

AIRPORT OFFICE BUILDING LEASE AGREEMENT

This Airport Office Building Lease Agreement (this "**Agreement**") is entered into as of _____, by and between the Truckee Tahoe Airport District, a California Special Airport District ("**DISTRICT**") and **Truckee River Ventures, Inc.**, a California corporation (hereinafter referred to as "**LESSEE**").

Witnesseth:

WHEREAS, DISTRICT owns, controls and operates the Truckee Tahoe Airport (the "**Airport**") and underlying airport office building ("**Airport Office Building**"), located in Placer and Nevada Counties, State of California; and

WHEREAS, LESSEE desires to lease approximately 10,459 rentable square feet in the Airport Office Building, together with associated parking rights, for the permitted uses described in this Agreement; and

WHEREAS, DISTRICT has facilities available in excess of DISTRICT'S aeronautical needs and suitable for such uses; and

WHEREAS, DISTRICT and LESSEE desire to provide for certain tenant improvements to the Premises, including an initial improvement allowance and a potential future capital improvement structure, all subject to the terms of this Agreement; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, the parties hereby agree as follows:

ARTICLE ONE

TERM

The term of this Agreement shall be for a period of five (5) years, commencing on _____ (the "**Commencement Date**"), and terminating 5 years thereafter (the "**Termination Date**"), unless earlier terminated under the provisions of this Agreement. LESSEE is also provided two options to renew this Lease, each for a period of 5-years. In order to exercise that option, LESSEE shall not be in default of any provision of this Lease and shall give written notice exercising this option to DISTRICT not more than 210 days and not less than 180 days prior to expiration of the initial lease term. This Agreement contains no other option to extend the term, however nothing herein shall preclude LESSEE and DISTRICT from mutually agreeing to negotiate for any additional term or from mutually agreeing to negotiate for rental of any other facility constructed at the Airport during the term of this Agreement.

LESSEE may request approval of the "Option B" tenant improvement structure described in Article Five. If DISTRICT approves Option B and all conditions to Option B are satisfied, the term shall be modified to a ten (10)-year term with two (2) five (5)-year extension options, on the terms and conditions approved by DISTRICT. Option B rights are personal to LESSEE and are not assignable or transferable, unless DISTRICT expressly approves the transfer of Option B rights in a separate written approval, which approval may be granted or withheld in DISTRICT's sole discretion.

In the absence of a negotiated extension of the term, any occupancy by LESSEE beyond the

Termination Date shall be on a month-to-month holdover basis on the conditions set forth herein.

ARTICLE TWO

LEASED PREMISES

DISTRICT hereby leases to LESSEE, and LESSEE hereby leases from DISTRICT, the following premises, identified and shown on Exhibit A, attached hereto and made a part hereof, (the "**Premises**"), together with the right of ingress and egress for vehicles:

- A. The Real Property as described below and depicted on Exhibit A, attached hereto and incorporated herein by reference:

Approximately 10,459 rentable square feet of office space in the Airport Office Building located at 10266 Truckee Airport Rd, Suite C, Truckee, CA 96161, together with LESSEE's parking allocation shown on Exhibit A. LESSEE's parking rights are limited to the areas designated by DISTRICT and are subject to DISTRICT's rules, regulations, signage approvals, snow-removal operations, and Airport operational requirements. LESSEE's parking rights apply only to currently registered and operable vehicles and trailers parked within LESSEE's designated parking allocation. Each vehicle or trailer must display current registration, license plates, and tags where required by applicable law. LESSEE shall not permit any abandoned, inoperable, unregistered, expired registration, or illegally parked vehicle or trailer to be parked or stored in the Airport Office Building parking lot. LESSEE shall be responsible for compliance by its employees, members, subtenants, licensees, customers, vendors, guests, and invitees, and shall promptly cause any noncomplying vehicle or trailer to be removed at LESSEE's expense upon DISTRICT's request.

The area described above is approximate only and any variance between it and the actual space shall not operate to increase or reduce the rent to be paid pursuant to this Agreement.

- B. The following Personal Property belonging to the DISTRICT: NONE

ARTICLE THREE

RIGHTS AND OBLIGATIONS OF LESSEE

- A. **Permitted Uses.** LESSEE may use the Premises for office, conference, gym, medical and wellness, food service, including beer and wine service, subletting, and day-use and overnight parking of vehicles and trailers, subject in each case to applicable law, Nevada County zoning and other ordinances, all required permits and approvals, Airport rules and regulations, and the terms of this Agreement. No other use is permitted without DISTRICT's prior written consent. Prior to any food service or beer and wine service LESSEE shall obtain and maintain all required health, alcohol, business, operational, and governmental permits and approvals. DISTRICT's approval of such use shall not constitute approval by any governmental agency or relieve LESSEE from obtaining any required permit or license.
- B. **Operating Standards.** In conducting any permitted use or activities specified in this Agreement, LESSEE shall meet or exceed the following standards:

1. LESSEE shall comply with the minimum operating standards or requirements, now or hereafter promulgated by DISTRICT, applicable to each of LESSEE's activities on the Airport.

2. LESSEE shall conduct its operations in a safe, professional, lawful, and nondiscriminatory manner and shall not interfere with Airport operations, DISTRICT operations, or the use and enjoyment of the Airport Office Building by other tenants and occupants.

3. LESSEE shall control the conduct, demeanor and appearance of its employees, who shall be trained by LESSEE and shall possess such technical qualifications and hold such certificates required by any government authority in carrying out assigned duties, and shall be responsible for their compliance with this Agreement and all applicable Airport rules and regulations.

4. LESSEE shall, at its sole cost and expense, comply with all federal, state and local laws, rules and regulations which may apply to the conduct of the business contemplated, including rules and regulations promulgated by DISTRICT, and including, without limitation, applicable building codes and fire regulations, including maintaining the proper type and number of fire extinguishers for the Premises, and LESSEE shall maintain in effect and post in a prominent place all necessary and/or required licenses or permits.

5. Subject to the provisions of Article 5, Section A, LESSEE shall, at its sole cost and expense, be responsible for the maintenance and repair of the Premises and shall keep and maintain the Premises in good condition, order and repair, and shall surrender the same upon expiration of this Agreement, in the condition in which they are required to be kept, reasonable wear and tear and damage by the elements not caused by LESSEE's negligence excepted.

6. It is expressly understood and agreed that, in providing required and authorized uses and activities pursuant to this Agreement, LESSEE shall have the right to choose, in its sole discretion, its vendors and suppliers, provided such vendors and suppliers comply with this Agreement, applicable law, and Airport rules and regulations.

7. No open or uninvited solicitation on the Airport of LESSEE's services, except by signs as hereinafter permitted, shall be done or permitted, and DISTRICT shall determine in its sole discretion whether or not the foregoing restriction has been violated and constitutes a breach of this Agreement.

8. LESSEE shall not store materials or supplies at the Airport outside of any buildings other than parking vehicles in their designated parking spaces and trailers in designated parking areas approved by DISTRICT. No vehicle maintenance, fueling, washing, repair, dismantling, or storage of hazardous materials shall be permitted in the parking areas without DISTRICT's prior written consent.

9. LESSEE shall make no unlawful or offensive use of the Airport, shall not commit or suffer or permit waste, excessive noise, obnoxious odors, excessive dust or any other nuisance at the Airport.

10. LESSEE agrees to keep the Premises clear and free of all litter, garbage, debris and refuse, and to keep such premises and area in an orderly and sanitary condition at all times.

11. LESSEE shall successfully take prompt action (and obtain DISTRICT's approval in such action) to mitigate any and all impacts on DISTRICT and DISTRICT'S employees, guests, **TRV Office Lease**

invitees and other Airport tenants from LESSEE'S activities, including but not limited to noise, vibration, odor, steam or other emissions.

ARTICLE FOUR

APPURTENANT PRIVILEGES

Use of Airport Facilities. LESSEE shall be entitled, in common with others so authorized, to the use of all facilities and improvements of a public nature which now are or may hereafter be connected with or appurtenant to the Airport, including but not limited to, terminal facilities and parking areas designated by DISTRICT, provided that LESSEE shall have no right to use any airfield, aircraft operating area, secured area, terminal area, hangar area, or other Airport facility except as expressly authorized by DISTRICT. LESSEE's parking rights are limited to the parking areas designated for LESSEE under Exhibit A and Article Two.

ARTICLE FIVE

MAINTENANCE, ALTERATIONS, LEASEHOLD IMPROVEMENTS, SIGNS AND TRADE FIXTURES

A. Maintenance and Repairs. LESSEE has had the opportunity to inspect the Premises and accepts the Premises, as well as the improvements thereon, "AS-IS WHERE-IS, WITH ALL FAULTS" in their present condition, without any representation or warranty, express or implied, by DISTRICT as to the condition, fitness, or suitability of the Premises for LESSEE's intended use or for any other purpose and acknowledges that the Premises and the improvements are in good, clean, safe and tenantable condition as of the date of the Lease.

DISTRICT, at DISTRICT's cost and expense, shall maintain in good condition and repair the exterior roof, exterior walls, structural supports, foundations, HVAC, electrical and major plumbing systems of the Premises serving the Airport Office Building generally (however, such plumbing systems shall not mean any fixtures such as sinks, faucets and toilets which shall be LESSEE's responsibility), provided that DISTRICT shall not be liable for any damage to LESSEE or the property of LESSEE resulting from DISTRICT's failure to make any repairs required by this section unless written notice of the need for such repairs has been given to DISTRICT by LESSEE and DISTRICT has failed for a period of thirty (30) days after the receipt of such notice to make such repairs. Except as otherwise expressly provided herein, LESSEE shall, at LESSEE's own cost and expense, keep and maintain all portions of the Premises, as well as all improvements on said Premises, in good order and repair and in a safe and, clean condition as they were when received from DISTRICT, reasonable wear and tear excepted. LESSEE shall remain responsible for fixtures, supplemental systems, equipment, improvements, damage, repairs, or maintenance required due to LESSEE's specific use, improvements, alterations, overloading, misuse, or acts or omissions of LESSEE or its employees, contractors, subtenants, licensees, members, customers, guests, or invitees. Except as noted above, DISTRICT shall have no obligation to repair, maintain or restore the Premises necessitated by the acts or omissions of LESSEE, its employees, contractors, invitees, or agents or to maintain any security or policing against theft, vandalism, malicious mischief, riot, social disorders or other public offenses. DISTRICT shall not be liable for consequential, special, indirect, punitive, business interruption, lost revenue, lost profits, or similar damages arising from any failure to perform, delay in performing, or necessity of performing repair or maintenance obligations under this Agreement. Subject to the exclusions below, if (i) DISTRICT fails to perform an express repair obligation under this Section A, or an interruption of utilities serving the Premises is caused by a condition within DISTRICT's

TRV Office Lease

reasonable control, (ii) such failure or condition renders a material portion of the Premises actually unusable for the uses permitted under this Agreement, (iii) LESSEE gives DISTRICT written notice describing the condition in reasonable detail, and (iv) the condition continues for more than ten (10) consecutive business days after DISTRICT's receipt of such notice, then Base Rent and CAM shall abate on a proportionate basis for the portion of the Premises actually rendered unusable beginning on the eleventh (11th) business day after notice and continuing until the affected portion is restored to reasonably usable condition.

