

**CANYON COUNTY  
ALCOHOLIC BEVERAGE LICENSE**

In conformance with ID Code Sec. §23-1011, and an Idaho State License has been issued, and as the Board of County Commissioners has adopted the same policy for applications of Beer, Wine, and Liquor Licenses, these Applications have been reviewed for the following License:

Type of License: **NEW**

**Applicant:**

- Riveras Market LLC, dba Riveras Market



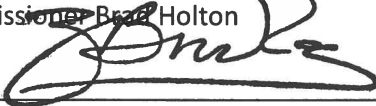
WHEREAS the Commissioners have reviewed the applications for a License submitted by the above applicants, the Board now asks if anyone wishes to testify for or against these applications?

1) Hearing none, is there a motion from any member of the Board that the Licenses be granted. A motion was made by Commissioner Brooks and seconded by Commissioner Van Beek that the Licenses be granted, and the Chairman be authorized to sign the Licenses.

2) Having been advised that there is to be testimony in opposition, a hearing date is set for \_\_\_\_\_ at \_\_\_\_\_ a.m./p.m. in the Commissioners Meeting Room.

ACTION OF BOARD: Motion Carried Unanimously X

Motion Carried/Split Vote \_\_\_\_\_ Motion Defeated/Split Vote \_\_\_\_\_

CANYON COUNTY COMMISSIONERS	YES	NO	DID NOT VOTE
 _____ Commissioner Leslie Van Beek	<u>X</u>	_____	_____
 _____ Commissioner Brad Holton	<u>X</u>	_____	_____
 _____ Commissioner Zach Brooks	<u>X</u>	_____	_____

ATTEST: RICK HOGABOAM, County Clerk

By:   
Date: 12/30/15

RESOLUTION NO. 25-238

State License #  
47319

RETAIL ALCOHOL BEVERAGE LICENSE  
**CANYON COUNTY, ID**  
STATE OF IDAHO

County License #  
2025-330

*This is to certify, that* **RIVERAS MARKET LLC**

*dba:* **RIVERAS MARKET**

is licensed hereby as a retailer of alcohol beverage, as stated below, to the provisions of Title 23, Idaho Code and the laws of the State of Idaho and regulations and ordinances of Board of County Commissioners in regard to the sale of alcoholic beverage at:

**716 BLAINE ST  
CALDWELL, ID 83605**

**Effective until May 31, 2026**

Beer	DRAFT, bottled or canned, ON or OFF premises consumption	\$100.00
Wine	WINE Retail: (This is for OFF premises consumption only)	\$100.00

APPROVED by the Board of County Commissioners this 30<sup>th</sup> day of December, 2025  
Mail To: 716 BLAINE ST, CALDWELL, ID 83605

\_\_\_\_\_  
Signature of Licensee or Officer of Corporation

Rick Johnson  
Clerk

Brad Holton  
Chairman

(THIS LICENSE MUST BE CONSPICUOUSLY DISPLAYED)

# Idaho State Police

Premises Number: 2C-47319

License Year: 2026  
License Number: 47319

## Retail Alcohol Beverage License

*This is to certify, that*      Riveras Market LLC  
*doing business as:*      Riveras Market

*is licensed to sell alcoholic beverages as stated below at:*  
**716 Blaine St. , Caldwell, Canyon County**

*Acceptance of a license by a retailer shall constitute knowledge of and agreement to operate by and in accordance to the Alcohol Beverage Code, Title 23. Only the licensee herein specified shall use this license. County and city licenses are also required in order to operate.*

Liquor	No
Beer	Yes <u>\$50.00</u>
Wine by the bottle	Yes <u>\$100.00</u>
Wine by the glass	No
Kegs to go	No
Growlers	No
Restaurant	Yes <u>\$0.00</u>
On-premises consumption	Yes <u>\$0.00</u>
Multipurpose arena	No
Plaza	No
Brewer's Retail	No

TOTAL FEE: \$150.00

RIVERAS MARKET LLC RIVERAS MARKET 716 BLAINE ST.  CALDWELL, ID 83605  Mailing Address
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*Valid*  
12/10/2025 - 05/31/2026

***Expires***  
**05/31/2026**



## CANYON COUNTY LIQUOR LICENSE APPLICATION



**\*\*Each Applicant must provide a copy of their current license from Idaho State Police Alcohol Beverage Control along with this application\*\***

(PLEASE CHECK ONE)

☒ **NEW**

☐ **TRANSFER**

☐ **CHANGE IN APPLICATION**

1. NAME OF BUSINESS/APPLICANT/LICENSE HOLDER:

Riveras Market LLC

(INDIVIDUAL, CORPORATION, LLC, PARTNERSHIP OR OTHER BUSINESS ENTITY)

2. DOING BUSINESS AS:

Riveras Market

3. MAILING ADDRESS:

716 Blaine St Caldwell, ID 83605

4. PHYSICAL ADDRESS OF BUSINESS: (please provide a map/layout of location/premise)

716 Blaine St Caldwell, ID 83605

5. BUSINESS PHONE: (208) 350-9683

APPLICANT PHONE: (208) 250-0809

6. BUSINESS EMAIL: Riverasmarket208@gmail.com

7. FEES: Please select all that apply

**BEER – Select one (1) box only.**

- \$25.00 ☒ Consumed OFF premises, bottled and canned.  
\$75.00 ☒ Consumed ON premises, bottled and canned.  
\$100.00 ☒ DRAFT, bottled and canned, consumed ON premises & OFF premises.  
\$5.00 ☐ Transfer of ownership or location

BEER TOTAL \$ 100

**LIQUOR** by the drink - This fee covers wine fee (Do NOT pay wine fee if you have liquor)

**Select one (1) box and pay that fee:**

- \$75.00 ☐ Population less than 1000 (i.e. Notus, Greenleaf and Melba)  
\$125.00 ☐ Population between 1000 and 3000 (i.e. Parma, Wilder)  
\$187.50 ☐ Population over 3000 (i.e. Nampa, Caldwell and Middleton)  
\$10.00 ☐ Transfer of ownership or location  
\$100.00 ☐ Golf course operator, lessee or owner

LIQUOR TOTAL \$ 0

**WINE – Select one (1) box and pay that fee**

(Do NOT pay wine fee if you have liquor):

- \$100.00 ☐ Wine by Drink: (This Covers Retail & By the Drink)  
\$100.00 ☒ Wine Retail: (This is for OFF premises consumption only)  
\$5.00 ☐ Transfer of ownership or location

WINE TOTAL \$ 100

TOTAL FEE \$ 200

8. TRANSFER OPTIONS: Please select all that apply:

☐ Transfer of license from one owner to another

Previous Owner Name: N/A

Previous Business Address: \_\_\_\_\_

☐ Change in business location

(Current license holder moved to new facility/premise)

Old Address: N/A

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



9. CHANGE IN APPLICATION: Please answer the below questions

A. Is there a change in physical address?

☐ Yes ☒ No

If yes, complete below:

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

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

B. Is there a change in mailing address?

☐ Yes ☒ No

If yes, complete below:

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

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

C. Is there a change in services offered? (I.e. Beer, Wine, and Liquor)

☐ Yes ☒ No

If yes, complete below:

Added a Beverage Service: \_\_\_\_\_

(Reference fee schedule on page 2)

Removed a Beverage Service: \_\_\_\_\_

D. Is there a change in 'Doing Business As' name?

☐ Yes ☒ No

If yes, complete below:

Old Business name: \_\_\_\_\_

New Business name: \_\_\_\_\_

E. Is there a change in Applicant/Business name? (Current license holder changed their name of business not DBA)

☐ Yes ☒ No

If yes, complete below:

Old Business name: \_\_\_\_\_

New Business name: \_\_\_\_\_

F. Is there a change in officers? (Current license holder either added or removed officers)

☐ Yes ☒ No

If yes, complete below:

Name of officer being removed: \_\_\_\_\_

Name of officer being added: \_\_\_\_\_

10. BUSINESS ENTITY:

A. TYPE:

- ☐ Sole Proprietor  
☐ General Partnership  
☐ Limited Partnership  
☐ Limited Liability Partnership  
☒ Limited Liability of a Corporation  
☐ Corporation

B. BUSINESS REGISTRATION:

Is the business registered with the Idaho Secretary of State's Office?

☒ Yes ☐ No

C. Please list sole proprietor(s) or all partners, corporate officers, directors, LLC/LLP members/partners, principal stockholders and business managers of the applicant: Attach a separate sheet of paper following with the format below if you need more space.

Title: manager Name: Perla Ayvar

Officer Address: 1091w <sup>Super Cb Dr</sup> ~~Blanca St~~ Caldwell, ID 83605

Date of birth: 8/8/96 U.S. Citizen: ☐ Yes ☒ No

List the date from which the applicant has resided/lived in Idaho: \_\_\_\_\_

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

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

Date of birth: \_\_\_\_\_ U.S. Citizen: ☐ Yes ☐ No

List the date from which the applicant has resided/lived in Idaho: \_\_\_\_\_

D. APPLICANT'S FINANCIAL INTERESTS:

Please list any other parties not already listed above that have any financial interest in your business

Title: N/A Amount/Percent of interest: \_\_\_\_\_

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

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

Nature of interest(e.g., Open Loans, Mortgages, Silent partnerships, Conditional sales contracts, trust, shareholders, or any other basis other than upon trade account incurred in the ordinary course of business):  
\_\_\_\_\_

11. Are you the owner of the building where the premises is located?

***If you answered "Yes," please include a copy of the deed; if you answered "No," please include copy of lease agreement for Applicant***

☐ Yes

☒ No

Canyon County Assessor Parcel #: 04693000-0

12. Is the building/location/premises within three hundred feet (300) of any public schools, churches or other place of worship, or college? (Measured in a straight line from the nearest corner of said building to nearest entrance of the license premises.)

☐ Yes

☒ No

13. FELONY:

A. Have you, any partners or the actual manager of the applicant business, been convicted of, been placed on probation for, been granted a withheld judgment for, or received a deferred sentence for a felony in last five (5) years?

☐ Yes

☒ No

If answered yes please explain: \_\_\_\_\_

B. Have you, any partners or the actual manager of the applicant business paid any fine for a felony in the last five (5) years?

☐ Yes

☒ No

If answered yes please explain: \_\_\_\_\_

A. Have you, any partners or the actual manager of the applicant business, completed any sentence of confinement for any felony in the last 5 years?

☐ Yes

☒ No

If answered yes please explain: \_\_\_\_\_

14. VIOLATIONS PROHIBITING THE SALE OF ALCOHOL

A. Have you, any partner or the actual manager, ever been convicted of any violation of Federal or State laws or regulations governing or prohibiting the sales of alcohol beverages?

☐ Yes

☒ No

If answered yes please explain: \_\_\_\_\_



- B. Within the last two (2) years have you, any partner or actual manager, suffered the forfeiture of a bond for your appearance to answer charges pertaining to violations of Federal or State laws or regulations governing or prohibiting the sale of alcohol beverages?

☐ Yes ☒ No

If answered yes please explain: \_\_\_\_\_  
\_\_\_\_\_

15. List the following dates, if any, for yourself, any partner, any officer, or the actual manager of the applicant business:

- A. Date(s) of conviction for driving a motor vehicle under the influence of alcohol, drugs, or any other intoxicating substance.

NONE

- B. Date(s) of completion of any sentences and/or probation or parole for driving a motor vehicle under the influence of alcohol, drugs, or any other intoxicating substance.

N/A

- C. Date(s) that fines and court costs associated with the conviction(s) were paid.

N/A

- D. Date(s) of completion for the probation or parole for the conviction(s).

N/A

- E. Date(s) of completion for the sentence for the sentence.

N/A

16. Have you, any partner, or actual manager, ever been convicted or been given a withheld judgment in any Federal or State court for any crime involving possession or distribution or any controlled substance?

☐ Yes ☒ No

If answered yes please explain: \_\_\_\_\_  
\_\_\_\_\_

17. Have you, any partner, or actual manager, ever engaged in the operation, or has interest therein, of any house or place for the purpose of prostitution or anything declared and found to have been a moral nuisance as defined by County ordinance or State law?

☐ Yes ☒ No

If answered yes please explain: \_\_\_\_\_  
\_\_\_\_\_

18. Have you ever had a similar alcohol beverage license revoked by Canyon County, the State of Idaho, or any other county or state?

☐ Yes ☒ No

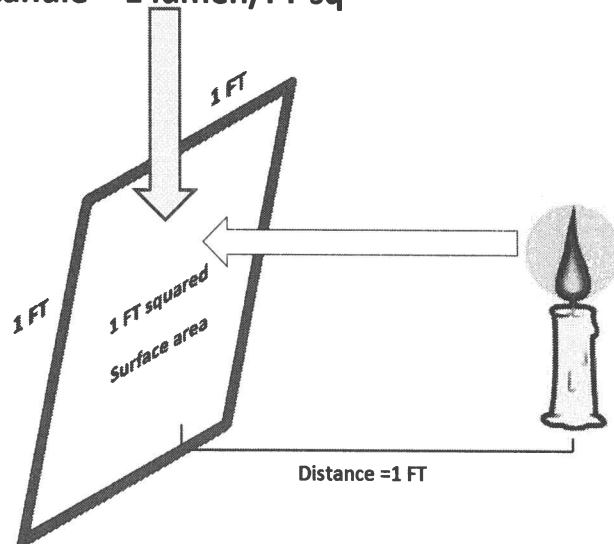
If answered yes please explain: \_\_\_\_\_  
\_\_\_\_\_

19. Have you obtained all necessary permits and inspections for the proposed premises and do the proposed premises comply with all the laws, regulations, and Ordinances of Canyon County and the State of Idaho relating to health, safety, building codes, fire codes, and planning and zoning?

