to enforce the terms of this Lease or to declare their respective rights hereunder, the losing party shall pay the reasonable attorneys' and experts' fees and expenses and court cost of the party prevailing in such action, proceeding, or trial or appeal thereof.

24.3 Brokers. Landlord represents and warrants that Landlord has had no dealings with any real estate broker, agent, or finder other than the broker, agent, or finder stated in Section 1.10 ("**Landlord's Broker**") in connection with this Lease. Tenant represents and warrants that Tenant has had no dealings with any real estate broker, agent, or finder other than the broker, agent, or finder stated in Section 1.10 ("**Tenant's Broker**") in connection with this Lease. Landlord shall pay Landlord's Broker a commission pursuant to a separate agreement between Landlord and Landlord's Broker, and Landlord's Broker shall equitably share its commission with Tenant's Broker pursuant to a separate agreement between the Brokers. Landlord and Tenant shall each indemnify, protect, defend, and hold harmless the other party from commissions, other compensation and/or charges claimed by any broker, agent, and/or finder, caused by the breach or default of the provisions of this Section 24.3 by the indemnifying party. The indemnity obligations of Landlord and Tenant under this **Section 24.3** are Surviving Obligations.

24.4 Notices. All notices shall be in writing and shall be deemed to have been given when delivered personally, or twenty-four (24) hours after deposited with an overnight courier service which maintains delivery records for next day delivery, or three (3) days after deposited in the United States certified mail, postage prepaid, return receipt requested, and addressed as set forth in Section 1.9 Either party may change the address for notices or Landlord may change the address for payments by giving the other party notice to that effect.

24.5 No Waiver. No waiver by either party hereunder of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by the other party of the same or any other provision, nor shall any custom or practice which may develop between Landlord and Tenant in the administration of this Lease be construed to waive or to lessen the right of Landlord or Tenant to insist upon the performance by Landlord or Tenant in strict accordance with this Lease. 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 deemed a waiver of any preceding breach by Tenant of any provision hereof, other than the failure of Tenant to pay the particular payment of Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent.

24.6 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.

24.7 Time of Essence. Time is of the essence with respect to the obligations to be performed under this Lease.

24.8 Incorporation of Prior Agreements; Amendments; Counterparts; Facsimile Signatories. All Exhibits attached to this Lease are hereby incorporated herein by reference. This Lease and all Exhibits hereto contain all agreements of the parties with respect to any matter mentioned herein. No prior or contemporaneous agreement or understanding pertaining to any such matter shall be effective. This Lease may be modified only by written instrument signed by the parties. This Lease may be signed in identical counterparts. A signed copy of this Lease transmitted by facsimile or .pdf attachment to an e-mail to the other party shall be binding on the signatory thereto.

24.9 Binding Effect. This Lease shall be binding on and inure to the benefit of the successors and assigns of the parties hereto, subject to the provisions of Articles 16 and 22.

24.10 Choice of Law. This Lease shall be governed by the laws of the State of Nevada, without regard to principles of choice of law.

24.11 Captions. The captions in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

24.12 Recording. Neither party hereunder shall record this Lease or a memorandum or "short form" thereof, without the prior written approval of the other party.

24.13 No Partnership. Neither the execution and delivery of this Lease, nor any provision contained herein shall be construed to create any relationship between Landlord and Tenant of partnership, joint venture, or joint enterprise.

24.14 Authority; Joint and Several Liability. Tenant represents and warrants that each individual executing this Lease on behalf of Tenant is duly authorized to execute and deliver this Lease on behalf of Tenant, and that such execution is binding upon Tenant. Landlord represents and warrants to Tenant that the individuals executing this Lease on behalf of Landlord are duly authorized to execute this Lease on behalf of Landlord and that such execution is binding upon all parties holding an ownership interest in the Project.

ARTICLE 25: WAIVER OF TRIAL BY JURY.

IN ANY ACTION OR PROCEEDING ARISING HERE FROM, LANDLORD AND TENANT HEREBY CONSENT TO (I) THE JURISDICTION OF ANY COMPETENT COURT WITHIN THE STATE OF NEVADA, (II) SERVICE OF PROCESS BY ANY MEANS AUTHORIZED BY NEVADA LAW, AND (III) IN THE INTEREST OF SAVING TIME AND EXPENSE, TRIAL WITHOUT A JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR THEIR SUCCESSORS IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, THE BUILDING AND/OR THE PROJECT, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY. IN THE EVENT LANDLORD COMMENCES ANY SUMMARY PROCEEDINGS OR ACTION FOR NONPAYMENT OF BASE RENT OR ADDITIONAL RENT, TENANT SHALL NOT INTERPOSE ANY COUNTERCLAIM OF ANY NATURE OR DESCRIPTION (UNLESS SUCH COUNTERCLAIM SHALL BE MANDATORY) IN ANY SUCH PROCEEDING OR ACTION, BUT SHALL BE RELEGATED TO AN INDEPENDENT ACTION AT LAW.

ARTICLE 26: PATRIOT ACT AND EXECUTIVE ORDER 13224

As an inducement to Landlord to enter into this Lease, Tenant hereby represents and warrants that: (i) Tenant is not, nor is it owned or controlled directly or indirectly by, any person, group, entity or nation named on any list issued by the Office of Foreign Assets Control of the United States Department of the Treasury ("**OFAC**") pursuant to Executive Order 13224 or any similar list or any law, order, rule or regulation or any Executive Order of the President of the United States as a terrorist, "Specially Designated National and Blocked Person" or other banned or blocked person (any such person, group, entity or nation being hereinafter referred to as a "**Prohibited Person**"); (ii) Tenant is not (nor is it owned or controlled, directly or indirectly, by any person, group, entity or nation which is) acting directly or indirectly for or on behalf of any Prohibited Person; and (iii) neither Tenant (nor any person, group, entity or nation which owns or controls Tenant, directly or indirectly) has conducted or will conduct business or has engaged or will engage in any transaction or dealing with any Prohibited Person, including without limitation any assignment of this Lease or any subletting of all or any portion of the Premises or the making or receiving of any contribution of funds, goods or services to or for the benefit of a Prohibited Person. In connection with the foregoing, it is expressly understood and agreed that (x) any breach by Tenant of the foregoing representations and warranties shall be deemed a default by Tenant under Section 19.1.4 of this Lease and shall be covered by the indemnity provisions of Section 10.1 above, and (y) the representations and warranties contained in this subsection shall be continuing in nature and shall survive the expiration or earlier termination of this Lease.

IN WITNESS WHEREOF, the parties have executed this Lease as of the Effective Date.

LANDLORD:

Oddie District LLC, a Delaware limited liability company

BY: FHP Oddie LLC, a Nevada limited liability company, its Manager

BY: Foothill Partners, Inc., a California corporation, its Managing Member

By: Doug Wiele

Douglas Wiele, President

Date: May 7, 2024

TENANT:

Cartwheel Robotics, a Delaware corporation

By: Scott LaValley

Scott LaValley, President

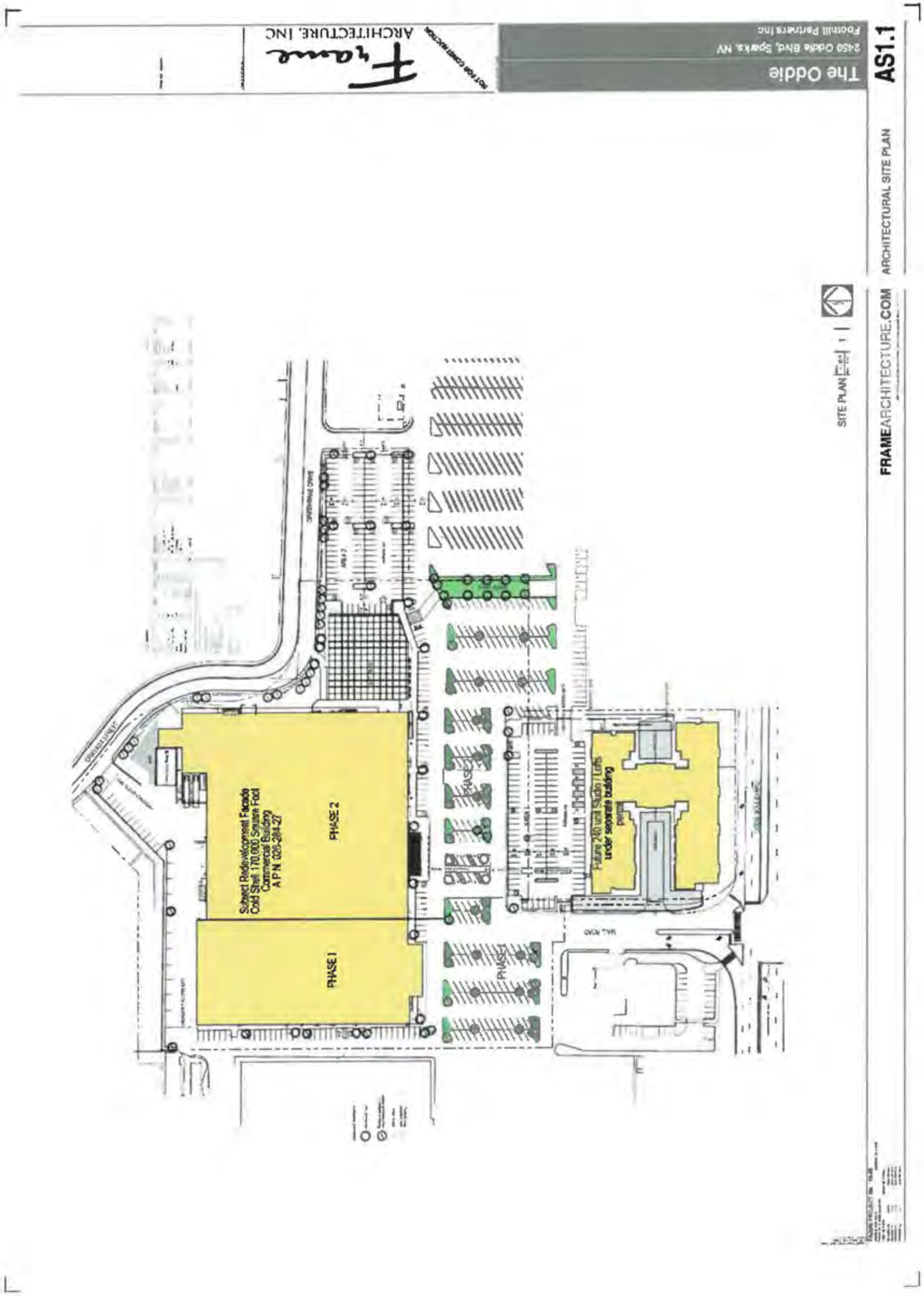
Date: 5/9/2024

By:

