

READY TO APPLY OR HAVE QUESTIONS? CONTACT:

Brett Roler

Vice President of Planning & Development


Downtown Memphis Commission

roler@downtownmemphis.com

(901) 575-0574

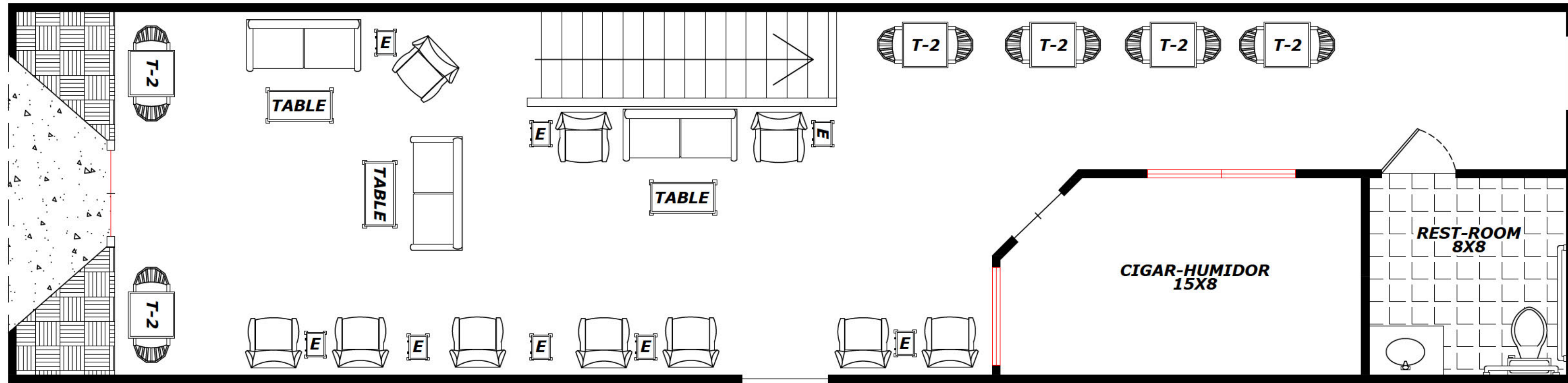
APPENDIX I: GRANT APPLICATION

Date of Application:	9/25/23	
Building/Property Address:	109 GE PATTERSON MRS. T.J. 38102	
Applicant's Name:	MARVIN RODDY	
Name of the Business:	AFTER BURNERS	
Ownership Status:	<input type="checkbox"/> I own the property <input type="checkbox"/> I am purchasing the property <input checked="" type="checkbox"/> I will lease the property <input type="checkbox"/> Other _____	
Exact size of the space to be leased (sq. ft.)	1300 SF	
Describe the length and monthly rent of your proposed lease:	<div style="background-color: black; width: 200px; height: 20px; margin-bottom: 5px;"></div> 2 YRS.	
Primary Project Contact:	Name: MARVIN RODDY Phone: 901-277-4605 Email: 141starlifferebel@outlook.com Mailing Address: 413 SOUTH MAIN UNIT 204 MEMPHIS, TN. 38103	
Proposed Improvements: (check all that apply)	<input type="checkbox"/> Hazardous material abatement <input checked="" type="checkbox"/> Interior demolition <input checked="" type="checkbox"/> ADA Compliance <input checked="" type="checkbox"/> Plumbing <input checked="" type="checkbox"/> Electrical <input checked="" type="checkbox"/> Mechanical/HVAC <input checked="" type="checkbox"/> Permanent Lighting	<input checked="" type="checkbox"/> Flooring <input checked="" type="checkbox"/> Windows/Doors <input type="checkbox"/> Permanent interior walls <input type="checkbox"/> Historic restoration <input type="checkbox"/> Cash wrap/bar/counter <input type="checkbox"/> Other (describe below)
If you listed <i>Other</i> above, Please briefly describe		

Architect (if applicable)	Name: JONES & Company: ASSOC. Phone: 901-305-1032
Total Project Budget:	\$120,000.00
Total Grant Requested:	\$30,000.00
Property Owner: (If not the applicant)	Name: JEFF ZEPATOS Phone: 901-832-3331 Email: JZEPATOS@Araderestaurant.com Mailing Address: 540 S MAIN ST NASH. TN, 38102
Legal Disclosure:	Disclose in writing whether any applicant, guarantor, or any other person involved with the project is currently engaged in any civil or criminal proceeding or ever filed for bankruptcy. FILED BANKRUPTCY 7 YEARS AGO OUT OF BANKRUPTCY
Board Relationship Disclosure:	Disclose in writing whether the applicant or any guarantor has any previous or ongoing relationship with any Board member or legal counsel of the Board. NO
Applicant's Certification:	This application is made in order to induce the CCDC to grant financial incentives to the applicant. The applicant hereby represents that all statements contained herein are true and correct. All information materially significant to the CCDC in its consideration of the application is included. The applicant acknowledges that it has reviewed the descriptions of the CCDC financial program for which it is applying and agrees to comply with those policies. The applicant shall also be required to show best faith efforts with regard to the employment of minority and/or women contractors and subcontractors in the project development. The applicant specifically agrees to pay all reasonable costs, fees and expenses incurred by the CCDC whether or not the incentive is granted or project completed.  Signature: _____ Date: _____

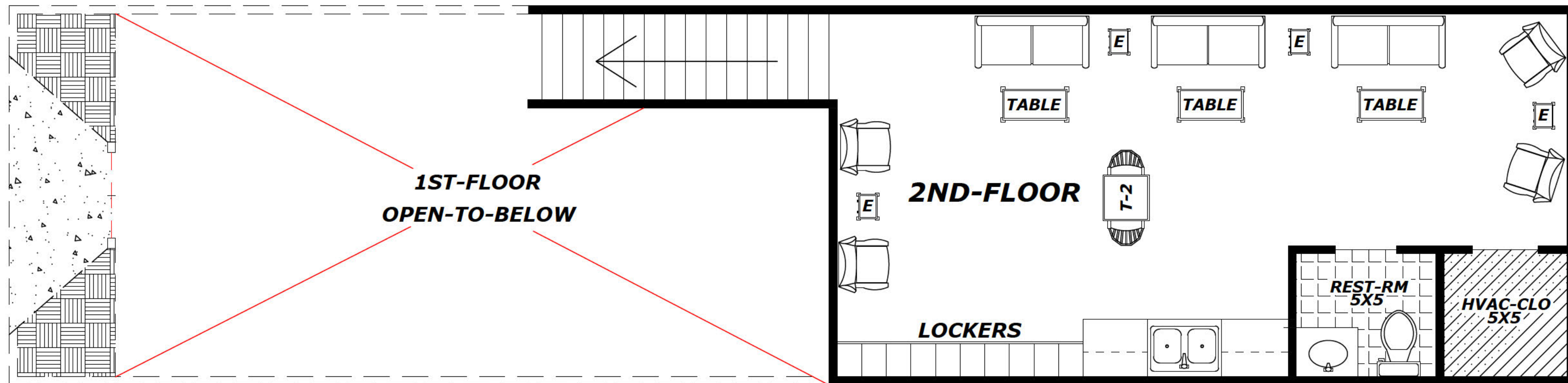
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AFTER BURNERS
CIGAR LOUNGE



=CIGAR-SOFA =CIGAR-COUCH =TABLE-2-CHAIRS =TABLE =END-TABLE

1ST-FLOOR 930-SQ.FT
63'-X-14'9"



=CIGAR-SOFA =CIGAR-COUCH =TABLE-2-CHAIRS =TABLE =END-TABLE

2ND-FLOOR 442-SQ.FT
30'-X-14'9"

AFTER BURNERS
CIGAR LOUNGE

AFTER BURNERS
CIGAR LOUNGE

JONES AND ASSOCIATES, LLC
ARCHITECTURE, ENGINEERING, LAND DEVELOPMENT AND PROJECT MANAGEMENT
5393 Sputnik Drive
Memphis, TN 38118
Phone: (901)305-1032
E-mail: jonesassociates2020@gmail.com

AFTER-BURNERS
CIGAR-LOUNGE
FLOOR-PLAN
MEMPHIS, TN-38103

SCALE: SCALE
JOB NO.: 1001
DATE: 6/6/2023
DSGN.: MARDIS
DWG. BY: BHOUSTON
CHK.: CHK
APVD.: APVD

DWG-1

SHEET 1 OF 2

DATE	DESCRIPTION	BY	APVD	DATE	DESCRIPTION	BY	APVD	DATE	DESCRIPTION	BY	APVD	DATE	DESCRIPTION	BY	APVD	DATE	DESCRIPTION	BY	APVD
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PROPOSED

AFTER BURNERS

CIGAR LOUNGE

EXECUTIVE SUMMARY

Objectives

1. To open a new cigar lounge by the end of Q3 2023.
2. To be a positive and profitable neighborhood business inclusive to the community in which it resides.
3. To increase revenue month after month by 2.5% going into year two, and by 3.5% percent monthly for year three.

1. Industry Overview

The Cigar Lounges (Smoke Shop) industry comprises businesses known as smoke shops, cigar bars or lounges, where patrons can purchase and smoke cigars freely with fear or breaking the law of a country or city. Businesses in this industry usually provide limited food and alcohol services as a means of increasing their revenue generation.

In recent time, the Cigar Lounges industry has made a strong comeback in the United States over the last five years as a large increase in cigar consumption has boosted the demand for cigar lounges (smoke shops). In the face of regulatory hurdles in obtaining exemption from state indoor smoking bans, both industry participation and revenue have grown at rapid rates since 2010.

No doubt, as the economy continues to grow and improve over the next five years, more consumers will likely indulge in premium cigars at high-end smoke shops, helping the industry sustain its growth and widen profit margins. So also, with the United States recent steps toward normalization of relations with Cuba will definitely expand access to the country's high-end cigars, providing an opportunity for the industry to maximize profits.

The Cigar Lounges industry is indeed a thriving industry in the United States, Canada and in most countries in Europe, Statistics has it that the Cigar Lounges industry in the United States of America, is worth \$4 billion, with an estimated growth rate of 11.0 percent.

There are about 7,684 legally registered and licensed cigar lounges / smoke shops businesses scattered across the United States of America and they are responsible for

employing about 17,980 people. The industry is an open industry hence a low level of market share concentration.

Unique Selling Point

. Our Mission and Vision Statement

- Our vision is to establish a standard and secure smoke shop in Memphis, Tn. that will be the melting pot of all lovers of cigars, tobaccos, and non – alcoholic drinks.
- Our mission is to establish a smoke shop business that will make available all the brands of cigars, tobaccos, beer, and non- alcoholic drinks in the Downtown area extending our highly esteemed customers a place where people can network and socialize.