No abatement shall apply to any condition caused by LESSEE or its employees, contractors, subtenants, licensees, members, customers, guests, invitees, vendors, or occupants; any condition outside DISTRICT's reasonable control; Force Majeure; casualty or condemnation governed by Articles Eleven or Twelve; third party utility provider failures; scheduled maintenance, repair, inspection, or construction work; internet, telephone, or data service interruptions; snow removal performed in accordance with DISTRICT's priority schedule; or any affected area that LESSEE continues to use. Except for the limited abatement expressly provided in this paragraph, LESSEE's sole remedy shall be to require DISTRICT to perform the repair obligations expressly stated in this Agreement.

B. Alterations; Removal of Lessee-Installed Property. LESSEE shall make no alterations, including locking mechanisms to entry doors of the Premises, decorations, additions or improvements in the Premises or otherwise at the Airport without DISTRICT's prior written consent. All alterations, additions or improvements made by LESSEE at the Airport shall, unless DISTRICT elects otherwise, as hereinafter provided, be the property of LESSEE and shall be removed by LESSEE, at LESSEE's expense within thirty (30) days of the expiration or termination of this Agreement. LESSEE shall also restore DISTRICT's property to at least its former condition normal wear and tear excepted and repair any damage resulting from such removal. If DISTRICT elects (upon written notice to LESSEE of such election given prior to the expiration or termination of this Agreement) that all or a designated portion of the alterations, additions, or improvements made by LESSEE shall remain on the Premises at expiration or termination of this Agreement, then said alteration, additions or improvements shall become DISTRICT's property at no cost to DISTRICT. Machinery, equipment and trade fixtures installed by LESSEE in the Premises shall not be considered "alterations, additions or improvements" subject to the foregoing provisions and shall be removed from the Airport by LESSEE on or before expiration or termination of this Agreement, provided any damage to DISTRICT's property resulting from such removal shall be repaired or restored at LESSEE's expense. All alterations, additions and improvements made by LESSEE shall be done in a workmanlike manner, with good materials, and in full compliance with all applicable building codes, laws, ordinances, regulations and directions of public agencies having jurisdiction, and free and clear from any and all liens, claims and demands for work performed, materials furnished, or operations conducted on the Premises. No alterations, additions, improvements, or construction work may commence until DISTRICT has approved in writing the plans, specifications, contractor, budget, schedule, insurance, permits, and construction logistics for such work. LESSEE shall comply with DISTRICT's contractor requirements, prevailing wage requirements if applicable, insurance requirements, bonding requirements if required by DISTRICT, lien-release requirements, and all applicable laws. LESSEE shall keep the Premises and Airport free from mechanic's liens and shall cause any lien arising from LESSEE's work to be released or bonded around within ten (10) days after notice from DISTRICT.

C. Signs. LESSEE shall be entitled to maintain signs advertising its services, only with DISTRICT's prior written approval and only in locations, sizes, designs, materials, and formats

TRV Office Lease

approved by DISTRICT. DISTRICT reserves the right to remove any sign now or hereafter erected by LESSEE and provided, further, that such signs maintained by LESSEE shall be at such locations as DISTRICT's General Manager shall designate in advance in writing and shall be of such type, design, color, size, composition and material acceptable to and approved by the DISTRICT in its sole discretion. All of LESSEE's signs shall be maintained in good order, condition and appearance during the term of this Agreement and shall be removed from the Airport by LESSEE at LESSEE's sole expense on or before the expiration or other termination of this Agreement. LESSEE shall restore the premises to its pre sign installation condition when it removes the signs.

D. Trade Fixtures. During the term of this Agreement, LESSEE shall have the right, at its expense, to place in or on the Premises trade fixtures, furnishings, personal property, equipment and materials necessary to perform any services required or authorized hereunder. Said trade fixtures, furnishings, personal property, equipment and materials shall remain the property of LESSEE.

E. CASp Inspection. DISTRICT discloses that the Premises has not undergone inspection by a Certified Access Specialist as referenced in California Civil Code Section 1938 subsection (e) which provides: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The Parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." Pursuant to the foregoing Section 1938(e), LESSEE acknowledges and agrees that, if LESSEE wishes to have the Premises inspected by a CASp: (i) LESSEE must notify DISTRICT on or before the date when LESSEE executes this Agreement pursuant to the election below; (ii) the inspection will be at LESSEE's sole cost and expense; (iii) the inspection must be scheduled through District and in coordination with the DISTRICT's representative; (iv) any repairs or modifications necessary to correct any violation of construction-related accessibility standards that is noted in the CASp report shall be LESSEE's responsibility; and (v) LESSEE must provide a copy of the CASp report to DISTRICT on completion. By initialing below, LESSEE represents that:

LESSEE wishes to have a CASp inspection of the Premises(Initials: _____)

LESSEE hereby waives its right to have a CASp inspection of the Premises (Initials: _____)

F. Tenant Improvements. Subject to DISTRICT's prior written approval and the other terms of this Agreement, DISTRICT's aggregate contribution toward the Option A improvements and any applicable Option B design, engineering, feasibility, cost estimating, and related soft costs shall not exceed Seventy-Five Thousand Dollars (\$75,000.00). The foregoing aggregate cap does not include any separate Option B capital investment later approved by DISTRICT under Section F.2 below.

1. Option A. Subject to DISTRICT's prior written approval and the aggregate cap stated above, DISTRICT shall make available funds for improvements to the Premises approved by DISTRICT General Manager and deemed by DISTRICT to be likely to provide long-term value to TRV Office Lease

the Airport Office Building or future tenants. Eligible improvements may include, without limitation, creation of a shower/bathroom, an additional hand-wash sink, carpet or flooring replacement, bathroom sink and fixture repair or upgrades, partitions, sound dampening and insulation, server room conversion, and other improvements approved by DISTRICT. Soft costs, including design, permitting, engineering, and related professional costs, shall not exceed fifteen percent (15%) of the applicable improvement budget unless otherwise approved by DISTRICT, in its sole discretion, in writing.

2. Option B. Subject to DISTRICT's prior written approval and the aggregate cap stated above, up to Twenty Five Thousand Dollars (\$25,000.00) of the Seventy Five Thousand Dollars (\$75,000.00) may be allocated to design, engineering, feasibility, and cost estimating work for the potential Option B improvements described below. Any such pre-approval Option B soft costs shall be shared equally by DISTRICT and LESSEE, with DISTRICT's share counting against the aggregate cap and LESSEE's share paid separately by LESSEE. No Option B improvement work shall be deemed approved merely because design, engineering, feasibility, or cost-estimating work is authorized.

(a). During the initial five (5)-year term, LESSEE may, by written request at least twelve months' prior to requested approval date, ask DISTRICT to approve additional tenant improvements under this Article Five F.2 ("**Option B**"). Option B shall require DISTRICT General Manager approval and shall be subject to LESSEE not being in default under this Agreement and all conditions imposed by DISTRICT. The use permitted under Article Three (A) may be modified only with the approval of LESSEE and DISTRICT staff. LESSEE shall receive a three (3)-month Base Rent credit during the approved Option B construction phase. CAM shall continue unless otherwise approved by DISTRICT in writing. Option B improvements must be long-term building improvements that DISTRICT determines are likely to be valued by future tenants. If approved, DISTRICT's Option B capital investment shall not exceed the lesser of (i) eighty percent (80%) of the approved Option B project budget, or (ii) One Million Dollars (\$1,000,000.00). Before DISTRICT approves Option B or incurs any material Option B capital obligation, LESSEE shall provide evidence reasonably satisfactory to DISTRICT that LESSEE has immediately available funds equal to at least fifteen percent (15%) of the approved total project cost, together with such additional financial information as DISTRICT reasonably requires to confirm LESSEE's ability to complete the project and pay all costs not funded by DISTRICT. A third party project manager approved by DISTRICT shall be required. LESSEE shall be responsible for all cost overruns above the approved budget. Soft costs, including design, engineering, MEP, budgeting, permitting, and similar costs, shall not exceed fifteen percent (15%) of the approved budget unless otherwise approved by DISTRICT in writing. The design shall include an option for creating three (3) separate suites, including any necessary construction to support such future separation.

(b) As conditions to Option B approval, LESSEE shall demonstrate to DISTRICT's satisfaction: (i) a viable business case for payment of increased costs; (ii) demonstrated interest in at least eighty percent (80%) of the private offices, with deposits for all rooms allocated for private use, excluding shared conference rooms and any podcasting room; (iii) a pro forma and balance sheet showing adequate reserves, profitability, and paid management; and (iv) a clear timeline, budget, permitting plan, and construction plan.

(c) All Option B work shall comply with Article Sixteen, including the prevailing wage, certified payroll, DIR registration, insurance, bonding, lien release, and indemnity requirements applicable to the work. Before commencement of Option B work, LESSEE shall cause its contractor to provide payment and performance bonds in form, amount, and surety acceptable to DISTRICT, unless waived by DISTRICT in writing.

TRV Office Lease

(d) Upon final completion of the Option B improvements and final permit sign off, LESSEE shall pay DISTRICT monthly payments equal to six percent (6%) per annum of DISTRICT's actual Option B capital investment, payable monthly as additional Rent. Option B rights are personal to Lessee and may not be exercised by any assignee, subtenant, licensee, successor, replacement tenant, or other person or entity except with DISTRICT's separate written approval under Article One.

ARTICLE SIX

PAYMENTS

A. Rent and Fees. In consideration of the rights and privileges granted by this Agreement, LESSEE agrees to pay to DISTRICT during the term of this Agreement initial monthly base rent (the "**Base Rent**"), common area maintenance charges ("CAMs"), adjusted as set forth below thereafter, together such other payments as are set forth in this Agreement, subject to further adjustment as set forth in Section D herein and other provisions of this Agreement.

Base Rent shall be calculated based on 10,459 rentable square feet:

Period	Scheduled Base Rent / RSF / Month	CAM	CPI Adjustment
Commencement Date - December 31, 2026	\$1.667	Plus CAM	N/A
January 1, 2027 - December 31, 2027	\$1.821	Plus CAM	Section D, 4% cap + carryforward
January 1, 2028 - December 31, 2028	\$1.973	Plus CAM	Section D, 4% cap + carryforward
January 1, 2029 - remainder of initial term	\$2.125	Plus CAM	Section D, 4% cap + carryforward

Beginning January 1, 2027, the scheduled Base Rent rate for each applicable period shall be subject to annual CPI adjustment under Section D. The scheduled rates above are the negotiated step up rates and do not include any notional or estimated CPI adjustment. No CPI adjustment shall apply before January 1, 2027, and Base Rent shall not decrease as a result of any CPI adjustment.