Samantha Conway, Chief Operating Officer

Date: 5/9/24

EXHIBIT A-1
The Oddie District, Sparks, Nevada
PROJECT SITE PLAN



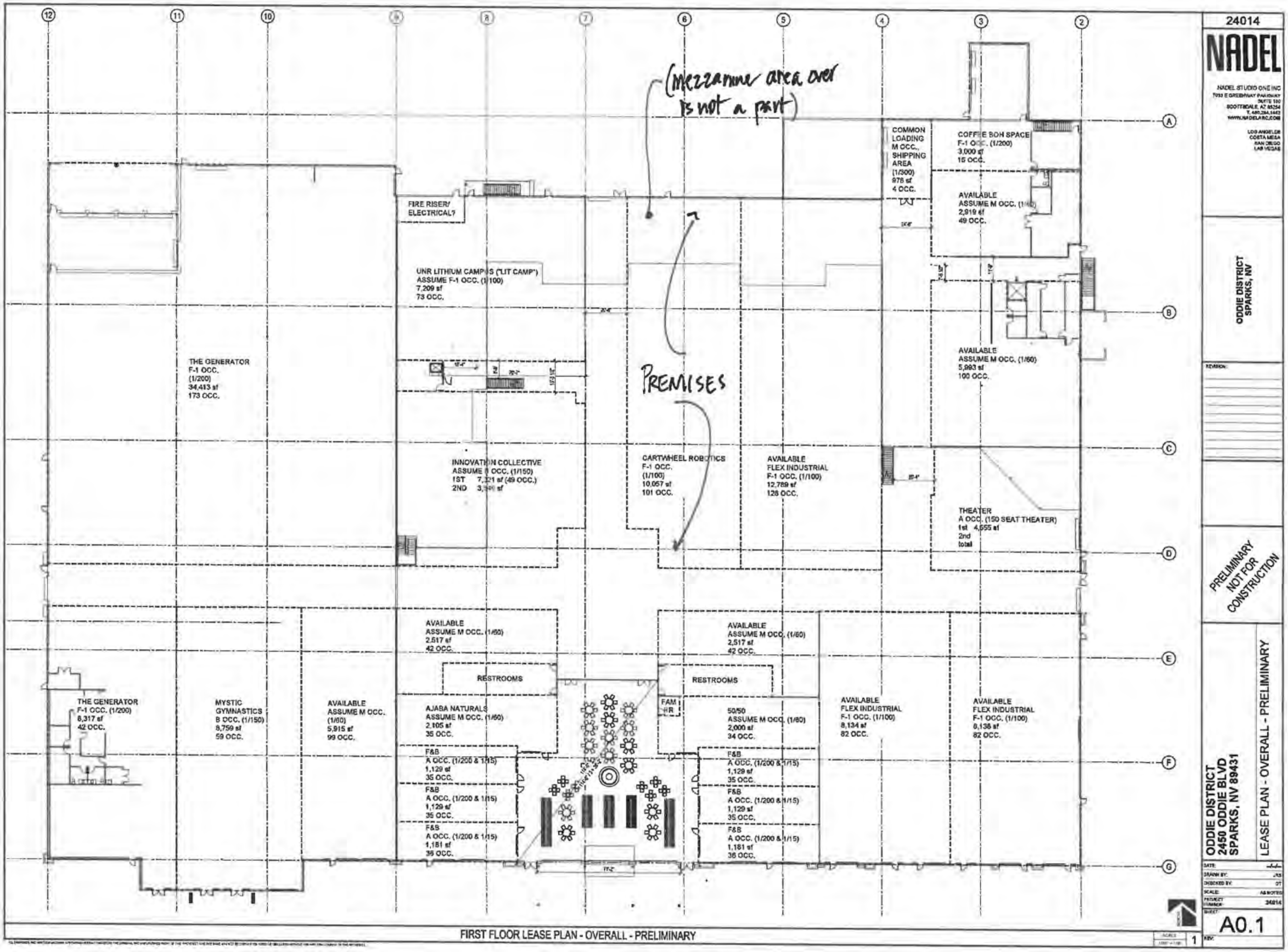

24014
NADEL
(mezzanine area over is not a part)
PREMISES
COMMON LOADING M OCC., SHIPPING AREA (1/300) 978 sf 4 OCC.
COFFEE BOH SPACE F-1 OCC. (1/200) 3,000 sf 15 OCC.
AVAILABLE ASSUME M OCC. (1/60) 2,919 sf 49 OCC.
FIRE RISER/ ELECTRICAL?
UNR LITHIUM CAMPUS ("LIT CAMP") ASSUME F-1 OCC. (1/100) 7,209 sf 73 OCC.
THE GENERATOR F-1 OCC. (1/200) 34,413 sf 173 OCC.
AVAILABLE ASSUME M OCC. (1/60) 5,993 sf 100 OCC.
INNOVATION COLLECTIVE ASSUME B OCC. (1/150) 1ST 7,321 sf (49 OCC.) 2ND 3,346 sf
CARTWHEEL ROBOTICS F-1 OCC. (1/100) 10,057 sf 101 OCC.
AVAILABLE FLEX INDUSTRIAL F-1 OCC. (1/100) 12,789 sf 128 OCC.
THEATER A OCC. (150 SEAT THEATER) 1st 4,555 sf 2nd total
AVAILABLE ASSUME M OCC. (1/60) 2,517 sf 42 OCC.
AVAILABLE ASSUME M OCC. (1/60) 2,517 sf 42 OCC.
RESTROOMS
RESTROOMS
THE GENERATOR F-1 OCC. (1/200) 8,317 sf 42 OCC.
MYSTIC GYMNASTICS B OCC. (1/150) 8,759 sf 59 OCC.
AVAILABLE ASSUME M OCC. (1/60) 5,915 sf 99 OCC.
AJABA NATURALS ASSUME M OCC. (1/60) 2,105 sf 35 OCC.
FAM HR
50/50 ASSUME M OCC. (1/60) 2,000 sf 34 OCC.
AVAILABLE FLEX INDUSTRIAL F-1 OCC. (1/100) 8,134 sf 82 OCC.
AVAILABLE FLEX INDUSTRIAL F-1 OCC. (1/100) 8,138 sf 82 OCC.
F&B A OCC. (1/200 & 1/15) 1,129 sf 35 OCC.
F&B A OCC. (1/200 & 1/15) 1,129 sf 35 OCC.
F&B A OCC. (1/200 & 1/15) 1,181 sf 36 OCC.
F&B A OCC. (1/200 & 1/15) 1,129 sf 35 OCC.
F&B A OCC. (1/200 & 1/15) 1,129 sf 35 OCC.
F&B A OCC. (1/200 & 1/15) 1,181 sf 36 OCC.
ODDIE DISTRICT SPARKS, NV
PRELIMINARY NOT FOR CONSTRUCTION
ODDIE DISTRICT 2450 ODDIE BLVD SPARKS, NV 89431
LEASE PLAN - OVERALL - PRELIMINARY
A0.1
FIRST FLOOR LEASE PLAN - OVERALL - PRELIMINARY

EXHIBIT A-2

EXHIBIT B

LEGAL DESCRIPTION OF PROJECT

Parcel 1 as shown on Parcel Map No. 3306, for La Caze Development Company, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on March 19, 1998, as File No. 2190392, Official Records.

APN: 026-284-32

EXHIBIT C
MEMORANDUM CONFIRMING TERM

THIS MEMORANDUM is made on ______________________, ______, between Oddie District, LLC a Delaware limited liability company ("Landlord") and ____, a ___ ____________________________ ("Tenant") who entered into a lease with an Effective Date of ____________, 20__ (the "Lease"), covering certain premises located in the City of Sparks, County of Washoe, Nevada (the "Premises") as more particularly described in the Lease.

The parties to this Memorandum hereby agree to confirm the establishment of the commencement and expiration dates of the Initial Term and the Rent Start Date as follows:

(A) the date of __________________, ______, is the Commencement Date of the Initial Term of the Lease;

(B) the date of __________________, ______, is the expiration date of the Initial Term of the Lease; and

(C) the date of __________________, ______, is the Rent Start Date.

Tenant hereby confirms the following:

1. that it has accepted possession of the Premises pursuant to the terms of the Lease;

2. that to the best of Tenant's knowledge, Landlord's Work (as defined m the Work Letter) has been Substantially Completed, except as follows [if no exceptions, write "No exceptions"];

3. that Landlord has fulfilled all of its duties of an inducement nature;

4. that the Lease has not been modified, altered or amended, except as follows [if none, write "none"];

5. that to the best of Tenant's knowledge, there are no offsets or credits against Rent, nor has any security deposit been paid except as provided by the Lease;

6. that Tenant has no notice of a prior assignment, hypothecation or pledge of Rents or of the Lease; and

7. that the Lease is in full force and effect.

This Memorandum, and each and all of the provisions hereof, shall inure to the benefit of, or bind, as the case may require, the parties hereto, and their respective. heirs, successors, and assigns subject to the restrictions upon assignment and subletting contained in the Lease.

LANDLORD:

Oddie District LLC, a Delaware limited liability company
BY: FHP Oddie LLC, a Nevada limited liability company, its Manager
BY: Foothill Partners, Inc., a California corporation, its Managing Member

By:______________________________
Name: Douglas Wiele, President
Date:______________________________

TENANT:

By:______________________________
Name:______________________________
Its:______________________________
Date:______________________________

EXHIBIT D (CT)
"WORK LETTER" – VANILLA SHELL

ARTICLE 1. LANDLORD WORK

Landlord shall provide to Tenant the Premises improved to include the following minimum improvements (which may be increased in quality or scope in Landlord's sole and absolute discretion) and the specific improvements (if any) described in Article 1, Section Q below (collectively, the "**Landlord Work**"):

A. **FLOOR SYSTEMS:** Existing

B. **PERIMETER, EXTERIOR, NONRATED WALLS:** Existing

C. **PERIMETER, EXTERIOR RATED WALLS AND RATED DEMISING PARTITIONS:** All rated building perimeter exterior walls are existing. Rated demising partitions (complete party wall(s) dividing the Premises from that of adjacent lease space, extending from floor slab up to roof deck or, as the case may be, to the underside of floor structure in the case of a multi-story building condition) would be constructed to the minimum standards required for the appropriate fire rating dictated by the governing code or authority, and excluding exterior perimeter concrete walls, would include insulation and would be fire taped, sanded, texture ready sheetrock.

D. **ROOFING:** Existing.

E. **CEILINGS:** None provided.

F. **GLASS & GLAZING:** Glass, glazing and storefront system would be installed in accordance with the shell building design drawings and Nevada energy documentation requirements. Storefront(s) would have at the storefront entry a 3'-0" x 7'-0" entry door, equipped with cylindrical lock and closer.

G. **DOORS:** Landlord would install a roll-up door and glass man door for the suite. Other than existing doors, exit/service door(s) for the Premises would be provided as required by the governing code or authority for the total undivided Premises and would typically be Landlord's standard solid core birch door and frame, or hollow metal door and frame, with lever lockset hardware.

H. **SIGNAGE MOUNTING PLATES:** Structural signage mounting plates would be provided at the primary façade of the Premises at or above the storefront, for use by Tenant in mounting its Tenant signage. Penetration of the building façade by Tenant for signage installation or signage illumination or other purpose is **PROHIBITED** except as expressly allowed in writing by Landlord.

I. **HEATING, VENTILATING & AIR CONDITIONING (HVAC):** Roof mounted HVAC package units to building-standard capacities for light industrial uses.

J. **FIRE SPRINKLERS:** The automatic fire sprinkler system would be installed as required by local authorities to cover the building shell with main riser, tamper switch, main and distribution piping, operational up heads and plugged down drops based on light hazard use. Fire sprinkler heads will be installed without regard for Tenant's space plan or partition layout. Relocation of or additional fire sprinkler heads to accommodate Tenant's interior layout would be at Tenant's expense.

K. **PLUMBING:** The plumbing system would consist of main building water meter(s) or sub-meter for each Premises, domestic cold water running through the Premises in the vicinity of the roof structure, and a main building domestic sewer line and main building grease waste line each below the floor slab of the Premises.

L. **RESTROOM:** One (1) accessible restroom which would include Landlord's standard door and frame, sheetrock walls, ceiling, toilet, wall hung sink, finished concrete floor or other flooring with rubber coved top set base and FRP type wainscot to +48" or as required by code, LED light fixture, exhaust fan, light switch, and water heater, The Project would also have common area restrooms for use of occupants and patrons of the Project.

M. **ELECTRICAL:** The electrical system would include the main building service entrance equipment as required by the governing code and authority and local utility company to provide the following items:

   a. Activated electrical meter, submeter, to be installed serving the Premises.

   b. 400 amp 3-phase 42 circuit panel with sufficient circuit breakers for Landlord's standard lighting and HVAC in the Premises. Additional breakers would be at Tenant's expense.

c. Junction box for Tenant's exterior sign, installed within the Premises attic space above storefront(s) of the Premises and circuited to tenant lighting control panel.

d. Lighted exit signs in the Premises as required by local code or governing authority.

N. **NATURAL GAS:** Separately metered gas service would be provided of reasonable sufficient capacity to serve Tenant's operation. Tenant would make all necessary arrangements with the local utility company for the meter set and connection of service. Tenant would provide gas pressure regulators as required and the associated regulator venting. Distribution by Tenant.

O. **TELEPHONE AND DATA:** Main telephone and data service to main backboard in building's common electrical room. 1¼" conduit to a point in the ceiling area of the Premises. Connection of communication wiring from Landlord's backboard to the Premises would be at Tenant's expense.

P. **FIRE ALARM:** Complete fire alarm system as required by the local code or governing authority as required to protect the Premises (in the condition the Premises are improved by Landlord pursuant to this Article 1). Expansion of fire alarm system to meet local authorities' requirements for Tenant's floor plan and use would be at Tenant's expense.

Q. **LIFE SAFETY SYSTEM:** Where local authorities require a life safety system as part of the tenant improvements within the Premises, Landlord would provide a common life safety panel and a separate 2" conduit to the Premises for the connection of Tenant's individual systems. Cost of Landlord's panel would be shared by the building's tenants on a prorated basis and the cost of the monitoring would be included in Tenant's common area expenses.

R. **CODE COMPLIANCE:** Landlord's Work would comply with all federal, state and local laws and regulations as to building and fire codes, zoning restrictions and accessibility requirements for the Permitted Use at the Delivery Date. Would Tenant's intended use result in additional building modifications or improvements the related expense will be the responsibility of Tenant.

S. **SPECIFIC LANDLORD IMPROVEMENTS:** In addition to the foregoing, Landlord would construct and/or install: sound-dampening/proofing insulation in the demising walls of the Premises sufficient for mitigation of sound generated by large machine equipment. The incremental expense of this added work would be back-charged against the Tenant Improvement Allowance described elsewhere in this Lease Letter of Intent.

T. **SUBSTANTIAL COMPLETION OF LANDLORD WORK:** Landlord Work would be deemed Substantially Complete when all of the following have occurred: (1) the Landlord's Work has been sufficiently completed so that major building systems serving the Premises are properly functioning and only minor punch list items of the Landlord Work remain to be finished, and (2) Landlord has delivered possession of the Premises to Tenant and its contractors to commence the Tenant Work.

ARTICLE 2. APPROVAL OF TENANT PLANS AND SPECIFICATIONS

A. All plans, diagrams, schedules, specifications and other data (digital and in two (2) print copies) for the Tenant Work required to be furnished by Tenant under this Exhibit (collectively, the "**Tenant Plans and Specifications**") shall be submitted to Landlord (at Tenant's sole expense) complete and sufficient to obtain a building permit, and ready for Landlord's consideration and final approval on or before the date that is forty-five (45) calendar days after the execution of this Lease [or, at Landlord's sole discretion, on or before such later date as is specified by Landlord in writing to Tenant (such later date is referred to as the "**Later Deadline**")]. Upon review, Landlord shall, in writing, accept or notify Tenant of Landlord's objections to the Tenant Plans and Specifications on or before the date that is ten (10) days after the later of receipt or the Later Deadline. Tenant shall promptly remedy any objections made by Landlord to the Tenant Plans and Specifications.