☒ Yes ☐ No Designated Zoning of Business Site: City Center

20. Does your establishment's parking lot have lighting levels that are least one foot-candle?  
(one foot-candle is defined as a unit measurement of illuminance or light intensity on a one-square foot surface at ground level equal to one lumen per square foot and with a 2.0 to 3.0 (average to minimum foot-candles) uniformity ratio).

**1 foot-candle = 1 lumen/FT sq**



shutterstock - 110280442

☒ Yes ☐ No

*\*\*If the board of county commissioners denies your application, the board must do so in writing, as well as explain the actions you can take, if any, through which your application can be approved. \*\**

*\*\*If your application has been denied, or if you have been otherwise aggrieved by a decision of the board of county commissioners regarding your application, after all remedies have been exhausted under county ordinance or procedures, you may seek judicial review within twenty-eight (28) day under the procedures provided in chapter 52, title 67, Idaho code. \*\**

I/we, the applicant(s) of this license, acknowledge and understand Idaho Code Title 23 and IDAPA that regulate licenses provided by the Idaho liquor act and do hereby agree to operate the license premises in conformity with these statutes and regulations. I certify under penalty of perjury pursuant to the law of the State of Idaho that the foregoing is true and correct. I further swear that I have verified that the premises for which I propose to obtain this license is in compliance with all state and local laws and regulations concerning health, safety, building codes, fire codes, and planning and zoning. I further understand and agree that should any changes to the premises, circumstances, or requirements to hold this license occur after submitting this application, I will immediately file a written report documenting those changes with Canyon County.

Perla Ayvar

Printed Name of Applicant

[Signature]

Signature of Applicant

10 / 22 / 25  
Date

Attribution Clause: This Certificate is prepared for, and exclusively belongs to, the accompanying document entitled \_\_\_\_\_, which consists of \_\_\_\_\_ page(s) and is dated \_\_\_\_\_.  
If this Certificate is appropriated to any document other than the one described herein, it shall be deemed null and void.

title:owner Name:Gerardo Salcedo

Address:1011 S. Riverstone Dr. Nampa, ID

Date of Birth: 11/27/1975

Idaho Resident Since 2001

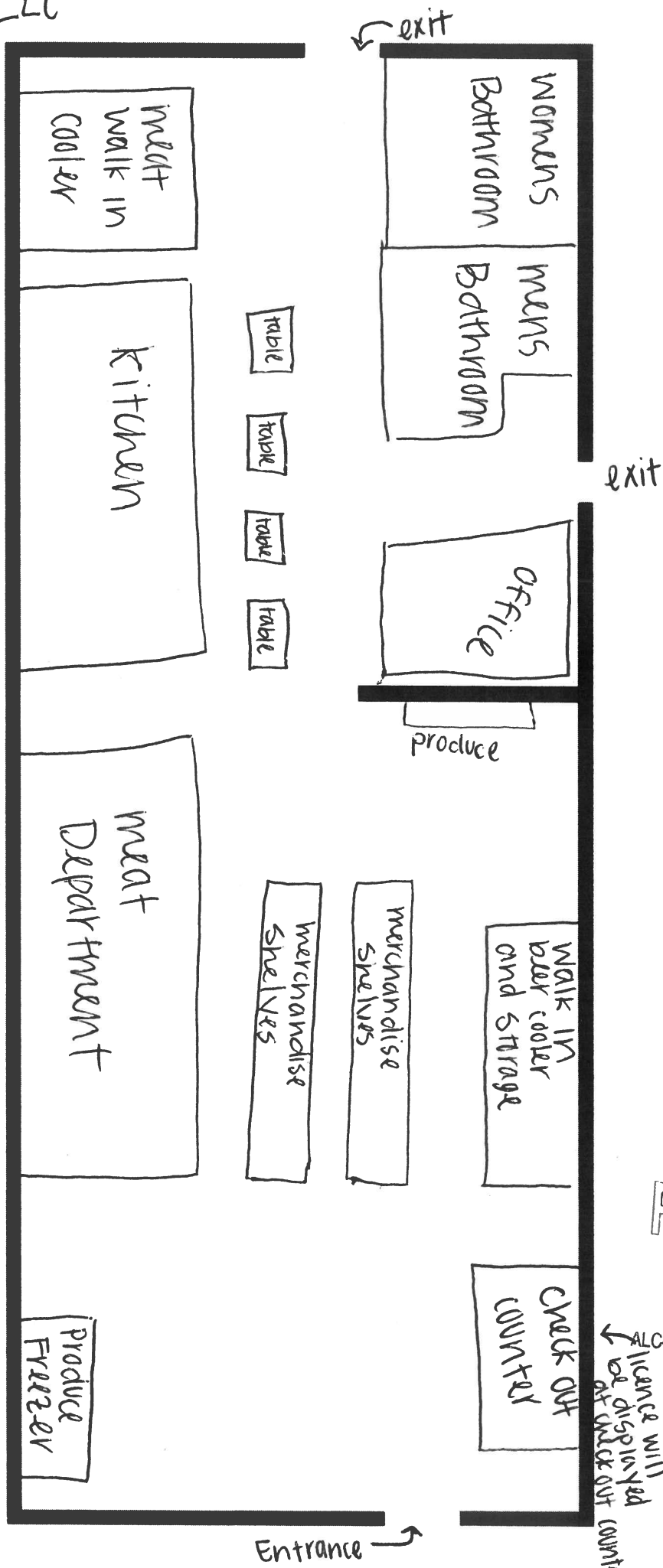
title:owner Name:Elvira Orozco

Address: 1011 S. Riverstone Dr. Nampa, ID

Date of Birth: 8/18/1977

Idaho resident since 2004

RIVERAS MARKET LLC



PREMISE ID 20-477319

RECEIVED  
OCT 30 2025  
IDAHO STATE POLICE  
ALCOHOL BEVERAGE CONTROL

license will be displayed at check out counter

### THIRD AMENDMENT TO LEASE

This Third Amendment to Lease, dated for reference this 9<sup>th</sup> day of June 2025, by and between **Boise VZ LLC, an Idaho limited liability company** ("Owner"), and **Riveras Market LLC, an Idaho limited liability** ("Tenant");

#### WITNESSETH:

**WHEREAS**, Owner and KidzKorner LLC entered into a Commercial Lease Agreement dated September 19, 2024, a First Amendment to Lease dated October 17, 2024, and a Second Amendment to Lease dated December 19, 2024 (hereinafter "Lease"), under the terms of which Tenant leased from Owner, approximately **6,000 square feet** of space (hereinafter "Premises") in the building known as and located at 716 Blaine Street, Caldwell, Idaho 83605 (hereinafter "Building");

**WHEREAS**, Owner and Tenant upon the execution of this Amendment to Lease hereby mutually amend the Lease under the terms and conditions hereinafter set forth:

**NOW THEREFORE**, in consideration of the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Assignment.** KidzKorner LLC, hereby assigns all of its right, title, and interest in and to the Lease to Riveras Market LLC, and Riveras Market LLC hereby accepts such assignment and assumes and agrees to perform all obligations of the tenant under the Lease arising on or after the effective date of this Amendment.
2. **Rent.** Notwithstanding anything to the contrary in the Lease, no Base Rent shall be due for the months of June and July 2025. Commencing August 1, 2025, Base Rent shall resume and be payable in equal monthly installments per the rents schedule below:

Rental Period	Rate/SF/Yr	Monthly Rent	Prorated Annual Rent
6/1/25 - 7/31/25	Abated	Abated	Abated
8/1/25 - 1/31/26	\$11.32	\$5,660.00	\$33,960.00
2/1/26 - 1/31/27	\$11.66	\$5,829.80	\$69,957.60
2/1/27 - 1/31/28	\$12.01	\$6,004.69	\$72,056.33
2/1/28 - 1/31/29	\$12.37	\$6,184.83	\$74,218.02
2/1/29 - 2/28/30	\$12.74	\$6,370.38	\$6,370.38

3. **Landlord Contributions.** Owner shall, at its sole cost and expense:
  - (a) upgrade the water line serving the Premises to a 2-inch line; and
  - (b) provide a Tenant Improvement Allowance ("TIA") in the amount of Five Thousand Dollars (\$5,000.00). The TIA shall be used exclusively for architect fees, permit fees (including certificate of occupancy), fire/life safety and ADA compliance requirements, construction drawings, and construction costs. The TIA shall not be used for furniture, fixtures, equipment, telecom/data cabling, security systems, or any other tenant-specific services.

Any costs exceeding the TIA shall be the sole responsibility of Tenant and shall be due and payable upon completion of the Tenant Improvements. Owner shall have no obligation to complete or pay for any portion of the Tenant's Work beyond the stated TIA.

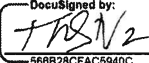
Upon completion of the Tenant Improvements, Owner shall reimburse Tenant up to the amount of the TIA, provided that Tenant submits: (i) a copy of the fully paid invoice or work order, and (ii) a lien release from the contractor in favor of Owner.



4. All other terms and conditions of the Lease not specifically amended herein shall remain in full force and effect.

IN WITNESS WHEREOF, we have set our hands the day and year last below written.

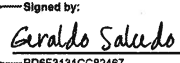
Owner: **Boise VZ LLC**

By: DocuSigned by:  
  
566B28CFAC5940C...

Its: Tom Veazey, Manager

Date: 6/12/2025 | 10:11 AM PDT

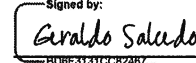
Tenant: **Riveras Market LLC, Assignee**

By: Signed by:  
  
BD6F3131CC82467...

Its: Geraldo Salcedo, Manager

Date: 6/12/2025 | 10:04 AM PDT

Tenant: **KidzKorner LLC, Original Tenant**

By: Signed by:  
  
BD6F3131CC82467...

Its: Geraldo Salcedo, Manager

Date: 6/12/2025 | 10:04 AM PDT

Amendment is the first  
Sheet

# COMMERCIAL LEASE AGREEMENT

9/19/2024 | 11:38 AM PDT

THIS COMMERCIAL LEASE AGREEMENT ("Lease") made this September 19, 2024 ("Effective Date"), between **Boise VZ LLC, an Idaho limited liability company** ("Owner") and **KidzKorner LLC, an Idaho limited liability company** ("Tenant").

## Amended LEASE OF PREMISES

Owner hereby leases to Tenant and Tenant hereby rents from Owner, subject to the terms and provisions of this Lease, including the General Provisions hereafter set forth and the Exhibits hereafter identified and attached hereto, those certain premises (hereafter "Premises") shown and described on "Exhibit A" attached hereto and made a part hereof, which Premises are located in that certain building described in Section 1 of the Basic Lease Provisions below. As used in this Lease, reference to the "Building" shall mean the whole of the building structure, parking areas, landscaping and other improvements, together with the underlying land.

## BASIC LEASE PROVISIONS

1. Building Name/Address: 716 Blaine Street, Caldwell, Idaho 83605
2. Premises Address: 716 Blaine Street, Caldwell, Idaho 83605
3. Use of Premises: ~~Children's indoor play facility and cafe.~~
4. Building Rentable Area: 6,000 square feet
5. Premises Rentable Area: 6,000 square feet
6. Premises Percentage: 100%
7. Initial Term: Sixty-three (63) months.
8. Option to Renew: One (1) option to renew the Lease Term an additional five (5) years; see Exhibit C for further terms and conditions.
9. Lease Commencement Date: Effective Date
10. Rent Commencement Date: The earlier of i) December 1, 2024 or ii) Tenant's opening for business.
11. Annual Base Rent: See Exhibit D for Rent Schedule with Base Rent Escalations.
12. Security Deposit: \$5,160.00; due upon Tenant's execution of the Lease.
13. Prepaid Rent: \$5,160.00; due upon Tenant's execution of the Lease.
14. Tenant's Address for Delivery of Notices:  
Premises  
Phone: 208-250-0809  
Email: [avyperla96@gmail.com](mailto:avyperla96@gmail.com)
15. Owner's Address for Delivery of Notices and Payment of Rent:  
Boise VZ LLC  
c/o TOK Commercial  
Attn: Mark Little  
250 S 5<sup>th</sup> Street, 2<sup>nd</sup> Floor  
Boise, ID 83702  
Phone: (208) 378-4600  
Email: [markl@tokcommercial.com](mailto:markl@tokcommercial.com)

16. Lease Guarantor:

Geraldo Salcedo and Perla Ayvar, in conjunction with the execution of this Lease and as a precondition to the effectiveness of this Lease, shall have executed the Guaranty of Lease
17. Exhibits Attached:

Exhibit A

Exhibit B

Exhibit C

Exhibit D

Exhibit E

Schedule 1

Schedule 2

Appendix I

Appendix II

Lease Rider

Description of Premises

Tenant Improvements

Option to Renew

Base Rent Escalation

Special Provisions

Sign Criteria

Building Rules & Regulations

Hazardous Waste

Bankruptcy or Insolvency

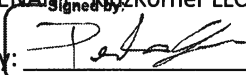
Guaranty of Lease

IN WITNESS WHEREOF, the parties executing this Lease each warrant and represent to the other that they have authority to execute this Lease and to create a binding obligation, and, if they are signing on behalf of an entity, that they have been duly authorized to act on behalf of such entity; and the parties have executed this Lease, consisting of the Basic Lease Provisions and the General Provisions and any and all Exhibits, Schedules, Appendices, and Riders attached hereto, as of the last date written below.

OWNER: Boise VZ LLC

By: \_\_\_\_\_  
Name: Tom Veazey  
Title: Manager  
Date Signed: \_\_\_\_\_

TENANT: KidzKorner LLC

By: 

8A6AD425F687441...