LESSEE's parking rights are included in the Premises and CAM allocation unless a separate parking charge is expressly stated in Exhibit A or Exhibit C.

B. Time of Payment and Late Charge. Except as expressly provided in this Agreement, LESSEE shall pay DISTRICT at its Airport offices without reduction, abatement, deduction, offset or any prior demand therefor, in advance on the first day of each calendar month, commencing on the first day of the month following the execution of this Agreement, Base Rent, CAMs, Option B payments (as applicable), and all monthly payments provided for in the Agreement. LESSEE shall pay the rent for the first month of this Agreement, prorated to the day of the month when the Agreement is executed, upon execution of the Agreement. All sums payable to DISTRICT shall be paid at the DISTRICT's principal place of business or at 10356 Truckee Airport Road, Truckee, California 96161. If LESSEE shall fail to pay any amounts due pursuant to the terms of this Agreement, by the twentieth (20th) day of the month such installment is due, a late charge equal to ten percent (10%) of said monthly installment shall be added to that installment and shall be due and payable from LESSEE to DISTRICT. In addition, such unpaid amounts shall thereafter

be subject to a service charge equal to seven percent (7%) per annum, calculated for each day the outstanding balance is not paid in full.

C. Security Deposit; Guaranty. For the initial Option A structure only, and subject to DISTRICT Board approval, no cash security deposit shall be required upon execution of this Agreement. DISTRICT's waiver of a cash security deposit is conditioned upon LESSEE's concurrent delivery of a guaranty in form acceptable to DISTRICT covering six (6) months of Base Rent and CAM (the "Initial Guaranty"). If LESSEE fails to deliver or maintain the Initial Guaranty, if the Initial Guaranty is revoked, avoided, or becomes unenforceable, if LESSEE defaults under this Agreement, if LESSEE requests an assignment or transfer, or if DISTRICT reasonably determines that additional security is necessary due to a material adverse change in LESSEE's financial condition, DISTRICT may require LESSEE to provide a cash security deposit or other replacement security reasonably acceptable to DISTRICT as a condition to continued occupancy or approval of the applicable request.

If Option B is approved, LESSEE shall deliver, before commencement of Option B construction or before DISTRICT incurs any material Option B capital obligation, an amended or replacement guaranty covering one (1) year of Base Rent, CAM, and Option B payments, in form acceptable to DISTRICT. No assignment, transfer, replacement tenant, successor entity, sublease, license, change in legal form, or nonprofit conversion shall release LESSEE or any guarantor unless DISTRICT expressly agrees in writing.

D. Annual Adjustment of Rental Fee. Beginning January 1, 2027, and annually on each January 1 thereafter during the term and any extension term, Base Rent shall be adjusted by the percentage increase, if any, in the Bureau of Labor Statistics Consumer Price Index, West Region–Size Class A, All Items, using the most recently published data available as of the adjustment date; provided, however, that the annual CPI increase shall not exceed four percent (4%) in any calendar year. If the actual CPI increase for any year exceeds four percent (4%), the excess may be carried forward and applied to future annual increases for up to two (2) years, subject in all cases to the four percent (4%) annual cap. Base Rent shall not decrease as a result of any CPI adjustment.

E. Taxes. LESSEE shall pay before delinquency any and all taxes (including real property taxes), assessments, fees or charges, including possessory interest taxes, which may be imposed, levied or assessed upon any leasehold or possessory interests of LESSEE, and personal property, improvements, equipment or fixtures owned, controlled or installed by LESSEE and used or located on the Airport, or upon LESSEE's business. By entering into this Agreement, a possessory interest subject to property taxation may be created. LESSEE shall pay all such taxes prior to delinquency, all property taxes, assessments, fees, and charges levied or assessed upon (i) such possessory interest; (ii) LESSEE's leasehold estate; and (iii) any improvements, fixtures, equipment, or personal property of LESSEE located on or about the Premises. Nothing herein shall be deemed to limit any of LESSEE's rights to appeal any levies or assessments in accordance with the rules, regulations, laws, statutes, or ordinances governing the appeal process of the taxing authority making such levies or assessments.

F. Operating Expenses.

a. General. In addition to the Rent and any other charges due under this Agreement, LESSEE shall pay to DISTRICT, as additional Rent, LESSEE's Pro Rata Share (as defined below) of all costs and expenses incurred by DISTRICT in connection with the ownership, operation, repair, restoration, replacement, maintenance, and management of the Airport Office Building and its TRV Office Lease

improvements, including, without limitation, the buildings, common areas, parking lots, sidewalks, driveways, landscaping, and other areas of the Airport serving the Airport Office Building and used in common by tenants or occupants (collectively, the “**Operating Expenses**”). CAM shall include the charges listed in Exhibit C and shall be allocated, phased in, capped, reconciled and adjusted in accordance with Exhibit C and this Section F. Operating Expenses shall include, without limitation:

- i. Costs of maintaining, repairing, restoring, and managing the common areas and facilities;
- ii. Costs of utilities and services not separately metered, including water, sewer, refuse disposal, heating, air conditioning, lighting, and security;
- iii. Costs of insurance premiums (property and liability) and deductibles;
- iv. Costs of compliance with laws, permits, licenses, and inspections;
- v. Costs of supervision, administration, management, labor, supplies, equipment, and service contracts;
- vi. Costs of maintenance and repair of parking areas, including cleaning, resurfacing, restriping, and non-capital improvements;
- vii. Costs of landscaping, gardening, exterior painting, exterior staining, exterior wood stain maintenance, and painting or decorating of non-tenant areas, subject to the exclusions, caps, phase-in provisions, and reconciliation procedures set forth in Exhibit C;
- viii. Real property taxes, general and special assessments, rent taxes, gross receipts taxes (to the extent not excluded by law), and any governmental surcharges or fees related to use or occupancy;
- ix. Capital expenditures required by law or that directly reduce and measurably lower Operating Expenses unless otherwise provided in Exhibit C;
- x. Costs of collection, hauling, and disposal of refuse, including maintenance and repair of any garbage area/dumpsters provided by DISTRICT for use by all tenants of the Airport Office Building;
- xi. Costs of plowing, sanding, de-icing, and otherwise clearing snow and ice from the parking areas, drive aisles, sidewalks, and other common areas of the Airport Office Building; and
- xii. Other items customarily included as common area maintenance for similar commercial buildings, as reasonably determined by DISTRICT.

b. Pro Rata Share. LESSEE’s Pro Rata Share of Operating Expenses shall be based on the CAM allocation methodology set forth in Exhibit C, including the parking allocation and other allocation factors reflected in the Airport Office Building CAM schedule.

c. Payment of CAM. Subject to Article 6.F.d through 6.F.i and Exhibit C, DISTRICT shall estimate the annual CAM charges for each calendar year and bill LESSEE in equal monthly installments together with Rent. Annual CAM reconciliation shall be conducted in accordance with Section 6.F.h and Exhibit C.

d. Exhibit C Controls. CAM shall be calculated, allocated, phased in, capped, reconciled, and adjusted as set forth in Exhibit C. If this Section F and Exhibit C conflict, Exhibit C shall control as

to CAM categories, allocation methodology, phase in schedule, annual caps, reconciliation process, and treatment of Excluded True Up Items for the Airport Office Building.

e. CAM Categories. Operating Expenses shall include the categories listed in Exhibit C. Roof maintenance and roof replacement shall be excluded from CAM unless expressly listed in Exhibit C as a CAM item approved by DISTRICT and LESSEE. Exterior painting, exterior staining, and exterior wood-stain maintenance shall remain included in CAM as reflected in Exhibit C and shall be treated as Excluded True-Up Items.

f. Annual Estimate; Phase In Cap. During the CAM phase-in period shown in Exhibit C, currently projected to run from the Commencement Date through calendar year 2029, DISTRICT shall estimate annual Ordinary CAM for each calendar year and bill LESSEE in monthly installments. During the phase-in period, the annual billed Ordinary CAM amount shall not increase by more than ten percent (10%) over the prior calendar year's billed Ordinary CAM amount until the billed Ordinary CAM amount catches up to actual or projected Ordinary CAM, as shown in Exhibit C. Any Ordinary CAM not recovered because of the phase-in cap shall be deferred and may be carried forward, subject to the caps and reconciliation limitations in Exhibit C, and shall not be deemed waived unless DISTRICT expressly waives it in writing. The phase-in cap shall not apply to Excluded True-Up Items.

g. Post Catch Up Annual Cap. Beginning January 1, 2031, or the first calendar year after the catch-up year identified in Exhibit C, DISTRICT shall set the initial annual billed Ordinary CAM amount using a CPI-based escalator capped at four percent (4%) over the prior calendar year's billed Ordinary CAM amount. The resulting amount shall be the "Guardrail Amount" for that calendar year and shall be billed to LESSEE in monthly installments. This four percent (4%) cap shall not apply to Excluded True-Up Items.

h. Reconciliation; 10% Payment. By March 1 of each year, or as soon thereafter as reasonably practicable but no later than one hundred twenty (120) days after the end of the calendar year, DISTRICT shall provide a CAM reconciliation statement. During the phase-in period, LESSEE's total billed and reconciled Ordinary CAM for any calendar year shall not exceed one hundred ten percent (110%) of the prior calendar year's billed Ordinary CAM, except as otherwise provided for Excluded True-Up Items. Beginning with the first calendar year after the catch-up year identified in Exhibit C, if LESSEE's actual Pro Rata Share of Ordinary CAM exceeds the Guardrail Amount for that year, DISTRICT may collect the difference through year-end reconciliation; provided, however, that LESSEE's total billed and reconciled Ordinary CAM for that year shall not exceed one hundred ten percent (110%) of that year's Guardrail Amount. Any unrecovered Ordinary CAM may be carried forward and billed in future years subject to Exhibit C. Overpayments shall be credited against future CAM or refunded if this Agreement has expired and all LESSEE obligations have been satisfied.

i. Excluded True Up Items. Asphalt sealing, asphalt crack repair, asphalt striping, exterior painting, exterior staining, and exterior wood-stain maintenance are "Excluded True-Up Items." DISTRICT shall bill LESSEE a levelized average annual amount for Excluded True-Up Items, calculated as provided in Exhibit C. Every two (2) calendar years, DISTRICT shall reconcile Excluded True-Up Items against actual costs incurred, updated vendor pricing, and/or reserve funding for those items, and shall credit or bill LESSEE for the difference as part of the CAM reconciliation process. Credits or additional amounts for Excluded True-Up Items shall not be subject to the four percent (4%) annual CAM cap, ten percent (10%) phase-in cap, or ten percent

(10%) reconciliation ceiling, but shall remain subject to the allocation methodology and documentation requirements in Exhibit C.