B. Before beginning the Tenant Work, Tenant shall secure Landlord's written approval of (i) the Tenant Plans and Specifications, (ii) all contracts, and (iii) all contractors who will undertake the Tenant Work (including their concurrence with compliance with any Tenant construction specifications which Landlord may deliver to Tenant), and shall secure all necessary licenses and permits to be used in performing the Tenant Work. Three (3) sets of the Tenant Plans and Specifications shall be signed and dated by both parties, with two (2) sets retained by Landlord and one (1) set retained by Tenant. Changes to the Tenant Plans and Specifications shall be made only by written change order describing scope of work and exact cost of same signed by both parties. Tenant's finished work shall be subject to Landlord's approval and acceptance, which shall be a condition to any reimbursement hereinafter provided.

C. As soon as the Tenant Plans and Specifications have been approved by Landlord, Tenant shall commence construction no later than seventy-five (75) calendar days after the date upon which Landlord approves the Tenant Plans and Specifications and Tenant shall diligently pursue said construction until the completion thereof.

D. During the course of the performance of Tenant's Work, Landlord reserves the right to inspect Tenant's Work for conformance with the Tenant Plans and Specifications and all other Tenant Work matters requiring Landlord's prior approval. Failure by Tenant to conform to the Tenant Plans and Specifications or other Landlord approved Tenant Work matters, which failure continues for a period of greater than seven (7) days after written notice from Landlord without cure, shall constitute a Tenant default under the Lease.

ARTICLE 3. GENERAL PROVISIONS APPLICABLE TO TENANT'S WORK

A. **SIGNS:** Tenant shall pay for all signs and installation thereof, subject to all applicable provisions of the Lease.

B. **UTILITIES:** All meters or other measuring devices in connection with utility services shall be provided by Tenant unless previously installed by Landlord and then only if same are authorized by Landlord for Tenant's use. All service shall be made at Tenant's expense.

C. **INTERIOR WORK:** The work to be done by Tenant shall include, but not be limited to, the purchase, construction, installation and/or performance of the following:

1. Electrical panels, wiring, breakers and fixtures beyond that provided by Landlord.
2. Interior partitions including finishing, electrical wiring, and connections within the Premises.
3. Lighting fixtures and covers, and wiring to junction box.
4. Any special or furred ceilings. Suspended acoustical tile "T-Bar" type ceilings are **PROHIBITED** from being installed in any public areas of the Premises
5. Interior painting.
6. Floor finishes.
7. Store fixtures and furnishings.
8. Display window enclosure.
9. Plumbing fixtures within the Premises beyond those provided by Landlord,
10. Mechanical equipment in addition to that provided by Landlord.
11. Restaurants shall install Grease Guard roof protection or equal at each roof exhaust serving kitchen and/or cooking equipment area. Maintenance of the Grease Guard and affected roofing shall be at Tenant's expense.

D. All of the work to the Premises made by Tenant ("**Tenant's Work**") shall be constructed in a good and workmanlike manner, shall conform to the Tenant Plans and Specifications approved by Landlord, and shall be in conformity with the applicable building code or other applicable governmental requirements of the city or county (as applicable) in which the Project is located.

E. All work undertaken by Tenant shall be at Tenant's expense and shall not damage the building, the Common Area, or any part thereof. Any damage to the Premises, to the Building, the Common Area, or to any other work caused by Tenant's contractor shall be repaired to Landlord's reasonable satisfaction at the sole cost and expense of Tenant. Any roof penetration shall be sealed by Landlord's approved roofer and shall be performed only after Landlord has given consent to the initial penetration, which consent shall in part be conditioned upon Landlord's approval of the Tenant Plans and Specifications, including materials acceptable to Landlord and roof top curbs to spread the weight of the equipment being installed in order to prevent damage to the roof. Tenant shall also be responsible for obtaining and paying for professional inspections of any structural work and/or mechanical work (including, without limitation, any roof work or concrete work) as required by Landlord throughout the term of the Lease.

F. No later than ten (10) days following the earlier of agreement by the parties on the final punch list for the Tenant's Work or any other date required by Applicable Laws, Tenant shall cause its prime contractor to record among the official records of the county in which the Premises is located on behalf of Tenant a notice that all of the Tenant Work has been completed ("**Notice of Completion**"). The Notice of Completion shall conform to California Civil Code Section 8182. Evidence of the filing of the Notice of Completion shall be submitted to the Landlord.

G. Tenant agrees that Landlord shall not be liable in any way for any injury, loss or damage which may occur to any of the personal property of Tenant or any of Tenant's contractor or material suppliers placed upon or installed in the Premises prior to the Commencement Date, the same being at Tenant's sole risk, and Tenant shall be liable for all injury, loss or damage to persons or property arising as a result of such entry into the Premises by Tenant or its Representatives

H. Tenant Closeout Requirements: Tenant may not open the Premises for business unless and until Tenant has satisfied all of the following requirements:

(i) Tenant has completed construction of all Tenant's Work in accordance with the Work Letter, lien-free;

(ii) Tenant has delivered to Landlord, in form and detail reasonably satisfactory to Landlord, the following;

(a) A certification from Tenant (signed by an officer of Tenant), or from Tenant's Architect, that the construction of the Tenant's Work has been completed in accordance with the provisions of the Work Letter;

(b) A notarized affidavit executed by Tenant or Tenant's authorized representative, stating that all work and materials performed or used in connection with the improvements to the Premises have been paid for by Tenant;

(c) Evidence of all costs of construction of the improvements to the Premises, including invoices marked "Paid"; a certificate from Landlord's roofing contractor for all roof work performed (if applicable);

(d) An unconditional release of lien upon final payment (in such form as is required by Applicable Laws to preclude any claim of lien by Tenant's Architect) indicating that Tenant's Architect has been paid in full;

(e) Unconditional release of lien upon final payment (in such form as is required by Applicable Laws to preclude any claim of lien by the contractors, subcontractors, sub-subcontractors and material suppliers who have provided materials or services for which such payment has been requested) from all contractors, subcontractors, sub-subcontractors and material suppliers;

(f) A Certificate of Occupancy (or an equivalent) issued by the municipality in which the Premises are located or other evidence satisfactory to Landlord that the Leasehold Improvements to the Premises have been approved by such municipality;

(g) two (2) electronic sets of Tenant's as-built construction drawings covering the Tenant's Work, one each in .pdf and .dwg formats;

(h) the Memorandum Confirming Term;

(i) any other documents, materials, instruments, and other information required by this Lease at the time;

(j) No claims of mechanics' and/or laborer liens are recorded against the Premises and/or Project arising out of and/or in connection with the construction of the Tenant's Work. In lieu of an unconditional release of lien upon final payment as required by item (ii)(b) above, Tenant may provide Landlord with a bond (which shall be in form and content and issued by a surety company reasonably approved by Landlord) guaranteeing payment to any contractor, subcontractor, sub-subcontractor, and/or material supplier, which bond shall release or preclude, as the case may be, any claim of lien recorded against the Premises and/or the Project.

ARTICLE 4. TENANT IMPROVEMENT ALLOWANCE

A. Allowance. As applicable, Tenant shall be entitled to a tenant improvement allowance (the "**Tenant Improvement Allowance**") in the amount of set forth in Section 1.8 of the Lease as a cash reimbursement for actual expenses incurred by Tenant for the costs relating to the initial design, permitting and construction of Tenant's improvements which are to be permanently affixed to the Premises (the "**Leasehold Improvements**"). In no event shall Landlord be obligated to make disbursements pursuant to this Work Letter in a total amount which exceeds the Tenant Improvement Allowance.

B. Payment. The payment of the Tenant Improvement Allowance shall be paid to Tenant when (i) all of the requirements set forth in Article 3 Section H above have been fully satisfied, (ii) Tenant has opened for business at the Premises, and (iii) provided that a Notice of has been properly and timely recorded in accordance with Applicable Laws, at least thirty-five (35) days have passed from the date of the filing of the Notice of Completion, or if a Notice of Completion has not been properly and timely filed, ninety-five (95) days have elapsed after (1) the date of final completion of the Tenant Work, (2) the Tenant Work has been accepted by Landlord, and (3) no further work or labor of any kind is being performed on the Premises by or on behalf of Tenant, following the date upon which the last of all of the following has occurred or been satisfied, in each case without any claims of mechanics' and/or laborer liens having been filed against the Premises or the Project by any contractor or other person working on behalf of Tenant.

ARTICLE 5. TENANT CONTRACTOR'S INSURANCE REQUIREMENTS

Each contractor of Tenant shall obtain and maintain, and shall cause each subcontractor and supplier involved with the Tenant Work to obtain and maintain, with respect to the construction and installation of the Tenant Work each of the following policies of insurance and otherwise comply with applicable requirements pertaining to insurance set forth in the Lease.

1. Workers Compensation	Statutory Limits
2. Employers Liability	\$500,000 each accident \$1,000,000 general aggregate \$1,000,000 products/ completed operation aggregate
3. Comprehensive Form Auto Liability	\$1,000,000 combined single limit/bodily injury/property damage
4. Commercial General Liability Insuring against Bodily Injury, Property Damage, Personal Injury, and Advertising Injury	\$1,000,000 each occurrence \$2,000,000 general aggregate \$2,000,000 products. Completed operation aggregate

Any general aggregate shall apply on a "per project" basis for contractors. Coverage is to be provided on an "occurrence" rather than a "claims made" basis.

5. Business Auto Liability Coverage shall apply to "any auto"	\$1,000,000 each accident
6. Umbrella Excess Liability	\$4,000,000

Following form over commercial general liability, business auto liability, and employer's liability.

All contractors' or vendors' liability policies (except employers' liability and errors and omissions) shall name the Landlord as Additional Insured and Certificate holder, and a copy of that Certificate shall be provided to Landlord prior to the commencement of the Tenant's Work.

EXHIBIT E

COSTS AND ITEMS INCLUDED IN OPERATING COSTS

The following Common Area Maintenance Costs, General Operating Costs and Tenant Direct Operating Expenses are, without limitation, examples of reasonable and actual costs and items included within Operating Costs. The enumeration of certain items of costs and expenses that comprise Operating Costs shall not impose on Landlord any specific obligations with respect to the maintenance and operations of the Project.

1. **COMMON AREA MAINTENANCE COSTS**

Common Area Maintenance Costs shall include all costs and expenses of every kind and nature whatsoever as may be paid or incurred by Landlord, related entities, and/or third parties in operating, managing and maintaining the Common Areas of the Project pursuant to general industry standards consistently applied to the extent applicable. Common Area Maintenance Costs shall include, without limitation, costs and expenses incurred with respect to the items enumerated as follows:

a. costs in providing sweeping, garbage, rubbish, and waste pick-up and disposal with respect to the Common Areas of the Project (but excluding the trash expense included below under **Section 3,** Tenant Direct Operating Expense), snow removal and in providing an extermination program for the Project;

b. costs of janitorial service, graffiti removal, and other operational, maintenance, and repair expenses incurred with respect to the Common Areas including, without limitation, materials, supplies, equipment, and tools therefor, and rental and depreciation costs related to any of the foregoing;

c. costs of operation, maintenance, and repair (excluding replacement of components) of light standards, any fire prevention sprinkler systems, life safety systems, and all other mechanical or electrical systems serving the Common Areas, and service agreements for all such systems and equipment;

d. costs of electricity, water, sewer charges, and other utility charges with respect to the Common Areas of the Project;

e. costs of outdoor landscaping including, without limitation, planting, replanting, and replacing flowers and bushes and maintenance thereof;

f. cost of roof membrane maintenance (but not replacements);

g. cost of seasonal decorations at the Project;

h. costs incurred in providing all forms of security and surveillance in the Common Areas and at the Buildings;

i. expenses and fees (including attorneys' fees) incurred in connection with (i) causing the Project to comply with Applicable Laws except to the extent the same relates to the initial construction of the Project to any construction defect relating to the Project, or (ii) contesting the validity or applicability of any Applicable Laws which may affect the Common Areas;

j. personal property taxes on all items of equipment and personal property used in connection with the management and operation of the Common Areas;

k. costs of patching, resurfacing and restriping the parking areas and its appurtenances (excluding costs to replace all or part of the parking areas), and costs of replacing lighting standards and facilities; and

l. wages, salaries, employee benefits, and taxes (or an allocation of the foregoing) for personnel working full or part-time (equitably prorated) in connection with the operation, maintenance, and management of the Common Areas

2. **GENERAL OPERATING COSTS**

a. Landlord's costs of insurance covering the Project;

b. the cost of property management for the Project, inclusive of the costs of a community manager/marketing director ("Community Manager") engaged in Project-related events coordination, promotion and management, public relations and social media, public relations and public affairs, provided that services provided by the

Community Manager to any specific tenant of the Project for that tenant's direct benefit shall be a direct expense of the tenant(s) for whom those services are provided, and not an expense of the Project.

c. administrative fees in an amount not to exceed ten percent (10%) of Operating Costs, less Real Property Taxes if included in Operating Costs, and less Landlord's insurance premiums for the Project and its Common Areas, and less the cost of property management for the Project;

d. accounting and legal services (but excluding legal services in connection with negotiations and disputes with specific tenants unless the matter involved affects all tenants of the Project and excluding legal services in acquiring, financing or defending title to the Project);

e. license, permit, and inspection fees; and

f. business or excise taxes payable on account of Landlord's ownership or operation of the Project.

g. Real property taxes and assessments.

3. **TENANT DIRECT OPERATING EXPENSES**

a. costs of electricity, water, sewer charges, and other utility charges with respect to the leased areas of the Project wherein those charges are billed by the providing utility service and submetered or otherwise allocated to the tenants of those leased areas, allocated among only those tenants so served with such utility services;

b. costs of operating, servicing, cleaning and repairing of common trash enclosure(s), to be allocated among only those tenants connected to the interceptor; and

c. costs of operating, servicing, cleaning and repairing of common grease interceptor(s), to be allocated among only those tenants connected to the interceptor.