Name: Perla Ayvar

Title: Manager

Date Signed: 9/19/2024 | 11:38 AM PDT

## GENERAL PROVISIONS

### I. PREMISES

(a) **Premises.** The Premises subject to this Lease shall be that portion of the Building as shown on "Exhibit A" attached hereto and made a part hereof, extending from the top surface of the subfloor to the bottom surface of the roof deck above Tenant accepts the Premises "as is" and, except as described on "Exhibit B" attached hereto and made a part hereof, Owner shall have no responsibility to construct or pay for any tenant or other improvements in the Premises.

1.02. **Owner's Reserved Rights.** Owner reserves the right, from time to time, without unreasonable interference with Tenant's occupancy, to install, use, maintain, repair, replace and relocate pipes, ducts, conduits, wires and appurtenant meters and equipment for service to other parts of the Building above the ceiling, surfaces, below the floor surfaces, within the walls and in the central core areas and to expand the Building. Owner shall also have the right to make such changes therein and thereto from time to time which in its opinion are deemed to be desirable and for the best interests of all persons using the Building

### II. TERM

2.01. **Initial Term.** The initial term (hereafter "Initial Term") of this Lease as set forth in the Basic Lease Provisions shall commence on the Lease Commencement Date specified in the Basic Lease Provisions or such later date as Owner substantially completes Tenant improvements to be constructed/installed by Owner, if any, described on "Exhibit B", attached hereto and made a part hereof (hereafter "Lease Commencement Date"). The Initial Term as may be extended from time to time by exercise of an option to renew, if applicable, is hereinafter referred to as the "Term." In the event the Lease Commencement Date is later than the Lease Commencement Date so specified, the Lease Commencement Date shall be confirmed in writing by the parties.

2.02. **Option to Renew.** If an option to renew the Term is indicated in the Basic Lease Provisions, such option to renew shall be on the terms set forth on "Exhibit C" attached hereto and made a part hereof.

### III. RENT

3.01. **Security Deposit.** The security deposit paid by Tenant to Owner shall be held by Owner as security for the faithful performance by Tenant of the terms and conditions of this Lease. In the event of Tenant's default hereunder including, but not limited to, the obligation to pay rent, Owner may, but shall not be required to, use or retain all or any portion of the security deposit for the payment of rent or any other sum in default or for the payment of any amount which Owner may spend by reason of Tenant's default, or to compensate Owner for other loss or damage suffered by Owner by reason of Tenant's default. If any portion of the security deposit is so used or applied, Tenant shall within ten (10) days after written demand therefor deposit cash with Owner in an amount sufficient to restore the security deposit to its original amount. Owner shall not be required to maintain the security deposit separate from its general funds and Tenant shall not be entitled to interest on such deposit. If Tenant fully performs the obligations under this Lease, the security deposit (or balance thereof) shall be returned to Tenant within thirty (30) days after Tenant vacates the Premises following the expiration or termination (other than in the event such termination is the result of a Tenant default) of this Lease, less any sums required to reimburse Owner for sums expended to place the Premises in the condition required under Article XVIII. In the event Owner sells the Building, Owner shall transfer the security deposit to Owner's successor in interest and Owner shall thereupon be released by Tenant from all liability for the return of the security deposit and Tenant agrees to look solely to the successor to Owner for the return thereof.

3.02. **Rent.** Tenant shall pay to Owner, without deduction or off-set, the Annual Base Rent for the Premises specified in the Basic Lease Provisions, in equal monthly installments, on the first (1st) day of each calendar month, in advance, commencing on the Rent Commencement Date. Rent for any period less than a full calendar month shall be pro-rated on a per diem basis calculated on a thirty (30) day month. The Annual Base Rent shall be escalated as provided in "Exhibit D" attached hereto and made a part hereof. All Annual Base Rent and other amounts payable by Tenant to Owner under this Lease shall be in lawful money of the United States of America. All amounts which, pursuant to this Lease, are to be paid by Tenant to or on

behalf of Owner, in addition to the Annual Base Rent shall be considered "additional rent" for all purposes under this Lease and included in the reference to "rent".

**3.03. Late Charges.** Tenant acknowledges that the late payment of rent to Owner will cause Owner to incur costs not contemplated by this Lease, the exact amount of which Owner is not capable of determining. Accordingly, if any monthly installment of the Annual Base Rent or any other sum payable by Tenant to Owner under this Lease shall not be received by Owner within five (5) days after its due date, Tenant shall pay to Owner a late charge equal to ten percent (10%) of such overdue rent. Further, and in addition to any late charges, any sums (including rent) payable by Tenant to Owner under the terms of this Lease which shall be past due for a period of thirty (30) or more days, shall bear interest from the due date at the rate of eighteen percent (18%) per annum. Acceptance of a late charge by Owner or interest on overdue amounts shall not constitute a waiver of Tenant's default with respect to such overdue amount nor prevent Owner from exercising any other rights or remedies granted hereunder. No payment by Tenant of an amount less than that then due shall be deemed or construed other than a part payment on account of the most recent rent due nor shall any endorsement or statement on any check or letter accompanying any payment be deemed to create an accord and satisfaction.

**3.04. Place of Payment.** Until otherwise directed by Owner in writing, Tenant shall deliver all notices and pay all Annual Base Rent and other amounts due under this Lease to Owner at the address for Owner set forth in the Basic Lease Provisions.

**3.05. Payment of Abated Rent Upon Default.** Intentionally deleted.

**3.06. Automatic Transfer.** Owner may, at Owner's option, upon not less than thirty (30) days prior written notice to Tenant, require Tenant to promptly execute and deliver to Owner any documents, instruments, authorizations or certificates required by Owner to effect an automated debiting system pursuant to which the monthly installments of the Annual Base Rent, as the same may be increased from time-to-time as provided in this Lease, shall be debited monthly from Tenant's account in a bank or financial institution designated by Tenant and credited to Owner's bank account as Owner shall designate. Tenant shall pay all service fees and other charges in connection with such automated debiting system, including but not limited to, any charges resulting from insufficient funds in Tenant's bank account or any charges imposed on Owner. In the event Tenant elects to designate a different bank or financial institution from which the monthly installments of the Annual Base Rent are to be automatically debited, written notification of such change and the required documents, instruments, authorizations and certificates to effect an automated debiting system at such different bank or financial institution shall be delivered by Tenant to Owner no later than thirty (30) days prior to the date such change is to become effective. Tenant shall remain responsible to Owner for payment of all installments of the Annual Base Rent and all other amounts due hereunder even if Tenant's bank account is incorrectly debited in any given month and such installment, or the balance thereof, shall be paid by Tenant to Owner within five (5) days after written demand from Owner.

#### **IV. USE OF PREMISES**

**4.01. Use.** During the Term, Tenant shall use the Premises for that specific use stated in the Basic Lease Provisions only. Any different use by Tenant shall require the prior written consent of Owner, in Owner's sole discretion. Tenant's use of the Premises shall be in full compliance with all statutes, ordinances, laws, rules, regulations and restrictive covenants applicable to the Premises, the terms of "Appendix I" concerning hazardous waste and in a manner which shall not result in a nuisance to or unnecessary disturbance of other tenants of Building, if any. Tenant shall comply with all rules and regulations of the National Fire Protection Association, the applicable Fire Rating Bureau and any similar body. Tenant shall not maintain any item or do anything in or about the Premises which would cause the increase of insurance rates or make such insurance unobtainable.

**4.02. Tenant Compliance with ADA.** Tenant shall not make any changes or alterations to the Premises and/or the passageways, pedestrian walkways, sidewalks and parking in the vicinity of the Premises which would have the effect of making the improvements in and near the Building cease to be in compliance with the Americans With Disabilities Act of 1990, Public Law No. 101-336, 42 USC 12101 et. seq. as it may be amended from time to time (the "ADA") (by way of example, a change which would alter the handicapped-accessible "path-of-travel"). Tenant shall not enter into any change of use of the Premises, whether approved by Owner or not, if such change in use would result in increased liability of Owner under the ADA, or any shifting of liability between Tenant and Owner as a result of any such change of use. Tenant shall indemnify and hold Owner harmless from and against any and all claims arising from non-compliance or alleged non-compliance with the provisions of the ADA in effect during the Term, including any extensions and renewals, due to Tenant's changes or alterations to the Premises and/or the passageways, pedestrian walkways, sidewalks or parking in the vicinity of the Premises, and from and against all

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costs, attorneys' fees, expenses and liabilities incurred in or from any such claim. Tenant, upon notice from Owner, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Owner.

4.03. **Waste - Nuisance.** Tenant shall not use the Premises in any manner that will constitute waste, or results in a nuisance or an unreasonable annoyance to occupants of other portions of the Building or outside the Building including, without limitation, the use of loud speakers or sound or light apparatus that can be heard or seen outside the Premises.

4.04. **Electrical Requirements.** If Tenant installs upon the Premises any electrical equipment which causes an overload on the electrical service to the Premises or the Building, Tenant shall, at Tenant's own cost and expense, make whatever changes are necessary to eliminate such overload and comply with the requirements of insurers, the utility company supplying said electrical service and any governmental authorities having jurisdiction thereof, but nothing herein contained shall be deemed to constitute Owner's consent to such overload.

4.05. **Disposal of Refuse.** Tenant shall not dump, dispose, reduce or incinerate or cause other burning of any trash, papers, refuse or garbage of any kind in or about the Premises. Tenant shall store all trash and garbage within the Premises or in an area designated as appropriate therefor by Owner in covered metal containers.

4.06. **Improvements by Tenant - Obligations of Tenant.** If Tenant is to construct/install any of Tenant improvements in the Premises, the obligations of Tenant set forth in Articles VII, VIII and IX of this Lease shall commence and be in force and effect from and after the date Tenant, or Tenant's employees, contractors or agents, take possession of the Premises, notwithstanding that the Lease Commencement Date is later than the date of said possession.

4.07. **Suitability.** Tenant acknowledges that Owner (including any agent of Owner) has not made any representation or warranty with respect to the Premises or concerning their suitability for the uses intended by Tenant. Tenant agrees that Owner has not agreed to undertake any modification, alteration or improvement of the Premises except as provided on Exhibit C.

4.08.

4.09. **Improvements.** Unless otherwise expressly provided in this Lease, all improvements to the Premises required to make the Premises suitable for Tenant's use thereof shall be made by Tenant at Tenant's cost and expense.

4.10. **No Smoking Building.** Tenant acknowledges that the Building has been designated by Owner as a "No Smoking" Building and Tenant agrees to timely enforce such restriction with respect to its employees, contractors, agents, invitees and licensees who occupy the Premises.

4.11. **Re-Keying of Premises.** Prior to re-keying of any door locks within the Premises, Tenant shall obtain the consent of Owner and any such re-keying by Tenant shall be in conformity with Owner's master key system (hereafter "Master Key System"), and if such re-keying by Tenant requires modifications in the Master Key System, Tenant shall pay all costs to modify the same. Tenant shall provide Landlord copies of all keys or access codes in the event the Premises is re-keyed as provided in this Section.

## V. UTILITIES

5.01. **Tenant's Obligations.** Tenant shall pay all costs for all utilities, janitorial service to the Premises, telephone service, internet/data service, security/alarm system, and any other service required by Tenant.

## VI. TAXES

6.01. **Real Property Taxes.** Owner shall pay all ad valorem real property taxes levied and assessed against the Building.

6.02. **Personal Property Taxes.** Tenant shall pay all personal property taxes levied and assessed against Tenant's fixtures, equipment and other property.

6.03. **New Taxes.** Tenant shall pay to Owner promptly upon demand any and all taxes and other charges payable by Owner to any government entity (other than net income, estate and inheritance taxes) whether or not now customarily paid



or within the contemplation of the parties hereto, by reason of or measured by the Annual Base Rent or other amounts payable by Tenant under this Lease or allocable to or measured by the area or value of the Premises or upon the use and occupancy of the Premises by Tenant, or levied for services rendered by or on behalf of any public, quasi-public or governmental entity.

## VII. INSURANCE

**7.01. Tenant's Obligations.** During the Term, Tenant shall carry and maintain, at Tenant's sole cost and expense, the following types of insurance, in the amounts specified and in the form hereafter provided:

(a) **Public Liability and Property Damage.** Bodily injury liability insurance with limits of not less than \$1,000,000.00 per person and \$1,000,000.00 per occurrence insuring against any and all liability of the insured(s) with respect to the Premises and the other portions of the Building used or useable by Tenant, its employees, agents, contractors, customers, invitees and licensees, or arising out of or relating to the maintenance, use and occupancy thereof, and property damage liability insurance with a limit of not less than \$500,000.00 per accident or occurrence. All such bodily injury liability insurance and property damage liability insurance shall specifically insure the performance by Tenant of the indemnity agreement(s) contained in this Lease as to liability for injury to or death of person and injury or damage to property and shall name as additional insureds thereunder: Owner, property manager (if any), lender (if any) and such other persons or entities as shall, from time-to-time, be designated in writing by Owner.

(b) **Plate Glass.** Tenant shall be responsible for the maintenance, repair or replacement of any plate glass on the Premises but shall have the option to either insure the risk or to self-insure the same.

(c) **Premises Facilities Furnished and Installed by Tenant and Personal Property.** Insurance covering all of the items comprising Tenant's leasehold improvements, trade fixtures, equipment and personal property from time to time in, on or upon the Premises in the full replacement cost from time to time during the Term, providing protection against any peril included within the classification "fire and extended coverage," together with insurance against sprinkler damage, vandalism and malicious mischief. Any policy proceeds shall be used for the repair or replacement of the property damaged or destroyed unless this Lease shall cease and terminate under the provisions of Article XI.