ARTICLE SEVEN

UTILITIES, TRASH, AND SNOW REMOVAL

A. Utilities. LESSEE agrees to pay the cost of telephone and internet services, and shall place said utilities in its own name when possible. LESSEE shall pay its pro-rata share of such utilities which remain in the name of the DISTRICT as part of CAM or as otherwise reasonably allocated by DISTRICT. In the event LESSEE fails to pay any utility bill when due, DISTRICT may, at its option, pay the same and collect from LESSEE the amounts so disbursed, plus interest at the rate set forth in Article 6.B herein. Except as provided in Article 5.A above, LESSEE hereby expressly waives any and all claims for damage against DISTRICT arising from failure or interruption of utility services, including but not limited to, electricity, gas, water, plumbing, sewage, heat, ventilation, or air conditioning, or from construction activities at the Airport.

B. Garbage. LESSEE shall dispose of all refuse in the garbage area/dumpsters provided by DISTRICT for the shared use of all tenants. LESSEE shall not place trash outside the enclosure and shall comply with all applicable waste and recycling laws. DISTRICT may adopt reasonable rules for use of the enclosure, and disposal costs shall be shared among tenants as part of CAM or as determined by DISTRICT.

C. Snow Removal. DISTRICT shall provide snow removal for the outside areas serving the Airport Office Building and Premises. Such snow removal shall be provided on an as-available basis subject to the DISTRICT priority schedule and availability of staff and equipment. LESSEE understands and agrees that DISTRICT snow removal equipment (snowplows, snowblowers, shovels, etc.) is not available for its use. Except as provided in Article 5.A above, LESSEE hereby expressly waives any and all claims for damage against DISTRICT arising from failure or interruption of snow removal services.

ARTICLE EIGHT

HAZARDOUS SUBSTANCES

Hazardous Substances. The provision of this Section which govern LESSEE's obligations with regard to hazardous substances, as defined below, shall survive termination of this Agreement.

A. Definition of Hazardous Substance. For purposes of this Agreement, "**Hazardous Substances**" is defined to mean any substance, material or waste, including asbestos and petroleum (including crude oil or any fraction thereof), which is or becomes designated, classified or regulated as being "toxic", "hazardous", a "pollutant", or similar designation under any federal, state or local law, regulation or ordinance.

B. Indemnity Regarding Hazardous Substances. LESSEE agrees to indemnify and hold DISTRICT harmless from and against all liabilities, claims, actions, foreseeable and unforeseeable consequential damages, costs and expenses (including sums paid in settlement of claims and all consultant, expert and legal fees and expenses of LESSEE's counsel) or loss directly or indirectly arising out of or resulting from the presence of any Hazardous Substances as a result of LESSEE's and its officers, agents, employees, guests, customers, visitors or invitees, or any sub-LESSEE's activities, in or around any part of the Airport or the soil,
TRV Office Lease

groundwater or soil vapor on or under the property, including those incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work, or any resulting damages or injuries to the person or property of any of their parties or to any natural resources. Upon demand by DISTRICT, LESSEE shall defend any investigation, action or proceeding alleging the presence of any Hazardous Substances in any such location, which affects the Premises or which is brought or commenced against DISTRICT, whether alone or together with LESSEE or any other person, all at LESSEE's own cost and by counsel to be approved by DISTRICT in the exercise of its reasonable judgment. In the alternative, DISTRICT may elect to conduct its own defense at the expense of LESSEE. This indemnity shall survive the expiration or earlier termination of this Agreement.

C. Compliance Regarding Hazardous Substances. LESSEE shall comply and cause all occupants of the Premises to comply, with all laws, regulations, and ordinances governing or applicable to Hazardous Substances as well as the recommendations of any qualified environmental engineer or other expert which apply or pertain to the Premises. LESSEE acknowledges that Hazardous Substances may permanently and materially impair the value and use of the Premises.

For all other storage or disposal, LESSEE shall obtain and maintain a "Hazardous Waste Generator's Permit" and a "Hazardous Waste Storage Permit". LESSEE and LESSEE'S sublessees shall not utilize or sell any hazardous substance on the Premises without the prior written consent of the DISTRICT.

LESSEE shall not allow the installation or release of hazardous substances in, on, under or from the Premises or Airport, except for ordinary office, janitorial, wellness, and food-service materials used in ordinary quantities and in strict compliance with applicable law. LESSEE shall not conduct or permit any vehicle maintenance, fueling, washing, oil storage, battery storage, hazardous-material storage, or similar activity in the Premises or parking areas without DISTRICT's prior written consent. For the purposes of this provision, a release shall include, but not be limited to, any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, or otherwise disposing of hazardous substance.

D. Notice Regarding Hazardous Substances. LESSEE shall promptly notify DISTRICT if it knows, suspects or believes, there may be any Hazardous Substances in or around the Premises, or in the soil, groundwater or soil vapor on or under the property, or that LESSEE or the Premises may be subject to any threatened or pending investigation by any governmental agency under any law, regulation or ordinance pertaining to any Hazardous Substances.

LESSEE shall give written notice to the DISTRICT within ten (10) days of receipt of such knowledge or cause for belief. Provided, however, if LESSEE knows, or has reasonable cause to believe that such substance is an imminent and substantial danger to public health and safety, LESSEE shall notify the DISTRICT immediately upon receipt of this knowledge or belief and shall take all acts necessary to alleviate such danger. LESSEE will notify the DISTRICT immediately of any notice of violation received or initiation of environmental action or private suits relative to the Premises.

E. Site Visits, Observations, and Testing. DISTRICT and its agents and representatives shall have the right at any reasonable time to enter and visit the Premises for the purposes of observing the Premises, taking and removing solid or groundwater samples, and conducting tests on any part of the Premises. Such entry shall be during normal business hours except for emergencies. DISTRICT is under no duty, however, to visit or observe the Premises or to conduct

TRV Office Lease

tests. No site visit, observation or testing by DISTRICT shall result in a waiver of any default of LESSEE or impose any liability on DISTRICT. In no event shall any site visit, observation or testing by DISTRICT be a representation that Hazardous Substances are or are not present in, on or under the Premises, or that there has been compliance with any law, regulation or ordinance pertaining to Hazardous Substances or any other applicable governmental law. Neither LESSEE nor any other party is entitled to rely on any site visit, observation or testing by DISTRICT. DISTRICT shall not be obligated to disclose to LESSEE or any other party any report or finding made as a result of, or in connection with, any site visit, observation or testing by DISTRICT. In each instance, DISTRICT shall give LESSEE reasonable notice before entering the Premises or any other place DISTRICT is permitted to enter under this Section. DISTRICT shall make reasonable efforts to avoid interfering with LESSEE's use of the Premises or any other property in exercising any right provided in this Section. In no event shall DISTRICT be responsible or liable for any injury, loss, or damage to LESSEE, its property, or its business arising out of, relating to, or resulting from such activities.

ARTICLE NINE

INSURANCE

A. Required Insurance. LESSEE shall obtain and maintain continuously in effect at all times during the term of this Agreement, at LESSEE's sole expense, the following insurance:

1. **Comprehensive general liability insurance** protecting DISTRICT against any and all liability arising by reason of LESSEE's conduct incident to the use of the Premises, or resulting from any accident occurring on or about the roads, driveways or other public places, including runways and taxiways, used by LESSEE at the Airport, caused by or arising out of any wrongful act or omission of LESSEE, in the minimum amount of \$3,000,000 per occurrence;

2. Personal injury in the amount of \$1,000,000 per person/\$3,000,000 aggregate;

3. Workers' compensation insurance as required by law and employer's liability insurance in amounts acceptable to DISTRICT.

4. Property Damage in the amount of \$500,000;

5. Business automobile liability insurance if LESSEE uses, operates, parks, moves, or arranges for movement of vehicles or trailers in connection with its operations.

6. Designated Contractual Liability in an amount of \$1,000,000 for each occurrence/\$1,000,000 aggregate;

7. Premises medical payments insurance in an amount of \$1,000 any one person \$5,000 aggregate.

8. Liquor liability or host liquor liability insurance, in amounts acceptable to DISTRICT, if LESSEE serves or permits the service of beer, wine, or other alcoholic beverages.

9. Any additional insurance reasonably required by DISTRICT based on LESSEE's approved uses, construction activities, subletting, events, food service, alcohol service, or parking operations.

The insurance specified in Sub-Paragraphs A.1 through A.9, above, shall name DISTRICT as an additional insured and shall reference this Agreement, shall be primary and noncontributory with any insurance maintained by DISTRICT, and shall include waivers of subrogation where available. LESSEE shall require its subtenants, licensees, contractors, and vendors to maintain insurance reasonably required by DISTRICT.

Any policy of insurance required under this Article shall be written by insurance companies authorized to do business in California. Each policy of insurance procured by LESSEE pursuant to this Article shall expressly provide that it cannot be canceled for any reason or altered in any manner unless at least 30 days' prior written notice has been given by the insurance company issuing the policy to DISTRICT in the manner specified in this lease for service of notices on DISTRICT by LESSEE.

Promptly on the issuance, reinsurance, or renewal of any insurance policy required by this Agreement, including fire and liability insurance policies, but at least upon execution of this lease and annually thereafter, LESSEE shall cause a Declaration confirming the policy or policies to be given to DISTRICT. Upon request by DISTRICT, LESSEE shall provide a Declaration sheet confirming the existence of such policy or policies as required by this Agreement being in effect.

If at any time LESSEE fails to procure or maintain the insurance required by this Article, DISTRICT may obtain that insurance and pay the premiums on it for the benefit of DISTRICT. Any amounts paid by DISTRICT to procure or maintain insurance pursuant to this section shall be immediately due and repayable to DISTRICT by LESSEE with the next then due installment of rent under this lease; failure to repay at that time any amount expended by DISTRICT shall be considered the same as a failure to pay rent and a default by LESSEE under this Agreement.

B. LESSEE shall not do or permit to be done any act or thing that will invalidate or conflict with any insurance policies issued to DISTRICT or LESSEE. In the event any act, activity, use or thing on the Premises by LESSEE results in any increase in DISTRICT'S insurance rates, LESSEE shall be responsible and pay for that increase in DISTRICT'S insurance premiums as additional rent.