4. **EXCLUSIONS**

Operating Costs shall not include:

a. costs incurred in connection with the original design, construction, and landscaping of the Project and any correction of defects in design or construction, or both, of the Project, including replacement of defective equipment.

b. costs incurred by Landlord in maintaining, repairing and replacing the structural portions, foundation or roof structure of the Premises or the Project; and expenses incurred in capital replacement of (but not including repairs and maintenance of) plumbing, utility systems, wiring, pipes, and sewers located outside of the Premises; and costs for repairs or maintenance to the extent covered by warranties or guarantees.

c. costs which, under generally accepted accounting principles, are for capital improvements, except for those capital improvements that are included within Operating Costs pursuant to Exhibit E; (iii) insurance deductibles paid by Landlord in excess of commercially reasonable deductibles; (iv) the cost of any capital addition to the Project or the land on which the Project is located unless made for the purpose of reducing Operating Costs.

d. the cost of any work or service performed or rendered exclusively for any tenant, including Tenant;

e. expenses for the defense of Landlord's title to the Project;

f. costs of Landlord's compliance with its environmental obligations, including costs or expenses related to the monitoring, testing, removal, cleaning, abatement or remediation of any hazardous materials in or about the Building or the real property, and including, without limitation, hazardous materials in the ground water or soil.

e. fees relating to: (i) disputes with tenants, prospective tenants or other occupants of the Project, including lease takeover or lease take back costs; (ii) disputes between Landlord and members, partners, or affiliates of Landlord; (iii) disputes with purchasers, prospective purchasers, mortgagees, or prospective mortgagees of the Project or the real property on which the Project is located or any part of either; (iv) negotiations of leases, mortgages, or other security instruments, or contracts of sales or transfers of all or any portion of the Project or any interest therein by any person of any tier owning an interest therein; or (v) costs incurred by Landlord resulting from Landlord's negligence or willful misconduct.

g. costs incurred by Landlord in connection with Landlord's obligations to comply with Applicable Laws (as defined in Lease Section 24.1) enacted prior to the Commencement Date or otherwise relating to the initial construction of the Project;

h. interest and principal amortization on any mortgage or deed of trust, and costs and charges incurred in obtaining any public or private financing, and refinancing or loan modifications, and costs relating to acquiring or negotiating equity contributions, and any fines, costs, late charges, liquidated damages, penalties, tax penalties, or related interest charges imposed on Landlord.

i. any rent paid on any ground or underlying lease;

j. depreciation;

k. compensation for administrative staff, executives or officers of Landlord; costs relating to maintaining Landlord's existence as a corporation, limited partnership, limited liability company, and/or other form of business entity; general corporate overhead for Landlord.

l. restrictions or reciprocal easement agreements or similar agreements that may now or hereafter encumber the Property or any portion thereof that cover any item(s) of expense that is not within the definition of Operating Costs under this Lease;

m. all taxes and transfer, gains, inheritance, estate, occupancy, succession, gift, corporation, unincorporated business, gross receipts, franchise, or income taxes imposed upon Landlord.

n. any costs, fees, dues, contributions, or similar expenses for political, charitable, industry association, or similar organizations, as well as the cost of any newspaper, magazine, trade, or other subscriptions.

o. any form of entertainment expenses, dining expenses, any costs relating to tenant or vendor relation programs including flowers, gifts, luncheons, parties, and other social events, but excluding any cost associated with life safety information services and other like property management events.

p. to the extent the costs of such services, supplies, or materials exceed the costs that would have been paid had the services, supplies, or materials been provided by parties unaffiliated with Landlord or Landlord's managing agent on an arm's-length basis, any amount paid by Landlord or Landlord's managing agent to a subsidiary or affiliate of Landlord or Landlord's managing agent, or to any party for management or other services to the Project, or for supplies or other materials.

EXHIBIT F

RULES AND REGULATIONS

1. Storage. Tenant shall not use any portion of the Premises for storage or other services except as customary for Tenant's operation in the Premises in accordance with the applicable provisions of the Lease.

2. Common Areas. Neither Tenant, nor its agents or employees, shall use any part of the Common Areas for use in connection with the conduct of business except for the specific purpose for which permission to use such area may be given in Landlord's sole discretion. Service corridors shall not be used for the storage of materials, merchandise, garbage or refuse.

3. Deliveries. Except for small parcel deliveries, each tenant shall cause all trucks servicing such tenant's Premises to load and unload inventory and goods (delivery of palletized delivery is permissible) at such hours in the areas and through the entrances as may be reasonably designated by Landlord from time to time. Tractor trailers may not be unhooked or parked in the Project at any time and shall be removed from the loading areas and Project after unloading. Forklift trucks, tow trucks or any other powered machines for handling freight shall be used only in such manner and such areas of the Project and the Common Areas as may be approved in writing by Landlord.

4. Removal of Trash. All trash, refuse, and waste materials shall be regularly removed from the Premises and placed in the Project trash enclosure. Food waste shall be properly disposed of as required by local code. Until removed from the Premises, trash shall be stored: (a) in adequate containers within the Premises, which containers shall be located so as not to be visible to customers; and (b) so as not to constitute any health or fire hazard or nuisance to any occupant. There shall be no storage of trash outside the Premises other than in the Project trash enclosure provided by Landlord. No burning of trash, refuse, or waste materials shall be permitted.

5. Plumbing Facilities. No foreign substances of any kind shall be placed in the plumbing system, and the expense of any breakage, stoppage, or damage resulting from a violation of this provision shall be borne by the tenant who, or the party whose Authorized Representatives, or invitees, shall have caused the problem.

6. Dwelling. Tenant shall not permit or suffer any portion of the Premises or the Common Areas to be used for lodging purposes.

7. Displays. No part or parts of the Common Areas, including, without limitation, sidewalks, and light poles shall be used to display, store, or place any merchandise, equipment, devices, signs, printed material, placards, stickers, emblems, or informal mail material. Landlord shall have the right to remove any such material without notice to Tenant.

EXHIBIT G
The Oddie District, Sparks, Nevada
SIGN CRITERIA

(to be added by Landlord upon its preparation, in due course)

EXHIBIT H

ADDENDUM TO LEASE

A. Landlord and Tenant have entered into a Commercial Lease of even date herewith (hereinafter referred to as the **"Lease"**), concerning certain premises (the **"Premises"**) located in the City of Sparks, County of Washoe, State of Nevada, which Premises is commonly known as: 2450 Oddie Boulevards, Sparks, Nevada 89431.

B. Landlord and Tenant now desire to supplement and amend the Lease and to agree as to certain other matters as hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and of the mutual agreement of the parties hereto to the terms and conditions hereinafter contained, the parties agree as follows:

1. Definitions. Except as noted to the contrary herein, the terms used herein shall be defined as provided in the Lease.

2. Option To Extend. Tenant may extend this Lease for one (1) successive individual term of five (5) Lease Years (an **"Extended Term"**) by giving Landlord written notice of its intention to do so no more than two hundred seventy (270) days and no less than one hundred eighty (180) days prior to the expiration of the original term. Except as noted hereinbelow to the contrary, the Extended Term shall be upon all of the terms and conditions of the Lease. The exercise of the Extended Term shall be subject to the following conditions:

(a) The Tenant has not been in default of any of the provisions of this Lease during the original term or any prior Extended Term of the Lease; and

(b) Tenant's net worth at the time of exercising an option to extend, as determined in accordance with generally accepted accounting principles, is no less than Tenant's net worth at the commencement of the original term hereof; and

(c) The Landlord grants the rights contained herein to Tenant in consideration of Tenant's strict compliance with the provisions hereof, including, without limitation, the manner and time for exercising each option to extend, and if Tenant should fail to properly and timely exercise an option to extend, then such option to extend and those options to extend that follow thereafter shall terminate and be of no further force and effect; and

(d) The Base Rent during the Extended Term shall be as set forth in Lease Section 1.6(a).

3. Limitation on Tenant's Share of Controllable Common Area Maintenance Costs. Tenant's obligation to pay Tenant's Share of Operating Costs shall be subject to the limitations described below.

(a) Promptly upon the conclusion of the first (1st) Lease Year, Landlord shall determine its total, actual Controllable CAM Costs (defined in subsection **5.6(c)(iv)** below) for the first (1st) Lease Year (the "**Controllable CAM Costs Base**") and, from that amount, Landlord shall determine the "**Controllable CAM Cost Ceiling**" for the second (2nd) Lease Year and each Lease Year thereafter (subject to the provisions of subsection **5.6(c)(iii)** below). The Controllable CAM Cost Ceiling for the third (3rd) Lease Year hereof shall be the product of the Controllable CAM Costs Base multiplied by the fraction (the "**Cost Ceiling Fraction**") the numerator of which is five (5) and the denominator of which is 100 [5/100]. For each successive Lease Year, the Controllable CAM Cost Ceiling for the then current Lease Year shall equal the product of the Controllable CAM Cost Ceiling for the previous Lease Year multiplied by the Cost Ceiling Fraction such that the Controllable CAM Cost Ceiling shall increase by **three percent (3.0%)** each successive Lease Year. For example, if the total Controllable CAM Costs in the second (2nd) Lease Year were $10,000.00, then the Controllable CAM Cost Ceiling for the second (2nd) Lease Year would be $10,300.00, the Controllable CAM Cost Ceiling for the third (3rd) Lease Year would be $10,609.00, and so forth. Furthermore, the foregoing "**cap**" amounts shall be applicable regardless of whether the Controllable CAM Costs for a particular Lease Year are actually less than the Controllable CAM Costs for any previous Lease Year.

(b) Commencing on the first (1st) day of the second (2nd) Lease Year hereof and for each Lease Year thereafter during the Term, Tenant shall pay to Landlord Tenant's Share of **"Controllable CAM Costs"** in an amount not to exceed the Controllable CAM Cost Ceiling applicable to that Lease Year.

(c) Upon the commencement of any Extended Term of the Lease, the Controllable CAM Costs Base shall be modified to be either the Controllable CAM Cost Ceiling for the previous Lease Year or the actual, total Controllable CAM Costs for the previous Lease Year, whichever amount is greater ("**Reset CAM Costs Base**"). If the Term of this Lease is extended more than once, the Reset CAM Cost Base shall be modified in accordance with the provisions herein and a new Reset CAM Cost Base shall be established for the second or later Extended Terms. For the first (1st) Lease Year of any

Extended Term, Tenant shall pay to Landlord Tenant's Share of the amount of the Reset CAM Costs Base. For the second (2nd) and each successive Lease Year of any Extended Term, Tenant shall pay Tenant's Share of the total Controllable CAM Costs for that Lease Year subject to the Controllable CAM Cost Ceiling applicable to the then current Lease Year. The Controllable CAM Cost Ceiling for the second (2nd) Lease Year of any Extended Term period shall be the product of the Reset CAM Costs Base multiplied by the Cost Ceiling Fraction. Thereafter, for each successive Lease Year during such Extended Term, the Controllable CAM Costs Ceiling (established using the Reset CAM Costs Base) shall increase by three (3.0%) percent each Lease Year in the same manner as described in **Section 5.6(c)(i)** above.

(d) For purposes of this Lease, Controllable Common Area Maintenance Costs **"Controllable CAM Costs"** shall mean only those items described in **Subsections a, b, c, e, f, g, k**, and **l** as described in **Section 1** (Common Area Maintenance Costs) of **Exhibit E** to this Lease. Controllable CAM Costs shall be calculated in the aggregate and on a cumulative basis.

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FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (**"Amendment"**) is made this 12th day of September, 2024, by and between **Oddie District, LLC**, a Delaware limited liability company (**"Landlord"**), and **Cartwheel Robotics, Inc.**, a Delaware corporation (**"Tenant"**).

Recitals

A. Landlord and Tenant have entered into a lease with an effective date of May 7, 2024 (hereinafter referred to as the **"Lease"**), concerning certain premises located in Sparks, Nevada, which Premises is commonly known as 2450 Oddie Boulevard, Sparks, Nevada, 89431.

B. Landlord and Tenant now desire to amend the Lease as hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and of the mutual agreement of the parties hereto to the terms and conditions hereinafter contained, the parties agree as follows:

1. The terms defined in the Lease shall have same meaning when used in this Amendment.

2. **Lease Section 3.1(b)** is hereby deleted from the Lease and shall be of no further force or effect.

3. **Lease Section 4.7** describes the obligation of Tenant to provide to Landlord a "Warrant to Purchase Shares of Common Stock" Warrant Agreement and to enter into that Warrant Agreement. The agreed upon form of Warrant Agreement to be executed is attached to this Amendment as **Exhibit A.**

4. A new **Lease Section 17.2(e)** is added to the Lease, to read as follows:

> "Exclusion of Intellectual Property from Remedies and Damages. Notwithstanding any provision in this Lease to the contrary, in the event of a default by Tenant under this Lease, Landlord agrees that no remedy, whether at law or in equity, available to Landlord shall include the seizure, forfeiture, attachment, or any claim to or against any intellectual property owned, licensed, or otherwise held by Tenant, its affiliates, or any third party. For the purposes of this Section, "intellectual property" includes, without limitation, patents, trademarks, trade names, service marks, copyrights, trade secrets, domain names, know-how, proprietary data, design materials, tooling, software, robotics software and hardware, or any other similar proprietary rights and any licenses, sublicenses, or rights related thereto. Landlord expressly waives any right to take possession of, interfere with, or claim any interest in such intellectual property as a result of any default, breach, or termination of this Lease. This exclusion shall apply irrespective of the nature of the default or the remedies sought by Landlord."