(d) **Business Interruption Insurance** Tenant shall keep in full force and effect, a policy or policies of business interruption insurance in an amount equal to twelve (12) monthly installments of Annual Base Rent payable to Owner, together with the taxes on such rent, insuring Tenant against losses sustained by Tenant as a result of any cessation or interruption of Tenant's business in the Premises for any reason

**7.02. Owner's Obligation.** Owner shall purchase and keep in force a policy(s) of insurance covering the Building in an amount not less than ninety percent (90%) of the full replacement cost (exclusive of the cost of excavations, foundations and footings), providing protection against any peril generally included within the classification "fire and extended coverage," or, at Owner's election, "all-risk coverage," including earthquake coverage and/or ordinance or law coverage, if elected by Owner. In addition, Owner shall have the right to purchase and keep in force rent loss insurance to protect Owner against loss of rent during the period of repair or replacement of all or any portion of the Building in the event of loss or damage. The insurance provided for in this Section may be brought within the coverage of a blanket policy(s) of insurance carried and maintained by Owner.

**7.03. Policy Form.** All Tenant's policies of insurance provided for herein shall be issued by insurance companies with a general policyholder's rating of not less than A and a financial rating of AAA (or equivalent ratings if such are changed) as rated in the most current available "Best's Insurance Reports" and qualified to do business in the State where the Building is located (hereafter "State"). Executed copies of the policies of insurance to be provided by Tenant, or certificates thereof, shall be delivered to Owner within ten (10) days after the Lease Commencement Date of the Initial Term and thereafter within thirty (30) days prior to the expiration of the term of each policy. All public liability and property damage policies shall contain a provision that Owner, although named as an additional insured, shall nevertheless be entitled to recover under such policies for any loss occasioned by it, or its partners, employees and agents. When any such policy shall expire or terminate, a like renewal or additional policy shall be purchased and maintained by Tenant. All policies of insurance delivered to Owner shall contain a provision that the insurer shall give to Owner twenty (20) days prior notice in writing of any cancellation or lapse or of any reduction in the amounts of insurance. All public liability, property damage and other casualty policies required of Tenant, shall be written as primary policies, not contributing with and not in excess of coverage which Owner may carry.

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7.04. **Adjustment of Coverage.** Not more frequently than every two (2) years during the Term if, in the opinion of Owner based on industry and local standards, the amount of public liability and property damage insurance required to be carried and maintained by Tenant is at the time not adequate, Tenant shall increase insurance coverage as reasonably determined by Owner to be adequate.

7.05. **Failure of Tenant to Insure.** In the event Tenant shall fail to purchase and keep in force any of the insurance required of Tenant in this Article, Owner may, but shall not be required to, purchase and keep in force the same, in which event Tenant shall pay to Owner the full amount of Owner's expense with respect thereto, said payment to be made within five (5) days after demand for such payment by Owner. The election by Owner to purchase said insurance on behalf of Tenant shall not constitute a curing of the default occasioned by Tenant's failure nor be an election of remedies otherwise available to Owner.

7.06. **Waiver of Subrogation.** Any insurance carried by either party as required by this Lease shall include a clause or endorsement denying to the insurer a right of subrogation against the other party to the extent rights have been waived by the insured prior to occurrence of an injury or loss. Each party, notwithstanding any provisions of this Lease to the contrary, hereby waives any rights of recovery against the other for injury or loss due to hazards covered by insurance containing such a clause or endorsement to the extent of the insurance proceeds paid or payable by reason of the injury or loss covered thereby.

## VIII. MAINTENANCE AND REPAIR

8.01. **Owner's Obligations.** Owner shall repair and maintain the Building shell and core only. Owner shall not be liable for any failure to make repairs or perform maintenance unless the same shall persist for an unreasonable time after written notice of the need for repairs or maintenance is given to Owner by Tenant.

8.02. **Tenant's Obligations.** Other than Owner's obligations in Section 8.01, Tenant shall take good care of the exterior and interior of the Premises including all plumbing, air conditioning, heating and electrical systems serving the Premises and shall pay to Owner the cost of any repairs thereto or to the Building which are necessitated by the actions or omissions of Tenant, its employees, agents, contractors, licensees or invitees, ordinary wear and tear excepted.

8.03. **Failure to Repair.** If Tenant refuses or neglects to make repairs and/or maintain the Premises, or any part thereof, in a manner reasonably satisfactory to Owner, Owner shall have the right, upon giving Tenant reasonable written notice of its election to do so, to make such repairs or perform such maintenance on behalf of and for the account of Tenant. In such event, such work shall be paid for by Tenant as additional rent, and said payment to be made within five (5) days after demand for such payment by Owner. No exercise by Owner of any rights herein reserved shall entitle Tenant to any damage for any injury or inconvenience occasioned thereby nor to any abatement of Annual Base Rent or other amounts payable by Tenant under this Lease.

## IX. DESTRUCTION OF PREMISES

9.01. **Fully Untenantable.** If the Premises are damaged by fire or other casualty (occurrence), but are not thereby rendered untenable, in whole or in part, Owner shall, at its own expense, cause such damage to be repaired and neither the Annual Base Rent or other amounts payable by Tenant under this Lease shall be abated.

9.02. **Partially Untenantable.** If the Premises shall be rendered partially untenable by reason of such occurrence, Owner shall, at its own expense but in no amount in excess of the insurance proceeds actually received by Owner, cause the damage to be repaired and the Annual Base Rent for the part of the Premises rendered untenable shall be abated proportionately on a square footage basis as long as said part remains untenable. As used herein, "partially untenable" shall mean that Tenant is unable to use the Premises for the Permitted Use for a period of ten (10) or more consecutive days.

9.03. **Totally Untenantable.** In the event that fifty percent (50%) or more of the Building shall be damaged or destroyed by fire or other cause, either Owner or Tenant shall have the right, which may be exercised by written notice delivered to the other party within thirty (30) days after such occurrence, to elect to terminate this Lease in which event all rights and obligations of the parties shall terminate and end as of the date of such occurrence, except for the obligation of Tenant to pay any Annual Base Rent or other sums which were due and payable prior to the date of the occurrence. If the Premises shall be rendered wholly untenable by reason of such occurrence and neither party terminates this Lease, Owner shall, at its own expense but in no amount in excess of the insurance proceeds actually received by Owner, cause such damage to be repaired to the and the Annual Base Rent meanwhile shall be abated

9.04. **Uninsured Casualty.** If the damage to the Premises or to the Building is caused by a casualty for which coverage is excluded under the insurance maintained by Owner and the cost of repairing such damage exceeds Five Thousand Dollars (\$5,000.00), Owner shall have the right, which may be exercised by written notice delivered to Tenant within thirty (30) days after such occurrence, to elect to terminate this Lease in which event all rights and obligations of the parties shall terminate and end as of the date of such occurrence, except for the obligation of Tenant to pay any Annual Base Rent or other sums which were due and payable prior to the date of the occurrence.

9.05. **Damage at End of Term.** Owner shall have no obligation to repair the Premises and shall have the right to cancel and terminate this Lease in the last twenty-four (24) months of the Term (exclusive of any options to renew the Term unexercised by Tenant as of the date of the occurrence).

9.06. **Destruction of Building.**

## X. EMINENT DOMAIN

10.01. **Definition of Taking.** If the Premises are acquired or damaged by the exercise of the right of eminent domain or by the change of grade of adjacent street(s) or other activity by a public authority, whether or not such damage involves a physical taking of any portion of the Premises, this shall be considered a taking. If the extent of the taking is such that Tenant unable to use the Premises for the Permitted Use, this shall be considered a total taking. Any other taking shall be considered a partial taking.

10.02. **Total Taking.** In the case of a total taking, this Lease shall terminate at the date the Tenant unable to use the Premises for the Permitted Use and all compensation therefor, whether fixed by agreement or judicial award, shall belong to Owner except those portions of the award that are specifically allocated as compensation for actual expenses incurred by Tenant for moving Tenant's fixtures, stock in trade and inventory and as compensation for the taking of Tenant's fixtures and leasehold improvements which shall belong to Tenant and which Tenant has a right to remove at the expiration of the Term.

10.03. **Partial Taking.** In case of a partial taking and if this Lease is not terminated, Owner shall repair the Premises at its own expense but not to exceed any insurance proceeds received by Owner for such partial taking, in accordance with plans and specifications approved by Tenant, such approval not to be unreasonably withheld or delayed, but Owner shall not be obligated to expend for such repairs any amount greater than the compensation received from the condemning authority. In case of any partial taking, all compensation paid by the condemning authority in connection with the taking, whether fixed by agreement or judicial award, shall be paid to Owner and Tenant as provided in Section 10.02, above, and if this Lease is not terminated as above provided, the Annual Base Rent shall be reduced proportionately on the basis which the square footage of that portion of the Premises taken bears to the total square footage of the Premises before the taking.

## XI. INDEMNITY

11.01. **By Tenant.** Tenant agrees to indemnify and hold Owner harmless against all actions, claims, demands, costs, damages or expense of any kind on account thereof, including attorneys' fees and costs of defense, which may be brought or made against Owner, or which Owner may pay or incur, by reason of Tenant's use and occupancy of the Premises or Tenant's failure to perform this Lease.

11.02. **By Owner.** Owner agrees to indemnify and hold Tenant harmless against all actions, claims, demands, costs, damages or expense of any kind on account thereof, including attorneys' fees and costs of defense, which may be brought or made against Tenant, or which Tenant may pay or incur, by reason of Owner's default of this Lease.

11.03. **Non-Liability of Owner.** Notwithstanding any provision in this Lease to the contrary, Owner shall not be liable for any damage to or loss, by theft or otherwise, of property of Tenant or of others located on the Premises. Owner shall not be liable for injuries or damage to property resulting from fire, explosion, sprinklers, falling plaster, steam, gas, electricity, water, rain, snow or leaks from the pipes, appliances, plumbing, street or subsurface, or from any other place or from dampness. Tenant assumes the risk of all property kept or stored on the Premises and shall hold Owner harmless from any claims arising out of damage to the same. Tenant shall give immediate notice to Owner in case of fire or accidents on or in the Premises or the Building.

## XII. ALTERATIONS

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**12.01. Consent Required.** Tenant shall make no alterations, improvements or additions ("Improvements") in or about the Premises without the prior written approval of Owner, such approval to be in Owner's sole discretion. All approved Improvements shall be performed at the sole cost of Tenant in compliance with all applicable statutes, ordinances, codes and regulations. Upon expiration of the Term, the Improvements shall be considered a part of the Premises and remain therein unless Owner shall request their removal, in which event the Improvements shall be promptly removed by Tenant and the Premises restored to substantially the condition existing prior to such Improvements. The granting of the consent by Owner as provided herein shall not constitute the appointment of Tenant as the agent of Owner with respect to the approved Improvements. Tenant shall timely perform, at Tenant's sole cost, in a good workmanlike manner, all alterations and/or repairs to the Premises required by any federal, state or local building, fire, life-safety or similar law, ordinance, code or regulation adopted or amended after the Lease Commencement Date of this Lease and applicable to the Premises, or required by reason of any alteration to the Premises performed by Tenant or a change in Tenant's use of the Premises, even though such alteration(s) and/or change in use may be consented to by Owner.

**12.02. Trade Fixtures.** Trade fixtures, equipment and other personal property which are installed in the Premises by Tenant and are not permanently affixed to the walls, ceilings, floors or other part thereof shall remain the property of Tenant and, providing Tenant is not in default under this Lease, they may be removed by Tenant at any time during the Term provided that Tenant promptly repairs all damage resulting from the installation or removal and fully restores the Premises.

**12.03. Liens Prohibited.** Tenant agrees that it will pay or cause to be paid all costs for work done by it on the Premises, and Tenant will keep the Premises free and clear of all mechanics' liens on account of work done by Tenant or persons claiming under Tenant. Tenant agrees to and shall indemnify and save Owner free and harmless against liability, loss, damage, costs, attorneys' fees, and all other expenses on account of claims of lien of laborers or materialmen or others for work performed or materials or supplies furnished to Tenant or persons claiming under Tenant.

If Tenant shall desire to contest any claim of lien, it shall furnish Owner adequate security for the value or in the amount of the claim, plus estimated costs and interest, or a bond of responsible corporate surety in such amount conditioned on the discharge of the lien. If a final judgment establishing the validity or existence of lien for any amount is entered, Tenant shall pay and satisfy the same at once.

If Tenant shall be in default in paying any charge for which a mechanics' lien claim and suit to foreclose has been filed and Tenant shall not have furnished Owner adequate security as more particularly provided above, then, in order to protect the Premises and Owner against such claim of lien, Owner may (but shall not be required) pay the claim and any costs, and the amount so paid, together with reasonable attorneys' fees incurred in connection therewith, shall be immediately due and owing from Tenant to Owner without a cure period, and Tenant agrees to and shall pay the same with interest from the dates of Owner's payments at the lesser of the maximum rate allowed by law or eighteen percent (18%) per annum.

Should any claims of lien be filed against the Premises or any action affecting the Premises be commenced, the party receiving notice of such lien or action shall forthwith give the other party written notice thereof.

Owner or its representatives shall have the right to post and keep posted on the Premises notices which Owner may deem to be proper for the protection of Owner's interest in the Premises. Tenant shall, before the commencement of any work, all which requires Owner's prior consent as provided in this Lease, which might result in any such lien, give to Owner written notice of its intention so to do in sufficient time to enable Owner to file and record such notices.

Owner and Tenant specifically acknowledge that Tenant is not the agent of Owner and does not have the authority to contract for or bind Owner and all third parties are so advised.