This cigar lounge will be housed at 109 GE Patterson a 1/2 block from the main intersection of South Main and GE Patterson east of The Arcade Restaurant. The Arcade restaurant has been a staple in Memphis since 1919 and is on the National Historical Register. Afterburners is uniquely positioned to be the first upscale, yet relaxed cigar lounge in the South Main Business District area just minutes from the main artery of Downtown Memphis and walking distance from anywhere Downtown with ample street and private building lot available for parking.

BUSINESS OVERVIEW

About Us

AfterBurners Cigar Lounge (Afterburners) is locally owned and operated. The creation of Afterburners comes from the experience and mind of owner Marvin Roddy, a retired Air Force disable Veteran, generational farmer, and Engineer with over 40 years of combined experience across the board with the military and private sector. A love of cigars and the desire for a new business venture prompted the owner to develop the cigar lounge he had always wanted to relax in.

Afterburners will be approximately 1400 sq. feet of lounge, walk-in humidor, and retail space with multiple avenues to produce income. Large retail windows invite passersby into comfortable seating, relaxing music, entertainment on the televisions,

and art on the walls. A small business area will also be available for clients to use as they telework in the well-ventilated lounge space.

Products/Services & Pricing

Afterburners will offer premium and boutique, hand-rolled cigars and accessories that complement them. These accessories will include cutters, lighters, fuel, and personal humidors. Additional streams of revenue will include domestic/craft/import beers along with non-alcoholic beverages, coffee, and VIP membership. Afterburners will cater to the people who enjoy some of life's finer pleasures.

The primary factors in making ***Afterburners*** a success will be positioning, service, and client satisfaction. With a solid positioning strategy, service that is second to none, and a "smart" inventory, success will be imminent.

With all of these considerations in mind, we anticipate sales increasing at a monthly pace of 2.5 percent for the first two years and 3.5 percent for the third year. Tobacco will be the revenue-maker in the beginning, but the beverages, beer, and coffee should balance out the revenue within 18-24 months. Thus, making ***Afterburners*** the premiere tobacconist lounge in the area.

MARKET ANALYSIS

Afterburners is perfectly located in the midtown area; home to a collection of local restaurants, live music venues, shops for just about anything, theaters, and exhibition spaces. Just blocks away from Overton Square entertainment district, the medical district, three miles from downtown Memphis and all of its hotels. Neighborhoods bordering Afterburners are South Main Business District, Civil Rights Museum, Amtrack Train Station/Hilton Hotel, South Main Arts District.

Our Target Market

Before starting our cigar lounge business in Memphis, Tn. We conducted a market survey and feasibility studies, and we are certain that there is a wide range of people who would patronize our cigar lounge on a regular basis.

In view of that, we have created strategies that will enable us to reach out to various groups of people who are likely going to become our loyal customers. Below is our target market.

- Corporate Executives
- Politicians
- Celebrities
- Taxi Drivers
- Socialites
- Businesspeople
- Sports Men and Women
- Government Officials
- College Students
- Tourists
- Industrial Employees
- Home/Condo Owners
- Numerous Apartments Complexes

Cigar Customer

- Smokes 2-5 cigars per week, 10-25 per month
- 57% are age 35+
- 73.8% have at least some college.
- 76.7% of cigar smokers smoke in a cigar lounge or cigar bar
- In Memphis, 49.2% have an average income of at least \$50,000.
- In Downtown, 73 % have an average income of at least \$80,000.

Competitive Market

- 3 +cigars shops with 'lounges' within a 20 mi. radius
- 2 with premium cigar selection of comparable lounge size
- 2 competitors with a significant market share within 3 miles, neither with the combination of planned aesthetic, size, and amenities of ***Afterburners***.

ORGANIZATION AND MANAGEMENT

Below is the business structure that we will build After Burners Cigar Lounge®, LLC.

- Chief Executive Officer (Owner)
- Smoke Shop Manager
- Server
- Cashier

Operations

- Hours of Operation
 - Monday-Wednesday, 10AM-10PM
 - Thursday-Sunday, 10AM-12PM

PRODUCTS AND SERVICES

Cigars

Afterburners will offer premium, and boutique hand-rolled cigars selected from the manufacturers below and many others. 50% markup on average.

- | | |
|---------------------------|---------------------|
| • Cohiba | • Caldwell |
| • Punch | • Hiro & Solomon |
| • La Gloria Cubana | • K by Karen Berger |
| • Macanudo | • La Faraona |
| • Partagas | • Crowned Heads |
| • CAO | • 50 Cal |
| • Drew Estate | • Southern Draw |
| • Joya de Nicaragua | • Davidoff |
| • Padilla | • Padron |
| • Acid | • A. Fuente |
| • Tatijana | • J.C. Newman |
| • Oliva | • Montecristo |
| • Tatauje | • H Upmann |
| • Illusione/Csrolina Blue | • Romeo y Julieta |
| • Kristoff | • Ashton |
| • Perdomo | • AJ Fernandez |
| • Tres Lindas Cubanas | • Avo |

Cigar Related Products and Accessories

Our Products and Services

After Burners Cigar Lounge®, LLC is going to operate a standard smoke shop that will make available most of the cigar products and accessories that can be found in a standard cigar lounge or bar in the United States. We will also ensure that we go all the way to make available assorted wines and alcoholic drinks in our smoke shop.

These are some of our product and service offerings;

- Sales of cigars
- Sales of tobacco-related accessories
- Sales of other tobacco products
- Mass market cigars and cigarillos
- Premium cigars
- Providing a cigar-friendly smoking environment
- Non- Alcoholic Beverages
- Tobacco
- Coffee sold within Lounge

MARKETING & REVENUE

Marketing for Afterburners will consist of an aligned social media marketing plan along the major platforms, a dedicated domain/website that will be expanded upon, special sales days, and manufacturer events that happen on a monthly basis. Sales days, weekly and special events will be communicated throughout the lounge and on social media platforms.

Weekly Sales Days

- Jazz Trivia night
- First Responder Discount (Military- every day, Police, fire, paramedic, medical staff)- 10%
- Football/Sports specials
- Corporate Events
- Sponsorships

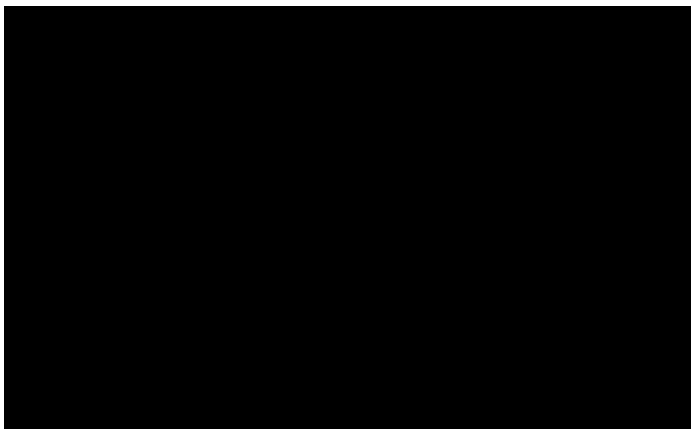
Special Events

- Last Chance Cigars (make room in humidor for new offerings)

- Bourbon/Whiskey Flight tastings
- Pairings (partnership with distributors)
- Manufacturer Events- box sales
- Military Night
- Executive meetings in Membership lounge

Additional Revenue Streams

- Model Aircraft
- Accessories (lighters, humidors, fuel, ashtrays, humidification packets, pokers)
- Coffee Service- [REDACTED] includes refills.
- Non-alcoholic beverages, ice
- Set-up fee- [REDACTED]/person
- VIP Membership- [REDACTED]/year total of 30 lockers
 - 10% off individual cigars
 - 20% box discount
 - 2 complimentary beers/month
 - Liquor discount w/ next door partner
 - 1 complimentary stick per month
 - Random swag
 - Free set-up
- 10% box discount for any customer



Zepatos Property Management
540 S Main St
Memphis, TN 38103

To Whom It May Concern:

This letter serves as Zepatos Property Management's intent to hold 109 GE Patterson / Memphis, TN 38103 for Marvin Roddy DBA "After Burners" (a Cigar shop) through 01 December 2023. Marvin has read and agreed to lease terms by Zepatos Property Management, should he wish to proceed and sign a lease. It is the understanding of Zepatos Property Management that Marvin Roddy DBA "After Burners" is actively engaging with the Downtown Memphis Commission (DMC) during this time period.

Jeff Zepatos

Zepatos Property Management
901.832.3331
manager@zpropertygroup.net

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease"), dated the _____ day of August, 2023, between Z Corp, LLC, a Tennessee limited liability company and authorized agent of the property owner, (the "Landlord"), and Tenant Company Name ("Tenant"), collectively referred to as the "Parties".

1. FUNDAMENTAL LEASE PROVISIONS. Each of the fundamental lease provisions contained below will be construed in accordance with the other provisions of this Lease and will be limited by such other provisions. In the event of any conflict between the fundamental lease provisions and the balance of this Lease, the latter will control.

(a) Landlord: Zepatos Property Management, LLC, a Tennessee limited liability company.

(b) Notice Address of Landlord: Zepatos Property Management, LLC
540 South Main Street
Memphis, TN 38103

(c) Rent Remittance: If by check, payable to:
Zepatos Property Management, LLC
c/o Jeff Zepatos, VP of Operations
540 South Main Sttreet
Memphis TN 38103

If by wire transfer:

(d) Tenant:

(e) Notice and Billing Address of Tenant

With a Copy to:

(f) Building: 540 S. Main Street and G.E. Patterson, Memphis, TN 38103

(g) Premises: Suite _____ in the Building, as more particularly described on **Exhibit A** attached hereto and incorporated herein by reference.

(h) Premises Rentable Area: _____ rentable square feet located in the Building.

(i) Building Rentable Area: _____ rentable square feet.

(j) Lease Term: _____ () months, beginning on the Lease Commencement Date.

(k) Lease Commencement Date: The later of (i) _____, 20____, or (ii) the first day of the month after which the Leasehold Improvements are substantially completed and the Premises is delivered to Tenant

(l) Base Rent: \$_____ per RSF with _____ % annual increases

(m) Tenant's Pro Rata Share of Building: _____ %

2. PREMISES.

(a) Landlord owns that certain tract or parcel of land located in Memphis, Shelby County, Tennessee, building, municipally known as 540 S. Main Street and G.E. Patterson, Memphis, Tennessee 38103 ("Building"), is constructed. The Landlord shall lease to Tenant and Tenant shall lease from Landlord approximately _____ rentable square feet as outlined on the plan attached hereto as **Exhibit A**

and commonly referred to as Suite [REDACTED] on the first floor of the Building (hereinafter called "Premises").