5. Except as amended by this Amendment, the Lease is hereby ratified and affirmed and remains in full force and effect. The Lease and this Amendment shall be construed as a whole to effectuate the intent of the intent of the parties to amend the Lease in accordance with the provisions

of this Amendment. In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall control.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the day and year first hereinabove set forth.

LANDLORD:

ODDIE DISTRICT, LLC, a Delaware limited liability company

By: FHP Oddie LLC, a California limited liability company, its Manager

By: Foothill Partners Incorporated, a California corporation,
Its: Manager

By: Dgh Wiel
Douglas Wiele, President

Date of Execution: Sept. 13, 2024

TENANT:

Cartwheel Robotics, a Delaware corporation

By: Sam LaValley
Scott LaValley, President

Date of Execution: 9/13/24

By:
Samantha Conway, Chief ~~Operating~~ Officer

Date of Execution: 9/12/24

List of Exhibits: Exhibit A: Form of Warrant Agreement

EXHIBIT A TO FIRST AMENDMENT TO LEASE

Form of Warrant Agreement

THIS WARRANT AND THE UNDERLYING SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS IN ACCORDANCE WITH APPLICABLE REGISTRATION REQUIREMENTS OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE, TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. THIS WARRANT MUST BE SURRENDERED TO THE COMPANY OR ITS TRANSFER AGENT AS A CONDITION PRECEDENT TO THE SALE, TRANSFER, PLEDGE OR HYPOTHECATION OF ANY INTEREST IN ANY OF THE SECURITIES REPRESENTED BY THIS WARRANT.

WARRANT TO PURCHASE SHARES OF COMMON STOCK

of

CARTWHEEL ROBOTICS, INC.

September 12th 2024

THIS CERTIFIES THAT, for value received, Oddie District, LLC, and/or his permitted assigns (as applicable, the "**Holder**" or "**Oddie District**"), is entitled, subject to the provisions and upon the terms and conditions set forth herein, to purchase from Cartwheel, Inc., a Delaware corporation (the "**Company**"), shares of the Company's common stock (the "**Shares**"), in the amounts, at such times and at the price per share set forth in Section 1. This "**Warrant**" means this Warrant to Purchase Shares of Common Stock and any warrants delivered in substitution or exchange therefor as provided herein.

The following sets forth the rights of the Holder and the conditions to which this Warrant is subject, and to which the Holder and the Company each agrees:

1. Number and Price of Shares; Exercise Period.

(a) Number of Shares. Subject to any previous exercise of this Warrant, the Holder shall have the right to purchase up to 35,240 Shares, as may be adjusted pursuant to Section 6, prior to (or in connection with) the expiration of this Warrant pursuant to Section 8.

(b) Exercise Period. This Warrant shall be exercisable, in whole or in part, prior to (or in connection with) the expiration of this Warrant pursuant to Section 8.

(c) Exercise Price. The exercise price per Share, subject to adjustment pursuant to Section 6 (the "**Exercise Price**"), shall be equal to $0.01.

(i) Sale of Common Stock. If the Equity Sale involves the sale of Shares (i.e. common stock), then the "**Price Per Share**" shall be equal to the price per share at which the common stock is sold.

(ii) Sale of Convertible Preferred Stock. If Section 1(c)(i) does not apply, and the Equity Sale involves preferred stock that is convertible into common stock, then the "**Price Per Share**" shall be determined by dividing the purchase price paid for the convertible preferred stock by the number of shares of common stock into which the convertible preferred stock is immediately convertible.

(iii) Sale of Non-Convertible Preferred Stock. If Section 1(c)(i) and Section 1(c)(ii) do not apply, and the Equity Sale involves preferred stock that is not convertible into common stock, then the **"Price Per Share"** shall be the implied value of a Share based on the valuation applied to the Company in connection with such Equity Sale.

(iv) No Equity Sale. If no Equity Sale occurs prior to the third anniversary of the issuance of this Warrant (or if earlier, the exercise of this Warrant), then the **"Price Per Share"** shall be the Company's good faith estimate, in its sole discretion, of the fair market value of a Share as of the one-year anniversary of the date of this Warrant.

(d) Vesting. So long as a certain commercial lease entered into on 9/12/2024 by and between Oddie District and Company (the "Commercial Lease") remains in effect (and provided that no vesting shall occur following the termination of the Commercial Lease unless otherwise determined by the Company in its sole discretion):

(i) beginning on the Rent Start Date (as defined in the Commercial Lease), and on the first day of each month thereafter through the eight-month anniversary of the Rent Start Date, this Warrant shall vest as to and may be exercised for 17,620 shares;

(ii) beginning on the nine-month anniversary of the Rent Start Date, and on the first day of each month thereafter through the sixteen-month anniversary of the Rent Start Date, this Warrant shall vest as to and may be exercised for 11,746 shares; and

(iii) beginning on the seventeen-month anniversary of the Rent Start Date, and on the first day of each month thereafter through the twenty-four-month anniversary of the Rent Start Date, this Warrant shall vest as to and may be exercised for 5,874 shares.

2. Exercise.

(a) Exercise Election. The purchase rights represented by this Warrant may be exercised at the election of the Holder, in whole or in part, in accordance with Section 1, by:

(i) the tender to the Company at its principal office (or such other office or agency as the Company may designate) of:

(1) an exercise notice in the form of Exhibit A (the **"Exercise Notice"**), duly completed and executed by or on behalf of the Holder, together with the surrender of this Warrant, and

(2) unless the rights under this Warrant are exercised pursuant to an effective registration statement under the Securities Act of 1933, as amended (the **"Securities Act"**) that includes the Shares with respect to which the Warrant was exercised, an investment representation statement and market stand-off agreement in the form of Exhibit A-1 (or such other substantially similar form that the Company has requested, if any); and

(ii) the payment to the Company of an amount equal to (A) the Exercise Price multiplied by (B) the number of Shares being purchased.

(b) Net Issue Exercise. In lieu of payment pursuant to Section 2(a)(ii), if the fair market value of one Share is greater than the Exercise Price (at the date of calculation as set forth below), the Holder may elect to receive a number of Shares equal to the value of this Warrant (or of any portion of this Warrant being canceled) by surrender of this Warrant at the principal office of the Company (or such other office or agency as the Company may designate) together with a properly completed and executed Exercise Notice reflecting such election, in which event the Company shall issue to the Holder that number of Shares computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where:

X	=	The number of Shares to be issued to the Holder
Y	=	The number of Shares purchasable under this Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being canceled (at the date of such calculation)
A	=	The fair market value of one Share (at the date of such calculation)
B	=	The Exercise Price (as adjusted to the date of such calculation)

For purposes of the calculation above, the fair market value of one Share shall be determined by the Board of Directors of the Company, acting in good faith; *provided, however,* that:

(i) If a public market exists for the Company's common stock at the time of such exercise, the fair market value per Share shall be the product of (A) the average of the closing bid and asked prices of the common stock or the closing price quoted on the national securities exchange on which the common stock is listed as published in the *Wall Street Journal*, as applicable, for the ten (10) trading day period ending five (5) trading days prior to the date of determination of fair market value and (B) the number of shares of common stock into which each Share is convertible at the time of such exercise, as applicable; and

(ii) If the Warrant is exercised in connection with the Company's initial public offering of common stock, the fair market value per Share shall be the product of (A) the per share offering price to the public of the Company's initial public offering and (B) the number of shares of common stock into which each Share is convertible at the time of such exercise, as applicable.

(c) Stock Certificates. The rights under this Warrant shall be deemed to have been exercised and the Shares issuable upon such exercise shall be deemed to have been issued immediately prior to the close of business on the date this Warrant is exercised in accordance with its terms, and the person entitled to receive the Shares issuable upon such exercise shall be treated for all purposes as the holder of record of such Shares as of the close of business on such date. As promptly as reasonably practicable on or after such date, the Company shall issue and deliver to the person or persons entitled to receive the same a certificate or certificates for that number of shares issuable upon such exercise. In the event that the rights under this Warrant are exercised in part and have not expired, the Company shall execute and deliver a new Warrant reflecting the number of Shares that remain subject to this Warrant.

(d) No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of the rights under this Warrant. In lieu of such fractional share to which the Holder would otherwise be entitled, the Company shall make a cash payment equal to the Exercise Price multiplied by such fraction.

(e) Automatic Exercise. If the Holder of this Warrant has not elected to exercise this Warrant prior to expiration of this Warrant pursuant to Section 8, then this Warrant shall automatically (without any act on the part of the Holder) be exercised pursuant to Section 2(b) effective immediately prior to the expiration of the Warrant to the extent such net issue exercise would result in the issuance of Shares. If this Warrant is automatically exercised, the Company shall notify the Holder of the automatic exercise as soon as reasonably practicable, and the Holder shall surrender this Warrant to the Company in accordance with the terms of this Warrant.

(f) Reservation of Stock. The Company agrees during the term the rights under this Warrant are exercisable to take all reasonable action to reserve and keep available from its authorized and unissued shares of common stock for the purpose of effecting the exercise of this Warrant such number of shares as shall from time to time be sufficient to effect the exercise of the rights under this Warrant; and if at any time the number of authorized but unissued shares of common stock shall not be sufficient for purposes of the exercise of this Warrant in accordance with its terms, without limitation of such other remedies as may be available to the Holder, the Company will use all reasonable efforts to take such corporate action as may be necessary to increase its authorized and unissued shares of its common stock to a number of shares as shall be sufficient for such purposes.

3. Replacement. Subject to the receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form and substance to the Company or, in the case of mutilation, on surrender and cancellation of this Warrant, the Company at the expense of the Holder shall execute and deliver, in lieu of this Warrant, a new warrant of like tenor and amount.

4. Assignment.

(a) Assignability. Subject to the provisions of this Warrant with respect to compliance with the Securities Act and limitations on assignments and transfers, including without limitation compliance with the restrictions on transfer set forth in Section 5, title to and/or rights under this Warrant, in whole or in part, may be transferred by endorsement (by the transferor and the transferee executing the assignment form attached as Exhibit B (the **"Assignment Form"**)) and delivery in the same manner as a negotiable instrument transferable by endorsement and delivery.

(b) Exchange of the Warrant upon a Transfer. On surrender of this Warrant (and a properly endorsed Assignment Form) for exchange, subject to the provisions of this Warrant with respect to compliance with the Securities Act and limitations on assignments and transfers, the Company shall issue to or on the order of the Holder a new warrant or warrants of like tenor, in the name of the Holder or as the Holder (on payment by the Holder of any applicable transfer taxes) may direct, for the number of shares issuable upon exercise of this Warrant. This Warrant (and the securities issuable upon exercise of the rights under this Warrant) must be surrendered to the Company or its warrant or transfer agent, as applicable, as a condition precedent to the sale, pledge, hypothecation or other transfer of any interest in any of the securities represented by this Warrant.

(c) Taxes. In no event shall the Company be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of any certificate in a name other than that of the Holder, and the Company shall not be required to issue or deliver any such certificate unless and until the person or persons requesting the issue of such certificate shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid or is not payable.

5. Transfer Restrictions; Compliance with Securities Laws. By acceptance of this Warrant, the Holder agrees to comply with the following:

(a) Transfer Restrictions. This Warrant may not be transferred or assigned in whole or in part without the Company's prior written consent (which shall not be unreasonably withheld), and any attempt by Holder to transfer or assign any rights, duties or obligations that arise under this Warrant without such permission shall be void. Any transfer of this Warrant or the Shares (the **"Securities"**) must be in compliance with all applicable federal and state securities laws. The Holder agrees not to make any sale, assignment, transfer, pledge or other disposition of all or any portion of the Securities, or any beneficial interest therein, unless and until the transferee of such Securities has agreed in writing for the benefit of the Company to take and hold such Securities subject to, and to be bound by, the terms and conditions set forth in this Warrant to the same extent as if the transferee were the original "Holder" under this Warrant, and

(i) there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement, or

(ii) (A) such Holder shall have given prior written notice to the Company of such Holder's intention to make such disposition and shall have furnished the Company with a detailed description of the manner and circumstances of the proposed disposition, (B) the transferee shall have confirmed to the satisfaction of the Company in writing, substantially in the form of Exhibit A-1, that the Securities are being acquired (I) solely for the transferee's own account and not as a nominee for any other party, (II) for investment and (III) not with a view toward distribution or resale, and shall have confirmed such other matters related thereto as may be reasonably requested by the Company, and (C) such Holder shall have furnished the Company, at the Holder's expense, with an opinion of counsel, reasonably satisfactory to the Company, to the effect that such disposition will not require registration of such Securities under the Securities Act, whereupon such Holder shall be entitled to transfer such Securities in accordance with the terms of the notice delivered by the Holder to the Company.

(b) Securities Law Legend. The Securities shall (unless otherwise permitted by the provisions of this Warrant) be stamped or imprinted with a legend substantially similar to the following (in addition to any legend required by state securities laws):

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS IN ACCORDANCE WITH APPLICABLE REGISTRATION REQUIREMENTS OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. THIS CERTIFICATE MUST BE SURRENDERED TO THE COMPANY OR ITS TRANSFER AGENT AS A CONDITION PRECEDENT TO THE SALE, TRANSFER, PLEDGE OR HYPOTHECATION OF ANY INTEREST IN ANY OF THE SECURITIES REPRESENTED HEREBY.

(c) Market Stand-off Legend. The Shares issued upon exercise of this Warrant shall also be stamped or imprinted with a legend in substantially the following form:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE, INCLUDING A LOCK-UP PERIOD IN THE EVENT OF A PUBLIC OFFERING, AS SET FORTH IN THE WARRANT PURSUANT TO WHICH THESE SHARES WERE ISSUED, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY.