### **XIII. SIGNS**

**13.01.** No exterior signs shall be erected or installed by Tenant without the prior written consent of Owner, in Owner's sole discretion, and any signs so permitted shall be of such design, size and type as shall be specifically approved by Owner, it being understood and agreed that the type, size, design, color and location of exterior signs are important considerations in the overall appearance of the Building. Prior to the installation of any exterior sign, Tenant shall submit to Owner such plans, specifications and other information concerning the proposed sign as required by Owner. After installation of any approved exterior sign, Tenant shall maintain the same in good condition and repair at all times and upon expiration or earlier termination of this Lease, Tenant shall repair all damage caused by such erection, installation, maintenance or removal

and if Tenant fails to do so, Owner shall have the right to perform such maintenance, repairs or replacement and Tenant shall pay to Owner all costs thereof within ten (10) days after written demand therefor delivered to Tenant. All exterior signage installed by Tenant shall be located, designed and installed in accordance with the provisions of "Schedule 1" attached hereto and made a part hereof.

#### **XIV. ASSIGNMENT, SUBLETTING AND MORTGAGING**

**14.01. Restriction.** Tenant shall not, either voluntarily or by operation of law, transfer, assign, sublet, pledge, encumber, enter into license or concession agreements, change ownership or hypothecate this Lease or Tenant's interest in and to the Premises or otherwise transfer this Lease or all any part of Tenant's leasehold estate in the Premises (hereafter "transfer") without first obtaining the written consent of Owner, which consent may be withheld in Owner's sole discretion. Any transfer of this Lease by merger, consolidation or liquidation of Tenant, or any change in the ownership of Tenant, or power to vote a majority of its outstanding voting interests (including redemption thereof) shall constitute a transfer. Any transfer without the prior written consent of Owner, shall be null and void and shall, at the option of Owner, constitute a default under this Lease. By way of amplification and not limitation, Owner reserves the right to refuse to give such consent if, in Owner's discretion, (i) the assignment and/or the use of the Premises by the assignee will cause a breach of any provision (such as a radius, location, use or exclusivity provision) in any other lease, financing agreement or other agreement relating to the Building, or entitle another tenant or occupant of the Building to reduce its rent or terminate its lease, (ii) be in breach of any restrictions applicable to the Building, (iii) involve the storage, use or disposal of any material or substance which is then classified as "hazardous" or "toxic" by any law or regulation, (iv) adversely affect the reputation or image of the Building, as reasonably determined by Owner, (v) require Owner to perform any alterations to the Premises or the Building by reason of any applicable law, code or regulation, (vi) the nature or quality of the business to be conducted on the Premises would be a detrimental influence with respect to other tenants occupying the Building, or (vii) the creditworthiness of the proposed assignee or sublessee is less than the creditworthiness of Tenant at the date of this Lease. Tenant agrees to pay to Owner Owner's reasonable attorney's fees and other necessary costs incurred in connection with the processing and documentation of any such requested transfer of this Lease or Tenant's interest in and to the Premises. The consent by Owner to any assignment or subletting by Tenant shall not, unless expressly agreed by Owner in writing to the contrary, relieve Tenant or any Guarantor of any obligations under this Lease, whether accruing before or after such assignment or subletting. The consent by Owner to any assignment or subletting shall not constitute a waiver of the requirement to obtain Owner's consent to subsequent assignments or sublettings. Each assignee or subtenant shall expressly assume in writing all obligations of Tenant under this Lease, provided, that each assignee or sublessee shall, by taking possession of the Premises, be deemed to have expressly assumed all obligations of Tenant under this Lease and shall remain jointly and severally liable with Tenant for the full and timely performance of this Lease.

**14.02. Subsequent Modifications.** The assignment of this Lease by Tenant with the consent of Owner shall constitutes the express agreement by Tenant that subsequent modifications of this Lease by Owner and the assignee shall not (i) require the prior consent or approval of Tenant (assignor), or (ii) release or relieve Tenant (assignor) from liability hereunder, provided that if such modifications increase the rent or other obligations of Tenant hereunder, Tenant's (assignor's) liability shall be limited to the terms of this Lease as the same existed on the date of assignment.

**14.03. Sublease Rent.** If Tenant subleases the Premises at a rent in excess of the rent reserved by Owner hereunder, Owner shall have the right to refuse consent thereto unless all such excess rent to be paid by the sublessee is agreed to be, and is, paid to Owner and such condition is expressly agreed to be a reasonable limitation upon Tenant's right to sublease the Premises.

#### **XV. SUBORDINATION; ATTORNMENT**

**15.01. Subordination.** This Lease shall be subject and subordinate to all ground or underlying leases which now exist or may hereafter be executed affecting the Premises, and to the lien of any mortgages or deeds of trust in any amount or amounts whatsoever now or hereafter placed on or against the Premises by Owner or on or against Owner's interest or estate therein, or on or against any ground or underlying lease without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination, provided, however, that so long as Tenant complies with the obligations imposed upon Tenant in this Lease, neither Tenant nor its successors and assigns (subject to Section 14.01) shall be removed from possession of the Premises. If any mortgagee, trustee or ground lessor shall elect to have this Lease be prior to the lien of its mortgage, deed of trust or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust or ground lease, whether this Lease is dated prior to, or subsequent to the date of said mortgage, deed of trust, or ground lease, or the date of the recording thereof.

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15.02. **Subordination Agreements.** Tenant covenants and agrees to execute and deliver upon demand without charge therefor, such further instruments evidencing such subordination of this Lease to such ground or underlying leases and to the lien(s) of any mortgages or deeds of trust as may be required by Owner. As a condition to such execution of any subordination agreement, Tenant may require that any such instrument contain an acknowledgment that so long as Tenant complies with the obligations imposed upon Tenant in this Lease, Tenant shall not be removed from possession of the Premises for the Term.

15.03. **Attornment.** In the event any proceedings are brought for default under ground or any underlying lease or in the event of foreclosure, receivership or in the exercise of the power of sale under any mortgage or deed of trust made by Owner covering the Premises, Tenant shall attorn to the receiver or any purchaser upon any such foreclosure or sale and recognize such receiver or purchaser as the Owner under this Lease, provided said purchaser expressly agrees in writing to accept Tenant and to be bound by the terms of this Lease.

## XVI. QUIET ENJOYMENT

Owner agrees that Tenant, upon paying the Annual Base Rent and other amounts payable by Tenant under this Lease, and performing the covenants, terms and conditions of this Lease required of Tenant to be kept and performed, may quietly have, hold and enjoy the Premises during the Term.

## XVII. DEFAULT

17.01. **Events of Default.** Time is of the essence of this Lease. The occurrence of any of the following events shall constitute a material default and breach of this Lease by Tenant:

- (a) Failure of Tenant to occupy the Premises, or once occupied, any prolonged absence by Tenant from the Premises or an absence of five (5) days or more;
- (b) Failure of Tenant to pay any installment of rent or other amounts due hereunder when due without the requirement of written notice or demand;
- (c) reserved;
- (d) Default by Tenant in the performance of any of Tenant's covenants, agreements or obligations hereunder (excluding a default in the payment of rent or other monies due) which continues for thirty (30) days after written notice thereof is delivered to Tenant by Owner;
- (e) This Lease, any part of the Premises, or any property of Tenant are taken upon execution or by other process of law directed against Tenant, or are taken upon or subject to any attachment by any creditor of Tenant or claimant against Tenant, and said attachment is not discharged or disposed of within fifteen (15) days after its levy;
- (f) Tenant files a petition in bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy laws of the United States or under any insolvency act of any state, or admits the material allegations of any such petition by answer or otherwise (or is dissolved or makes an assignment for the benefit of creditors);
- (g) Involuntary proceedings under the bankruptcy laws of the United States or state insolvency act or for the dissolution of Tenant are instituted against Tenant, or a receiver or trustee is appointed for all or substantially all of the property of Tenant, and such proceeding is not dismissed or such receivership or trusteeship vacated within thirty (30) days after such institution or appointment; or
- (h) Any transfer in violation of Article XIV.

In the event of a default under subsections (f) or (g) hereof, which by reason of applicable federal or state law cannot be enforced in accordance with the terms of this Lease, the provisions concerning Bankruptcy or Insolvency contained in "Appendix II," attached hereto and made a part hereof, shall become operative and shall be binding on the parties.

17.02. **Owner's Remedies.** In the event of a default by Tenant under this Lease, Owner shall have election of remedies allowed by law or equity including, but not limited to, the following:



(a) **Termination - Damages.** In addition to any other remedy available to Owner at law or in equity, all of which other remedies are reserved unto Owner, Owner shall have the right to immediately terminate Tenant's right to possession of the Premises and/or this Lease and all rights of Tenant hereunder by delivering a written notice of termination to Tenant. In the event that Owner elects to so terminate such possession and/or this Lease, such election shall constitute the election by Owner to accelerate all future rents payable under this Lease to be immediately due and payable and Owner shall have the right to recover from Tenant the following:

(i) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus

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

(iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could have reasonably been avoided; plus

(iv) Any other amount necessary to compensate Owner for all detriment proximately caused by Tenant's failure to perform the obligations under this Lease or which in the ordinary course of things would likely to result therefrom; plus

(v) Reasonable attorneys' fees incurred by Owner as the result of such material default and breach and costs in the event suit is filed by Owner to enforce any remedy; plus

(vi) At Owner's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

(vii) As used in subparagraphs (i), (ii) and (iii), above, the "worth at the time of award" shall be determined by allowing interest or discounting, as the case may be, at the rate equal to the discount rate of the Federal Reserve Bank of San Francisco at the time of the award.

(viii) A termination of this Lease under this Section shall not release or discharge Tenant from any obligation under this Lease but shall constitute only a termination of the right of Tenant to possess and occupy the Premises, unless otherwise specifically stated by Owner in writing at the time of such termination.

(b) **Enforcement.** In the event of a default by Tenant under this Lease, Owner may, from time to time, without terminating this Lease, either recover all rent as it becomes due or re-let the Premises or any part thereof for such term or terms and at such rent and upon such other terms and conditions as Owner, in Owner's sole discretion, may deem advisable with the right to make alterations and repairs to the Premises, the cost of which shall be chargeable to Tenant.

If Owner shall elect to so re-let the Premises, rents received by Owner therefrom shall be applied as follows: first, to reasonable attorneys' fees incurred by Owner as a result of Tenant's default; second, to the cost of suit if an action is filed by Owner to enforce Owner's remedies; third, to the payment of any indebtedness other than rent due under this Lease from Tenant; fourth, to the payment of any cost of such re-letting; fifth, to the payment of the cost of any alterations and repairs to the Premises; and sixth, to the payment of rent due and unpaid hereunder and the residue, if any, shall be held by Owner and applied in payment of future rent as the same may become due and payable hereunder. Should that portion of such rent received from any re-letting during any month which is applied to the payment of rent hereunder be less than the rent payable during the month by Tenant hereunder, Tenant shall pay such deficiency to Owner. Tenant shall also pay to Owner as soon as ascertained any costs and expenses incurred by Owner in re-letting or in making the alterations and repairs to the Premises, the cost of which is not covered by the rents received from such re-letting.

(c) Non-Termination - Re-Entry. In addition to the other rights of Owner herein provided, Owner shall have the right, without terminating this Lease, at its option, to re-enter and re-take possession of the Premises and all improvements thereon and collect rents from any subtenants and/or sublet the whole or any part of the Premises for the account of Tenant, upon any terms or conditions determined by Owner. In such event of subleasing, Owner shall have the right to collect any rent which may become payable under any sublease and apply the same first to the payment of expenses incurred by Owner in dispossessing Tenant and in subletting the Premises and, thereafter, to the payment of the Annual Base Rent and other amounts payable by Tenant under this Lease required to be paid by Tenant in fulfillment of Tenant's covenants hereunder; and Tenant shall be liable to Owner for the payment of the Annual Base Rent and other amounts required to be paid by Tenant under this Lease, less any amounts actually received by Owner from a sublease and after payment of expenses incurred, applied on account of the Annual Base Rent and other amounts due hereunder. In the event of such election, Owner shall not be deemed to have terminated this Lease by taking possession of the Premises unless written notice of termination has been given by Owner to Tenant.

(d) No Termination. No re-entry or taking possession of the Premises by Owner pursuant to the provisions of this Lease shall be construed as an election to terminate this Lease unless a written notice of such intention is delivered by Owner to Tenant. Notwithstanding a re-letting without termination by Owner due to the default by Tenant, Owner may at any time after such re-letting elect to terminate this Lease for such default.

(e) Owner's Lien. In addition to any other rights of Owner as provided in this Article, upon the default of Tenant, Owner shall have the right to enter the Premises, change the locks on doors to the Premises and exclude Tenant therefrom and, in addition, take and retain possession of any property on the Premises owned by or in the possession of Tenant as and for security for Tenant's performance. Tenant hereby grants to Owner a lien under §45-108, Idaho Code, on all of said property, which lien shall secure the future performance by Tenant of this Lease. No property subject to said lien shall be removed by Tenant from the Premises so long as Tenant is in default of any monetary obligations under this Lease. No action taken by Owner in connection with the enforcement of the rights as provided in this Article shall constitute a trespass or conversion and Tenant shall indemnify, save and hold Owner harmless from and against any such claim or demand on account thereof.

17.03. Remedies Cumulative. The rights, privileges, elections and remedies of Owner set forth in this Lease or allowed by law or equity are cumulative and the enforcement by Owner of a specific remedy shall not constitute an election of remedies and/or a waiver of other available remedies.