- (b) Except as expressly provided otherwise in this Lease, Tenant's occupancy of the Premises is Tenant's representation to Landlord that (i) Tenant has examined and inspected the Premises, (ii) finds the Premises to be as represented by Landlord and satisfactory for Tenant's intended use, and (iii) constitutes Tenant's acceptance of the Premises "as is". Landlord makes no representation or warranty as to the condition of the Premises except as specifically set forth elsewhere in this Lease.
- (c) Beginning with the full execution of this Lease until the Lease Commencement Date, Landlord grants Tenant a license to occupy Suite [REDACTED] of the Building. Such occupancy shall be at Tenant's sole risk and subject to all the terms and conditions of this Lease that are applicable to the Premises, except Tenant shall not be obligated to pay any Base Rent or additional rent. Prior to Tenant occupying Suite [REDACTED], Tenant shall be required to procure the insurance required of Tenant under this Lease and provide proof of same in such form as is reasonably satisfactory to Landlord. Any representative or employee of Tenant on or about Suite [REDACTED] shall be there at his or her sole risk. Tenant shall defend, indemnify and hold Landlord harmless from and against any and all claims (including, without limitation, attorneys' fees and expenses) of Tenant's agents, representatives, managers, contractors, employees or any other persons whomsoever arising out of death, injuries to person or damage to property. The license granted to Tenant to occupy Suite [REDACTED] may be revoked at any time by Landlord in Landlord's sole discretion.

3. **TERM.** The term of this Lease shall be for [REDACTED] months ("Term" or "Lease Term") commencing on the later of (i) [REDACTED], 20[REDACTED], or (ii) the date the Leasehold Improvements are substantially completed and the Premises is delivered to Tenant (the "Lease Commencement Date"). Upon Landlord's request, the Lease Commencement Date shall be documented in writing by Landlord and Tenant pursuant to a commercially reasonable lease commencement date agreement. Landlord will allow Tenant to access the Premises one (1) week prior to the Lease Commencement Date for purpose of installation of its telephone, cabling, and equipment, provided such early access does not impede the progress of the Leasehold Improvements. In order to obtain such access, Tenant will make an appointment with the property manager of the Building during normal building hours of operation.

4. **LEASEHOLD IMPROVEMENTS.** Landlord shall perform the following work in the Premises prior to the Lease Commencement Date (the "Leasehold Improvements"): Landlord will deliver the Premises in "turn key" condition using Building-standard materials (except as mutually agreed by Landlord and Tenant) based on the approved floor plan attached hereto at **Exhibit A**. Landlord's out of pocket cost for the Improvement Work, including but not limited to the costs associated with materials, labor, taxes, insurance, permits and fees, architectural and engineering fees, supervision, contractors' overhead and profit, and any cost associated with hazardous materials testing or abatement, shall not exceed \$[REDACTED] per RSF of the Premises (the "TI Allowance"). In connection with the Leasehold Improvements, Landlord shall charge a 5% construction management fee, which shall be paid from the TI Allowance. Any cost incurred by Landlord to complete the Improvement Work in excess of the TI Allowance shall be reimbursed by Tenant within ten (10) days of written demand by Landlord. Tenant hereby agrees that the unamortized cost of the Leasehold Improvements (up to the TI Allowance) is a separate and independent obligation hereunder, and in the event of a default by Tenant, the unamortized balance of the amounts expended by Landlord in completing the Leasehold Improvements shall immediately become due and payable in full under this Lease as accrued rent. This provision shall survive termination of this Lease.

5. **USE.** Unless approved in writing by Landlord, Tenant shall use the Premises solely for [REDACTED].

6. **RENTAL.**

- (a) **Rent.** In consideration for this Lease, beginning on the Lease Commencement Date, Tenant promises to pay Landlord in lawful money of the United States monthly base rental ("Base Rent") in the amount of [REDACTED] (\$[REDACTED]) PLUS, as "Additional Rent" (as such term is

defined herein), its pro-rata share of Estimated Operating Expenses (as defined herein), which Landlord shall estimate monthly in advance and charge to Lessee on an ongoing basis.

All Rent due under this Lease is payable at [REDACTED], Tennessee, 38103, to the order of [REDACTED], or their assigns or agents.

Base Rent and Additional Rent, shall be paid to Landlord on or before the first day of each and every month throughout the Term without notice, demand or setoff, except as may be specifically set forth herein. When occupancy of the Premises begins during the middle of any month either before or after the Lease Commencement Date, rental for the period shall be paid based on a daily rate of 1/30th of the stated Base Rent. Any monetary obligation of Tenant as provided in this Lease, other than the Base Rent, is "Additional Rent" and is material consideration for the Premises. Base Rent and Additional Rent shall sometimes be referred to herein collectively as "Rent".

(b) Adjustment of Rental.

(i) Tenant's Pro Rata Share of Operating Expenses. In the event and to the extent the Operating Expenses (as defined below) of Landlord for the Building of which the Premises are a part shall, for any calendar year during the Lease Term, exceed the Estimated Operating Expenses estimated by Landlord and charged to Tenant on a monthly basis, Tenant agrees to pay as Additional Rent Tenant's Pro Rata Share (hereinafter defined) of the excess Operating Expenses. "Tenant's Pro Rata Share" shall be that percentage which is determined by dividing the number of total rentable square feet in the Building into the number of rentable square feet in the Premises, which percentage is stated in the Fundamental Lease Provisions.

(ii) Invoice for Tenant's Pro Rata Share of Operating Expenses. Landlord may within nine (9) months following the close of any calendar year for which Additional Rent is due under this Section invoice Tenant for the excess Operating Expenses. Tenant agrees to make payment of the Additional Rent to Landlord within thirty (30) days following receipt of the invoice. The invoice shall include a statement ("Statement") with computations of the Additional Rent for the calendar year. The Statement shall show in detail a breakdown by component expenses including but not limited to items such as repairs, utilities, landscaping and janitorial services for the calendar year. Landlord's failure to render a Statement for any calendar year shall not prejudice Landlord's right to issue a Statement with respect to that calendar year or any subsequent calendar year, nor shall Landlord's rendering of an incorrect Statement prejudice Landlord's right subsequently to issue a corrected Statement, as long as the corrected Statement is delivered to Tenant within 12 months following the close of any calendar year for which Additional Rent is due. In any calendar year during the Lease Term, Landlord, in lieu of waiting until the close of the calendar year in order to determine any excess Operating Expenses, may at its option invoice Tenant on a monthly basis, in advance, for Tenant's Pro Rata Share of the Operating Expenses based upon the previous year's excess Operating Expenses. Landlord shall adjust with Tenant such Operating Expenses based on actual Operating Expenses incurred for such calendar year. Within thirty (30) days of the determination of actual excess Operating Expenses by Landlord, if necessary, Landlord shall refund to Tenant any excess Operating Expenses paid by Tenant or, within thirty (30) days following its receipt of an invoice therefor, Tenant shall pay to Landlord any overage of actual Operating Expenses. If this Lease expires or terminates on a day other than December 31, then Additional Rent shall be prorated on a 365-day calendar year.

(iii) Definition of Operating Expenses. The term "Operating Expenses" as used above includes all expenses incurred with respect to the maintenance and operation of the Building of which the Premises are a part, including, but not limited to, maintenance and repair costs, electricity, fuel, water, sewer, gas and other utility charges, all real estate, franchise and ad valorem taxes, assessments, sewer rents, water rents and charges, general or special applicable to the Premises or Building (excluding interest or penalties for late payment), security, window washing, janitorial services, trash removal, landscaping and pest control, wages and fringe benefits payable to employees of Landlord whose duties are primarily connected with the operation and maintenance of the Premises or Building (it is agreed that only a pro rata share is to be billed to the Building for those employees of Landlord who work on other projects), amounts paid to contractors or subcontractors for work or services performed in connection with the operation and maintenance of the Premises or Building, all services, supplies, repairs, replacements or other expenses for maintaining and operating the Building, parking area, recreation area and plaza area maintenance, commercially reasonable management fees not to exceed 4% of gross revenue, and the amortization of the cost of capital improvements are necessary to maintain the Building in an

appropriate manner. The term "Operating Expenses" also includes all present and future lease tax, any sales, use tax on rents (but not income tax), cost of reasonable attorney's fees and expenses of any appeals and installments of special assessments, including special assessments due to deed restrictions, which accrue against the Building of which the Premises are a part during the Lease Term as well as all insurance premiums Landlord is required to pay or reasonably deems necessary to pay, including without limitation public liability or casualty insurance, and Landlord's personal property insurance, with respect to the Building.

- (c) Security Deposit. Simultaneously with the execution of this Lease, Tenant shall deposit with Landlord \$ [REDACTED] as a security deposit ("Security Deposit"). Such Security Deposit (which shall not bear interest to Tenant and which may be commingled by Landlord unless otherwise required by any provision of law) shall be considered as security for the payment and performance by Tenant of all of Tenant's obligations, covenants, conditions and agreements under the Lease. Upon the expiration of the Term hereof (or any renewal or extension thereof in accordance with this Lease), Landlord shall (provided that Tenant is not in default under the terms hereof) return and pay back such Security Deposit to Tenant, less such portion thereof as Landlord shall have appropriated to make good any default by Tenant with respect to any of Tenant's aforesaid obligations, covenants, conditions and agreements. In the event of any default by Tenant hereunder during the Term of this Lease, Landlord shall have the right, but shall not be obligated, to apply all or any portion of the Security Deposit to cure such default, in which event Tenant shall be obligated promptly to deposit with Landlord the amount necessary to restore the Security Deposit to its original amount. In the event of the sale or transfer of Landlord's interest in the Building, Landlord shall have the right to transfer the Security Deposit to such purchaser or transferee, in which event Tenant shall look only to the new Landlord for the return of the Security Deposit and Landlord shall thereupon be released from all liability to Tenant for the return of such Security Deposit.
- (d) Late Fee. If Tenant shall fail to pay any Base Rent, Additional Rent or any other charge payable under this Lease, Tenant shall pay Landlord a late fee of ten percent (10%) of such sum. In addition to said late fee, interest will accrue at the maximum rate permitted by the laws of the State of Tennessee ("Interest") from and after the date on which any such sum is due and payable. The Interest, together with a late charge of ten percent (10%) of the delinquent amount, to cover the extra expense involved in holding such delinquency, will be paid by Tenant to Landlord at the time of payment of the delinquent sum.

7. Services to be Furnished by Landlord. Landlord will maintain the Building in a Class A manner and to provide all usual and reasonable water, heat, cooling, and electric current for lighting purposes in accordance with standards as reasonably determined by Landlord ("Normal Building Standards"). Normal Building Standards shall be from 7:00 A.M. until 6:00 P.M. Monday through Friday and 9:00 A.M. until 1:00 P.M. on Saturday or such other times as may be required by government regulation. If Tenant requires or consumes electricity or services in excess of such usual and reasonable amounts, or if Tenant requires HVAC during times other than Normal Business Standards, then Tenant shall pay to Landlord, as Additional Rent, the then-current rate. The current rate is a flat rate of \$75 per hour. In addition, Landlord shall have the right to separately meter and bill back to the Tenant for any above-standard power utilizing device used by Tenant in the Premises, if any, which by way of example and not limitation, could include, supplemental HVAC systems, computer and telecommunications rooms, UPS or backup power devices. Failure of the Landlord to furnish such services, or any stoppage of such services resulting from causes incident to making repairs or improvements, failure of equipment or systems, or any other cause beyond the direct control of the Landlord, shall not render Landlord liable in any respect for damage or injury to either person or property, nor shall be construed an eviction of Tenant, nor work an abatement of Rent, nor constitute a breach of Landlord's covenant of quiet enjoyment of the Premises, nor relieve Tenant from performance of any covenant or agreement hereunder. Should any equipment, system or machinery break down, or for any cause cease to function properly, Landlord shall use reasonable diligence to repair the same promptly, but Tenant

shall have no claim for abatement or damages on account of interruptions in service occasioned thereby or resulting therefrom, and Landlord shall incur no liability whatever for any loss, damage or interruption of services caused by a strike, whether such strike shall involve employees of Landlord or others, or any other cause beyond direct control of Landlord. The provisions of this paragraph shall survive the expiration or earlier termination of this Lease.