(d) Instructions Regarding Transfer Restrictions. The Holder consents to the Company making a notation on its records and giving instructions to any transfer agent in order to implement the restrictions on transfer established in this Section 5.

(e) Removal of Legend. The legend referring to federal and state securities laws identified in Section 5(b) stamped on a certificate evidencing the Shares and the stock transfer instructions and record notations with respect to such securities shall be removed and the Company shall issue a certificate without such legend to the holder of such securities if (i) such securities are registered under the Securities Act, or (ii) such holder provides the Company with an opinion of counsel reasonably acceptable to the Company to the effect that a sale or transfer of such securities may be made without registration or qualification.

(f) No Transfers to Bad Actors; Notice of Bad Actor Status. The Holder agrees not to sell, assign, transfer, pledge or otherwise dispose of any securities of the Company, or any beneficial interest therein, to any person (other than the Company) unless and until the proposed transferee confirms to the reasonable satisfaction of the Company that neither the proposed transferee nor any of its directors, executive officers, other officers that may serve as a director or officer of any company in which it invests, general partners or managing members nor any person that would be deemed a beneficial owner of those securities (in accordance with Rule 506(d) of the Securities Act) is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act, except as set forth in Rule 506(d)(2) or (d)(3) under the Securities Act and disclosed, reasonably in advance of the transfer, in writing in reasonable detail to the Company. The Holder will promptly notify the Company in writing if the Holder or, to the Holder's knowledge, any person specified in Rule 506(d)(1) under the Securities Act becomes subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act.

6. Adjustments. Subject to the expiration of this Warrant pursuant to Section 8, the number and kind of shares purchasable hereunder and the Exercise Price therefor are subject to adjustment from time to time, as follows:

(a) Merger or Reorganization. If at any time there shall be any reorganization, recapitalization, merger, consolidation or similar event or transaction (a "**Reorganization**") involving the Company (other than as otherwise provided for herein or as would cause the expiration of this Warrant under Section 8) in which shares of the Company's stock are converted into or exchanged for securities, cash or other property, then, as a part of such Reorganization, lawful provision shall be made so that the Holder shall thereafter be entitled to receive upon exercise of this Warrant, the kind and amount of securities, cash or other property of the successor entity resulting from such Reorganization, equivalent in value to that which a holder of the Shares deliverable upon exercise of this Warrant would have been entitled in such Reorganization if the right to purchase the Shares hereunder had been exercised immediately prior to such Reorganization. In any such case, appropriate adjustment (as determined in good faith by the board of directors (or its equivalent) of the successor entity) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder after such Reorganization to the end that the provisions of this Warrant shall be applicable after the event, as near as reasonably may be, in relation to any shares or other securities deliverable after that event upon the exercise of this Warrant.

(b) Reclassification of Shares. If the securities issuable upon exercise of this Warrant are changed into the same or a different number of securities of any other class or classes by reclassification, capital reorganization or otherwise (other than as otherwise provided for herein) (a "**Reclassification**"), then, in any such event, in lieu of the number of Shares which the Holder would otherwise have been entitled to receive, the Holder shall have the right thereafter to exercise this Warrant for a number of shares of such other class or classes of stock that a holder of the number of securities deliverable upon exercise of this Warrant immediately before that change would have been entitled to receive in such Reclassification, all subject to further adjustment as provided herein with respect to such other shares.

(c) Subdivisions and Combinations. In the event that the outstanding shares of the Company's common stock are subdivided (by stock split, by payment of a stock dividend or otherwise) into a greater number of shares of such securities, the number of Shares issuable upon exercise of the rights under this Warrant immediately prior to such subdivision shall, concurrently with the effectiveness of such subdivision, be proportionately increased, and the Exercise Price shall be proportionately decreased, and in the event that the outstanding shares of common stock are combined (by reclassification or otherwise) into a lesser number of shares of such securities, the number of Shares issuable upon exercise of the rights under this Warrant immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately decreased, and the Exercise Price shall be proportionately increased.

(d) Notice of Adjustments. Upon any adjustment in accordance with this Section 6, the Company shall give notice of any such adjustment to the Holder, which notice shall state the event giving rise to the adjustment, the Exercise Price as adjusted and the number of securities or other property purchasable upon the exercise of the rights under this Warrant, setting forth in reasonable detail the method of calculation of each. The Company shall, upon the written request of any Holder, furnish or cause to be furnished to such Holder a certificate setting forth (i) such adjustments, (ii) the Exercise Price at the time in effect and (iii) the number of securities and the amount, if any, of other property that at the time would be received upon exercise of this Warrant.

7. Notification of Certain Events. Prior to the expiration of this Warrant pursuant to Section 8, in the event that the Company shall authorize:

(a) the issuance of any dividend or other distribution on the capital stock of the Company (other than (i) dividends or distributions otherwise provided for in Section 6, (ii) repurchases of common stock issued to or held by employees, officers, directors or consultants of the Company or its subsidiaries upon termination of their employment or services pursuant to agreements providing for the right of said repurchase; (iii) repurchases of common stock issued to or held by employees, officers, directors or consultants of the Company or its subsidiaries pursuant to rights of first refusal or first offer contained in agreements providing for such rights; or (iv) repurchases of capital stock of the Company in connection with the settlement of disputes with any stockholder), whether in cash, property, stock or other securities;

(b) the voluntary liquidation, dissolution or winding up of the Company; or

(c) any transaction resulting in the expiration of this Warrant pursuant to Section 8(b);

the Company shall send to the Holder of this Warrant at least ten (10) days prior written notice of the date on which a record shall be taken for any such dividend or distribution specified in clause (a) or the expected effective date of any such other event specified in clause (b) or (c), as applicable. The notice provisions set forth in this section may be shortened or waived prospectively or retrospectively by the consent of the Holder of this Warrant.

8. Expiration of the Warrant. This Warrant shall expire and shall no longer be exercisable as of the earlier of:

(a) 5:00 p.m., Nevada time, on September 12th, 2034; or

(b) (i) the acquisition of the Company by another entity by means of any transaction or series of related transactions to which the Company is a party (including, without limitation, any stock acquisition, reorganization, merger or consolidation, but excluding any sale of stock for capital raising purposes and any transaction effected primarily for purposes of changing the Company's jurisdiction of incorporation) other than a transaction or series of related transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of transactions, as a result of shares in the Company held by such holders prior to such transaction or series of transactions, at least a majority of the total voting power represented by the outstanding voting securities of the Company or such other surviving or resulting entity (or if the Company or such other surviving or resulting entity is a wholly-owned subsidiary immediately following such acquisition, its parent), or (ii) a sale, lease or other disposition of all or substantially all of the assets of the Company and its subsidiaries taken as a whole by means of any transaction or series of related transactions, except where such sale, lease or other disposition is to a wholly-owned subsidiary of the Company.

9. No Rights as a Stockholder. Nothing contained herein shall entitle the Holder to any rights as a stockholder of the Company or to be deemed the holder of any securities that may at any time be issuable on the exercise of the rights hereunder for any purpose nor shall anything contained herein be construed to confer upon the Holder, as such, any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value or change of stock to no par value, consolidation, merger, conveyance or otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or any other rights of a stockholder of the Company until the rights under the Warrant shall have been exercised and the Shares purchasable upon exercise of the rights hereunder shall have become deliverable as provided herein.

10. Market Stand-off. If requested by the Company and an underwriter of common stock (or other securities) of the Company, the Holder of this Warrant shall not sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, of any common stock (or other securities) of the Company held by the Holder (other than those included in the registration) during the 180-day period following the effective date of a registration statement of the Company filed under the Securities Act (or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (a) the publication or other distribution of research reports and (b) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NYSE Rule 472(f)(4), or any successor provisions or amendments thereto). The obligations described in this section shall not apply to a registration relating solely to employee benefit plans on Form S-l or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions and may stamp each certificate with a legend as substantially set forth in Section 5(c) with respect to the shares of common stock (or other securities) subject to the foregoing restriction until the end of such 180-day (or other) period. The Holder agrees to execute a market stand-off agreement with the underwriters in the offering in customary form consistent with the provisions of this section.

11. Representations and Warranties of the Holder. By acceptance of this Warrant, the Holder represents and warrants to the Company as follows:

(a) Unregistered Securities. The Holder understands that the Securities have not been, and will not be, registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the *bona fide* nature of the investment intent and the accuracy of the Holder's representations as expressed herein or otherwise made pursuant to this Warrant.

(b) Investment Intent. The Holder is acquiring the Securities for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, any distribution of the Securities. The Holder has no present intention of selling, granting any participation in, or otherwise distributing the Securities, nor does it have any contract, undertaking, agreement or arrangement for the same.

(c) Investment Experience. The Holder has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company, and has such knowledge and experience in financial or business matters so that it is capable of evaluating the merits and risks of its investment in the Company and protecting its own interests.

(d) Speculative Nature of Investment. The Holder understands and acknowledges that its investment in the Company is highly speculative and involves substantial risks. The Holder can bear the economic risk of its investment and is able, without impairing its financial condition, to hold the Securities for an indefinite period of time and to suffer a complete loss of its investment.

(e) Access to Data. The Holder has had an opportunity to ask questions of officers of the Company, which questions were answered to its satisfaction. The Holder believes that it has received all the information that it considers necessary or appropriate for deciding whether to acquire the Securities. The Holder understands that any such discussions, as well as any information issued by the Company, were intended to describe certain aspects of the Company's business and prospects, but were not necessarily a thorough or exhaustive description. The Holder acknowledges that any business plans prepared by the Company have been, and continue to be, subject to change and that any projections included in such business plans or otherwise are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results.

(f) Accredited Investor. The Holder is an "accredited investor" within the meaning of Regulation D, Rule 501(a), promulgated by the Securities and Exchange Commission and agrees to submit to the

Company such further assurances of such status as may be reasonably requested by the Company. The Holder has furnished or made available any and all information requested by the Company or otherwise necessary to satisfy any applicable verification requirements as to "accredited investor" status. Any such information is true, correct, timely and complete.

(g) Residency. The residency of the Holder (or, in the case of a partnership or corporation, such entity's principal place of business) is correctly set forth on the signature page to this Warrant.

(h) Restrictions on Resales. The Holder acknowledges that the Securities must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available. The Holder is aware of the provisions of Rule 144 promulgated under the Securities Act, which permit resale of shares purchased in a private placement subject to the satisfaction of certain conditions, which may include, among other things, the availability of certain current public information about the Company; the resale occurring not less than a specified period after a party has purchased and paid for the security to be sold; the number of shares being sold during any three-month period not exceeding specified limitations; the sale being effected through a "broker's transaction," a transaction directly with a "market maker" or a "riskless principal transaction" (as those terms are defined in the Securities Act or the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder); and the filing of a Form 144 notice, if applicable. The Holder acknowledges and understands that the Company may not be satisfying the current public information requirement of Rule 144 at the time the Holder wishes to sell the Securities and that, in such event, the Holder may be precluded from selling the Securities under Rule 144 even if the other applicable requirements of Rule 144 have been satisfied. The Holder acknowledges that, in the event the applicable requirements of Rule 144 are not met, registration under the Securities Act or an exemption from registration will be required for any disposition of the Securities. The Holder understands that, although Rule 144 is not exclusive, the Securities and Exchange Commission has expressed its opinion that persons proposing to sell restricted securities received in a private offering other than in a registered offering or pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales and that such persons and the brokers who participate in the transactions do so at their own risk.

(i) No Public Market. The Holder understands and acknowledges that no public market now exists for any of the securities issued by the Company and that the Company has made no assurances that a public market will ever exist for the Company's securities.

(j) Brokers and Finders. The Holder has not engaged any brokers, finders or agents in connection with the Securities, and the Company has not incurred nor will incur, directly or indirectly, as a result of any action taken by the Holder, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with the Securities.

(k) Legal Counsel. The Holder has had the opportunity to review this Warrant, the exhibits and schedules attached hereto and the transactions contemplated by this Warrant with its own legal counsel. The Holder is not relying on any statements or representations of the Company or its agents for legal advice with respect to this investment or the transactions contemplated by this Warrant.

(l) Tax Advisors. The Holder has reviewed with its own tax advisors the U.S. federal, state and local and non-U.S. tax consequences of this investment and the transactions contemplated by this Warrant. With respect to such matters, the Holder relies solely on any such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Holder understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment and the transactions contemplated by this Warrant.

(m) No "Bad Actor" Disqualification. Neither (a) the Holder, (b) any of its directors, executive officers, other officers that may serve as a director or officer of any company in which it invests, general partners or managing members, nor (c) any beneficial owner of any of the Company's voting equity securities (in accordance with Rule 506(d) of the Securities Act) held by the Holder is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act, except as set forth in Rule 506(d)(2) or (d)(3) under the Securities Act and disclosed, reasonably in advance of the acceptance of this Warrant, in writing in reasonable detail to the Company.

12. Miscellaneous.

(a) Amendments. Except as expressly provided herein, neither this Warrant nor any of its terms may be amended, waived, discharged or terminated other than by a written instrument referencing this Warrant and signed by the Company and the Holder.

(b) Waivers. No waiver of any single breach or default shall be deemed a waiver of any other breach or default theretofore or thereafter occurring.