ARTICLE TEN

INDEMNIFICATION

A. LESSEE shall defend (with counsel acceptable to DISTRICT), protect, indemnify and hold harmless DISTRICT, its directors, officers, employees, agents and representatives at all times from and against any and all liabilities, suits, proceedings, liens, actions, penalties, losses, expenses, claims or demands of any nature, including costs and expenses for legal services and causes of action of whatever character (including, without limitation, diminution in value or use of the Airport, attorneys' fees, consultant fees and expert fees) which DISTRICT may incur, sustain or be subjected to arising out of or in any way connected with this Agreement, the acts or omissions of LESSEE or its officers, agents, employees, guests, customers, visitors or invitees, subtenants, licensees, members, vendors, contractors, or anyone claiming by or through LESSEE or LESSEE's operations on, or use or occupancy of the Premises or the Airport or Airport facilities. Upon notice from DISTRICT, LESSEE shall defend DISTRICT, at LESSEE's expense by counsel satisfactory to DISTRICT, for any and all claims covered under this Article Ten.

LESSEE, its employees, agents, and contractors, agree to waive, remise, and release, and fully and forever discharge DISTRICT and its affiliates, to the fullest extent permitted by law, from any
TRV Office Lease

and all claims (including injury, damages, liabilities, expenses, and/or causes of action) arising out of, attributable, or relating in any manner, to LESSEE'S use or occupancy of the Premises. This indemnification shall survive the expiration or earlier termination of this Agreement.

The foregoing indemnification excludes only liability or loss caused by the sole gross negligence or willful misconduct of DISTRICT.

B. Notice. LESSEE agrees to notify DISTRICT in writing as soon as practicable of any claim, demand or action arising out of an occurrence covered hereunder of which LESSEE has knowledge, and to cooperate with DISTRICT in the investigation and defense thereof.

ARTICLE ELEVEN

CASUALTY

A. Damage or Destruction of District-erected Premises. In the event that any fixed improvements erected on the Premises by DISTRICT are damaged or destroyed by fire or other casualty, the rent hereunder shall not abate provided the Premises are not rendered untenable by such damage. If the Premises are rendered untenable, and DISTRICT elects to repair the Premises, the rent shall abate for the period during which such repairs are being made, provided the damage was not caused by acts or omissions of LESSEE, its employees, agents or invitees, in which case the rent shall not abate. If the Premises are rendered untenable and DISTRICT elects not to repair the Premises this Agreement shall terminate. For purposes of this Article Eleven, "District-erected Premises" and "fixed improvements erected on the Premises by DISTRICT" include the base building and all building improvements paid for in whole or in part by DISTRICT under Option A or Option B, once installed and accepted by DISTRICT, including District funded carpet or flooring, bathroom sinks and fixtures, partitions, sound dampening and insulation, server room conversion work, and other building improvements funded by DISTRICT. Such improvements shall be treated as DISTRICT property for casualty and repair purposes and shall not be treated as LESSEE-constructed improvements solely because they were requested by LESSEE or used primarily by LESSEE.

B. Damage or Destruction of Lessee-erected Premises. In the event of damage to or destruction by fire, the elements, acts of God, or any other cause, of LESSEE-constructed improvements located within the Premises or in the event LESSEE-constructed improvements located within the Premises are declared unsafe or unfit for use or occupancy by a public entity with the authority to make and enforce such declaration, LESSEE shall, within ninety (90) days of such damage, destruction or declaration commence and diligently pursue to completion the repair, replacement, or reconstruction of improvements necessary to permit full use and occupancy of the Premises for the purposes required by this Agreement. Repair, replacement or reconstruction of improvements within the Premises shall be accomplished in a manner and according to plans approved by DISTRICT. If Option B payments have commenced before the casualty, LESSEE's obligation to make Option B payments shall continue unless DISTRICT expressly agrees in writing to abate or defer such payments.

ARTICLE TWELVE

CONDEMNATION

If all or any part of the Premises is taken by any public or quasi-public agency or entity under the power of eminent domain during the term of this Agreement:

TRV Office Lease

(1) Either DISTRICT or LESSEE may terminate this Agreement by giving the other thirty (30) days' written notice of termination; provided, however, that LESSEE cannot terminate this Agreement unless the portion of the Premises taken by eminent domain is so extensive as to render the remainder of the Premises useless for the uses permitted by this Agreement.

(2) If only a portion of the Premises is taken by eminent domain and neither DISTRICT nor LESSEE terminates this Agreement, the rent thereafter payable under this Agreement shall be reduced by the same percentage that the floor area of the portion taken by eminent domain bears to the floor area of the entire Premises.

(3) If any portion of the Airport other than the Premises is taken by eminent domain, DISTRICT may, at its option, terminate this Agreement by written notice to LESSEE.

(4) Any and all damages and compensation awarded or paid because of a taking of the Premises shall belong to DISTRICT, and LESSEE shall have no claim against DISTRICT or the entity exercising eminent domain power for the value of the unexpired term of this Agreement or any other right arising from this Agreement.

ARTICLE THIRTEEN

LESSEE AS INDEPENDENT CONTRACTOR

In conducting its business hereunder, LESSEE acts as an independent contractor and not as an agent, partner or joint venturer of DISTRICT. The selection, retention, assignment, direction and payment of LESSEE's employees shall be the sole responsibility of LESSEE, and DISTRICT shall not attempt to exercise any control over the daily performance of duties by LESSEE's employees.

ARTICLE FOURTEEN

NONEXCLUSIVE RIGHTS

A. Nonexclusive Right. It is not the intent of this Agreement to grant to LESSEE the exclusive right to provide any or all of the uses or activities described in this Agreement at any time during the term of this Agreement, except for LESSEE's exclusive right to occupy the Premises during the term, subject to this Agreement. DISTRICT reserves the right, at its sole discretion, to grant others certain rights and privileges upon the Airport which are identical in part or in whole to those granted to LESSEE. DISTRICT reserves all rights necessary or desirable for Airport ownership, operation, management, safety, security, maintenance, development, FAA compliance, and compliance with federal, state, and local law. Nothing in this Agreement shall be construed to grant LESSEE an exclusive right prohibited by FAA requirements or Airport grant assurances.

ARTICLE FIFTEEN

ASSIGNMENT AND SUBLETTING

LESSEE shall not assign, transfer, sublease, pledge, hypothecate, surrender, encumber, or otherwise dispose of this Agreement, any estate or right created by this Agreement, or any interest in any portion of the same, and shall not permit any other person or entity to occupy the Premises, without DISTRICT's prior written consent, which consent may be granted, conditioned, or withheld in DISTRICT's sole and absolute discretion. LESSEE may not sublease or license any portion of

TRV Office Lease

the Premises without DISTRICT's prior written consent, which consent may be granted, conditioned, or withheld in DISTRICT's sole and absolute discretion. No sublease, license, assignment, transfer, occupancy arrangement, or other permitted use by any third party shall release LESSEE from liability under this Agreement unless DISTRICT expressly agrees in writing.

Any attempt to transfer this Agreement from LESSEE by merger, consolidation, or liquidation, or the sale, conveyance, transfer by bequest or inheritance, or other transfer of a controlling interest in LESSEE shall be deemed an assignment requiring DISTRICT's prior written consent. LESSEE may assign, subject to DISTRICT's approval under Article Fifteen and, if Option B rights are involved, Article One, its interest in the Lease to any entity wholly owned or controlled by LESSEE or its parent corporation, or to a successor by merger or consolidation, or to any entity that acquires all or substantially all of LESSEE'S assets or stock.

Notwithstanding the foregoing, LESSEE may, without DISTRICT's prior written consent, enter into routine desk licenses, private office licenses, conference room reservations, membership agreements, day use agreements, and short-term occupancy agreements in the ordinary course of LESSEE's coworking business for uses permitted under Article Three (collectively, "Coworking Occupancy Agreements"), provided that each such agreement: (i) is a license or occupancy agreement only and does not grant a leasehold estate or any right to possession superior to LESSEE's rights under this Agreement; (ii) is subject and subordinate to this Agreement, all Airport rules and regulations, applicable FAA requirements, and all applicable laws, permits, and insurance requirements; (iii) does not permit any use not expressly permitted under this Agreement; (iv) does not grant parking, signage, storage, alcohol service, food service, trailer parking, airfield access, or Airport access rights beyond those available to LESSEE under this Agreement; (v) is terminable by LESSEE on not more than thirty (30) days' notice if necessary to comply with this Agreement, Airport rules, governmental requirements, or DISTRICT directives; and (vi) does not release LESSEE from any obligation under this Agreement.

DISTRICT's prior written consent shall still be required for any assignment of this Agreement; any transfer of a controlling interest in LESSEE; any sublease or license covering all or substantially all of the Premises; any sublease or license granting exclusive control of a separately demised suite or material portion of the Premises; any occupancy arrangement with a term longer than twelve (12) months unless terminable by LESSEE as provided above; any arrangement involving a food service or alcohol service operator not already approved by DISTRICT; any use requiring separate permits or insurance not already provided by LESSEE; or any arrangement that would create operational, security, FAA compliance, insurance, or public agency concerns as reasonably determined by DISTRICT. LESSEE shall remain fully liable for the acts and omissions of all occupants under Coworking Occupancy Agreements.

ARTICLE SIXTEEN

PERMITS AND REGULATIONS

A. Permits. LESSEE shall be solely responsible for, obtain and pay for any and all permits required by all federal, state, and local governmental entities for any and all work on alterations, additions modifications, installations, or improvements accomplished by LESSEE, and for LESSEE's office, conference, gym, wellness, food service, beer and wine service, subletting, parking, trailer parking, signage, occupancy, and other permitted uses, or by others on behalf of or for the benefit of LESSEE, or caused or allowed to be accomplished by LESSEE on the Premises. Any consent of DISTRICT Manager required under this Agreement shall be separate from any other consents or approvals required by any federal, state or other governmental

TRV Office Lease

agency.

B. Compliance with Governmental Requirements. LESSEE shall, at LESSEE's sole cost and expense, comply with all rules, regulations, ordinances, statutes and laws of all county, municipal, state, local, federal and other governmental authorities, now or hereafter in effect pertaining to the Airport, the Premises, or LESSEE's use thereof. LESSEE shall specifically ensure that all of LESSEE'S employees have proper Worker's Compensation coverage in effect at all times. LESSEE shall comply with all applicable Nevada County ordinances and all conditions of any permit, license, or approval issued for LESSEE's use or occupancy of the Premises. LESSEE acknowledges and agrees that any construction, alteration, tenant improvements, maintenance, or repair work performed on or about the Premises by or on behalf of LESSEE may constitute a "public work" within the meaning of California Labor Code Section 1720 et seq. and Title 8, California Code of Regulations, Section 16000 et seq. In such event, LESSEE shall pay, and shall cause all contractors and subcontractors to pay, prevailing wages to all eligible workers as determined by the Director of the Department of Industrial Relations (DIR) of the State of California. Copies of the current prevailing rate of per diem wages for each craft, classification, or type of worker needed to execute the work are on file with the DISTRICT, and are available to any interested party upon request. LESSEE shall post, or require its contractor to post, a copy of these prevailing wage rates at the project site. LESSEE shall ensure that its contractors and subcontractors comply with all provisions of California Labor Code Section 1776, including the maintenance and submission of certified payroll records. LESSEE shall require that all contractors and subcontractors are registered with the DIR pursuant to Labor Code Section 1725.5. Certified payroll records shall be furnished directly to the DISTRICT and the DIR in the format and at the frequency required by law. LESSEE shall defend, indemnify, and hold harmless the DISTRICT, its officers, officials, employees, and agents from and against any and all claims, liabilities, losses, costs, penalties, fines, or interest arising out of or related to any failure or alleged failure by LESSEE, its contractors, or subcontractors to comply with California prevailing wage laws.