## XVIII. SURRENDER OF PREMISES

18.01. Condition. Upon the expiration or earlier termination of this Lease, Tenant shall quit and surrender possession of the Premises to Owner in as good order and condition as the same are at the Lease Commencement Date of this Lease or hereafter may be improved by Owner or Tenant, reasonable wear and tear excepted, which repairs are Owner's obligation excepted. Tenant shall, without expense to Owner, remove or cause to be removed from the Premises all debris, rubbish, furniture, equipment, business and trade fixtures, free-standing cabinetwork, movable partitions and other articles of personal property owned by Tenant (exclusive of any items described in Section 18.03) and all similar items of any other persons claiming under Tenant, and Tenant shall, before expiration of termination, repair all damage to the Premises resulting from such removal and otherwise restore the Premises.

18.02. Abandoned Property. If Owner shall re-enter the Premises as provided in Article XVII or as otherwise provided in this Lease, any property of Tenant not removed by Tenant upon the expiration of the Term (or within seventy-two (72) hours after a termination), as provided in this Lease, shall be considered abandoned and Owner may remove any or all of such items and dispose of the same in any manner or store the same in a public warehouse or elsewhere for the account and at the expense and risk of Tenant, and if Tenant shall fail to pay the cost of storing any such property after it has been stored for a period of thirty (30) days or more, Owner may sell any or all of such property at public or private sale in such manner and at such times and places as Owner, in Owner's sole discretion, may deem proper, without notice to or demand upon Tenant, for the payment of all or any part of such charges or the removal of any such property, and shall apply the proceeds of such sale as follows: First, to the cost and expenses of such sale, including reasonable attorneys' fees incurred; second, to the payment of the cost of or charges for storing any such property; third, to the payment of any other sums of money which may then or thereafter be due to Owner from Tenant under any of the terms hereof; and fourth, the balance, if any, to Tenant. The provisions hereof shall be

without prejudice to Owner to exercise any other rights over Tenant's property on the Premises as provided elsewhere in this Lease or allowed by law.

**18.03. Permanent Property.** All fixtures, equipment, alterations, additions, improvements and/or appurtenances attached to or built into the Premises prior to or during the Term, whether by Owner at its expense or at the expense of Tenant, or both, shall be and remain part of the Premises and shall not be removed by Tenant at the end of the Term unless otherwise expressly provided for in this Lease. Such fixtures, equipment, alterations, additions, improvements and/or appurtenances shall include, but shall not be limited to: all floor coverings, drapes, paneling, molding, doors, vaults, plumbing systems, electrical systems, lighting systems, silencing equipment, all fixtures and outlets for the systems mentioned above and for all telephone, radio, television purposes and any special flooring or ceiling installations.

## **XIX. MISCELLANEOUS**

**19.01. Owner's Right of Entry.** Owner and Owner's authorized representatives shall have the right to enter the Premises at all reasonable times for the purpose of determining whether the Premises are in good condition, to make necessary repairs or perform any maintenance, to serve any notice required or allowed under this Lease or to show the Premises to prospective brokers, agents, buyers or tenants.

**19.02. No Waiver.** The failure of Owner or Tenant to seek redress for violations or to insist upon the strict performance of any covenant or condition of this Lease shall not be deemed a waiver of such violation or of any future similar violation and the waiver by Owner or Tenant of any breach shall not be deemed a waiver of any past, present or future breach of the same or any other term, covenant or condition of this Lease.

**19.03. Notices.** All notices under this Lease shall be in writing and shall be deemed effective: if hand delivered, upon the earlier of delivery or refusal to accept delivery; if via U.S. Certified Mail, return receipt requested, with postage prepaid, three (3) days after deposit in the mail; if via nationally-recognized overnight delivery service (e.g., FedEx), the day after deposit with the nationally-recognized overnight delivery service; or if via email, upon transmission so long as a copy of the notice is sent within three (3) days of the e-mail transmission via one of the other methods identified in this Section or upon acknowledgement of receipt from the recipient. All notices shall be addressed to the parties at the addresses identified on the signature page of this Lease, or at such other address as a party may specify from time to time by notice to the other party.

**19.04. Limitation of Owner's Liability.** The obligations of Owner under this Lease do not constitute personal obligations of Owner or its successors or assigns and Tenant shall look solely to the real estate that is the subject of this Lease and to no other assets of Owner or its successors or assigns for satisfaction of any liability under this Lease.

**19.05. Transfer of Owner's Interest.** In the event of a sale or conveyance by Owner of the Premises and/or the Building, other than a transfer for security purposes only, Owner shall be relieved from all obligations and liabilities accruing thereafter on the part of Owner, provided that any funds in the hands of Owner at the time of transfer in which Tenant has an interest, shall be delivered to the successor of Owner. This Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee provided all Owner's obligations hereunder are assumed in writing by the transferee.

**19.06. Holding Over.** Should Tenant continue to occupy the Premises or any part thereof after the expiration or earlier termination of this Lease, whether with or against the consent of Owner, such tenancy shall be month-to-month at a rent equal to 150% of the Annual Base Rent in force and effect for the last month of the Term expired or terminated.

**19.07. Attorneys' Fees and Costs.** If either party shall default under this Lease and said default is cured with the assistance of an attorney for the other party, as a part of curing said default, the reasonable attorneys' fees incurred by the other party shall be added to the balance due and payable or, in the case of a non-monetary default, shall be paid to the other party upon demand. In the event suit or action is filed by either party against the other to interpret or enforce this Lease, the unsuccessful party to such litigation agrees to pay to the prevailing party all costs and expenses, including attorneys' fees incurred therein, including the same with respect to an appeal.

**19.08. Notice of ADA Violations.** Within ten (10) days after receipt, Owner and Tenant shall advise the other party in writing, and provide the other party with copies of any notices claiming or alleging violation of the Americans with Disabilities Act of 1990 (hereafter "ADA") relating to the Premises or the Building, or any claim made or threatened in writing regarding noncompliance with the ADA and relating to the Premises or the Building, or any governmental or regulatory actions or investigations instituted or threatened regarding noncompliance with the ADA and relating to the Premises or the Building.

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19.09. **Construction.** All parties hereto have either (i) been represented by separate legal counsel, or (ii) have had the opportunity to be so represented. Thus, in all cases, the language herein shall be construed simply and in accordance with its fair meaning and not strictly for or against a party, regardless of which party prepared or caused the preparation of this Lease.

19.10. **Waiver of Jury Trial.** The parties waive trial by jury in any action, proceeding, or counterclaim brought by either of the parties against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Owner and Tenant, and Tenant's use or occupancy of the Premises.

19.11. **Succession.** This Lease shall be binding upon and shall inure to the benefit of the respective heirs, personal representatives, successors and assigns of the parties.

19.12. **Estoppel Certificate.** Tenant shall, at any time upon not less than ten (10) days prior written notice from Owner, execute, acknowledge and deliver to Owner a statement in writing (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Owner hereunder, or specifying such defaults if they are claimed, and (c) containing any other certifications, acknowledgments and representations as may be reasonably requested by Owner or the party for whose benefit such estoppel certificate is requested. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises or the Real Property. Tenant's failure to deliver such statement within said time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Owner, (ii) that there are no uncured defaults in Owner's performance, (iii) that not more than an amount equal to one (1) month's installment of the Annual Base Rent has been paid in advance, and (iv) that such additional certifications, acknowledgments and representations as are requested under subsection (c) hereof, are valid, true and correct as shall be represented by Owner. If Owner desires to finance or refinance the Premises, Tenant hereby agrees to deliver to any lender designated by Owner such financial statements of Tenant as may be reasonably required by such lender. All such financial statements shall be received by Owner in confidence and shall be used only for the purpose herein set forth.

19.13. **Financial Statements.** Tenant and the officer(s) signing this Lease for a corporate Tenant and each guarantor of this Lease, if any, represent, warrant and certify to Owner that any financial statement or other financial information given to Owner is true, accurate and correct and truly and accurately represents the financial condition of Tenant or the guarantor(s), as the case may be, as of the date of this Lease. Tenant and the guarantor(s) acknowledge that said financial statement(s) and information was given to Owner to induce Owner to execute this Lease and was relied upon by Owner in so doing. Provided, further, within fifteen (15) days after written request by Owner, but not more than one time in any calendar year, Tenant shall provide Owner with current financial statements for Tenant and any guarantor of Tenant's obligations under this Lease. The financial statements shall be in such form as Owner may reasonably require and remain confidential, subject to review by potential purchasers and lenders, who will be instructed to maintain such confidentiality.

19.14. **Severability.** If any term or provision of this Lease shall be determined by a Court to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law. It is the intention of the parties that if any provision in this Lease is capable of two constructions, then the provision shall be interpreted to have the meaning which renders it valid.

19.15. **Force Majeure.** No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Lease, for any failure or delay in fulfilling or performing any term of this Lease (except for Tenant's obligation to pay rent, which obligation is not excused by a Force Majeure Event), when and to the extent such party's (the "Impacted Party") failure or delay is not caused by the Impacted Party and instead is caused by or results from the following events that affect the Impacted Party (each a "Force Majeure Event"): (i) acts of God; (ii) floods, fires, earthquakes, or explosions; (iii) declarations of pandemic or epidemic by a governmental or quasi-governmental agency (e.g. the World Health Organization); (iv) governmentally-declared quarantines, self-isolation orders, or stay-at-home orders such that the Premises cannot be used for the Permitted Use; (v) wars, invasions, terrorist threats or acts, riots, or other civil unrest; (vi) government orders, laws, or actions; or (vii) inability to obtain labor or materials or reasonable substitutes thereof. The Impacted Party shall give written notice to the other party of the Force Majeure Event as soon as reasonably practicable after the occurrence thereof, stating the period of time the occurrence is expected to continue (which shall not be binding on the Impacted Party). The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the occurrence of the Force Majeure Event ceases.

19.16. **No Recording or Disclosure.** Neither party shall record this Lease or any memorandum hereof, it being agreed that Tenant's possession of the Premises shall be adequate notice of Tenant's leasehold interest. In addition, Tenant agrees to not disclose the terms of this Lease to any third party, excepting only the employees and agents of Tenant, including Tenant's accountant and attorney.

19.17. **Reserved.**

19.18. **Article Headings.** The article headings, title and captions used in this Lease are for convenience only and are not part of this Lease.

19.19. **Entire Agreement.** This Lease, including the exhibits attached hereto, contains the entire agreement between the parties as of the date of this Lease and the execution hereof has not been induced by either party or any agent of either party, by representations, promises, undertakings not expressed herein. There are no collateral agreements, stipulations, covenants, promises, inducements or undertakings whatsoever between the parties concerning the subject matter of this Lease which are not expressly contained herein.

19.20. **Counterparts.** This Lease may be executed in one or more counterparts, which taken together shall constitute one and the same document. Delivery of an executed counterpart of a signature page of this Lease or any document contemplated by this Lease via electronic mail or electronic signing service such as DocuSign shall be as effective as delivery of an executed original. It being specifically understood that this Lease may be conducted by electronic means pursuant to the provisions of the Uniform Electronic Transaction Act.

19.21. **Attachments Incorporated.** All exhibits, schedules, riders, appendices or other attachments to this Lease are incorporated into, and become a part of, this Lease upon attachment hereto.

19.22. **USA Patriot Act and Anti-Terrorism Laws.** Tenant represents and warrants to, and covenants with, Owner that neither Tenant nor any of its respective constituent owners or affiliates currently are, or shall be at any time during the Term hereof, in violation of any laws relating to terrorism or money laundering (collectively, the "Anti-Terrorism Laws"), including without limitation Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit, or Support Terrorism (the "Executive Order") and/or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56) (the "USA Patriot Act"). Tenant covenants with Owner that neither Tenant nor any of its respective constituent owners or affiliates is or shall be during the Term hereof a "Prohibited Person," meaning: (a) a person or entity that is listed in the Annex to, or is otherwise subject to, the provisions of the Executive Order; (b) a person or entity owned or controlled by, or acting for or on behalf of, any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (c) a person or entity with whom Owner is prohibited from dealing with or otherwise engaging in any transaction by any Anti-Terrorism Law, including without limitation the Executive Order and the USA Patriot Act; (d) a person or entity who commits, threatens or conspires to commit or support "terrorism" as defined in Section 3(d) of the Executive Order; (e) a person or entity that is named as a "specially designated national and blocked person" on the then-most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <http://www.treas.gov/offices/eotffc/ofac/sdn/t11sdn.pdf>, or at any replacement website or other replacement official publication of such list; and (f) a person or entity who is affiliated with a person or entity listed in items (a) through (e) above. At any time and from time-to-time during the Term, Tenant shall deliver to Owner, within ten (10) days after receipt of a written request therefore, a written certification or such other evidence reasonably acceptable to Owner evidencing and confirming Tenant's compliance with this Section.

19.23. **Special Provisions.** The special provisions, if any, on "Exhibit E" attached hereto and made a part hereof are a part of this Lease. In the event of a conflict between the General Provisions and the special provisions, if any, on Exhibit E, the latter shall control.

