

FLAT RATE LEASE

THIS FLAT RATE LEASE ("Lease") is entered into by and between SAN DIEGO DATA PROCESSING CORPORATION, INC., a California corporation ("LANDLORD"), as lessor, and, ASSOCIATED MICROBREWERIES, LTD., a California limited partnership doing business as "Karl Strauss Brewing Company" ("TENANT"), as lessee, to be effective as of **FEBRUARY 1, 2012** (the "Effective Date"), as follows:

1. **Building.** This Lease shall be for a portion of the building ("Building") located at 5965 Santa Fe Street, San Diego, California 92109.
2. **Premises.** LANDLORD leases to TENANT and TENANT leases from LANDLORD a portion of the Building known as Suites C, D and E (collectively, the "Premises"), consisting of approximately 24,830 rentable square feet, as shown on the floor plan attached hereto as EXHIBIT A. TENANT acknowledges and agrees that the square footage figures set forth in this Lease are approximations for reference only, that these approximations are reasonable, and shall not be subject to revision except with an actual physical change in the Premises, or if TENANT should relocate within the Building.
3. **Use.** TENANT shall use the Premises solely and exclusively for general office operations and warehousing and for no other purpose without LANDLORD's prior written consent.
4. **Initial Term.** The initial term of this Lease ("Initial Term") shall be forty (40) months, commencing on the Effective Date.
5. **Rent.** TENANT shall pay no rent for the first four (4) months of the Initial Term. TENANT shall pay rent in accordance with the following rent schedule during the Initial Term of this Lease:

Months 1-4: Zero Dollars (\$0);

Months 5-16: Seventeen Thousand Three Hundred Eighty-One Dollars (\$17,381) per month;

Months 17-28: Nineteen Thousand Eight Hundred Sixty-Four Dollars (\$19,864) per month;
and

Months 29-40: Twenty-Two Thousand Three Hundred Forty-Seven Dollars (\$22,347) per month.
6. **Time and Place of Payment.** TENANT shall pay rent monthly in advance on or before the first day of each calendar month during the term of this Lease ("Term"). Rent shall be made payable to LANDLORD and delivered to LANDLORD's address for notices, provided below.

7. Delinquent Payments. Amounts due LANDLORD under this Lease and not paid within five (5) days past due shall be delinquent. TENANT shall pay LANDLORD interest on the delinquent amount at the rate of twelve percent (12%) per year from the date such payment was due. Delinquent amounts may be referred for collection, and TENANT shall then pay to LANDLORD a collection-referral fee in the amount of ten percent (10%) of the unpaid amount or Twenty-Five Dollars (\$25), whichever is greater. Acceptance of late charges and any portion of the late payment by LANDLORD shall neither constitute a waiver of TENANT's default with respect to late payment nor prevent LANDLORD from exercising any other rights and remedies available at law or in equity. As required by law, TENANT is hereby notified that a negative credit report may be submitted to a credit reporting agency if amounts due LANDLORD are not paid when due.
8. Security Deposit. On or before the first day of the Initial Term, TENANT shall deliver to LANDLORD a security deposit ("Security Deposit") in the amount of Seventeen Thousand Three Hundred Eighty-One Dollars (\$17,381) to secure TENANT's performance of this Lease. LANDLORD shall not be liable to TENANT for any interest thereon. Any interest earned from such deposit or redeposit shall not become part of the security deposit, but shall be and remain the property of LANDLORD. All or any portion of the security deposit shall be available unconditionally to LANDLORD to cure, in whole or in part, any breach or default of this Lease by TENANT, or for expenses incurred by LANDLORD as a result of TENANT's breach or default of this Lease. TENANT shall maintain the security deposit throughout the Term.
- a. Utilization. If LANDLORD utilizes all or any portion of the security deposit, upon 10 days prior written notice, TENANT shall reimburse the security deposit to the full required amount.
- b. Increase. Upon thirty (30) days prior written notice by LANDLORD, TENANT shall deliver to LANDLORD additional funds as LANDLORD may, in its sole determination, require to adequately secure TENANT's obligations under this Lease; however, in no event shall the Security Deposit exceed the then-current monthly rent under this Lease.
- c. Return. Provided TENANT is not in breach or default of this Lease, LANDLORD shall return the security deposit, or any balance thereof, to TENANT within thirty (30) days after the expiration or termination of this Lease.
9. Extension Year. "Extension Year" as used in this Lease shall mean each 12-month period of this Lease, if any, following the Initial Term.
10. Option to Extend. Subject to the San Diego City Council's authorization to extend this Lease for up to an additional four (4) years prior to extending the Term, and provided TENANT is not then in default of this Lease, TENANT shall have two (2) options to extend the Term for two (2) years per option, for a total of four (4) years beyond the Initial Term. No option to extend the Term shall be valid unless in writing and delivered to LANDLORD at least six (6) months prior to the expiration of this Lease. Each extension of the Term shall be subject to all terms and conditions of this Lease, except the rent shall be adjusted to the fair market rent