C. Compliance with District Rules and Regulations. LESSEE shall at LESSEE's sole cost and expense at all times during the term of this Agreement or any renewal or extension thereof comply with and observe all rules, regulations, ordinances and laws which have been or may be promulgated by DISTRICT relating to the Premises and the use of the facilities of the Airport including all fire regulations, safety regulations, noise control regulations and security regulations. Such rules and regulations are hereby made a part of this Agreement and LESSEE's failure to keep and observe the rules and regulations shall constitute a breach of the terms of this Agreement in like manner as if the same were contained herein as covenants and conditions. DISTRICT reserves the right to amend or supplement the rules and regulations and to adopt additional rules and regulations applicable to the Premises, to LESSEE's use of the Premises, and the use of the facilities of the Airport. DISTRICT shall have no obligation to LESSEE as a result of the violation of any such rules by any other person.

ARTICLE SEVENTEEN

ASSURANCES REQUIRED BY THE FAA

This Agreement is subject to the FAA Airport Sponsor Assurances, as amended or replaced from time to time. The current version, dated April 2025, is attached as Exhibit B and incorporated herein by reference. LESSEE acknowledges that DISTRICT is the sponsor of a federally obligated airport and agrees that LESSEE shall not use or occupy the Premises, conduct operations, perform construction, assign this Agreement, sublease or license space, or permit any activity in a manner that would cause DISTRICT to violate any applicable FAA Airport Sponsor Assurance,
TRV Office Lease

federal grant obligation, Airport Layout Plan requirement, civil rights or nondiscrimination requirement, Airport rule, or other applicable federal aviation requirement.

LESSEE shall comply with all FAA Airport Sponsor Assurances and related federal requirements applicable to LESSEE's use, occupancy, operations, construction, subleases, licenses, contractors, vendors, invitees, and activities at the Airport. If DISTRICT reasonably determines that any provision of this Agreement or any activity by or through LESSEE may conflict with such requirements, LESSEE shall cooperate with DISTRICT to modify, suspend, or discontinue the conflicting provision or activity as reasonably necessary to maintain DISTRICT's compliance.

ARTICLE EIGHTEEN

DEFAULT AND TERMINATION

A. Termination by LESSEE. This Agreement shall be subject to termination by LESSEE in the event of any one or more of the following events:

1. The abandonment of the Airport as an airport or airfield for any type, class or category of aircraft.

2. The default by DISTRICT in the performance of any of the terms, covenants or conditions of this Agreement, and the failure of DISTRICT to remedy, or undertake to remedy, to LESSEE's satisfaction, such default for a period of thirty (30) days, or such reasonable time thereafter if such default cannot be cured within thirty (30) days after receipt of notice from LESSEE to remedy the same.

3. Damage to or destruction of all or a material part of the Premises or Airport facilities that renders operation of LESSEE's business non-operative.

4. The lawful assumption by the United States, or any authorized agency thereof, of the operation, control or use of the Airport, or any substantial part or parts thereof, in such a manner as to restrict LESSEE from substantially conducting business operations for a period in excess of ninety (90) days.

B. Termination by DISTRICT. This Agreement shall be subject to termination by DISTRICT in the event of any one or more of the following events:

1. The default by LESSEE in the performance of any of the terms, covenants or conditions of this Agreement, and the failure of LESSEE to remedy, or undertake to remedy, to DISTRICT's satisfaction, such default for a period of thirty (30) days after receipt of notice from DISTRICT to remedy the same.

2. LESSEE files a voluntary petition in bankruptcy, including a reorganization plan, makes a general or other assignment for the benefit of creditors, is adjudicated as bankrupt or if a receiver is appointed for the property or affairs of LESSEE and such receivership is not vacated within thirty (30) days after the appointment of such receiver.

3. LESSEE's abandonment of the Premises.

C. Early Termination by LESSEE for Convenience. Provided LESSEE is not then in default under this Agreement, LESSEE may terminate this Agreement before the scheduled expiration
TRV Office Lease

date by delivering written notice to DISTRICT as follows: (i) if this Agreement remains under the initial Option A structure and Option B has not been approved by DISTRICT, LESSEE shall provide at least six (6) months' prior written notice; and (ii) if Option B has been approved by DISTRICT, LESSEE shall provide at least twelve (12) months' prior written notice. LESSEE shall remain obligated to pay all Base Rent, CAM, Option B payments, if applicable, taxes, utilities, reconciliation amounts, and all other amounts due under this Agreement through the effective termination date. Early termination shall not release LESSEE from any indemnity, restoration, surrender, repair, payment, CAM reconciliation, audit, environmental, insurance, or other obligation that accrued before the termination date or expressly survives termination. In addition, if LESSEE exercises the early termination right after Option B has been approved, LESSEE shall, as a condition to termination, pay to DISTRICT in a lump sum all Option B payments that would have become due from the effective termination date through the scheduled expiration date of the then current term, calculated based on DISTRICT's actual Option B capital investment and the monthly Option B payment then in effect. LESSEE shall surrender the Premises in the condition required by this Agreement on or before the termination date. Any early termination notice shall be ineffective if LESSEE fails to remain current on all payment and performance obligations through the termination date.

D. Default. The occurrence of any one or more of the following events shall constitute an **"Event of default"** and breach of this Agreement by LESSEE and District may immediately take all steps to terminate this Agreement:

1. If LESSEE shall make an assignment for the benefit of its creditors; or
2. If any petition shall be filed against LESSEE in any court, whether or not pursuant to any statute of the United States or of any state, of any bankruptcy, reorganization, composition, extension, arrangement, or insolvency proceedings, and LESSEE shall thereafter be adjudicated bankrupt, and if such proceeding shall not be dismissed within thirty (30) days after the institution of the same, except that such time shall be extended while such proceeding is being diligently defended against by LESSEE: or, if any such petition shall be so filed by LESSEE: or
3. If, in any proceeding, a receiver or trustee is appointed for all or any portion of LESSEE's property, and such receiver or trustee shall not be discharged within thirty (30) days after his appointment, except such time shall be extended while such proceeding is being diligently defended against by LESSEE: or
4. If LESSEE shall fail to pay when due any Base Rent, CAM, Option B payments, or any other amount due hereunder, and such failure shall continue for ten (10) days after written notice to LESSEE: or
5. If LESSEE shall fail to perform or observe any other requirement of this Agreement and such failure shall continue for ten (10) days after written notice to LESSEE, except if LESSEE has commenced and is diligently proceeding to cure the same: or
6. The attachment, execution or other judicial seizure of substantially all of LESSEE's assets located at the Premises or of LESSEE's interest in this Agreement, where such seizure is not discharged within thirty (30) days: or
7. Failure to deliver or maintain the required guaranty: or
8. Unauthorized use of the Premises (including failure to maintain required permits for food

TRV Office Lease

service, beer/wine service, occupancy, or any other material permitted use)

If any default by LESSEE shall occur, and following notice of default as required by this Agreement (for the period applicable to the default under the applicable provision of this Agreement), DISTRICT shall have all available rights and remedies provided by law or equity, to which DISTRICT may resort cumulatively or in the alternative.

ARTICLE NINETEEN

LIMITATION OF LIABILITY; RISK OF LOSS

To the extent permitted by law, DISTRICT shall not be liable to the LESSEE or LESSEE's officers, agents, representatives, guests, contractors, subcontractors, or other invitees for any damages or loss caused to them, their property, or LESSEE's personal property by any of the following: water, rain, wind, snow ice, sleet, hail, fire, storms, earthquake, volcanic eruption, or any other weather event or condition outside of DISTRICT's control; any Airport tenant, user, operator, or any other third party; or by breakage, stoppage, or leakage of utilities on or adjacent to the Premises. In the event of damage or destruction to the Premises, District is under no obligation to provide substitute rental space to LESSEE.

LESSEE bears all risk of loss or damage to any property stored on the Premises, or in any parking area, including vehicles, trailers, equipment, personal property, customer property, member property, subtenant property, and licensee property. DISTRICT has no obligation to provide security, monitoring, or protection for vehicles, trailers, or other property parked or stored by or through LESSEE. DISTRICT will not provide insurance for any property stored on the Premises and is not responsible for any damage to or loss of the stored property, whether caused by fire, water, earthquake, liquefaction, theft, terrorism, or any other risk. LESSEE acknowledges that insurance is available from independent insurance companies to protect LESSEE in the event of theft, damage, or destruction of the stored property. LESSEE waives the provisions of California Civil Code Section 1932(2) and California Civil Code Section 1933(4) with respect to any destruction of the Premises.

ARTICLE TWENTY

HOLDOVER

If LESSEE remains in possession of the Premises after the expiration or earlier termination of this Agreement without the prior written consent of DISTRICT, such possession shall be deemed a tenancy at sufferance only, subject to termination by DISTRICT at any time upon written notice to LESSEE. During any such holdover period, LESSEE shall pay to DISTRICT (i) Rent at a rate equal to one hundred fifty percent (150%) of the Rent payable immediately prior to expiration or termination, plus (ii) all additional Rent and other charges required under this Agreement (including CAM and continuing Option B payments), and (iii) any and all damages sustained by DISTRICT as a result of such holdover, including, without limitation, claims made by succeeding tenants.

No holding over by LESSEE, whether with or without the consent of DISTRICT, shall operate to extend this Agreement, and LESSEE shall remain subject to all terms, covenants, and conditions of this Agreement during such period of occupancy. Acceptance of Rent by DISTRICT during any holdover shall not constitute a renewal of this Agreement or a waiver of DISTRICT's right to recover possession of the Premises or to recover damages for such holdover.

TRV Office Lease

ARTICLE TWENTY-ONE

MISCELLANEOUS PROVISIONS

A. Waiver/Timeliness. No waiver of any term, condition, or covenant of this Agreement shall be presumed or implied. Any such waiver must be expressly made in writing by the party waiving the term, condition, or covenant. The acceptance by DISTRICT from LESSEE of any amount paid for any reason under this Agreement in a sum less than what is actually owing shall not be deemed a compromise, settlement, accord and satisfaction, or other final disposition of the amount owing unless DISTRICT agrees otherwise in writing. The acceptance by DISTRICT from LESSEE of rent shall not constitute a waiver of any prior breach, violation or default in or with respect to the performance or observance of the covenants and conditions contained herein. Acceptance of rent late or any waiver by DISTRICT of a LESSEE breach is not a waiver of default in a subsequent failure to pay rent on time or a subsequent breach of term, covenant or condition.