[End of General Provisions]

EXHIBIT A

DESCRIPTION OF PREMISES

Legal Description

**LEGAL DESCRIPTION:** Real property in the County of Canyon, State of Idaho, described as follows:

**Lots 8 and 9 in Block 19 of CALDWELL, IDAHO, according to the plat thereof, filed in Book 1 of Plats at Page 20, Records of Canyon County, Idaho.**

**APN: 04693000 0**

Site Plan





## EXHIBIT B

### TENANT IMPROVEMENTS

**1. DESCRIPTION OF OWNER'S WORK.** Owner, at Owner's sole cost and expense, shall be responsible for completing the following improvements:

1.1. **BUILDING SYSTEMS.** Owner shall deliver the Premises to Tenant with all building systems (electrical, plumbing, lighting, HVAC), including the roof watertight and free of leaks shall be in good working order;

1.2. **STOREFRONT GLASS AND AWNING.** Owner has ordered replacement storefront glass and exterior awning, both of which shall be installed prior to the Lease Commencement Date;

1.3. **PROFESSIONAL CLEANING.** The Premises will be professionally cleaned and free from the previous occupant's property; and

1.4. **LIGHTING CREDIT.** Owner shall provide Tenant with Four Thousand and No/100 Dollars (\$4,000.00) for Tenant to furnish and install lighting throughout the Premises (the "Lighting Allowance"). The Lighting Allowance shall be paid within thirty (30) days after Tenant's delivery of the applicable Supporting Documentation along with a final Certificate of Occupancy. As used herein, "Supporting Documentation" means commercially reasonable documentation to support the cost of lighting installed, including without limitation copies of invoices and lien waivers. Except for the Lighting Allowance and as provided in this "Exhibit B", Owner shall not be obligated to pay for or make any improvements to the Premises. If the cost of the lighting is less than the Lighting Allowance, then Owner shall be entitled to retain the unused balance thereof.

**2. DESCRIPTION OF TENANT'S WORK.** Tenant, at Tenant's sole cost and expense, shall be responsible for completing and doing all other work not specifically described under the "Description of Owner's Work" to the Premises including, but not limited to, the items listed below:

2.1. Any and all costs associated with the installation and service of Tenant's required furniture systems, fixtures, equipment, and data/telephone cabling, and other systems or services required by Tenant. All Tenant improvements are easily removable or reversible following Tenant's lease expiration.

## EXHIBIT C

### OPTIONS TO RENEW

Tenant shall have the option (individually, an "Option") to renew the Term for one (1) periods of five (5) years ("Extension Term"), commencing immediately following the expiration of the then current Term, each Extension Term shall be on all of the terms, conditions, covenants and provisions of the Lease except as provided below. Tenant's right to exercise an Option shall be subject to the following conditions:

1. If Tenant is granted more than one (1) Option, the failure of Tenant to exercise an Option in the manner and within the time herein provided shall terminate the rights of Tenant with respect to that Option and any successive Option, if any.

2. The Lease shall be in full force and effect at the time the notice of Tenant's election to exercise an Option is delivered to Owner and on the last day of the then current Term.

3. Tenant shall not be in default under any provision of the Lease at the time Tenant delivers to Owner a notice of Tenant's election to exercise an Option or on the last day of the then current Term.

4. Tenant shall deliver to Owner a written notice irrevocably exercising the option to renew the term (an "Extension Notice") at least one hundred eighty (180) days before the last day of the then current Term.

5. In all events commencing on the first (1<sup>st</sup>) day of the first (1<sup>st</sup>) anniversary of the Extension Term and annually thereafter, the Adjusted Base Rent shall be adjusted to the then current fair market rent ("FMR"), but in no event, no less than a three percent (3%) increase from the prior year's Annual Base Rent. "FMR" means the rental rate that a landlord, under no compulsion to lease the Premises, and a tenant, under no compulsion to lease the Premises, would agree upon as a reasonable rental rate for the Extension Term, as of the commencement of the Extension Term, taking into consideration the uses permitted under this Lease, the quality, size, design and location of the Premises, and the rent for comparable buildings located in the same geographic area. In the event Landlord and Tenant are unable to reach an agreement as to the renewal FMR as set forth above, then each party shall engage an appropriate third party expert, at such party's sole cost and expenses, to determine the renewal FMR, and the FMR shall be the average of each third party expert's determination of FMR. The parties agree to be bound by the determination of the FMR unless such determination is less than three percent (3%) increase from the prior year's Annual Base Rent, in which case the FMR shall be deemed to be a three percent (3%) increase from the prior year's Annual Base Rent.

6. Options are exclusive to Tenant and in the event of a sublease, may not be transferred to the subtenant.

EXHIBIT D  
BASE RENT ESCALATION

Rental Period	Rate/SF/Year	Annual Base Rent	Monthly Base Rent
09/01/2024 – 11/30/2024	\$0.00	Abated	Abated
12/01/2024 – 11/30/2025	\$10.32	\$61,920.00	\$5,160.00
12/01/2025 – 11/30/2026	\$10.63	\$63,777.60	\$5,314.80
12/01/2026 – 11/30/2027	\$10.95	\$65,690.93	\$5,474.24
12/01/2027 – 11/30/2028	\$11.28	\$67,661.66	\$5,638.47
12/01/2028 – 11/30/2029	\$11.62	\$69,691.50	\$5,807.63

Upon Tenant’s execution of the Lease, Tenant shall pay to Owner the sum of the Security Deposit (\$5,160.00) and Prepaid First Month’s Rent (\$5,160.00) for a total consideration of \$10,320.00.

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**EXHIBIT E**

**SPECIAL PROVISIONS**

In the event of a conflict between the General Provisions and the Special Provisions, the latter shall control.

1. **UTILITIES AND SERVICES.** In the event separately metered utilities are billed to Owner, Tenant shall reimburse Owner monthly for such utilities as billed.
2. **PARKING.** Tenant is allotted four (4) parking spaces at no additional cost during the Lease Term for so long as a Parking Lease Agreement, by and between Owner and the City of Caldwell is in full force and effect. Tenant acknowledges this Parking Lease Agreement is on a year to year term, and may be terminated by the City each year. Owner will use reasonable efforts to cause the Parking Lease Agreement to be renewed each year, and provided such renewal will be subject to, among other things, there being no event of default by the City of Caldwell thereunder.

## **SCHEDULE 1**

### **SIGN CRITERIA**

1. Tenant, at Tenant's sole cost, shall have the option to install tenant identification in the following locations:
  - (a) On the building directory in the main lobby;
  - (b) At the front entrance of the Premise;
  - (c) On one panel of the building monument sign, provided space is available; and
  - (d) On the building façade directly above the Premises.
2. All signage is subject to the prior written consent of Owner regarding type, size, design, color and location and must conform to local governing codes and as further provided in the Lease
3. No other interior or exterior signs or signage shall be allowed in or on the Building or grounds of the Building.

## SCHEDULE 2

### BUILDING RULES AND REGULATIONS

Except as otherwise provided in this Lease, the following rules and regulations shall apply:

1. The sidewalks, entrances, halls, passages, elevators and stairways shall not be obstructed by any tenants, or used by them for any other purpose than for ingress and egress to and from their respective Premises.
2. Tenants, their agents, employees, or visitors, shall not make or commit any improper noises or disturbances of any kind in the building, or make or defile the water closets, toilet rooms, windows, elevators, or doors of the building or interfere in any way with other Tenants or those having business with them.
3. The toilet rooms, water closets, and other water apparatus shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, ashes, chemicals, or the refuse from electric batteries or other unsuitable substance, shall be thrown therein. Any damage from such misuse or abuse shall be borne by Tenant by whom or by those employees or visitors of Tenant it shall be caused.
4. No carpet, rug, or other article shall be hung or shaken out of any window or placed in corridors as a door mat, and nothing shall be thrown or allowed to drop by Tenants, their agents, employees, or visitors, out of the windows or doors, or down the passages or shafts of the building, and no Tenant shall sweep or throw, or permit to be thrown from the Premises, any dirt or other substances into any of the corridors or halls, elevators, shafts, or stairways of said building.
5. No linoleum, or oil cloth, or rubber or other air-tight covering shall be laid on the floors, nor shall articles (except for interior artwork) be fastened to, or holes drilled, or nails or screws driven into walls, windows, partitions, nor shall the walls or partitions be painted, papered or otherwise covered, or in any way marked or broken, without the prior written consent of Owner.
6. Nothing shall be placed on the outside of the building, or on the windows, window sills, or projections.
7. The only window treatment permitted for the windows in the Premises is that installed by and approved in writing by Owner.
8. No sign, advertisement, or notice other than as approved by Owner, shall be inscribed, painted, or affixed on any part of the outside or inside of said building. Signs on doors and windows shall be subject to prior written approval by Owner in Owner's sole discretion.
9. After permission to install telephones, call boxes, internet cabling/wires, or other electric wires has been granted, Owner will direct where and how the same are to be placed. No wires shall be run in any part of the building excepting by or under the direction of Owner. Attaching of wires to the outside of the building is absolutely prohibited. It is understood that telephones are installed solely for the use and benefit of Tenant and, accordingly, Tenant will save Owner harmless for any damages thereto.
10. Owner shall in all cases have the right to prescribe the weight and proper position of safes or other heavy objects in the building; and the bringing in of said safes, all furniture, fixtures or supplies, the taking out of said articles, and moving about of said articles within the building, shall only be at such times and in such manner as Owner shall designate; and any damage caused by any of the before mentioned operations or by any of the said articles during the time they are in the building, shall be repaired by Tenant at Tenant's expense.
11. No additional locks shall be placed upon any doors without the written consent of Owner, and Tenant shall not permit any duplicate keys to be made. All necessary keys shall be furnished by Owner, and the same shall be surrendered upon the termination of this Lease, and Tenant shall then give to Owner or its agent explanation of the combination of all locks upon the doors or vaults. Owner will provide one key at Owner's expense. All other keys will be paid for by Tenant at Owner's reasonable cost.
12. No motor vehicles will be allowed in any building, and parking shall be restricted to approved spaces.

13. No Tenant shall do or permit anything to be done in the Building, or bring or keep anything therein which will in any way increase the rate of fire insurance on said building or on property kept therein, or obstruct or interfere with the rights of other Tenants, or in any way injure or annoy them, or conflict with the laws relating to fires, or with the regulations of the Fire Department or with any insurance policy upon said building or any part thereof or conflict with any of the rules and ordinances of the Department of Health. Tenant understands and agrees that the vehicle of any Tenant obstructing any unauthorized area, and particularly in areas designated by specially painted curbs as fire lane areas, may be towed away' at owner's risk and expense.
14. In order that the Premises may be kept in a good state of preservation and cleanliness, Tenant shall, during the continuance of its Lease, permit the superintendent of Owner or contractor designated by Owner to take charge of any cleaning of the Premises.
15. No Tenant shall employ any person or persons other than as specified in the Lease for the purpose of cleaning the Premises unless approved in writing by Owner, it being understood and agreed that Owner shall not be responsible to Tenant for loss of property or for any damage done to the furniture or other effects of Tenant by Owner or any of its employees or agents or any other persons or firm unless proof of Owner's responsibility for such damage or loss of property is established.
16. Tenants will see that windows are closed and the doors securely locked before leaving the Building.
17. No animals, birds, or fish shall be brought into or kept in or upon the Premises.
18. No interference with the heating apparatus will be permitted. All regulating and adjusting will be done by employees/contractors of Owner.
19. The use of suites as sleeping apartments, for the preparation of foods, or for any immoral or illegal purpose is absolutely prohibited.
20. No Tenant shall conduct, or permit any other person to conduct any auction upon the Premises, or store goods, wares, or merchandise upon the Premises without the prior written approval of Owner in Owner's sole discretion, except for the usual supplies and inventory to be used by Tenant in the conduct of its business.
21. All glass, locks, and trimmings, in or about the doors and windows of the Premises and all electric fixtures on the Premises which belong to the Building shall be kept whole, and whenever broken by anyone, shall be immediately replaced or repaired and put in order by Tenant under the direction and to the satisfaction of Owner and the same shall be left whole and in good repair upon the termination of this Lease.
22. Any and all damage to floors, walls, or ceilings due to Tenant or Tenant's employees' failure to shut off running water or liquid shall be paid by Tenant.
23. Owner reserves the right to make any and all alterations in the Premises as may be required by Tenant, the expense of such alterations to be paid by Tenant.
24. At any time while the Building is in charge of security personnel, any person entering or leaving the Building may be questioned as to their business in the Building and anyone not satisfying the security personnel of their right to enter the Building may be excluded from entering the Building.
25. No cars, trucks, RVs, boats and trailers, or any other type of motor vehicle shall be kept or stored in the parking lot. Only vehicles used by Tenant and its customers in conduct of their normal business shall be parked in the parking lot.
26. No antennae or satellite dishes of any kind shall be permitted to be attached to the Building without the express written consent of Owner.
27. For office buildings, no machinery of any kind, other than normal office machines (i.e., electric typewriters, dictating or adding machines, or similar desk-type equipment only), shall be allowed to be operated on the Premises without prior written consent of Owner.



## APPENDIX I

### HAZARDOUS WASTE

Tenant shall not cause or permit any hazardous substance(s) to be used, stored, generated or disposed of on or in the Premises, without first obtaining Owner's written consent in Owner's sole discretion. Notwithstanding Owner's consent, if any hazardous substance(s) is used, stored, generated or disposed of on or in the Premises by Tenant, such usage, storage, generation and disposal shall, in all respects, be in strict accordance all federal, state and local laws, statutes, ordinances and regulations (hereafter in this Appendix, the "Laws").

If the Premises or the Building become contaminated in any manner for which Tenant is liable, Tenant shall indemnify, defend, save and hold Owner harmless from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, a decrease in value of the Premises, damages caused by loss or restriction of rentable or usable space within the Premises, or any damages caused by adverse impact on marketing of the said space, and any and all sums paid for settlement of claims, attorneys' fees, consultant and expert fees) arising during or after the Term and arising as a result of that contamination by Tenant. This indemnification includes, without limitation, any and all costs incurred because of any investigation of the Premises, and/or any cleanup, removal or restoration required by applicable Laws or mandated by any federal, state or local governmental agency or entity. Without limitation of the foregoing, if Tenant causes or permits the presence of any hazardous substance(s) on the Premises and such results in contamination of the Premises, Tenant shall promptly, at Tenant's sole expense, take any and all necessary actions to return the Premises to the condition existing prior to the presence of any such hazardous substance(s) on the Premises. Tenant shall first obtain Owner's approval in Owner's sole discretion of any such remedial action.