8. **Peaceful Enjoyment.** Tenant shall, and may peacefully, have, hold and enjoy the Premises subject to the other terms hereof, provided Tenant pays the rentals herein recited and performs all of its covenants and agreements herein contained.

9. **Payments.** Tenant shall pay all Base Rent, Additional Rent, and sums provided to be paid to Landlord herein at the time and in the manner herein provided, time being of the essence.

10. **Repairs and Re-Entry.**

- (a) Tenant, at its expense, shall: (i) keep the Premises and fixtures in good order, including, without limitation, any hot water heater(s) exclusively serving the Premises; (ii) repair and replace Non-Standard Improvements installed by or at Tenant's request that serve the Premises (unless the Lease is ended because of casualty loss or condemnation); (iii) make repairs and replacements to the Premises and/or Building caused by Tenant or Tenant's agents, employees, invitees or visitors; and (iv) not commit waste. "**Non-Standard Improvements**" means such items as (i) any equipment in the Premises that runs continuously (for example, computer server room equipment) or places unusual demands on the electrical, heating or air conditioning systems ("High Demand Equipment") and separate meters, (ii) all wiring and cabling from the point of origin to the termination point, (iii) raised floors for computer or communications systems, (iv) telephone equipment, security systems, and UPS systems, (iv) equipment racks, (v) alterations installed by or at the request of Tenant after the Lease Commencement Date, (vi) equipment installed in a kitchen, kitchenette or break room within the Premises, including any ice machine, refrigerator, dishwasher, garbage disposal, coffee machine and microwave, water filter and water purification system, and (vii) any other improvements that are not part of the Building Standard Improvements, including, but not limited to, special equipment, decorative treatments, lights and fixtures and executive restrooms.
- (b) Tenant shall promptly provide written notice to Landlord (except in the event of an emergency in which the notice will not need to be in writing) of the need of maintenance or repair to the Premises. If Tenant fails to make repairs or replacements for which it is responsible promptly, or within thirty (30) days after occurrence, Landlord shall have the right, ten (10) days after notice to Tenant, but shall not be obligated, to make such repairs or replacements and Tenant shall repay the reasonable cost thereof to Landlord, as Additional Rent, upon demand. Any wiring or cabling installed by Tenant shall be removed from the Building or Premises by Tenant at Tenant's sole expense, upon termination of this Lease, granted that Landlord has delivered the Premises free of any existing wiring or cabling installed by previous Tenants. Further, any damage to the Building or Premises as a result of such removal shall be repaired or replaced by Tenant promptly or within fifteen (15) days after occurrence. If after fifteen (15) days or upon expiration of the Lease, whichever is earlier, Tenant has not repaired said damage as required, Landlord may in any event, at its option, make such repairs or replacements and Tenant shall repay the reasonable cost thereof to Landlord on demand. Tenant will not commit or allow any waste or damage to be committed on any portion of the Premises, and shall, at the

termination of this Lease, by lapse of time or otherwise, deliver up the Premises to Landlord broom clean and in good condition as at date of possession of Tenant, ordinary wear and tear damage directly caused by Landlord and casualty damage excepted, and, upon such termination of Lease, Landlord shall have the right to re-enter and resume possession of the Premises.

11. Assignment or Subletting.

- (a) In the event Tenant should desire to assign this Lease or sublet the Premises or any part thereof, Tenant shall obtain Landlord's prior written consent therefor. The term "assignment" shall be defined and deemed to include the following: (a) if Tenant is a partnership, the withdrawal or change, whether voluntary, involuntary or by operation of law, of partners owning 30% or more of the partnership, or the dissolution of the partnership; (b) if Tenant consists of more than one person, an assignment, whether voluntary, involuntary, or by operation of law, by one person to one of the other persons that is a Tenant; (c) if Tenant is a corporation, any dissolution or reorganization of Tenant, or the sale or other transfer of a controlling percentage (hereafter defined) of capital stock of Tenant other than to an affiliate or subsidiary or the sale of more than 50% in value of the assets of Tenant; and (d) if Tenant is a limited liability company, the change of members whose interest in the company is more than 50%. The phrase "controlling percentage" means the ownership of, and the right to vote, stock possessing more than 50% of the total combined voting power of all classes of Tenant's capital stock issued, outstanding and entitled to vote for the election of directors, or such lesser percentage as is required to provide actual control over the affairs of the corporation; except that, if the Tenant is a publicly traded company, public trades or sales of the Tenant's stock on a national stock exchange shall not be considered an assignment hereunder even if the aggregate of the trades or sales exceeds 50% of the capital stock of the company. Landlord's grant or waiver of consent prior to any such assignment of this Lease or subletting of the Premises shall not be construed as a waiver or release of Tenant from the terms of any covenant or obligation under this Lease. In the event of any assignment or sublease, neither Tenant nor any guarantor of this Lease shall be released from liability hereunder. Anything herein to the contrary notwithstanding, if Tenant is a limited partnership or a general partnership (or is comprised of two (2) or more persons, individually or as co-partners), the change or conversion of Tenant to (i) a limited liability company, or (ii) a limited liability partnership or (iii) or other entity which possesses the characteristics of limited liability (any such limited liability company, limited liability partnership or other entity is collectively referred to as a "Successor Entity") shall be prohibited unless the prior written consent of Landlord is obtained, which consent may be withheld by Landlord in its sole and absolute discretion. Any attempt by Tenant to effect such conversion without Landlord's prior written consent shall be voidable at Landlord's election and further, shall constitute a material breach of this Lease
- (b) Notwithstanding the foregoing paragraph, Landlord's consent to an assignment or sublease shall be in Landlord's sole and absolute discretion.
- (c) Notwithstanding anything contained in this Lease to the contrary, upon an assignment of this Lease or sublease of all or part of the Premises, any and all Renewal Option(s), expansion options, or any other options granted in this

Lease shall automatically be null and void and no further force or effect unless Landlord, in its sole and absolute discretion, agrees otherwise in writing.

- (d) In the event of Tenant's request for approval of an assignment or sublease, Tenant agrees (i) to reimburse Landlord for its attorney fees and expenses incurred in connection with Tenant's assignment or subletting and (ii) to pay a transfer fee of Five Hundred and No/100 Dollars (\$500.00).

12. Alterations, Additions, Improvements to the Premises. Tenant shall not make or allow to be made any improvements, alterations or physical additions in or to the Premises without the prior written consent of Landlord which shall not be unreasonably withheld, conditioned or delayed. Tenant, at Tenant's sole cost and expense, shall comply with and shall cause all of its contractors, agents, servants, employees, attorneys, invitees, and licensees to comply with all applicable laws, ordinances, rules, and regulations of governmental and quasi-governmental authorities, including, without limitation, the Americans with Disabilities Act of 1990, as amended by the Americans with Disabilities Act Amendments Act of 2008 (and the regulations promulgated thereunder) applicable to the Premises or the use or occupancy of the Premises. Any and all such alterations, physical additions, or improvements when made to the Premises by Tenant, shall at once become the property of Landlord and shall be surrendered to Landlord upon the termination in any manner of this Lease; but this clause shall not apply to trade fixtures or furniture of Tenant. Further any damage to the Building as a result of such removal shall be repaired or replaced by Tenant promptly or within ten (10) days after occurrence. Landlord may in any event, at its option, make such repairs or replacements and Tenant shall repay the cost thereof to Landlord on demand. Upon Landlord's demand, any alterations made by Tenant which were not approved by Landlord shall be removed at the termination of the Lease and the Premises restored to their former condition, all at the Tenant's expense. Tenant shall not suffer any mechanics' or material men's lien to be filed against the Premises or the total Building facilities or any part thereof by reason of work, labor, services or materials performed or furnished to Tenant or anyone holding the Premises under Tenant.

13. Alterations, Additions, Improvements to the Building or Common Area. Tenant shall in no event be permitted to make any alterations, additions, modifications or improvements whatsoever to any portions of the Building or Building common areas that are located on the exterior of Tenant's Premises, including without limitation, such items as access card readers, security cameras, or doorbells. Should Tenant desire any such modifications, Tenant shall obtain Landlord's prior approval with regard thereto, which may be withheld or denied in Landlord's sole and absolute discretion. If Tenant is preliminarily approved to make any alterations, additions, modifications or improvements to any portions of the Building or Building common areas that are located on the exterior of Tenant's Premises, it shall enter into an agreement with Landlord setting for the terms and conditions of same prior to Landlord giving final approval and Tenant being able to commence such work.

14. Legal Use and Violations of Insurance Coverage. Tenant will not occupy or use, or permit any portion of the Premises to be occupied or used for any business or purpose which is unlawful in part or in whole or deemed to be disreputable or hazardous in any manner, or permit anything to be done which will in any way increase the rate of insurance on said Building and/or its contents, and in the event that, by reason of acts of Tenant, there shall be an increase in rate of the insurance on the Building or its contents created by Tenant's acts or conduct of business, then Tenant hereby agrees to pay such increase and to remedy such condition upon demand by Landlord.

15. Insurance.

- (a) Tenant agrees to maintain during the Term, at its own cost and expense, comprehensive general liability insurance under which Tenant is named as insured and Landlord as an additional insured in amounts satisfactory to Landlord which presently is to be with minimum combined single limits of \$1,000,000.00 per occurrence for bodily injury and property damage and a \$2,000,000.00 aggregate limit, and containing a contractual endorsement covering Tenant's indemnity obligations under this Lease, and a waiver by the insurer of all right of subrogation against Landlord, its officers, directors, agents and employees. A current certificate of such insurance shall be deposited with Landlord at all times which shall provide that such insurance may not be altered, terminated or lapse without at least thirty (30) days prior written notice to Landlord. Anything in this Lease to the contrary notwithstanding, it is agreed that Tenant hereby releases Landlord from any liability which

Landlord would, but for this Section, have had to Tenant during the Lease Term, resulting from the occurrence of any accident, or occurrence or casualty which is covered by casualty or property damage insurance required to be carried by Tenant or actually being carried by Tenant at the time of such occurrence. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

- (b) Tenant agrees to maintain during the Term, at its own cost and expense, the equivalent of ISO Special Form Property Insurance on Tenant's Property for full replacement value and with coinsurance waived. For purposes of this provision, "Tenant's Property" shall mean Tenant's personal property and fixtures, and any improvements to the Premises that were paid for by Tenant (and were not provided to the Premises pursuant to a tenant improvement allowance provided to Tenant by Landlord or at Landlord's cost).