B. Invalidity. In the event any covenant, condition or provision herein is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained, provided that the invalidity of such covenant, condition or provision does not materially prejudice either DISTRICT or LESSEE in its respective rights and obligations contained in the valid covenants, conditions or provisions of this Agreement.

C. Notices. All notices required herein shall be in writing and may be given by personal delivery or by first-class mail, postage prepaid, and addressed to DISTRICT at 10356 Truckee Tahoe Airport Road, Truckee, California 96161, and to LESSEE at: _____ATTN: _____, *with an additional copy sent to:* _____ATTN: _____.

Either party may at any time change its address for such notice by giving written notice of such change to the other party. Any notice provided for herein shall be deemed delivered upon being deposited as aforesaid at any United States Post Office or branch or substation or in any United States mailbox, or at time of personal delivery.

D. Headings. The headings used in this Agreement are intended for convenience of reference only and do not define or limit the scope or meaning of any provision of this Agreement.

E. Access by District. LESSEE hereby consents to DISTRICT and its agents entry in the Premises at all reasonable times upon reasonable notice whenever possible (except in the event of an emergency in which case no notice is required) for any appropriate purpose, including, without limitation, the following purposes:

1. To inspect the Premises;
2. To maintain the Airport;
3. To maintain or make such repairs to the Premises as DISTRICT is obligated or may elect to make;
4. To make repairs, alterations or additions to any other portion of the Airport;
5. To post notices of non-responsibility for alterations, additions or repairs;
6. To access any areas reserved to the DISTRICT herein;
7. To show the Premises to prospective purchasers or LESSEES;
8. To determine LESSEE's compliance with the terms of this Agreement.

DISTRICT shall have such right of entry and the right to fulfill the purpose thereof without any rebate of rent to LESSEE for any loss of occupancy or quiet enjoyment of the Premises thereby occasioned.

F. Sale of Premises by District. In the event of any sale or exchange of the Premises by DISTRICT and assignment in connection therewith by DISTRICT of this Agreement, DISTRICT shall be entirely freed and relieved of any liability contained in or derived from this Agreement with respect to any act, occurrence or omission relating to the Premises or to this Agreement occurring after the consummation of such sale or exchange.

G. Maintenance of Airport Facilities. DISTRICT shall maintain all public and common or joint use areas of the Airport including the Air Operations Area, in good repair, and shall make such repairs, replacements or additions thereto as it considers, in its sole discretion, necessary for the safe and efficient operation of the Airport.

H. Aerial Approaches. DISTRICT reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent LESSEE from erecting, or permitting to be erected, any building or other structure on or adjacent to the Airport which, in the opinion of DISTRICT, would limit the usefulness of the Airport or constitute a hazard to aircraft.

I. Time. Time is of the essence of this Agreement and of each and every one of the provisions herein contained except in respect to delivery of possession of the Premises to LESSEE.

J. Force Majeure. Any prevention, delay or stoppage due to strikes, walkouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage, except for the obligation imposed with regard to rental and other charges to be paid by LESSEE pursuant to this Agreement.

K. Tense, Number and Gender. Each number, tense and gender used in this Agreement shall include any other tense, number or gender where the context and the parties hereto or the context and references therein shall require. If LESSEE shall consist of more than one person, all of the terms, covenants and conditions of this Agreement shall be joint and several as to LESSEE.

L. Exhibits Incorporated. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement by reference as though fully set forth herein, whether or not actually attached.

M. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

N. LESSEE's Authority. If LESSEE is a corporation, limited liability company or limited liability partnership, each individual executing this Agreement on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Agreement on behalf of said corporation, in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the Bylaws of said corporation, and that this Agreement is binding upon said corporation in accordance with its terms.

TRV Office Lease

O. LESSEE's Obligations. If a California corporation, Limited Liability Company or Limited Liability Partnership, LESSEE shall furnish DISTRICT a copy of its Articles of Incorporation or Article of Organization, as appropriate and a current listing of its officers and directors filed with the California Secretary of State. If an out-of-state corporation, Limited Liability Company or Limited Liability Partnership, LESSEE shall also furnish a copy of a current Certificate of Qualification issued by the California Secretary of State, qualifying the entity to do business in the State of California, as well as a certificate designating its agent for service of process in the State of California. If a partnership LESSEE shall furnish DISTRICT a copy of the published statement of doing business under a fictitious name filed with the Nevada or Placer County Clerk. Regardless of LESSEE's status, each person executing this Agreement on behalf of LESSEE shall complete, as individuals, the DISTRICT's Lessee/Licensee Information Form and return the same to the DISTRICT.

P. Governing Law. The construction of this Agreement, and the rights and liabilities of the parties hereto, shall be governed by the laws of the State of California.

Q. Entire Understanding / Ambiguities. This Agreement contains the entire understanding of the parties. LESSEE, by signing this Agreement, agrees that there is no other written or oral understanding between the parties with respect to the Premises. Each party has relied on its own examination of the Premises, advice from its own attorneys, and the warranties, representations, and covenants of the Agreement itself. Each of the parties in this Agreement agrees that no other party, agent, or attorney of any other party has made any promise, representation, or warranty whatsoever which is not contained in this Agreement. The failure or refusal of any party to read the Agreement or other documents, inspect the Premises, and obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based on these actions. No modification, amendment, or alteration of this Agreement will be valid unless it is in writing and signed by all parties. Ambiguities in this Agreement, if any, shall not be construed against the drafting party.

R. Attorney's Fees. In the event any litigation or arbitration is commenced regarding this Lease Agreement, the prevailing party in any such action shall be entitled to an award of its reasonable attorney's fees and costs, in addition to any other remedy or relief granted therein.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have duly executed this Agreement.

LESSEE:

TRUCKEE RIVER VENTURES, INC.

By _____

Title:

Date _____

By _____

Title:

Date _____

DISTRICT:

TRUCKEE TAHOE AIRPORT DISTRICT

By _____

David Diamond
President

Date _____

By _____

Robb Etnyre,
Secretary / General Manager

Date _____

Approved as to form for Lessee:

Approved as to form for District:

By _____

Name:

_____, District Counsel

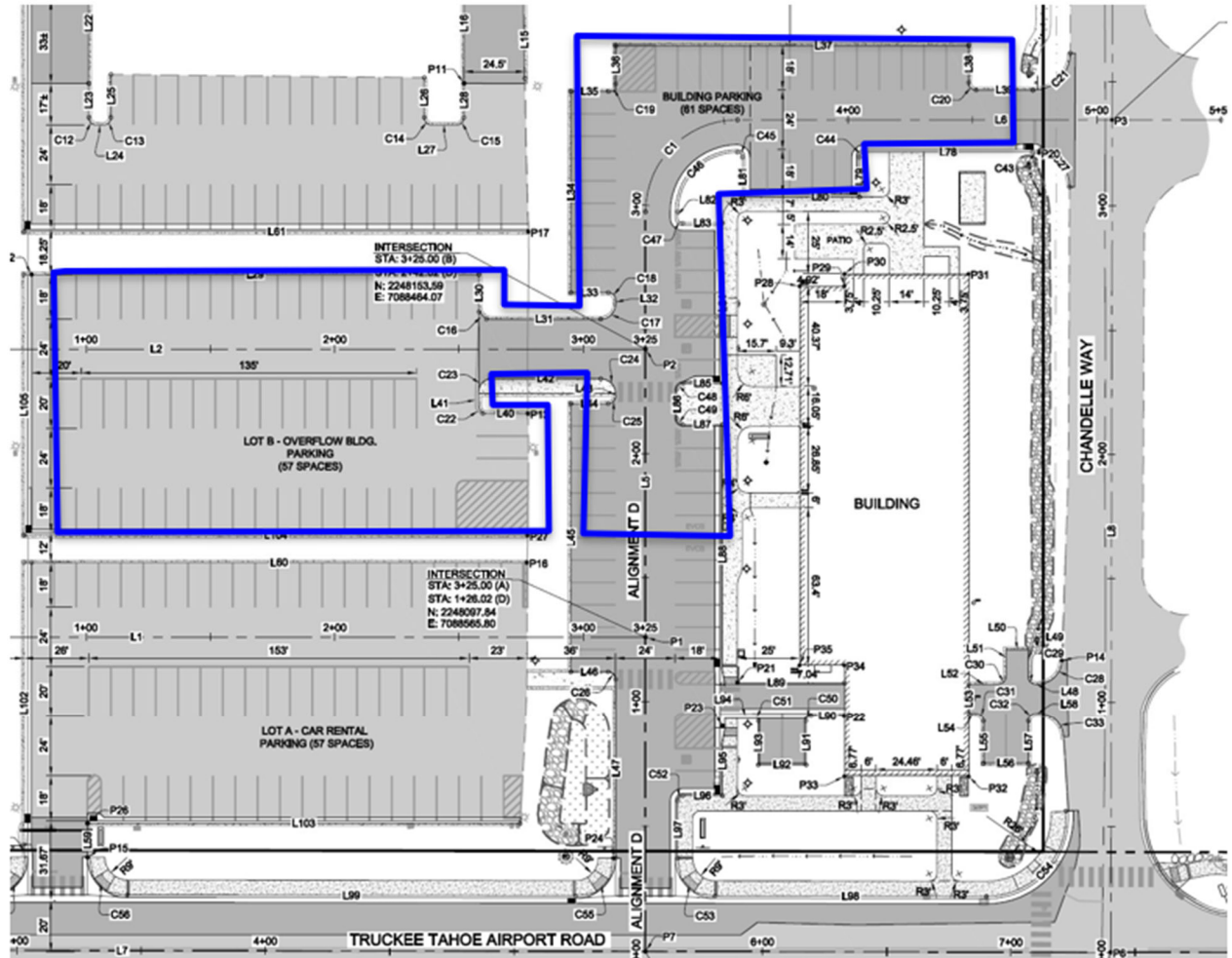
Date _____

Date _____

Exhibit A

Premises and Parking Allocation

Approximately 105 parking spaces; blue line depicts parking area.



Parking rights are limited to the area generally depicted above and are subject to DISTRICT's rules, signage, snow removal operations, safety, access, construction, maintenance, and Airport operational requirements. The parking allocation does not grant exclusive control of the parking area unless expressly stated in the Agreement.