As used in this Appendix, "hazardous substance" shall mean any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State or the United States Government. The term "hazardous substance" includes, without limitation, any material, waste or substance that is (i) defined as a "hazardous substance" under any law of the State; (ii) petroleum; (iii) asbestos; (iv) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. §1321); (v) defined as a "hazardous waste" pursuant to §1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. §6901, et. seq. (42 U.S.C. §6903); (vi) defined as a "hazardous substance" pursuant to §101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601, et seq.; the Toxic Substances Control Act, 15 U.S.C. §2601, et seq.; the Clean Air Act, 42 U.S.C. §7401, et seq.; the Clean Water Act, 33 U.S.C. §1251, et seq.; (vii) defined as a "regulated substance" pursuant to subchapter IX, Solid Waste Disposal Act (regulation of underground storage tanks), 42 U.S.C. §6991, et seq; or (viii) a material, substance, waste or other matter or element which is defined or classified as "hazardous," "toxic" or "regulated by any federal, state and local law, ordinance, regulation, rule, order, policy or action adopted after the Lease Commencement Date of the Initial Term.

As used in this Appendix, "Premises" shall mean the Premises which are leased by Tenant pursuant to the foregoing Lease and the Building of which the Premises are a part, including all of the land associated therewith. As in this Appendix, "Owner" or "Tenant" shall mean and include Owner or Tenant, as the case may be, named in the foregoing Lease, the members, partners, shareholders, directors, officers, employees, agents, contractors or invitees of each, a subtenant of Tenant, and the successors and assigns of Owner, Tenant or subtenant, including the members, partners, shareholders, directors, officers, employees, agents, contractors or invitees of a successor, assign or subtenant.

## APPENDIX II

### BANKRUPTCY OR INSOLVENCY

Section 1. If a petition is filed by, or an order for relief is entered against, Tenant under Chapter 7 of the Bankruptcy Code and the trustee of Tenant elects to assume this Lease for the purpose of assigning it, the election or assignment, or both, may be made only if all of the terms and conditions of Sections 2 and 4 of this Appendix are satisfied. If the trustee fails to elect to assume this Lease for the purpose of assigning it within sixty (60) days after their appointment, this Lease will be deemed to have been rejected. Owner shall then immediately be entitled to possession of the Premises without further obligation to Tenant or the trustee and this Lease will be terminated. Owner's right to be compensated for damages in the bankruptcy proceeding, however, shall survive.

Section 2. If Tenant files a petition for reorganization under Chapter 11 or 13 of the Bankruptcy Code or a proceeding that is filed by or against Tenant under any other chapter of the Bankruptcy code is converted to a Chapter 11 or 13 proceeding and Tenant's trustee or Tenant as a debtor-in-possession (hereafter collectively "trustee") fails to assume this Lease within sixty (60) days from the date of the filing of the petition or conversion, the trustee will be deemed to have rejected this Lease. To be effective, an election to assume this Lease must be in writing and addressed to Owner and all of the following conditions which Owner and Tenant acknowledge to be commercially reasonable must have been satisfied:

- (a) The trustee has cured or has provided to Owner adequate assurance, as defined in this Section, that:
  - (i) The trustee will cure all monetary defaults under this Lease within ten (10) days from the date of the assumption; and
  - (ii) The trustee will cure all non-monetary defaults under this Lease within thirty (30) days from the date of the assumption.
- (b) The trustee has compensated Owner, or has provided to Owner adequate assurance, as defined in this Section, that within ten (10) days from the date of the assumption Owner will be compensated for any pecuniary loss he incurred arising from the default of Tenant or the trustee, as recited in Owner's written statement of pecuniary loss delivered to the trustee.
- (c) The trustee has provided Owner with adequate assurance of the future performance of each of Tenant's obligations under the Lease; provided, however, that:
  - (i) The trustee will also deposit with Owner, as security for the timely payment of rent, an amount equal to three (3) months' rent (as adjusted pursuant to Section 2(c)(iii) below) and other monetary charges accruing under this Lease.
  - (ii) The trustee will also pay in advance, on each day that the minimum rent is payable, one-twelfth (1/12) of Tenant's annual obligations under the Lease for maintenance, common area charges, real estate taxes, merchant's association dues, insurance and similar charges.
  - (iii) From and after the date of the assumption of this Lease, the trustee will pay as minimum rent an amount equal to the sum of the minimum rental otherwise payable under this Lease and if percentage rent is payable under the Lease, the highest amount of the annual percentage rent paid by Tenant to Owner within the five-year period to the date of Tenant's petition under the Bankruptcy Code. This amount will be payable in advance in equal monthly installments on each day that the minimum rent is payable.
  - (iv) The obligations imposed upon the trustee will continue for Tenant after the completion of bankruptcy proceedings.
- (d) Owner has determined that the assumption of the Lease will not:

- (i) Breach an provision in any other lease, mortgage, financing agreement or other agreement by which Owner is bound;
  - (ii) Disrupt, in Owner's judgment, an intended tenant mix that, in Owner's judgment, would enhance the image, reputation and profitability of the Premises and adjoining property owned or controlled by Owner.
- (e) For purposes of this Section, "adequate assurance" means that:

- (i) Owner will determine that the trustee has, and will continue to have, sufficient unencumbered assets after the payment of all secured obligations and administrative expenses to assure Owner that the trustee will have sufficient funds to fulfill Tenant's obligations under this Lease and to keep the Premises stocked with merchandise and properly staffed with sufficient employees to conduct a fully operational, actively promoted business on the Premises; and
- (ii) An order will have been entered segregating sufficient cash payable to Owner and/or a valid and perfected first lien and security interest will have been granted in property of Tenant or trustee that is acceptable for value and kind to Owner to secure to Owner the obligation of the trustee to cure the monetary or non-monetary defaults under this Lease within the time periods set forth above.

Section 3. In the event that this Lease is assumed by a trustee appointed for Tenant or by Tenant as debtor-in-possession under the provisions of Section 2 of this Appendix and, thereafter, Tenant is either adjudicated a bankrupt or files a subsequent petition for arrangement under Chapter 11 of the Bankruptcy Code, Owner may terminate, at its option, this Lease and all Tenant's rights under it by giving written notice of the election to terminate.

Section 4. If, under Section 1 and 2 of this Appendix, the trustee has assumed the Lease, that interest or estate may be assigned by the trustee only if Owner acknowledges in writing that the intended assignee has provided adequate assurance, as defined in this Section 4, of the future performance of all of the terms, covenants and conditions of this Lease.

For the purposes of this Section, "adequate assurance" means that:

- (a) The assignee has submitted a current financial statement, audited by a certified public accountant, that shows a net worth and working capital in amounts determined by Owner to be sufficient to assure the future performance by the assignee of Tenant's obligation under this Lease;
- (b) If requested by Owner, the assignee will obtain guarantees, in form and substance satisfactory to Owner, from one or more persons who satisfy Owner's standards of creditworthiness;
- (c) The assignee has submitted written evidence satisfactory to Owner of substantial business experience of the type to be conducted on the Premises;
- (d) Owner has obtained all consents or waivers from any third party required under any lease, mortgage, financing arrangements or other agreement by which Owner is bound to enable Owner to permit the assignment.

Section 5. When, pursuant to the Bankruptcy Code, the trustee is obligated to pay reasonable use and occupancy charges for the use of all or part of the Premises, the charges will not be less than the minimum rent as defined in this Lease and other monetary obligations of Tenant for the payment of maintenance, common area charges, real estate taxes, merchant's association dues, insurance and similar charges.

Section 6. Neither Tenant's interest in the Lease nor any estate of Tenant created in the Lease will pass to any trustee, receiver, assignee for the benefit of creditors or any other person or entity or otherwise by operation of law under the laws of any state having jurisdiction of the person or property of Tenant ("state law"), unless Owner consents in writing to such transfer. Owner's acceptance of rent or any other payments from any trustee, receiver, assignee, person or other entity will not be deemed to have waived, or waive, the need to obtain Owner's consent or Owner's right to terminate this Lease for any transfer of Tenant's interest under this Lease without that consent.

Section 7. Owner may, at its option, terminate this Lease by giving Tenant written notice of termination if any of the following events occur:

- (a) Tenant's estate created by this Lease is taken in execution by other process of law;

- (b) Tenant or any guarantor of Tenant's obligations under this Lease ("guarantor") is adjudicated insolvent pursuant to the provisions of any present or future insolvency law under the laws of any state having jurisdiction;
- (c) Any proceedings are filed by or against that guarantor under the Bankruptcy Code or any similar provisions of any future federal bankruptcy law;
- (d) A receiver or trustee of the property of Tenant or the guarantor is appointed under state law by reason of Tenant's or the guarantor's insolvency or inability to pay debts as they become due or otherwise; or
- (e) Any assignment for the benefit of creditors is made of Tenant's or guarantor's property under state law.

## GUARANTY OF LEASE

FOR VALUE RECEIVED, the undersigned (hereafter "Guarantor(s)"), jointly and severally, personally guarantee the full and timely performance of all obligations of **KidzKorner LLC, an Idaho limited liability company**, as "Tenant" under the foregoing Commercial Lease Agreement dated **August 22, 2024** (hereafter "Lease"), between **Boise VZ LLC, an Idaho limited liability company** (as "Owner") and **KidzKorner LLC, an Idaho limited liability company** (as "Tenant").

It is expressly understood and agreed that the obligations of the Guarantor(s) under this Guaranty are primary and shall not require Owner to first exhaust all remedies against Tenant but, instead, it is intended that upon a default by Tenant of any obligation contained in said Lease, at the option of Owner, the Guarantor(s) shall be, together with Tenant, principally and jointly and severally liable therefor.

This is an absolute guarantee of payment and performance, and not of collection, of all of Tenant's obligations under the Lease. Each Guarantor hereby expressly waives (i) any right to require that any action be brought against Tenant, or that any action be taken with respect to any security held by Owner pursuant to the Lease, (ii) notice of acceptance of this Guaranty, (iii) presentment, demand or payment or performance, payment, suit, or the taking of any other action by Owner, and (iv) the giving of any notice to or making any demand on, any party, other than any notices required by, or to be given by Owner to Tenant pursuant to the terms of the Lease.

Each Guarantor acknowledges that this Guaranty is given to induce Owner to enter into the Lease, and, further, each Guarantor acknowledges and agrees that but for the execution and delivery of this Guaranty by each Guarantor, Owner would not have entered into, executed and delivered the Lease.

Each Guarantor agrees that in the event that Tenant shall become insolvent or shall be adjudicated a bankrupt, or shall file a petition for reorganization, arrangement or other relief under any provision of the federal or state laws governing bankruptcy, now or hereafter in effect, or if Tenant shall seek a judicial readjustment of the rights of its creditors under any present federal or state law, or if a receiver of all or part of its property and assets is appointed by any federal or state court, no such proceeding or action taken therein shall modify, diminish or in any way affect the liability of the Guarantor(s) under this Guaranty and the liability of each Guarantor with respect to such Lease shall be of the same scope as if each Guarantor had executed the Lease in the place and stead of Tenant, and no "rejection" and/or "termination" of the Lease in any of the proceedings referred to herein shall be effective to release and/or terminate the continuing liability of each Guarantor to Owner under this Guaranty with respect to the Lease for the remainder of the Term unaffected by any such "rejection" and/or "termination" in said proceedings.

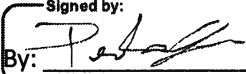
Each Guarantor hereby waives notice of Tenant's default and, further, consents to any amendment, alteration, extension of time or any change in the above Lease agreed upon between Owner and Tenant, or release of one (1) or more of the undersigned parties comprising the Guarantor(s), it being agreed that the consent of or notice to any of the parties comprising the Guarantor(s) is not required and shall not, in any way, change, alter or affect the obligations of each Guarantor as provided herein. Any release of a Guarantor from the obligations of this Guaranty must be in writing and signed by Owner and expressly state Owner's intent and agreement to release and discharge the Guarantor hereunder.

In the event of Tenant's default under the Lease or the default of a Guarantor under this Guaranty, each Guarantor agrees to pay all reasonable attorneys' fees and other costs incurred by Owner in connection therewith, whether or not suit or action is filed, and payment thereof shall be a condition of the curing of such default.

Each Guarantor expressly agrees that this Guaranty, and all rights of Owner hereunder, may be assigned by Owner to another without the notice to or consent of the Guarantor(s), and if so assigned by Owner, the assignee shall have all of the rights of Owner hereunder.

The obligations contained herein shall bind the heirs, personal representatives, successors and assigns of each Guarantor.

**GUARANTOR: Perla Ayvar**

Signed by:  
By:   
8A8AD425F887441...

Name: Perla Ayvar

Date Signed: 9/19/2024 | 11:38 AM PDT

Personal Mailing Address:

10916 Super Cub Dr

Caldwell, ID 83605

Personal Phone: 208-250-0809

Personal Email: ayyperla96@gmail.com

Driver's License State & No. OREGON C273245

**GUARANTOR: Geraldo Salcedo**

Signed by:  
By:   
B63D885AF92B435...

Name: Geraldo Salcedo

Date Signed: 9/19/2024 | 11:42 AM PDT

Personal Mailing Address:

1011 S Riverstone Dr

Nampa, ID

Personal Phone: 208-570-7880

Personal Email: Kidzkorneridaho@gmail.com

Driver's License State & No. WA WDL74R3774SB