16. Rules of Building. Tenant and Tenant's agents, employees, invitees and visitors shall comply fully with all requirements of the rules of the Building which may be made by Landlord and enforced in common with all other Tenants of the Building. A copy of such rules is attached hereto as **Exhibit B** and such rules may be changed or amended by Landlord.

17. Entry for Repairs and Inspection. Tenant will permit Landlord or its officers, agents, or representatives the right to enter into and upon any and all parts of the Premises with reasonable notice to Tenant (normal Building services, cleaning and emergencies excluded from the notice requirement) at all reasonable hours to inspect same or make repairs or alterations or additions as Landlord may deem necessary or desirable and Tenant shall not be entitled to any abatement or reduction of Rent by reason thereof. Within last six (6) months prior to expiration of the Lease Term or applicable renewal term, Landlord shall have the right to enter the Premises on the same conditions to market the Premises for lease provided Landlord gives Tenant reasonable notice and uses reasonable efforts to minimize disturbance of Tenant.

18. Signs. Upon Landlord's reasonable approval of the proposed location, size, style, color, character and material, Landlord, at Landlord's expense, shall install and display Building standard signage (i) in the Building directory and (ii) near the entrance to the Premises. Except as provided above, Tenant shall not paint, display, inscribe, maintain or affix any sign, picture, advertisement, notice, lettering or direction on any part of the exterior of the Premises or on any part of the Building without the prior written consent of Landlord. Landlord reserves the right to remove, at Tenant's expense, all matter other than that above provided for without notice to Tenant.

19. Defacing Premises and Over-Loading. Tenant shall not place anything or allow anything to be placed near the glass of any door, partition, wall or window which may be unsightly from outside the Premises, and Tenant shall not place or permit to be placed any article of any kind on any window ledge or on the exterior walls, blinds, shades, awnings or other forms of inside or outside window coverings, or window ventilators or similar devices, shall not be placed in or about the outside windows in the Premises except to the extent, if any, that the character, shape, color, material and make thereof is approved by the Landlord, and Tenant shall not do any painting or decorating in the Premises or make, paint, cut or drill into, or in any way deface any part of the Premises or Building without the written consent of Landlord. Tenant shall not overload any floor or part thereof in the Premises, or any facility in the Building or any public corridors or elevators therein, by bringing in or removing any large or heavy articles, and the Landlord may direct and control the locations of safes, furniture and other large or heavy articles that may be brought into the Building. Tenant agrees not to place any load on any portion of the Premises or other portions of the Building or its equipment that would exceed the allowable load limits as set forth in the rules of the Building.

20. Organization and Authority. Tenant has been duly organized, is validly existing, is in good standing and is qualified to do business in the state in which the Premises is located. Tenant has the full right and authority and have obtained any and all consents required to enter into this Lease, all of the documents to be delivered by Tenant to consummate or cause to be consummated the transaction contemplated hereby. This Lease has been, and all of the documents related to the Lease to be delivered by Tenant will be authorized and properly executed and constitutes, or will constitute the valid and binding obligation of Tenant, enforceable in accordance with their terms

21. Condemnation. If the Premises or any material part thereof is taken by virtue of eminent domain or for any public or quasi-public use or purpose, either Party may terminate this Lease and Rent shall be prorated to the date of termination. If any part of the Building other than the Premises be so taken, the Landlord shall have the right to terminate this Lease at the date of such taking or within six months thereafter by giving Tenant thirty (30) days prior notice of the date of such termination. Landlord shall be entitled to the entire condemnation award, except that Tenant shall be entitled to make a

separate claim against the taking authority for its furniture or trade fixtures belonging to Tenant or which Tenant would be entitled to remove upon the termination thereof.

22. Loss or Damage. Landlord shall not be liable or responsible for any loss or damage to any property or person occasioned by theft, fire, water, rain, snow, leakage, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of any governmental body or authority or any matter beyond the control of Landlord or for any damage or inconvenience which may arise through repair or alteration of any part of the Building, or failure to make such repairs, or from any cause unless and to the extent occasioned by Landlord's gross negligence or intentional misconduct or intentional breach of this Lease.

23. Holding Over. If Tenant holds over occupying the Premises after the Lease Term ends ("Holdover"), then such holding over shall not be a renewal of this Lease, and Tenant shall be a tenant-at-sufferance. Tenant shall pay by the first day of each month one hundred fifty percent (150%) the amount of Rent and Additional Rent due in the last full month immediately preceding the Holdover period and shall be liable for any and all damages, including any special, consequential, incidental damages, suffered by Landlord because of the Holdover.

24. Loss by Fire or Other Causes. Tenant shall, in case of fire, or loss or damage from any other cause, give immediate written notice thereof to Landlord. If the Premises shall be damaged by fire or other casualty covered by Landlord's insurance, the damages shall be repaired by and at the expense of Landlord and the Rent until such repairs shall be made shall abate, except that Tenant agrees to repair and replace its own furniture, furnishings and equipment, and except that, if such damage be so extensive that replacement of all or substantially all of the Building be required, then and in that event, at the option of Landlord, this Lease will be canceled and of no force and effect from and after the date of the occurrence of such damage.

25. Subrogation. Landlord and Tenant hereby mutually covenant and agree to have their respective insurance carriers waive any right of subrogation for any losses paid to them on policy or policies of insurance carried on their respective properties to the extent permitted by the terms of such policy or policies. If such waiver can be secured only by the payment of an additional premium, the Party benefited thereby shall pay such additional premium.

26. Attorneys Fees. If Tenant defaults in the performance of any of the terms, covenants, agreements or conditions contained in this Lease and Landlord places the enforcement of this Lease, or any part thereof, or the collection of any Rent due, or to become due hereunder, or recovery of the possession of the Premises, in the hands of an attorney, or files suit upon the same, Tenant agrees to pay reasonable attorney's fees incurred by Landlord, and payment of the same shall be secured in like manner as is herein provided, as to security to rent. Should Tenant require Landlord to execute additional documents during the Term that requires attorney review, Tenant agrees to reimburse Landlord for any legal fees it incurs. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

27. Amendment of Lease. This Agreement may not be altered, changed, or amended, except by an instrument in writing signed by both Parties hereto.

28. Default by Tenant. Each of the following shall constitute an "event of default" by Tenant: (a) If Tenant shall fail to pay when due any Rent, Additional Rent or other charge payable by Tenant under this Lease; or (b) If Tenant shall fail to observe or perform any other provision of this Lease, and such default shall continue for a period of thirty (30) days after written notice of such default from Landlord; or (c) If Tenant shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future federal, state or other bankruptcy or insolvency statute or law, or shall seek or consent to or acquiesce in the appointment of any bankruptcy or insolvency trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties or of the Premises and if such condition shall continue for a period of twenty (20) days; or (d) If Tenant shall vacate, abandon or otherwise fail to occupy the Premises, and discontinue payment of rental, for a period of ninety (90) consecutive days or more for reasons other than repair, construction or force majeure.

29. Remedies.

- (a) Upon the occurrence of any event of default, Landlord shall have the right at any time thereafter to pursue any one or more of the following remedies without notice or demand. Pursuit of any of the following remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or equity, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rents due to Landlord hereunder or of any damages accruing to Landlord by reason of the Tenant's violation of any of the

terms, conditions or covenants herein contained. Any rents or charges which may be due Landlord, as provided herein, shall include the Base Rent for the Lease Term, the unamortized balance of any leasehold improvements, broker commissions paid hereunder, and any Additional Rent or other charges provided for herein. In the event the aforementioned unamortized balance is paid in full, the amount of Base Rent due shall be adjusted accordingly.

(i) Terminate this Lease; however, any liability of Tenant to Landlord or indemnification of Landlord by Tenant shall survive such termination, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rents, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, by force if necessary, without being liable for prosecution or for any claim for damages therefor. Tenant agrees to pay to Landlord on demand the amount of all loss and damage which Landlord suffers by reason of such termination, whether through inability to re-let the Premises on satisfactory terms or otherwise.

(ii) Enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises, by entry into the Premises if necessary, without being liable for prosecution or any claim for damages therefor, and re-let the Premises and receive the rents therefrom. Tenant agrees to pay to Landlord on demand any deficiency that may arise by reason of such re-letting. There shall be added to any deficiency such reasonable expenses as Landlord may incur in re-letting the Premises, including reasonable attorneys' fees, brokerage fees and preparation of the Premises for re-letting, all as Landlord deems advisable and necessary for the purpose of re-letting the Premises.

(iii) Enter upon the Premises, in accordance with applicable law, without necessarily expelling or removing Tenant, and do whatever Tenant is obligated to do under the terms of this Lease. Tenant agrees to reimburse Landlord on demand for expenses, together with interest at the maximum rate legal in Tennessee per annum, which Landlord may incur in effecting compliance with Tenant's obligations under this Lease, and Tenant further agrees that Landlord shall not be liable for any damages resulting to the Tenant from such action.

(iv) Declare the entire remaining Base Rent and Additional Rent immediately due and payable, such amount to be discounted to its present value at a discount rate equal to the U.S. Treasury Bill rate with the closest maturity to the remaining term of the Lease as selected by Landlord.

(v) Bring action for recovery of all amounts due from Tenant.

(vi) Seize and hold any personal property of Tenant located in the Premises and assert against the same a lien for monies due Landlord.

(vii) Pursue any and all other rights and remedies available at law, in equity or under this Lease.

(b) In the event that the Landlord's exercise of any remedy under this Section or of any other remedy for default available to and under the law, or in equity results in a period of time during which the Premises remains unlet irrespective of whether this Lease is terminated or not, the Tenant shall be absolutely liable to the Landlord for the rentals which would be due under this Lease for such period of time. The liability of the Tenant shall not be diminished for such period of a subsequent re-letting of the Premises, regardless of whether the re-letting results in rent payments in excess of the Rent payments required hereunder.

(c) It is further agreed that if an event of default shall have occurred or if the Landlord should terminate the Lease and/or take possession of the Premises pursuant to any of the above Sections or pursuant to rights under the statutory or common law, the Landlord may thereafter accept any rental

payments or other payments which may be tendered by the Tenant as payments on account. The acceptance of such payments shall not be deemed a release of any of the liabilities under this Section and shall not be deemed a waiver of the event of default or an agreement to restore possession of the Premises to the Tenant in the absence of a written agreement to that effect signed by or on behalf of the Landlord.

30. Waiver. Failure of Landlord to declare any default immediately upon occurrence thereof or delay in taking any action in connection therewith shall not waive such default, but Landlord shall have the right to declare any such default, at any time and take such action as might be lawful or authorized hereunder, either in law or in equity.