for the Premises, to be determined by a qualified real estate appraiser selected by mutual agreement between a qualified appraiser of LANDLORD's choice and a qualified appraiser of TENANT's choice. LANDLORD and TENANT shall each pay one half of the cost of each such appraisal. Rent adjustments shall be effective as of the first (1st) day of each Extension Year.

11. Holdover. Any holding over by TENANT after the expiration or earlier termination of this Lease shall be on a month-to-month basis, shall not be construed as a renewal or extension of this Lease, and all other terms and conditions of this Lease shall continue in full force and effect. LANDLORD may then increase the rent to up to one and one-half (1.5) times the rent in effect immediately preceding the holdover period and/or may terminate the holdover tenancy at will upon three (3) days notice to quit the Premises.
12. Right of First Refusal. Provided TENANT is not in default of this Lease, TENANT shall have a continuous right of first refusal ("Right of First Refusal") to lease additional space within the Building ("Offer Space"). LANDLORD shall offer the Offer Space to TENANT subject to the same size, terms and conditions accepted by a prospective third-party tenant. TENANT shall have ten (10) business days after receipt of said notice in which to elect to exercise its Right of First Refusal. If TENANT fails, refuses or is unable to so exercise such Right of First Refusal, LANDLORD shall have the right to lease the Offer Space to any third party for substantially the same size, terms and conditions. All rights associated with the Right of First Refusal are personal to TENANT.
13. Prohibited Uses. TENANT shall not: (a) use the Premises except as permitted under this Lease; (b) effect any repairs to the Premises without LANDLORD's prior consent; (c) allow or permit any liens or encumbrances to be placed on any portion of the property of which the Premises are a part; (d) operate or use any machine or device which results in excess use of utilities; (e) use the Premises in any manner which may create a health, safety, or fire hazard; (f) fail to pay all taxes assessed against TENANT related to its tenancy, use or occupancy of the Premises; or (g) fail to obey the Building's "Rules and Regulations", as may be amended from time to time, attached hereto as EXHIBIT B.
14. Unauthorized Use Charge. TENANT shall pay to LANDLORD one hundred (100%) percent of the gross receipts from any use of the Premises that is not allowed by this Lease, regardless of any related penalties charged TENANT by competent governmental authorities. Such unauthorized use charge shall be payable to LANDLORD within thirty (30) days after TENANT receives such gross receipts. The unauthorized use charge shall be treated as additional "rent" under this Lease. The existence of such unauthorized use charge and LANDLORD's acceptance thereof shall not constitute authorization for the use in question, and shall not waive any of LANDLORD's rights under this Lease.
15. Utilities; Maintenance. TENANT shall order, obtain and pay for all maintenance and utilities and service and installation charges in connection with the operation of the Premises, including without limitation the Premises' heating, ventilating and air-conditioning ("HVAC") system and electrical, water and sewer utilities, excluding capital repairs and replacements to the Premises' HVAC system. TENANT shall maintain the Premises in good

repair, and in a decent, safe, healthy and sanitary condition, other than as may be attributable to conditions pre-existing TENANT's first occupancy of the Premises, whether under or prior to this Lease, and to LANDLORD's reasonable satisfaction. At the expiration or earlier termination of this Lease, TENANT shall surrender the Premises in as good condition and repair as when TENANT received the Premises, normal wear and tear excepted.