(c) Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail (if to the Holder) or otherwise delivered by hand, messenger or courier service addressed:

(i) if to the Holder, to the Holder at the Holder's address, facsimile number or electronic mail address as shown in the Company's records, as may be updated in accordance with the provisions of this Warrant, or until any such Holder so furnishes an address, facsimile number or electronic mail address to the Company, then to and at the address, facsimile number or electronic mail address of the last holder of this Warrant for which the Company has contact information in its records; or

(ii) if to the Company, to the attention of the President or Chief Financial Officer of the Company at the Company's address as shown on the signature page hereto, or at such other current address as the Company shall have furnished to the Holder.

Each such notice or other communication shall for all purposes of this Warrant be treated as effective or having been given (A) if delivered by hand, messenger or courier service, when delivered (or if sent via a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), or (B) if sent via mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (C) if sent via facsimile, upon confirmation of facsimile transfer or, if sent via electronic mail, upon confirmation of delivery when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day. In the event of any conflict between the Company's books and records and this Warrant or any notice delivered hereunder, the Company's books and records will control absent fraud or error.

(d) Governing Law. This Warrant and all actions arising out of or in connection with this Warrant shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law provisions of the State of Delaware, or of any other state.

(e) Jurisdiction and Venue. Each of the Holder and the Company irrevocably consents to the exclusive jurisdiction and venue of any court within Washoe County, in connection with any matter based upon or arising out of this Warrant or the matters contemplated herein, and agrees that process may be served upon them in any manner authorized by the laws of the Nevada for such persons.

(f) Titles and Subtitles. The titles and subtitles used in this Warrant are used for convenience only and are not to be considered in construing or interpreting this Warrant. All references in this Warrant to sections, paragraphs and exhibits shall, unless otherwise provided, refer to sections and paragraphs of this Warrant and exhibits attached to this Warrant.

(g) Severability. If any provision of this Warrant becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Warrant, and such illegal, unenforceable or void provision shall be replaced with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, unenforceable or void provision. The balance of this Warrant shall be enforceable in accordance with its terms.

(h) Waiver of Jury Trial. **EACH OF THE HOLDER AND THE COMPANY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATED TO THIS WARRANT.**

(i) Saturdays, Sundays and Holidays. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall be a Saturday, Sunday or U.S. federal holiday, then such action may be taken or such right may be exercised on the next succeeding day that is not a Saturday, Sunday or U.S. federal holiday.

(j) Rights and Obligations Survive Exercise of the Warrant. Except as otherwise provided herein, the rights and obligations of the Company and the Holder under this Warrant shall survive exercise of this Warrant.

(k) Entire Agreement. Except as expressly set forth herein, this Warrant (including the exhibits attached hereto) constitutes the entire agreement and understanding of the Company and the Holder with respect to the subject matter of this Warrant and supersede all prior agreements and understandings relating to the subject matter of this Warrant.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Company and the Holder have duly executed this Warrant as of the date stated on the first page.

CARTWHEEL ROBOTICS, INC.

By: [signature]

Name: Scott LaValley

Title: CEO

Address:

6127 Reno Hwy.

Fallon NV 89406

AGREED AND ACKNOWLEDGED:

ODDIE DISTRICT, LLC

By: FITP Oddie LLC, Managing Member

By: Foothill Partners, Inc., its Manager

By: [signature]

Name: Douglas Wiele, President

Title:

Address:

1121 White Rock Road, Suite 200

El Dorado Hills CA 95762

EXHIBIT A

EXERCISE NOTICE

TO: CARTWHEEL ROBOTICS, INC. (the "Company")

Attention: President

(1) Exercise. The undersigned elects to purchase the following pursuant to the terms of the attached warrant:

Number of shares: ______________________________

Type of security: Common Stock

(2) Method of Exercise. The undersigned elects to exercise the attached warrant pursuant to:

☐ A cash payment, and tenders herewith payment of the purchase price for such securities in full, together with all applicable transfer taxes, if any.

☐ The net issue exercise provisions of Section 2(b) of the attached warrant.

(3) Stock Certificate. If certificated, please issue a certificate or certificates representing the securities in the name of:

☐ The undersigned

☐ Other—Name: ______________________________

Address: ______________________________

____

(4) Unexercised Portion of the Warrant. Please issue a new warrant for the unexercised portion of the attached warrant in the name of:

☐ The undersigned

☐ Other—Name: ______________________________

Address: ______________________________

____

☐ Not applicable

(5) Investment Intent. The undersigned represents and warrants that the aforesaid securities are being acquired for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution of the securities, and that the undersigned has no present intention of selling, granting any participation in, or otherwise distributing the securities, nor does it have any contract, undertaking, agreement or arrangement for the same, and all representations and warranties of the undersigned set forth in Section 11 of the attached warrant are true and correct as of the date of this Exercise Notice.

(6) Investment Representation Statement and Market Stand-Off Agreement. The undersigned has executed, and delivers with this Exercise Notice, an Investment Representation Statement and Market Stand-Off Agreement in a form substantially similar to the form attached to the warrant as Exhibit A-1.

(7) DELAWARE CORPORATIONS ONLY: Consent to Receipt of Electronic Notice. Subject to the limitations set forth in Delaware General Corporation Law §232(e)/applicable law, the undersigned consents to the delivery of any notice to stockholders given by the Company under the Delaware General Corporation Law or the Company's certificate of incorporation or bylaws by (i) facsimile telecommunication to the facsimile number provided below (or to any other facsimile number for the undersigned in the Company's records), (ii) electronic mail to the electronic mail address provided below (or to any other electronic mail address for the undersigned in the Company's records), (iii) posting on an electronic network together with separate notice to the undersigned of such specific posting or (iv) any other form of electronic transmission (as defined in the Delaware General Corporation Law) directed to the undersigned. This consent may be revoked by the undersigned by written notice to the Company and may be deemed revoked in the circumstances specified in Delaware General Corporation Law §232.

IN WITNESS WHEREOF, the undersigned has duly executed this Exercise Notice on the date set forth below.

____
(Print name of the warrant holder)

____
(Signature)

____
(Name and title of signor for warrant holder, if applicable)

____
(Date)

____
(Telephone number)

____
(Email address)

EXHIBIT A-I

INVESTMENT REPRESENTATION STATEMENT
AND
MARKET STAND-OFF AGREEMENT

INVESTOR:	**ODDIE DISTRICT, LLC**
COMPANY:	CARTWHEEL ROBOTICS, INC.
SECURITIES:	THE WARRANT ISSUED ON SEPTEMBER 12th, 2024 (THE "WARRANT") AND THE SECURITIES ISSUED OR ISSUABLE UPON EXERCISE OF THE WARRANT
DATE:	SEPTEMBER 12th, 2024

In connection with the purchase or acquisition of the above-listed Securities, the undersigned Investor represents and warrants to, and agrees with, the Company as follows:

1. No Registration. The Investor understands that the Securities have not been, and will not be, registered under the Securities Act of 1933, as amended (the **"Securities Act"**), by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the *bona fide* nature of the investment intent and the accuracy of the Investor's representations as expressed herein or otherwise made pursuant hereto.

2. Investment Intent. The Investor is acquiring the Securities for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, any distribution of the Securities. The Investor has no present intention of selling, granting any participation in, or otherwise distributing the Securities, nor does it have any contract, undertaking, agreement or arrangement for the same.

3. Investment Experience. The Investor has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company, and has such knowledge and experience in financial or business matters so that it is capable of evaluating the merits and risks of its investment in the Company and protecting its own interests.

4. Speculative Nature of Investment. The Investor understands and acknowledges that its investment in the Company is highly speculative and involves substantial risks. The Investor can bear the economic risk of its investment and is able, without impairing its financial condition, to hold the Securities for an indefinite period of time and to suffer a complete loss of its investment.

5. Access to Data. The Investor has had an opportunity to ask questions of officers of the Company, which questions were answered to its satisfaction. The Investor believes that it has received all the information that it considers necessary or appropriate for deciding whether to acquire the Securities. The Investor understands that any such discussions, as well as any information issued by the Company, were intended to describe certain aspects of the Company's business and prospects, but were not necessarily a thorough or exhaustive description. The Investor acknowledges that any business plans prepared by the Company have been, and continue to be, subject to change and that any projections included in such business plans or otherwise are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results.

6. Accredited Investor. The Investor is an "accredited investor" within the meaning of Regulation D, Rule 501(a), promulgated by the Securities and Exchange Commission and agrees to submit to the Company such further assurances of such status as may be reasonably requested by the Company. The Investor has furnished or made available any and all information requested by the Company or otherwise necessary to satisfy any applicable

verification requirements as to "accredited investor" status. Any such information is true, correct, timely and complete.

7. Residency. The residency of the Investor (or, in the case of a partnership or corporation, such entity's principal place of business) is correctly set forth on the signature page hereto.

8. Restrictions on Resales. The Investor acknowledges that the Securities must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available. The Investor is aware of the provisions of Rule 144 promulgated under the Securities Act, which permit resale of shares purchased in a private placement subject to the satisfaction of certain conditions, which may include, among other things, the availability of certain current public information about the Company; the resale occurring not less than a specified period after a party has purchased and paid for the security to be sold; the number of shares being sold during any three-month period not exceeding specified limitations; the sale being effected through a "broker's transaction," a transaction directly with a "market maker" or a "riskless principal transaction" (as those terms are defined in the Securities Act or the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder); and the filing of a Form 144 notice, if applicable. The Investor acknowledges and understands that the Company may not be satisfying the current public information requirement of Rule 144 at the time the Investor wishes to sell the Securities and that, in such event, the Investor may be precluded from selling the Securities under Rule 144 even if the other applicable requirements of Rule 144 have been satisfied. The Investor understands and acknowledges that, in the event the applicable requirements of Rule 144 are not met, registration under the Securities Act or an exemption from registration will be required for any disposition of the Securities. The Investor understands that, although Rule 144 is not exclusive, the Securities and Exchange Commission has expressed its opinion that persons proposing to sell restricted securities received in a private offering other than in a registered offering or pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for those offers or sales and that those persons and the brokers who participate in the transactions do so at their own risk.

9. No Public Market. The Holder understands and acknowledges that no public market now exists for any of the securities issued by the Company and that the Company has made no assurances that a public market will ever exist for the Company's securities.

10. Brokers and Finders. The Investor has not engaged any brokers, finders or agents in connection with the Securities, and the Company has not incurred nor will incur, directly or indirectly, as a result of any action taken by the Investor, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with the Securities.

11. Legal Counsel. The Investor has had the opportunity to review the Warrant, the exhibits and schedules attached thereto and the transactions contemplated by the Warrant with its own legal counsel. The Investor is not relying on any statements or representations of the Company or its agents for legal advice with respect to this investment or the transactions contemplated by the Warrant.

12. Tax Advisors. The Investor has reviewed with its own tax advisors the U.S. federal, state and local and non-U.S. tax consequences of this investment and the transactions contemplated by the Warrant. With respect to such matters, the Investor relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Investor understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment or the transactions contemplated by the Warrant.

13. Market Stand-off. If requested by the Company and an underwriter of common stock (or other securities) of the Company, the Investor shall not sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, of any common stock (or other securities) of the Company held by the Investor (other than those included in the registration) during the 180-day period following the effective date of a registration statement of the Company

filed under the Securities Act (or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NYSE Rule 472(f)(4), or any successor provisions or amendments thereto). The obligations described in this section shall not apply to a registration relating solely to employee benefit plans on Form S-l or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions and may stamp each certificate with a legend with respect to the shares of common stock (or other securities) subject to the foregoing restriction until the end of such 180-day (or other) period. The Investor agrees to execute a market stand-off agreement with the relevant underwriters in customary form consistent with the provisions of this section.

14. No "Bad Actor" Disqualification. Neither (a) the Investor, (b) any of its directors, executive officers, other officers that may serve as a director or officer of any company in which it invests, general partners or managing members, nor (c) any beneficial owner of any of the Company's voting equity securities (in accordance with Rule 506(d) of the Securities Act) held by the Investor is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act, except as set forth in Rule 506(d)(2) or (d)(3) under the Securities Act and disclosed, reasonably in advance of the purchase or acquisition of the Securities, in writing in reasonable detail to the Company.

IN WITNESS WHEREOF, the Investor has duly executed this Investment Representation Statement and Market Stand-Off Agreement on the date first set forth above.

INVESTOR:

____

(Print name of the investor)

____

(Signature)

____

(Name and title of signatory, if applicable)

____

(Street address)

____

(City, state and ZIP)

EXHIBIT B

ASSIGNMENT FORM

ASSIGNOR: ______________________________

COMPANY: CARTWHEEL ROBOTICS, INC.

WARRANT: THE WARRANT TO PURCHASE SHARES OF COMMON STOCK ISSUED ON SEPTEMBER 12th, 2024 (THE "**WARRANT**")

DATE: ______________

(1) Assignment. The undersigned registered holder of the Warrant ("**Assignor**") assigns and transfers to the assignee named below ("**Assignee**") all of the rights of Assignor under the Warrant, with respect to the number of shares set forth below:

Name of Assignee: ______________________________

Address of Assignee: ______________________________

____

Number of Shares Assigned: ______________________________

and does irrevocably constitute and appoint ______________________________ as attorney to make such transfer on the books of Cartwheel Robotics, Inc., maintained for the purpose, with full power of substitution in the premises.

(2) Obligations of Assignee. Assignee agrees to take and hold the Warrant and any shares of stock to be issued upon exercise of the rights thereunder (the "**Securities**") subject to, and to be bound by, the terms and conditions set forth in the Warrant to the same extent as if Assignee were the original holder under the Warrant.

(3) Investment Intent. Assignee represents and warrants that the Securities are being acquired for investment for its own account, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution of the Securities, and that Assignee has no present intention of selling, granting any participation in, or otherwise distributing the shares, nor does it have any contract, undertaking, agreement or arrangement for the same, and all representations and warranties set forth in Section 11 of the Warrant are true and correct as to Assignee as of the date of this Assignment Form.