31. Assignment by Landlord. This Lease shall inure to the benefit of the successors and assigns of Landlord who assume Landlord's obligations hereunder and, except as otherwise specifically provided herein, with the written consent of Landlord first had and obtained, but not otherwise, to the benefit of the heirs, executors and/or administrators, successors and assigns of Tenant. Landlord may assign by way of security or otherwise this Lease or any part hereof or any right hereunder without Tenant's consent, and any such assignment by Landlord of its entire interest in the Premises, and its entire rights under this Lease (other than a security assignment) shall relieve Landlord of any further obligation hereunder, except for obligations accrued at the time of such assignment, if the assignee assumes and agrees to perform the obligations of the Landlord hereunder.

32. Subordination; Attornment. This Lease is and shall be subordinate to any mortgage or deed of trust that may now or hereafter be placed by Landlord upon the Building or any part thereof and to any and all advances made thereunder or modifications, replacements or extension thereof. It is the intent of the Parties that the foregoing provisions shall be self-operative, but upon request of Landlord, Tenant shall execute a subordination and non-disturbance agreement in a form provided by Landlord's lender.

33. Indemnity. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all actions, claims, demands, costs (including reasonable attorney's fees), damages or expenses of any kind which may be asserted against or incurred by Landlord as the result of any occurrence in or about the Premises, by reason of Tenant's use or occupancy of the Premises, by reason of the failure of Tenant to perform any of its obligations under this Lease and by reason of any claim by or injury of any invitee or customer of Tenant. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

34. Environmental Pollution and Hazardous Materials.

- (a) As used herein, the term "Hazardous Material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the city in which the Premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the Food and Drug Administration, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.
- (b) Tenant agrees not to introduce any Hazardous Material in, on or adjacent to the Premises without (i) providing Landlord with thirty (30) days prior written notice of the exact amount, nature, and manner of such Hazardous Material (except Hazardous Materials that are typical for office use which no notice to Landlord will be required), and (ii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use or disposal, and clean-up of Hazardous Materials, including, but not limited to, the obtaining of proper permits.
- (c) Tenant shall immediately notify Landlord of any inquiry, test, investigation, or enforcement proceeding by or against Landlord or the Premises concerning a Hazardous Materials. Tenant acknowledges that Landlord, as the owner of the Premises, shall have the right, at its election, in its own name or as Landlord's agent, to negotiate, defend, approve, and

appeal, at Tenant's reasonable expense, any action taken or order issued with regard to a Hazardous Material by an applicable governmental authority.

- (d) If Tenant's storage, use or disposal of any Hazardous Material in, on or adjacent to the Premises, results in any contamination of the Premises, the soil or surface or groundwater (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Landlord, in Landlord's reasonable judgment, Tenant agrees to clean-up the contamination. Tenant further agrees to indemnify, defend and hold Landlord harmless from and against any claim, suits, causes of action, costs, fees, including attorneys' fees and costs, arising out of or in connection with any clean-up work, inquiry or enforcement proceeding in connection therewith, and any Hazardous Materials currently or hereafter used, stored or disposed of by Tenant or its agents, employees, contractors or invitees on or about the Premises.
- (e) Notwithstanding any other right of entry granted to Landlord under this Lease, Landlord shall have the right to enter the Premises or to have consultants enter the Premises through the Lease Term of this Lease for the purpose of determining: (1) whether the Premises are in conformity with federal, state and local statutes, regulations, ordinances, and policies including those pertaining to the environmental condition of the Premises, (2) whether Tenant has complied with this Section, and (3) the corrective measures, if any, required of Tenant to ensure the safe use, storage and disposal of Hazardous Materials, or to remove Hazardous Materials. Tenant agrees to provide access and reasonable assistance for such inspection. Such inspections may include, but are not limited to, entering the Premises or adjacent property with drill rigs or other machinery for the purpose of obtaining laboratory samples. Landlord shall not be limited in the number of such inspections during the Lease Term of this Lease. Tenant shall reimburse Landlord for the reasonable cost of such inspections with ten (10) days of receipt of a written statement therefore. If such consultants determine that the Premises are contaminated with Hazardous Materials, Tenant shall, in a timely manner, at its expense, remove such Hazardous Materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Landlord and any applicable governmental agencies. Right granted to Landlord herein to inspect the Premises shall not create a duty on Landlord's part to inspect the Premises, or liability of Landlord for Tenant's use, storage or disposal of Hazardous Materials, it being understood that Tenant shall be solely responsible for all liability in connection therewith.
- (f) Tenant shall surrender the Premises to Landlord upon the expiration of earlier termination of this Lease free of Hazardous Materials introduced in the Premises during the Lease Term.
- (g) Tenant's obligations under this Section shall survive expiration or earlier termination of this Lease.

35. Continuation of Lease after Termination. No receipt of money by Landlord from Tenant after the termination of this Lease, or after the service of any notice, or after commencement of any suit, or after final judgment for possession of the Premises shall reinstate, continue or extend the Lease Term or affect any such notice, demand or suit.

36. Waiver of Jury Trial. In the event that suit is commenced to enforce any right, claim, covenant, condition or obligation contained in or arising out of this Lease, Landlord and Tenant waive any right they may have to trial by jury. The provisions of this Section shall survive expiration or earlier termination of this Lease.

37. **Bankruptcy.** If voluntary bankruptcy proceedings be instituted by Tenant, or if proceedings be instituted by anyone else to adjudge Tenant a bankrupt, or if Tenant makes an assignment for the benefit of his creditors or if execution be issued against him, or if the interest of Tenant in this Lease pass by operation of law to any person other than Tenant, this Lease may, at the option of Landlord, be terminated by notice to Tenant.

38. **Force Majeure.** Should Landlord, through no fault or omission of Landlord and in spite of all reasonable efforts by Landlord, be delayed or prevented from performing any of its obligations including construction, services, repairs or replacements under this Lease or should the progress, performance or completion of any portion or portions of the whole of the Premises or Landlord's work be delayed as a result of weather, or as the result of acts of God, events beyond the control of Landlord not related to financial ability on the part of Landlord, acts of the government, inability to procure materials, contractors or professionals, inability to obtain utilities or failure of utilities, laws or other governmental requirements or approvals, or strikes, freight embargoes or other casualty, or on account of any act, or omission of others engaged by Landlord, or on account of any act or omission of the Tenant, Landlord's delay shall be excused and the time of estimated completion of the portion or portions of the work directly affected by such delay, shall, at the option of the Landlord, be extended by a period equivalent to the time lost thereby. If Landlord shall be unable to perform or shall be delayed, through no fault or omission of Landlord, in the performance of any covenant to supply service, such nonperformance or delay in performance shall not give rise to any claim against the Landlord for damages or constitute a total or partial eviction, constructive or otherwise.

39. **Limitation of Landlord's Liability.** Notwithstanding anything set forth in this Lease to the contrary, it is agreed that Tenant shall look solely to the Landlord's ownership in the Building and the rents, sale proceeds and proceeds of any insurance (subject to the rights of Landlord's mortgagee) maintained and received by Landlord in connection with the Building, for the satisfaction of the remedies of Tenant in the event of a breach by Landlord of any of the provisions of this Lease, and Landlord shall not be liable for any such breach except to the extent of the rents, sale proceeds and proceeds of any insurance (subject to the rights of Landlord's mortgagee) maintained and received by and still in the actual possession of Landlord in connection with the Building. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

40. **Waiver of Damages.** Notwithstanding anything set forth in this Lease to the contrary, Landlord shall, in no event, be liable in damages for Tenant's business loss, business interruption, loss of profits, or other special, incidental, consequential, exemplary or punitive damages of whatever kind or nature, regardless of the cause of such damages and Tenant, and anyone claiming by or through it, expressly waives all claims for such damages. The provisions of this Section shall survive expiration or earlier termination of this Lease.

41. **Construction.** Should any provision of this Lease require judicial interpretation, the Parties hereto agree that the court interpreting or construing the same shall not apply a presumption that the terms hereof should be more strictly construed against one Party by reason of the rule of construction that a document is to be more strictly construed against the Party who itself or through its agents prepared the same, it being agreed that Landlord, Tenant and their respective agents have participated in the preparation hereof.

42. **Landlord's Right of Relocation.** Landlord has the right, at its sole option at any time after the date of execution of this Lease, to relocate Tenant and to substitute for the Premises described herein other space located in any other building owned by Landlord. ("Substitute Space"). Landlord shall deliver a written notice to Tenant ("Relocation Notice") of Landlord's intent to relocate the Premises. The Substitute Space will be improved by Landlord, at its expense, with improvements at least equal in extent, quantity and quality to those improvements, if any, existing in the Premises on the date of Landlord's Relocation Notice to Tenant. In addition to reimbursement for any necessary plan revision and improvement of the Premises in accordance with the preceding sentences, Landlord will reimburse Tenant for reasonable expenses actually incurred by Tenant in connection with such relocation, including but not limited to costs of moving, door lettering, telephone and IT relocation and reasonable quantities of new stationery. In all cases Tenant will provide to Landlord reasonable supporting documentation to substantiate any claim for reimbursement pursuant to this Section. Upon completion of the relocation, Landlord and Tenant will amend this Lease to change the description of the Premises and any other matters pertinent thereto.

43. **Notices.** Any notice required or permitted to be given hereunder shall be in writing, and shall be (a) sent by overnight delivery using a nationally recognized overnight courier, in which case notice shall be deemed delivered one business day after deposit with such courier, (b) sent by certified or regular U.S. mail, postage prepaid, in which case notice shall be deemed delivered two business days after deposit in such mails, or (c) sent by personal delivery, in which case notice shall be deemed delivered upon receipt or refusal of delivery. A party's address shall be as set forth in Section 1 but may be changed by written notice to the other party; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice.

44. Communications Compliance. Tenant acknowledges and agrees that any and all telephone and telecommunication services desired by Tenant shall be ordered and utilized at the sole expense of Tenant. Unless Landlord otherwise requests or consents in writing, all of Tenant's telecommunications equipment shall be located and remain solely in the Premises and the telephone closet(s) on the floor(s) on which the Premises is located in accordance with rules and regulations adopted by Landlord from time to time. Landlord shall have no responsibility for the maintenance of Tenant's telecommunications equipment, including wiring; nor for any wiring or other infrastructure to which Tenant's telecommunications equipment may be connected. Tenant agrees that, to the extent any such service is interrupted, curtailed or discontinued, Landlord shall have no obligation or liability with respect thereto. Tenant shall not utilize any wireless communications equipment (other than usual and customary wireless IT operations and cellular telephones), including antennae and satellite receiver dishes, within the Premises or the Building, without Landlord's prior written consent. Such consent may be conditioned in such a manner so as to protect Landlord's financial interests and the interests of the Building, and the other tenants therein. Upon the expiration of the Lease, Tenant shall remove any and all telecommunications equipment (including wireless equipment) installed in the Premises or elsewhere in or on the Building by or on behalf of Tenant, including wiring, or other facilities for telecommunications transmittal upon the expiration or termination of the Lease Term and at Tenant's sole cost and repair any damage resulting from such removal.