16. Keys. If LANDLORD provides TENANT with keys to the Premises, such keys shall be duplicated at TENANT's sole cost; TENANT assumes the risk of lost keys; and TENANT shall pay LANDLORD all costs necessitated by a loss of any of TENANT's keys, including without limitation changing locks and providing keys to other tenants of the Building. TENANT shall return all such keys to LANDLORD upon the expiration or earlier termination of this Lease, or TENANT's relocation within the Building.
17. Signs. TENANT shall not erect or display any banners, pennants, flags, posters, signs, decorations, marquees, awnings, or similar devices or advertising without LANDLORD's prior written consent. If any such unauthorized item is found on the Premises, TENANT shall remove the item at its expense within twenty-four (24) hours notice by LANDLORD, or LANDLORD may remove the item at TENANT's cost.
18. TENANT's Acceptance of Premises. TENANT shall take possession of the Premises "as is." LANDLORD has not made and makes no representation or warranty as to the condition or suitability of the Premises for TENANT's intended use, and assumes no obligation to alter or improve the Premises. TENANT has relied solely on its own independent investigations of the condition and suitability of the Premises, and is satisfied with the condition thereof, including without limitation electrical and fire sprinkler systems, security, asbestos, air quality, and other environmental aspects, seismic and earthquake requirements, and compliance with the Americans with Disabilities Act ("ADA") and applicable zoning, municipal, county, state and federal laws, ordinances and regulations, and any covenants or restrictions of record.
 - a. ADA Compliance. To LANDLORD's current actual knowledge without inquiry, the Premises and "common areas" (defined below) are ADA-compliant. TENANT shall be responsible, at its sole cost and expense, for ADA compliance required by TENANT's improvements to the Premises and/or any common areas, or TENANT's modifications to existing improvements in the Premises and/or the common areas, or for a change in TENANT's use of the Premises. LANDLORD shall be responsible for ADA compliance other than as set forth in the foregoing sentence, such as path-of-travel compliance in the common areas.
19. Entry and Inspection. Upon reasonably prior notice to TENANT, LANDLORD may enter the Premises for the purpose of viewing and ascertaining the condition of the Premises, to protect its interests in the Premises, or to inspect the operations conducted on the Premises. If LANDLORD determines that the Premises are not in a decent, safe, healthy and sanitary condition, LANDLORD may, after ten (10) days prior notice to TENANT, have any necessary maintenance work done at TENANT's sole expense. TENANT shall pay LANDLORD on demand any and all costs to put the Premises in a decent, safe, healthy, and

sanitary condition. If at any time LANDLORD determines that the Premises are not in a decent, safe, healthy, and sanitary condition, LANDLORD may, at its discretion and without further notice, require TENANT to file with LANDLORD a faithful performance bond to assure prompt correction of any condition which is not decent, safe, healthy, and sanitary. The bond shall be in an amount adequate, in LANDLORD's opinion, to correct the unsatisfactory condition. TENANT shall pay the cost of the bond. The rights reserved in this section shall not create any obligation on LANDLORD or increase any of LANDLORD's obligations under this Lease.

20. Improvements/Alterations. TENANT shall pay for and be responsible for all tenant improvements in the Premises. No improvements, structures, or installations shall be constructed on the Premises, and the Premises may not be altered by TENANT without LANDLORD's prior written approval. At the time of each such approval, if any, LANDLORD shall designate each such improvement as either "removable" or "non-removable" by TENANT at the expiration or earlier termination of this Lease. TENANT shall not make any major structural or architectural design alterations to approved improvements, structures, or installations on the Premises without LANDLORD's prior written approval. This provision shall not relieve TENANT of any obligation under this Lease to maintain the Premises in a decent, safe, healthy, and sanitary condition (see Section 15, Utilities; Maintenance). LANDLORD shall not be obligated by this Lease to make or assume any expense for any improvements or alterations. Notwithstanding the foregoing, if reasonably required, LANDLORD shall, at its cost, maintain, repair and replace as reasonably necessary all structural components of the building of which the Premises are a part, and if reasonably necessary shall replace the capital components of the HVAC system serving the Premises.

21. Ownership of Improvements; Removal of Improvements and Personal Property.

a. Improvements. TENANT shall own all improvements, fixtures, structures, and installations or additions to the Premises constructed or installed on the Premises by TENANT. Upon expiration or termination of this Lease, all such improvements, fixtures, structures, and installations or additions shall be deemed a part of the Premises and owned by LANDLORD. Notwithstanding the foregoing, LANDLORD may, upon notice to TENANT at Lease termination or at any time prior to the expiration of the Term, elect to have part or all of those improvements, fixtures, structures, and installations or additions designated by LANDLORD as "removable" (when LANDLORD approved the improvement) removed by TENANT at the end of the Term. In that case, TENANT shall, at TENANT's sole cost and expense, remove those items chosen for removal in LANDLORD's notice and restore the Premises to LANDLORD's reasonable satisfaction as soon as practicable, but in no event later than sixty (60) days after the expiration or earlier termination of this Lease. TENANT, at its sole cost and expense, shall be responsible for the repair of any and all damage resulting from the removal of such items. If TENANT fails to remove the items as required herein, LANDLORD may, at its option, remove them at TENANT's sole cost and expense.