(4) Investment Representation Statement and Market Stand-Off Agreement. Assignee has executed, and delivers with this Assignment Form, an Investment Representation Statement and Market Stand-Off Agreement in a form substantially similar to the form attached to the Warrant as Exhibit A-1.

(5) No "Bad Actor" Disqualification. Neither (a) Assignee, (b) any of its directors, executive officers, other officers that may serve as a director or officer of any company in which it invests, general partners or managing members, nor (c) any beneficial owner of any of the Company's securities held or to be held by Assignee is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act of 1933, as amended (the "**Securities Act**"), except as set forth in Rule 506(d)(2) or (d)(3) under the Securities Act and disclosed, reasonably in advance of the transfer of the Securities, in writing in reasonable detail to the Company.

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this Assignment Form on the date first set forth above.

ASSIGNOR:	**ASSIGNEE:**
______________________	______________________
(Print name of Assignor)	(Print name of Assignee)
______________________	______________________
(Signature of Assignor)	(Signature of Assignee)
______________________	______________________
(Print name of signor for Assignor, if applicable)	(Print name of signor for Assignee, if applicable)
______________________	______________________
(Print title of signor or Assignor, if applicable)	(Print title of signor for Assignee, if applicable)
Address:	Address:
______________________	______________________
______________________	______________________
______________________	______________________

SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE (**"Second Amendment"**) is made effective this 25th day of April, 2025 (the "Effective Date"), by and between **The Oddie District, LLC** a Delaware limited liability company (**"Landlord"**), and **Cartwheel Robotics, Inc.**, a Delaware Corporation (**"Tenant"**).

Recitals

A. Oddie District, LLC, a Delaware limited liability company, and Tenant entered into a lease with an effective date of May 7, 2024 (hereinafter referred to as the "**Lease**"), concerning certain premises located in Sparks, Nevada, which Premises is commonly known as 2450 Oddie Boulevard, Sparks, Nevada, 89431.

B. Landlord and Tenant subsequently entered into a First Amendment to Lease with an effective date of September 12, 2024 (hereinafter referred to as the "First Amendment").

C. Landlord and Tenant now desire to amend the Lease and the First Amendment as hereinafter set forth in this Second Amendment.

NOW, THEREFORE, in consideration of the foregoing and of the mutual agreement of the parties hereto to the terms and conditions hereinafter contained, the parties agree as follows:

Amendments

1. **Terms.** The terms and capitalized terms defined in the Lease and in the First Amendment shall have the same meaning when used in this Second Amendment.

2. **Landlord.** Landlord and Tenant hereby acknowledge that the proper legal name of Landlord in the Lease and in the First Amendment has been since its formation and is "The Oddie District, LLC, a Delaware limited liability company", and not its abbreviated form "Oddie District, LLC, a Delaware limited liability company", and that each and every reference to Landlord in the Lease and the First Amendment and to each and every exhibit to each of those documents is hereby amended to "The Oddie District, LLC, a Delaware limited liability company."

3. **Landlord Signature Block.** The signature block of Landlord in the Lease and in the First Amendment is hereby amended to correctly read as follows:

The Oddie District, LLC, a Delaware limited liability company,
By: FHP Oddie LLC, a Nevada limited liability company,
Its: Managing Member
By: Foothill Partners, Incorporated, a California corporation,
Its: Manager
By:____________________________
Douglas Wiele, CEO and President

4. **Lease Section 1.3(b). Street Address of the Premises.** The Street Address of the Premises as set forth in Lease Section 1.3(b) is hereby amended to read as follows: 2450 Oddie Boulevard, Suite 141, Sparks, Nevada 89431.

5. **Lease Section 1.3(a). The Area of the Premises.** The area of the Premises as set forth in Lease Section 1.3(a) is hereby restated and amended to 19,061 Leasable Square Feet, comprised of 14,699 square feet of ground floor Leasable Area and of 4,362 square feet of second floor Leasable Area, all as depicted in Exhibit A to this Second Amendment.

6. **Lease Section 1.6(a) Base Rent Schedule.** The Base Rent schedule as set forth in Lease Section 1.6(a) is hereby amended as follows:

Period	Leasable Square Foot Monthly Rate	Aggregate Monthly Amount
Rent Start Date through Month 8	$0.37½	$7,147.88
Months 9 thru 16	$0.75	$14,295.75
Remainder of Lease Year 2	$1.12½	$21,443.63
Lease Year 3	$1.50	$28,591.50

At the commencement of Lease Year 4 and annually thereafter at the commencement of each subsequent Lease Year through the Initial Term and, as applicable, any Extended Term, Base Rent shall be increased to an amount equal to the product obtained when the Base Rent then in effect multiplied by one hundred three percent (103%);

7. **Lease Section 1.6(b). Prepaid Rent.** The amount of the Prepaid Rent as set forth in Lease Section 1.6(b) is hereby amended to the sum of $16,000.00.

8. **Lease Section 1.6(f). Security Deposit.** The amount of the Security Deposit as set forth in Lease Section 1.6(f) is hereby amended to the sum of $38,000.00.

9. **Lease Section 1.8. Tenant Improvement Allowance.** The amount of the Tenant Improvement Allowance as set forth in Lease Section 1.8, calculated at a rate of $20.00 per Leasable Square Foot, is hereby amended to the sum of $381,220.00.

10. **Lease Section 4.7. Warrant To Purchase Shares of Common Stock.** Lease Section 4.7 of the Lease set forth the equivalent dollar value amount of an optional share of ownership in Tenant based upon the stated Leasable Area of the Premises set forth in the Lease as 10,057 square feet.

a. That dollar amount established in the Lease was in the amount of One Hundred Eighty Thousand Dollars ($180,000.00).

b. This Second Amendment amends the Leasable Area of the Premises to 19,061 square feet. Accordingly, the dollar value amount of an optional share of ownership in Tenant is reset to Three Hundred Forty Thousand Dollars ($340,000.00).

c. Exhibit A to the First Amendment provided for the form of Warrant To Purchase Shares of Common Stock of Cartwheel Robotics, Inc. (the "Warrant Agreement") by which Landlord could purchase its share of ownership in Tenant, based on the dollar amount of $180,000.00.

d. That dollar amount which forms the basis of the Warrant Agreement is hereby amended by agreement of the parties hereto to the dollar amount of $340,000.00, and the Warrants Agreement is hereby amended to reflect that adjustment.

Except as amended by this Second Amendment, the Lease is hereby ratified and affirmed and remains in full force and effect. The Lease and the First Amendment and this Second Amendment shall be construed as a whole to effectuate the intent of the intent of the parties to amend the Lease and the First Amendment in accordance with the provisions of this Second Amendment. In the case of any inconsistency between the provisions of the Lease and/or the First Amendment, the provisions of this Second Amendment shall control.

IN WITNESS WHEREOF, the undersigned have executed this Second Amendment effective as of the day and year first hereinabove set forth.

THE ODDIE DISTRICT, LLC, a Delaware limited liability company

By: FHP Oddie LLC, a Nevada limited liability company,
Its: Managing Member

By: Foothill Partners Incorporated, a California corporation,
Its: Manager

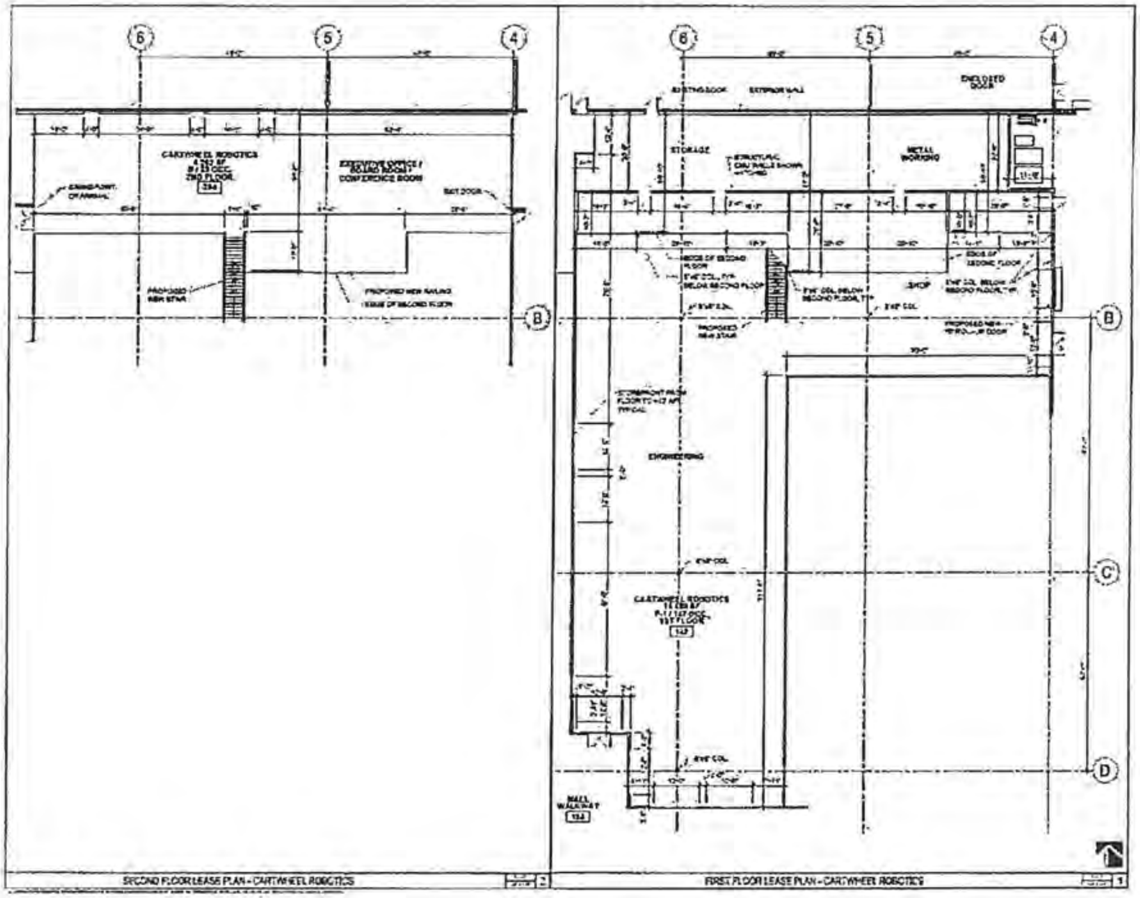
By: [signature]
Douglas Wiele, CEO and President
Date of Execution: April 25, 2025

Cartwheel Robotics, Inc., a Delaware corporation

By: [signature]
Name: Scott LaValley
Its: CEO
Date of Execution: 4/16/2025

By: [signature]
Name: Samantha Conway
Its: COO
Date of Execution: 4/16/2025

EXHIBIT A: THE PREMISES



NOTICE OF DEFAULT AND
TERMINATION OF OFFICE LEASE AGREEMENT

To: Cartwheel Robotics, Inc.,
a Delaware corporation
("*Tenant*")

6127 Reno Highway
Fallon, Nevada 89406
Attn: Samantha Conway, COO

From: Oddie District, LLC,
a Delaware limited liability company
("*Landlord*")

Premises: 2450 Oddie Boulevard, Suite 141
Sparks, Nevada 89431
("*Premises*")

NOTICE to the above-referenced Tenant is hereby provided that pursuant the Commercial Lease effective May 7, 2024 ("*Lease*"):

1. The Tenant is in Default of the Lease pursuant to Section 17.1(d) of the Lease due to the insolvency of the Tenant. Based on conversations with Tenant's principals and authorized representatives, the Tenant is unable to pay Tenant's debts generally as they become due, including rent and the security deposit which would otherwise become due under the Lease; and

2. Effective immediately, the Landlord has terminated the Lease pursuant to Section 17.2 of the Lease, including any right to possession that the Tenant would otherwise have under the Lease.

The Landlord reserves all rights to recover damages for default and breach of the Lease, including all damages recoverable under Sections 17.2 and 24.2 of the Lease, costs, and attorney's fees.

Dated this 24th day of February, 2026.

MAUPIN, COX & LeGOY

By ______________________
Robert A. Winkel, Esq., NV Bar #2868
4785 Caughlin Parkway
Reno, NV 89519
(775) 827-2000
rwinkel@mcllawfirm.com
Attorneys for Landlord

Affidavit of Certified Mailing

I hereby certify that I deposited for certified mailing, return receipt requested, from a point within the State of Nevada a sealed envelope which had enclosed within a true and correct copy of the within document, which envelope had postage fully prepaid thereon, and was addressed as follows:

6127 Reno Highway
Fallon, Nevada 89406
Attn: Samantha Conway, COO

Dated this 24th th of February, 2026

Heather L. Motta

Affidavit of Electronic Mailing

I hereby certify that I sent by electronic mail a true and correct copy of the within document to the following electronic mail addresses:

Scott.lavalley@cartwheelrobotics.com

Dated this 24 th of February, 2026

Heather L. Motta

Cartwheel Lease Rent Value

Monthly Rent	Months of rent	Year of Lease	Percent increase years 4 and 5	Annual Rent
$ 3,777.38	8	1		$ 30,219.04
$ 7,542.95	8	1		$ 60,343.60
$ 11,314.13	8	2		$ 90,513.04
$ 15,085.50	12	3		$ 181,026.00
		4	3%	$ 186,456.78
		5	3%	$ 192,050.48
				$ 740,608.94

	$ 30,171.80
one year -	$ 60,390.84