45. Tenant's Property. Tenant shall pay when due all taxes levied or assessed upon Tenant's equipment, fixtures, furniture, leasehold improvements and personal property located in the Premises. Provided Tenant is not in default, Tenant may remove all fixtures and equipment which it has placed in the Premises; provided, however, Tenant must repair all damages caused by such removal. If Tenant does not remove its property from the Premises upon the expiration or earlier termination (for whatever cause) of this Lease, such property shall be deemed abandoned by Tenant, and Landlord may dispose of the same in whatever manner Landlord may elect without any liability to Tenant.

46. Estoppel Certificate. Tenant agrees to execute, acknowledge and deliver to Landlord an estoppel certificate, in form provided by Landlord regarding the status or performance of this Lease in favor of any proposed lender or proposed mortgagee or purchaser of the Building, within ten (10) business days after written request. Failure to do so within said time frame shall be deemed Tenant's certification that no default of Landlord exists and that all information provided by Landlord necessary to complete said estoppel certificate is true and correct. In addition, failure to provide said estoppel certificate shall be considered a default hereunder and Landlord shall be entitled to pursue all rights and remedies available herein.

47. Mold and Mildew. Tenant warrants and represents that its use of the Premises shall not increase humidity levels within the Premises above reasonable humidity levels. Tenant shall maintain a temperature in the Premises between 68.5 F – 76.0 F during the winter months and between 68.0 F – 74.0 F 74.0 F – 80.0 F in the summer months. Tenant shall not block or cover any of the heating, ventilation or air conditioning ducts in the Premises. Tenant shall keep all ice and coffee machines that Tenant places in the Premises in good condition and repair and immediately remove any water discharged or spilled from such ice or coffee machines. Tenant shall notify Landlord of the presence of mold or mildew or for any conditions that reasonably can be expected to contribute to the growth of mold or mildew (collectively, the "Mold and Mildew Conditions"), including, but not limited to, evidence of water leaks or excessive humidity in the Premises, a failure or malfunctioning in the heating, ventilation or air conditioning system serving the Premises and inoperable doors or windows in the Premises. Tenant shall immediately notify Landlord in writing of: (i) any visible signs of mildew or mold growth in the Premises; and (ii) any Mold and Mildew Conditions in the Premises.

48. Broker and Commission. Tenant represents that it is not represented by a broker other than the Tenant's Broker. Tenant will indemnify and hold Landlord harmless from any and all claims for commission alleged to be due brokers other than Tenant's Broker that assert entitlement to commission by virtue of their representation of Tenant. The provisions of this Section shall survive the expiration or earlier termination of this Lease. Tenant hereby agrees and acknowledges that the commissions paid by Landlord are amortized monthly and is included and paid as part of the Base Rent, but is a separate and independent rent obligation to Landlord. Tenant hereby agrees that the unamortized brokerage commissions are a separate and independent obligation hereunder, and in the event of a default by Tenant, the unamortized balance of the commissions shall immediately become due and payable in full under this Lease as accrued rent. This provision shall survive termination of this Lease.

49. Recordation. This Lease may not be recorded without Landlord's prior written consent.

50. Choice of Law. This Lease shall be interpreted and enforced in accordance with the laws of Tennessee. Venue for all disputes shall lie exclusively in the state courts located in Shelby County, Tennessee or the federal courts of the Western District of Tennessee. All Parties waive all claims of *forum non conveniens*, and agree to submit themselves to the jurisdiction of these courts.

51. Tenant's Financial Statements. Upon request of Landlord, and no more than once annually, Tenant agrees to furnish to Landlord copies of Tenant's most recent annual, quarterly and monthly financial statements, audited if available.

The financial statements shall be prepared in accordance with generally accepted accounting principles, consistently applied. The financial statements shall include a balance sheet and a statement of profit and loss, and the annual financial statement shall also include a statement of changes in financial position and appropriate explanatory notes. Landlord may deliver the financial statements to any prospective or existing mortgagee or purchaser of the Building.

52. Right of Refusal.

- (a) So long as there exists at least twenty-four (24) months remaining on the Lease Term, Landlord grants Tenant a first right of refusal (the "Right of Refusal") for Suite 2210 of the Building (consisting of approximately 917 RSF) (the "Refusal Space"), on the following basis:
- (b) Landlord shall notify Tenant in writing if and when Landlord receives a written bona-fide acceptable third-party offer to lease any Refusal Space ("Landlord's Offer Notice"). Landlord's Offer Notice shall include the material business terms upon which the third party is willing to lease the Refusal Space. Following receipt of Landlord's Offer Notice, Tenant shall have five (5) days within which to deliver to Landlord notice of Tenant's election to exercise its Right of Refusal as to the Refusal Space ("Tenant's Acceptance Notice"). In order to exercise its Right of Refusal, Tenant must lease all of the Refusal Space identified in Landlord's Offer Notice and not only a portion thereof. If Tenant does not timely deliver Tenant's Acceptance Notice to Landlord, it will be conclusively presumed that: (a) Tenant has waived its Right of Refusal as to the Refusal Space; and (b) Tenant will have no further rights to the Refusal Space. If Landlord does not enter into a lease with the prospective tenant within one hundred and twenty (120) days of the Landlord's Offer Notice, Tenant's Right of Refusal shall be restored.
- (c) The Refusal Space will be offered to Tenant under the same business terms upon which the third party is willing to lease the Refusal Space; provided, however, the term shall be coterminous with the Lease Term hereunder. Otherwise, the terms and conditions of this Lease shall apply to Tenant's lease of the Refusal Space. After exercise of the Right of Refusal, the parties will execute an amendment to the Lease evidencing the addition of the Refusal Space. Unless expressly waived by Landlord, Tenant's Right of Refusal is conditioned on:
 - (a) Tenant not being in default under the Lease at the time of exercise of the Right of Refusal or on the date that Tenant's occupancy of the Refusal Space is scheduled to commence; and
 - (b) Tenant not having vacated or subleased more than 25% of the Premises or assigned its interest in the Lease at the time it exercises the Right of Refusal or on the date that Tenant's occupancy of the Refusal Space is scheduled to commence.

53. Expansion Option. So long as there exists at least eighteen (18) months remaining on the Lease Term, Landlord grants Tenant an option to expand (the "Expansion Option") into all or part of the Refusal Space upon providing written notice to Landlord. Upon Tenant's exercise of the Expansion Option, Tenant shall lease the additional space upon the same terms and conditions applicable to the Premises as are set forth in this Lease, provided that the TI Allowance per RSF for the new space shall be equitably prorated based on the number of months remaining in the Lease Term (as compared to the original length of the Lease Term).

54. Renewal Option.

- (a) Tenant shall have the right to renew and extend the Lease Term hereunder (the "Renewal Option") for two (2) consecutive periods of three (3) years ("Renewal Term"). Tenant agrees to give Landlord one hundred eighty (180) days written notice ("Renewal Notice") prior to the expiration of the Lease Term of its intention to exercise its Renewal Option and to extend the Lease Term as provided herein. Tenant shall have

the right to exercise its Renewal Option hereunder only in the event that no default currently exists and that no default is continuing in the performance of the any of the terms of the Lease. The rental payments for the Renewal Term shall be at the Fair Market Rental Rate.

- (b) The term "Fair Market Rental Rate" shall mean the market rental rate for the time period such determination is being made for office space in same-class office buildings in the 385 Corridor submarket of Memphis, Tennessee (the "Area") of comparable condition for space of equivalent quality, size, utility, and location. Such determination shall take into account all relevant factors, including, without limitation, the following matters: the credit standing of Tenant; the length of the term; expense stops; construction allowances and other tenant concessions that would be available to tenants comparable to Tenant in the Area or that otherwise are requested by Tenant (such as moving expense allowance, free rent periods, and lease assumptions and take-over provisions, if any, but specifically excluding the value of improvements installed in the Premises at Tenant's cost), and whether adjustments are then being made in determining the rental rates for renewals in the Area because of concessions being offered by Landlord to Tenant (or the lack thereof for the Renewal Term in question). For purposes of such calculation, it will be assumed that Landlord is paying a representative of Tenant a brokerage commission in connection with the Renewal Term in question, based on the then current market rates. Landlord shall deliver to Tenant notice of the Fair Market Rental Rate (the "FMR Notice") for the Premises for the Renewal Term in question within 30 days after Tenant exercises the option giving rise for the need to determine the Fair Market Rental Rate. If Tenant disagrees with Landlord's assessment of the Fair Market Rental Rate specified in a FMR Notice, then it shall so notify Landlord in writing ("Objection Notice") within 10 business days after delivery of such FMR Notice; otherwise, the rate set forth in such notice shall be the Fair Market Rental Rate. If the parties do not reach agreement as to the prevailing market rental rate within 10 days after Landlord's receipt of Tenant's Objection Notice, then each of Landlord and Tenant promptly shall appoint as an arbitrator a reputable independent real estate consultant, appraiser or broker with at least 10 years' experience in the Area and shall give notice of such appointment to the other party. Within ten (10) days after appointment of the second arbitrator, the two arbitrators shall appoint a third arbitrator who shall be similarly qualified. If the two arbitrators are unable to agree timely on the selection of the third arbitrator, then either arbitrator on behalf of both, may request such appointment from the office of the American Arbitration Association ("AAA") nearest to Landlord. Upon the appointment of the third arbitrator, Landlord and Tenant each shall submit their determination of the prevailing market rental rate to the arbitrators, who will then select the prevailing market rental rate from one of the two determinations submitted by the parties. The determination of the prevailing market rental rate selected by the majority of the arbitrators shall be the Base Rent for the applicable Renewal Term, and the selection shall be final and binding on both Landlord and Tenant. Each party shall be responsible for the cost of the arbitrator it selects, and the cost of the third arbitrator shall be borne equally by the parties. If the AAA shall cease to provide arbitration for commercial disputes in location, the third arbitrator may be appointed by any successor organization providing substantially the same services.

- (c) The Parties mutually agree to execute an amendment renewing the Lease on the terms and conditions in accordance with this Section within thirty (30) days of the determination of the Fair Market Rental Rate. If Tenant has exercised the Renewal Option and the Fair Market Rental Rate for the Renewal Term has not been determined in accordance with this section by the time that Rent for the Renewal Term is to commence in accordance with the terms hereof, then Tenant shall pay Rent for the Renewal Term based on the Fair Market Rental Rate proposed by Landlord until such time as the Fair Market Rental Rate has been so determined, at which time appropriate cash adjustments shall be made between Landlord and Tenant such that Tenant is charged Rent based on the Fair Market Rental Rate (as finally determined in accordance herewith) for the Renewal Term during the interval in question.
- (d) Tenant's Renewal Option is personal to Tenant. In the event Tenant assigns this Lease, subleases all or part of the Premises or otherwise conveys its leasehold interest hereunder, the Renewal Option shall be null and void and of no further force or effect.