b. Personal Property. TENANT shall remove TENANT-owned machines, appliances,

equipment, trade fixtures, and other items of personal property upon the expiration of the Term, or as soon as practicable after termination, but in no event later than thirty (30) days after the expiration or earlier termination of this Lease. Any such items which TENANT fails to so remove shall be deemed abandoned and become LANDLORD's property free of all claims and liens, or LANDLORD may, at its option, remove such items at TENANT's sole cost and expense. TENANT, at its sole cost and expense, shall be responsible for the repair of any and all damage resulting from the removal of its personal property from the Premises.

- c. Late Removal. Notwithstanding any provision of this Lease to the contrary, TENANT shall pay rent to LANDLORD for any period of time after the expiration or termination of this Lease needed to remove improvements or personal property as required by this Lease, whether by LANDLORD or TENANT. Such rent shall be calculated on a per diem basis using the then-current fair market rental rate as determined by an appraisal prepared by competent LANDLORD staff.
 - d. LANDLORD's Right to Acquire Personal Property. If TENANT wants to dispose of any of its personal property used in its operations on the Premises upon expiration or termination of this Lease, LANDLORD shall have the first right to acquire such personal property.
22. Indemnification. TENANT shall protect, defend, indemnify, and hold LANDLORD and its officers, employees, representatives, and agents harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to TENANT's officers, employees, invitees, guests, agents, or contractors, which arise out of or are in any manner directly or indirectly connected with this Lease or TENANT's occupancy, use, development, maintenance, or restoration of the Premises, and all expenses of investigating and defending against same, including without limitation attorney fees and costs; provided, however, that TENANT's obligations under this section shall not include any claims or liability arising from the sole negligence or intentional misconduct of LANDLORD and its officers, employees, representatives, and agents.
23. Insurance. TENANT shall deliver to LANDLORD a current certificate of insurance for:
- (1) Commercial General Liability Insurance, providing coverage for bodily injury, including death, personal injury, and property damage with limits of at least Two Million Dollars (\$2,000,000) per occurrence, subject to an annual aggregate of at least Four Million Dollars (\$4,000,000);
 - (2) Automobile Liability Insurance, providing coverage for all bodily injury and property damage, with a limit of at least One Million Dollars (\$1,000,000) per occurrence. Such insurance shall cover liability arising out of any vehicle (including owned, hired, and non-owned vehicles) operated in performing any and all work pursuant to this Lease. Coverage shall be written on *ISO form CA 00 01 12 90*, or a substitute form providing equivalent liability coverage; and

- (3) Workers' Compensation Insurance, as required by the laws of the State of California for all of TENANT's employees who are subject to this Lease, with Employers' Liability coverage with a limit of at least One Million Dollars (\$1,000,000).
- a. Additional Insureds. Pursuant to a separate endorsement [CG2010 (11/85) or equivalent form], LANDLORD and "officers, employees, representatives, and agents" shall be named as additional insureds in all policies.
 - b. Primary & Non-Contributory. Insurance policies shall be endorsed such that the coverage is primary and non-contributory to any coverage carried or maintained by LANDLORD.
 - c. Qualified Insurer(s). All insurance required by the terms of this Lease must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the current AM Best Ratings Guide and which are acceptable to LANDLORD. Non-admitted surplus lines insurers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet LANDLORD's requirements.
 - d. Deductibles/Retentions. All deductibles and self-insured retentions on any insurance policy are the sole responsibility of TENANT and must be disclosed and acceptable to LANDLORD at the time evidence of insurance is provided.
 - e. Continuity of Coverage. All policies shall be in effect on or before the first day of the Term, except "course of construction fire insurance" shall be in force on commencement of all authorized construction, and full applicable fire insurance coverage shall be effective upon completion of each insurable improvement. The policies shall be kept in force for the duration of the Term. At least thirty (30) days prior to the expiration of each insurance policy, TENANT shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the requirements of this Lease. TENANT shall provide proof of continuing insurance at least annually during the Term. If insurance lapses or is discontinued for any reason, TENANT shall immediately notify LANDLORD and obtain replacement insurance as soon as possible.
 - f. Modification. If TENANT installs new improvements or substantially alters existing improvements, or for materially changed circumstances related to the Premises or TENANT's use thereof, LANDLORD may, in each instance, reevaluate the risks associated with such changes, and LANDLORD may, upon written notice to TENANT, require a reasonable revision of required insurance amounts and coverage. TENANT shall obtain such additional insurance within thirty (30) days after receipt of such notice.
 - g. Accident Reports. TENANT shall immediately report to LANDLORD any accident causing property damage or injury to persons and related to the Premises or TENANT's use thereof. Such report shall contain the names and addresses of the involved parties, a statement of the circumstances, the date and hour of the accident, the names and addresses of any witnesses, and other pertinent information.