83389.00001\45065825.4

83389.00001\45065825.5

83389.00001\45065825.6

Exhibit B

Assurances Required by the Federal Aviation Administration

83389.00001\45065825.4

83389.00001\45065825.5

83389.00001\45065825.6

Exhibit C
CAM Charges and Allocation Schedule

Airport Office Building Lease – Truckee River Ventures

83389.00001\45065825.5

83389.00001\45065825.6

Exhibit D
Option A Work Letter

Airport Office Building Lease – Truckee River Ventures

83389.00001\45065825.5
83389.00001\45065825.6

Exhibit E
Option B Capital Improvement Structure

Airport Office Building Lease – Truckee River Ventures

83389.00001\45065825.5
83389.00001\45065825.6

Exhibit F
Guaranty of Lease

THIS GUARANTY OF LEASE is made as of this ____ day of _____, **2026**, by _____ ("**Guarantor**"), in favor of the Truckee Tahoe Airport District, a California Special Airport District ("**DISTRICT**"), with reference to the following facts:

A. Pursuant to that certain Airport Office Building Lease Agreement dated _____, 20 (the "**Lease**"), entered into between DISTRICT, as lessor, and Truckee River Ventures, Inc., a California corporation ("**LESSEE**"), as lessee, LESSEE desires to lease approximately 10,459 rentable square feet in the Airport Office Building, together with associated parking rights, located at the Truckee Tahoe Airport.

B. The Lease requires LESSEE to deliver a guaranty in connection with LESSEE's obligations under the Lease. This Guaranty is delivered as follows, as indicated by the checked box below:

☐ Initial Guaranty. This Guaranty is delivered in connection with the initial Option A lease structure and covers six (6) months of Base Rent and CAM, as more particularly provided below.

☐ Option B Guaranty. This Guaranty is delivered in connection with DISTRICT's approval of the Option B tenant improvement structure under which DISTRICT may make capital investments in tenant improvements, not to exceed One Million Dollars (\$1,000,000.00) with LESSEE obligated to make monthly payments to DISTRICT upon completion of the Option B improvements and final permit sign-off. Under Option B, this Guaranty covers one year of Base Rent, CAM, and Option B payments, as more particularly provided below.

C. If this Guaranty is delivered as the Initial Guaranty, DISTRICT is unwilling to enter into the Lease or waive any cash security deposit requirement without this Guaranty being executed by Guarantor.

D. If this Guaranty is delivered as the Option B Guaranty, DISTRICT is unwilling to approve or enter into the Option B tenant improvement structure without this Guaranty being executed by Guarantor.

NOW, THEREFORE, Guarantor agrees as follows:

1. Guaranty.

Airport Office Building Lease – Truckee River Ventures

Guarantor hereby absolutely and unconditionally guarantees to DISTRICT the prompt payment of LESSEE's monetary obligations under the Lease arising from or relating to the Guaranteed Obligations, as defined below.

(a) If this Guaranty is delivered as the Initial Guaranty, "Guaranteed Obligations" means LESSEE's obligations to pay Base Rent, CAM, late charges, interest, collection costs, attorneys' fees, and enforcement costs arising from or relating to LESSEE's failure to pay Base Rent or CAM under the Lease.

(b) If this Guaranty is delivered as the Option B Guaranty, "Guaranteed Obligations" means LESSEE's obligations to pay Base Rent, CAM, Option B payments, including monthly payments equal to six percent (6%) per annum of DISTRICT's actual Option B capital investment payable as additional Rent under the Lease, late charges, interest, collection costs, attorneys' fees, and enforcement costs arising from or relating to LESSEE's failure to pay Base Rent, CAM, or Option B payments under the Lease. The obligations guaranteed under this Guaranty are referred to collectively as the "Guaranteed Obligations."

2. Limitation on Guaranteed Amount.

Notwithstanding anything to the contrary in this Guaranty or the Lease, Guarantor's liability under this Guaranty shall be limited as follows:

(a) Initial Guaranty. If this Guaranty is delivered as the Initial Guaranty, Guarantor's liability shall be limited to an amount equal to six (6) months of Base Rent and CAM due or becoming due under the Lease, together with late charges, interest, collection costs, attorneys' fees, and enforcement costs described in Section 1 above.

(b) Option B Guaranty. If this Guaranty is delivered as the Option B Guaranty, Guarantor's liability shall be limited to an amount equal to one (1) year of Base Rent, CAM, and Option B payments due or becoming due under the Lease, together with late charges, interest, collection costs, attorneys' fees, and enforcement costs described in Section 1 above.

For purposes of calculating the applicable limitation, the guaranteed amount shall be based on the Base Rent, CAM, and, if applicable, Option B payments due or becoming due during the applicable six (6) month or twelve (12) month period under the Lease. This Guaranty is intended to satisfy the Lease requirement for either the Initial Guaranty or the Option B Guaranty, as applicable.

3. Duration; Release Upon Approved Replacement Tenant.

This Guaranty shall remain in effect until the earlier of:

(a) full payment and satisfaction of the Guaranteed Obligations, subject to the limitation set forth in Section 2 above; or

Airport Office Building Lease – Truckee River Ventures

(b) DISTRICT's written approval of a replacement tenant or assignee that assumes LESSEE's payment obligations under the Lease, including, as applicable, Base Rent, CAM, and Option B tenant improvement payments, and DISTRICT's written confirmation that Guarantor is released from this Guaranty.

No assignment, replacement tenant, sublease, change in ownership, or transfer of LESSEE's interest, or transfer of Option B rights shall release Guarantor unless DISTRICT expressly approves such replacement tenant or assignee in writing and expressly releases Guarantor in writing.

4. Independent Obligations.

Guarantor's obligations under this Guaranty are independent of LESSEE's obligations under the Lease. DISTRICT may bring a separate action against Guarantor without first proceeding against LESSEE, any other guarantor, or any security held by DISTRICT.

5. Rights of DISTRICT.

Guarantor authorizes DISTRICT, without notice to Guarantor and without affecting Guarantor's liability under this Guaranty, to:

- (a) extend, modify, amend, or renew the Lease;
- (b) approve or disapprove any assignment, sublease, replacement tenant, or transfer under the Lease;
- (c) apply any security deposit or other security held by DISTRICT in any order determined by DISTRICT;
- (d) compromise, settle, release, or otherwise deal with LESSEE or any other guarantor; and
- (e) exercise or refrain from exercising any rights or remedies under the Lease.

Notwithstanding the foregoing, no amendment, modification, extension, renewal, assignment, transfer, or Option B approval shall increase Guarantor's maximum liability beyond the applicable limitation stated in Section 2 unless Guarantor agrees in writing; provided, however, that if this Guaranty is executed or reaffirmed as the Option B Guaranty, the Option B limitation in Section 2(b) shall apply.

6. Bankruptcy; Reinstatement.

If LESSEE becomes insolvent, files bankruptcy, is adjudicated bankrupt, seeks reorganization or similar relief, has a receiver appointed, or if the Lease is rejected, terminated, or modified in any bankruptcy or insolvency proceeding, Guarantor shall

remain liable for the Guaranteed Obligations to the extent permitted by law and subject to the limitation stated in Section 2.

If any payment made by LESSEE or Guarantor to DISTRICT is later invalidated, declared fraudulent or preferential, set aside, or required to be repaid by DISTRICT to a trustee, receiver, or other person or entity, then this Guaranty shall be reinstated to the extent of such repayment, subject to the limitation stated in Section 2.

7. Waiver of Defenses.

Guarantor waives any right to require DISTRICT to:

- (a) proceed first against LESSEE;
- (b) proceed against any other guarantor;
- (c) proceed against or exhaust any security deposit or other security;
- (d) pursue any other remedy available to DISTRICT; or
- (e) give Guarantor notice of LESSEE's default, nonpayment, nonperformance, assignment, sublease, bankruptcy, or insolvency.

Guarantor also waives any defense arising from any disability, insolvency, bankruptcy, reorganization, release, discharge, or other defense of LESSEE, except actual payment and satisfaction of the Guaranteed Obligations or written release by DISTRICT.

Without limiting the foregoing, Guarantor expressly, knowingly, unconditionally, and irrevocably waives all rights and defenses that are or may become available to Guarantor under California Civil Code Sections 2787 through 2856, inclusive, including, without limitation, any rights or defenses arising under California Civil Code Sections 2809, 2810, 2819, 2820, 2845, 2847, 2848, 2849, 2850, and 2855. Guarantor further waives all rights and defenses arising out of any election of remedies by DISTRICT, even if that election of remedies impairs or destroys Guarantor's rights of subrogation, reimbursement, contribution, or indemnity against LESSEE.

Nothing in this Section 7 shall increase Guarantor's maximum liability beyond the applicable limitation stated in Section 2.

8. Waiver of Subrogation.

Until the Guaranteed Obligations have been fully paid and performed, Guarantor waives any right of subrogation, reimbursement, contribution, indemnity, or other claim against LESSEE arising from Guarantor's performance under this Guaranty.

If Guarantor receives any payment from LESSEE before the Guaranteed Obligations have been fully satisfied, Guarantor shall hold such payment in trust for DISTRICT and promptly pay such amount to DISTRICT for application against the Guaranteed Obligations.

9. Costs and Expenses.

Guarantor shall pay all reasonable attorneys' fees, court costs, collection costs, and other expenses incurred by DISTRICT in successfully enforcing this Guaranty.

10. Continuing Guaranty.

This Guaranty is a continuing guaranty and shall remain in effect until released or terminated in accordance with Section 3. No delay by DISTRICT in enforcing this Guaranty shall constitute a waiver of DISTRICT's rights.

11. Financial Information.

Upon execution of this Guaranty, and thereafter upon DISTRICT's reasonable request, Guarantor shall provide DISTRICT with reasonably current financial information sufficient for DISTRICT to evaluate Guarantor's financial ability to satisfy this Guaranty.

12. Miscellaneous.

(a) This Guaranty shall bind Guarantor and Guarantor's heirs, personal representatives, successors, and permitted assigns, and shall inure to the benefit of DISTRICT and its successors and assigns.

(b) Guarantor shall not assign this Guaranty or any obligation under this Guaranty without DISTRICT's prior written consent.

(c) The invalidity or unenforceability of any provision of this Guaranty shall not affect the validity or enforceability of any other provision.

(d) This Guaranty shall be governed by the laws of the State of California.

(e) In the event any dispute arises regarding enforcement or interpretation of this Guaranty, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

(f) This Guaranty may be executed in counterparts and by electronic signature, each of which shall be deemed an original and all of which together shall constitute one instrument.

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

Airport Office Building Lease – Truckee River Ventures

GUARANTOR:

By: _____

Name: _____

Its: _____

Address for Guarantor:

Airport Office Building Lease – Truckee River Ventures

83389.00001\45065825.5

83389.00001\45065825.6

83389.00001\45065825.5
83389.00001\45065825.6