55. **Miscellaneous.** Landlord and Tenant mutually covenant with each other:

- (a) That all rights and remedies of Landlord under this Lease shall be cumulative, and none shall exclude any other rights and remedies allowed by law.
- (b) It is understood and agreed by the Parties hereto that notice from Landlord mailed by overnight courier or certified mail or delivered to Premises leased hereunder shall constitute sufficient notice to Tenant to comply with the terms of this Lease.
- (c) It is further understood and agreed that any charges against Tenant by the Landlord for supplies, services, or for work done on the Premises by order of Tenant, or otherwise accruing under this Lease shall be considered as Additional Rent due and unpaid.
- (d) All common areas within the Building that serve the Tenant and other tenants to the Building shall be subject to alteration or reconfiguration, in Landlord's sole discretion, so long as Tenant's access to parking and use of the Premises are not adversely affected.
- (e) Each of the provisions of this Lease shall extend to, and shall, as the case may require, subject to the other provisions hereof, bind or inure to the benefit not only of Landlord and Tenant, but also of their respective successors, assigns, heirs and legal representatives.
- (f) That all schedules and exhibits initialed by both Parties hereto and attached to this Lease shall be a part of this contract whether or not said schedules and exhibits are specifically referred to in the Lease.
- (g) That the waiver by Landlord of any breach of any covenant or covenants of this Lease shall be limited to the particular covenant, and shall not operate nor be deemed to waive any future breaches of the same covenant or covenants nor of any other covenant or covenants.
- (h) In the event that any provision or part of a provision of this Lease is held invalid, the other provisions and parts of provisions shall remain in full force and effect.

[signature page to follow]

IN WITNESS WHEREOF, the Parties have hereunto executed this Lease Agreement this the day and year first above written.

LANDLORD:

Z-Corp, LLC,
a Tennessee limited liability company

By: _____
Name: _____
Title : _____

TENANT:

(Company Name)

By: _____
Name: _____
Title : _____

**EXHIBIT A
PREMISES**

[Attached]

EXHIBIT B
RULES AND REGULATIONS

GENERAL

1. Rights of Entry. Tenant will have the right to enter the Premises at any time, but outside of Building Business Hours, Tenant will be required to furnish proper and verifiable identification. Landlord will have the right to enter the Premises at all reasonable hours to perform janitorial services or clean windows; and also at any time during the last 9 months of the Term, with reasonable prior notice to Tenant, to show the Premises to prospective tenants.
2. Right of Exclusion. Landlord reserves the right to require each person entering the Building to sign a register and either (i) to present a Building pass, or (ii) to be announced to the tenant such person is visiting and to be accepted as a visitor by such tenant or to be otherwise properly identified. Landlord may exclude from the Building any person who cannot comply with such requirement. Landlord also reserves the right to require any person leaving the Building to sign a register or to surrender any special entry pass given to such person. If Landlord elects to excise the rights reserved above, Landlord will furnish a Building pass to all persons designated by Tenant in writing. Finally, Landlord reserves the right to exclude or expel from the Building any person who, in Landlord's judgment, is intoxicated or under the influence of alcohol or drugs.
3. Obstruction. Tenant will not obstruct or place anything in or on the sidewalks or driveways outside the Building, or in the lobbies, corridors, stairwells, or other Common Areas. Landlord may remove, at Tenant's expense, any such obstruction or thing without notice or obligation to Tenant.
4. Refuse. Tenant will place all refuse in the Premises in proper receptacles provided and paid for by Tenant, or in receptacles provided by Landlord for the Building, and will not place any litter or refuse on or in the sidewalks or driveways outside the Building, or the Common Areas, lobbies, corridors, stairwells, ducts or shafts of the Building.
5. Public Safety. Tenant will not throw anything out of doors, windows or skylights, down passageways or over walls. Tenant will not use any fire exits or stairways in the Building except in case of emergency.
6. Keys; Locks. Landlord may from time to time install and change locks on entrances to the Building, Common Areas, and the Premises, and will provide Tenant a reasonable number of keys to meet Tenant's requirements. If Tenant desires additional keys, they will be furnished by Landlord and Tenant will pay a reasonable charge for them. Tenant will not add or change existing locks on any door in or to the Premises without Landlord's prior written consent. If with Landlord's consent, Tenant installs lock(s) incompatible with the Building master locking system:
 - a. Landlord, without abatement of Rent, will be relieved of any obligation under the Lease to provide any service that requires access to the affected areas;
 - b. Tenant will indemnify Landlord against any expense as a result of forced entry to the affected areas which may be required in an emergency; and
 - c. Tenant will, at the end of the Term and at Landlord's request, remove such lock(s) at Tenant's expense.

At the end of the Term, Tenant will promptly return to Landlord all keys for the Building and Premises which are in Tenant's possession.

7. Aesthetics. Tenant will not attach any awnings, signs, displays or projections to the outside or inside walls or windows of the Building which are visible from outside the Premises without Landlord's prior written approval, which may be withheld in Landlord's sole discretion. Tenant will use only Building Standard lighting in areas where such lighting is visible from outside the Building.
8. Window Treatment. If Tenant desires to attach or hang any curtains, blinds, shades, or screens to or in any window or door of the Premises, Tenant must obtain Landlord's prior written approval. Tenant will not coat or sunscreen the interior or exterior of any windows without Landlord's express written consent. Tenant will not place any objects on the windowsills that cause, in Landlord's reasonable opinion, an aesthetically unacceptable appearance.
9. Directory Boards. The Building office directory boards have a limited capacity. In the event space for Tenant's directory display is available, Tenant shall be permitted to display Tenant's directory signage at Landlord's sole cost and expense, subject to design standards determined by Landlord in its sole discretion.

10. Building Control. Landlord reserves the right to control and operate the Common Areas as well as facilities furnished for the common use of tenants in such manner as Landlord deems best for the benefit of tenants generally. Landlord reserves the right to prevent access to the Building during an emergency by closing the doors or otherwise, for the safety of tenants and protection of the Building and property in the Building.
11. Engineering Consent. All plumbing, electrical and heating, ventilating and air conditioning ("HVAC") work for and in the Premises requires Landlord's prior written consent to maintain the integrity of the Building's electrical, plumbing and HVAC systems.
12. HVAC Operation. Tenant will not place objects or other obstructions on the HVAC convectors or diffusers and will not permit any other interference with the HVAC system. Whenever the HVAC system is operating, Tenant will cause the shades, blinds, or other window coverings in the Premises to be drawn as reasonably required by the position of the sun.
13. Plumbing. Tenant will only use plumbing fixtures for the purpose for which they are constructed. Tenant will pay for all damages resulting from any misuse by Tenant of the plumbing fixtures.
14. Equipment Location. Landlord reserves the right to specify where Tenant's heavy business machines, mechanical equipment and heavy objects will be placed in the Premises in order to best absorb and prevent vibration, noise and annoyance to other tenants, and to prevent damage to the Building. Tenant will pay the cost of any required professional engineering certification or assistance.
15. Bicycles; Animals. Tenant will not bring into, or keep about, the Premises any bicycles, vehicles, birds, animals (except as required by law) or organic Christmas decor of any kind. Bicycles and vehicles may only be parked in areas designated for such purpose.
16. Carpet Protection. In those portions of the Premises where carpet has been provided by Landlord, Tenant will, at its own expense, install and maintain pads to protect the carpet under all furniture having castors other than carpet castors.
17. Proper Conduct. Tenant will conduct itself in a manner which is consistent with the character of the Building and will ensure that Tenant's conduct will not impair the comfort or convenience of other tenants in the Building.
18. Elevators. Any use of the elevators for purposes other than normal passenger use (such as moving to or from the Building or delivering freight), whether during or after Building Business Hours, must be scheduled through the office of the Property Manager. Tenant will reimburse Landlord for any extra costs incurred by Landlord in connection with any such non-passenger use of the elevators – excepting normal furniture and supply delivery
19. Deliveries. Tenant will ensure that deliveries of materials and supplies to the Premises are made through such entrances, elevators, and corridors and at such times as may from time to time be reasonably designated by Landlord. Such deliveries may not be made through any of the main entrances to the Building without Landlord's prior permission. Tenant will use or cause to be used, in the Building, hand trucks or other conveyances equipped with rubber tires and rubber side guards to prevent damage to the Building or property in the Building. Tenant will promptly pay Landlord the cost of repairing any damage to the Building caused by any person making deliveries to the Premises.
20. Moving. Tenant will ensure that furniture and equipment and other bulky matter being moved to or from the Premises are moved through such entrances, elevators and corridors and at such times as may from time to time be reasonably designated by Landlord, and by movers or a moving company reasonably approved by Landlord. Tenant will promptly pay Landlord the cost of repairing any damage to the Building caused by any person moving any such furniture, equipment, or matter to or from the Premises.
21. Solicitations. Canvassing, soliciting, and peddling in the Building are prohibited and Tenant will cooperate in preventing the same.
22. Food. Only persons approved from time to time by Landlord may prepare, solicit orders for, sell, serve, or distribute food in or around the Building. Except as may be specified in the Lease or on construction drawings for the Premises approved by Landlord, and except for microwave cooking, Tenant will not use the Premises for preparing or dispensing food, or soliciting of orders for sale, serving or distribution of food.
23. Parking Rules and Regulations. Tenant will comply with all reasonable rules and regulations applicable to the

parking facilities serving the Building as determined by the parking facility operator and enforced in common with all other Tenants of the Building. .

24. Hazardous Substances. Except as may be expressly permitted by Landlord in writing, Tenant will not store, use, release, produce, process or dispose in, on or about, or transport to or from, the Premises, Building or Complex any Hazardous Substances. Landlord has disclosed to Tenant that the Building contains asbestos containing material in sealed pipe chases, certain floor tiles that are not in the Premises and in certain other areas that are normally not accessible to tenants ("ACM"). Landlord has established an ACM management program that will govern all work in the Building that could disturb any ACM. Regardless of any provision of the Lease to the contrary, Tenant will not undertake any work in the Premises (including, without limitation, any alteration, repair, maintenance, restoration or removal work contemplated by the Lease) that could disturb any ACM without first notifying Landlord of the proposed work and cooperating with Landlord to ensure that such work complies with Landlord's ACM program. Tenant agrees that its failure to comply with this Section 24 will constitute a material breach of the Lease; however, such agreement will not be deemed to limit the materiality of any other Tenant breach of the Lease for failure to comply with any other Rules and Regulations.
25. Employees, Agents, and Invitees. In these Rules and Regulations, "Tenant" includes Tenant's employees, agents, invitees, licensees, and others permitted by Tenant to access, use or occupy the Premises.
26. Work Orders. Tenant requirements will be attended to only upon application to Landlord. Building employees shall not be requested to perform, and shall not be requested by any tenant to perform, any work outside of regular duties, unless under specific instructions from Landlord.