- h. Causes of Loss - Special Form Property Insurance. TENANT shall obtain and maintain, at its sole cost, Causes of Loss - Special Form Property Insurance on all of TENANT's insurable property related to the Premises or TENANT's use thereof in an amount to cover 100 percent (100%) of the replacement cost. TENANT shall deliver to LANDLORD a certificate of such insurance.
24. Hazardous Substances. TENANT shall not allow the illegal installation, storage, utilization, generation, sale or release of hazardous or otherwise regulated substances in, on, under, or from the Premises. TENANT and TENANT's agents and contractors shall not install, store, utilize, generate, or sell any hazardous substance on the Premises without LANDLORD's prior written consent. TENANT shall, prior to initiating any operations, obtain all required permits from applicable regulatory agencies, including without limitation the San Diego County Department of Environmental Health, local fire agencies, the San Diego County Department of Weights and Measures, the San Diego County Air Pollution Control District, and the San Diego Regional Water Quality Control Board. Installing, utilizing, storing, or any other presence of a hazardous substance includes boxes, bags, bottles, drums, cylinders, above or below ground tanks, equipment with tanks, or any other type of container, equipment, or device which holds or incorporates a hazardous substance or hazardous waste.
- a. Release. For the purposes of this provision, a release shall include without limitation any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or otherwise disposing of hazardous substances. "Hazardous substances" shall mean any hazardous liquid, solid, or gaseous material substances listed by the Environmental Protection Agency or the State of California as a hazardous substance, and any type of petroleum-related substances and their chemical constituents.
- b. Remediation. If TENANT's occupancy, use, development, maintenance, or restoration of the Premises results in a release of a hazardous substance, or petroleum related substance or its chemical constituents, TENANT shall pay all costs of remediation and removal to the LANDLORD's satisfaction for unrestricted reuse of the Premises, and in accordance with all applicable laws, rules, and regulations of governmental authorities.
- c. Removal. If TENANT or TENANT's contractor or agent has received approval and Leases to store, utilize, generate, or install, or otherwise bring hazardous materials or hazardous wastes to the Premises, TENANT and/or TENANT's contractor or agent shall remove all hazardous substances and hazardous wastes in any type of container, equipment, or device from the Premises immediately upon or prior to the expiration or earlier termination of this Lease. LANDLORD reserves the right to conduct inspections of the Premises and/or request documentation demonstrating the legal removal and/or disposal of the hazardous materials, wastes or other containers, equipment, or devices from the Premises. TENANT shall be responsible for any and all costs incurred by LANDLORD to remove any container, equipment, or device

requiring disposal or removal as required by this provision.

- d. Indemnity. TENANT shall protect, defend, indemnify, and hold LANDLORD harmless from any and all claims, costs, and expenses related to environmental liabilities resulting from TENANT's occupancy, use, development, maintenance, or restoration of the Premises, including without limitation: (i) costs of environmental assessments; (ii) costs of regulatory remediation oversight; (iii) costs of remediation and removal; (iv) any necessary LANDLORD response costs; (v) all fines, penalties, or fees assessed by any regulatory agency; (vi) damages for injury to natural resources, TENANT's officers, employees, invitees, guests, agents, or contractors, or the public; and (vii) all costs of any health assessments or health effect studies. LANDLORD shall protect, defend, indemnify and hold TENANT harmless from any and all claims, costs, and expenses related to environmental liabilities arising solely from conditions existing, or acts or omissions occurring, prior to TENANT's first occupancy of the Premises, whether under or prior to this Lease.
- e. Notice of Release. If TENANT knows or has reasonable cause to believe that a hazardous substance or petroleum related substance or its chemical constituents has been released on, from, or beneath the Premises, TENANT shall immediately notify LANDLORD and any appropriate regulatory or reporting agency per California Administrative Code Title 19 and any other applicable laws or regulations. TENANT shall deliver a written report thereof to LANDLORD within three (3) days after receipt of the knowledge or cause for belief and submit any required written reports to regulatory or reporting agencies as required by regulation or law. If TENANT knows or has reasonable cause to believe that a release of a hazardous substance is imminent or that a hazardous substance on the Premises presents an imminent substantial danger to public health and safety, TENANT shall take all actions necessary to alleviate the danger. TENANT shall immediately notify LANDLORD in writing of any violation, notice to comply, or notice of violation received or the initiation of environmental actions or private suits related to the Premises.
- f. Environmental Assessment. Upon reasonable cause to believe that TENANT's occupancy, use, development, maintenance, or restoration of the Premises ("TENANT's Operations"), resulted in any hazardous substance being released on, from or beneath the Premises, LANDLORD may cause an environmental assessment under regulatory oversight of the suspect area to be performed by a professional environmental consultant registered with the State of California as a Professional Engineer, Certified Engineering Geologist, or Registered Civil Engineer. The environmental assessment shall be obtained at TENANT's sole cost and expense, and shall establish what, if any, hazardous substances have more likely than not been caused by TENANT's Operations on, in, from or under the Premises, and in what quantities. If any such hazardous substances exist in quantities greater than allowed by city, county, state, or federal laws, statutes, ordinances, or regulations, or require future restricted re-use of the Premises, then the environmental assessment shall include a discussion of such substances with recommendations for remediation and removal necessary to effect unrestricted re-use and in compliance with those laws or

statutes, and estimates of the cost of such remediation or removal. TENANT shall cause, or if TENANT fails to do so within a reasonable period of time, as determined by LANDLORD in its sole discretion, LANDLORD may cause the remediation and/or removal recommended in the environmental assessment such that unrestricted re-use of the Premises and compliance with environmental law and regulations are achieved, and TENANT shall pay all costs and expenses therefor.

25. Asbestos Disclosure. Portions of the structural components of the Building may contain asbestos. TENANT acknowledges receipt of notice from LANDLORD of the presence of such asbestos in accordance with Health and Safety Code Section 25915. TENANT shall disclose to the appropriate parties the existence of asbestos on the Premises, as required by Health and Safety Code Section 25915. TENANT shall protect, defend, indemnify and hold LANDLORD harmless from any loss or claim which may result from the existence of asbestos on the Premises.
26. Asbestos. If either LANDLORD or TENANT makes improvements, alterations, or repairs to the Building or the Premises, the party causing such improvements, alterations, or repairs shall be responsible for any asbestos removal, management, or containment, and shall pay all costs associated therewith. Asbestos removal, management, or containment shall be conducted in accordance with all applicable laws and as approved by LANDLORD. LANDLORD reserves the right to inspect any improvements, alterations, or repairs to the Premises or the Building made by TENANT. LANDLORD may, at its discretion, station supervisory personnel at the work site to ensure that TENANT's obligations under this section are fulfilled. Each party shall coordinate with the other any improvement, alteration, or repair, and, except in the event of an emergency, the party responsible for such work shall provide written notice to the other party at least fifteen (15) days prior to commencing the work.
27. Common Areas. The term "common areas" shall mean all areas and facilities outside the Premises and within the exterior boundary line of the Building (including all interior utility raceways within the Building) that are provided and designated by the LANDLORD from time to time for non-exclusive use by LANDLORD, TENANT, and other tenants of the Building.
- a. TENANT's Rights. LANDLORD grants to TENANT during the Term, the non-exclusive license to use, in common with others, the common areas as they exist from time to time, subject to any rights reserved by LANDLORD under this Lease.
- b. Rules and Regulations (see EXHIBIT B). LANDLORD shall have exclusive control and management of the common areas and may, from time to time, establish, modify, amend, and enforce reasonable rules and regulations with respect to the common areas, a current copy of which is attached as EXHIBIT B hereto ("Rules and Regulations"). TENANT shall abide by the Rules and Regulations, and shall cause its employees, suppliers, shippers, customers, contractors and invitees to abide by the Rules and Regulations. LANDLORD shall not be responsible to TENANT for any other tenant's non-compliance with the Rules and Regulations.

- c. Changes. LANDLORD may, in LANDLORD's sole discretion and from time to time, make changes to the common areas, including, without limitation, changes in the location, size, shape, and number of driveways, entrances, parking spaces, parking area, loading and unloading areas, ingress and egress, direction of traffic, landscaped areas, walkways, and utility raceways. LANDLORD may temporarily close any common area for maintenance purposes, provided reasonable access to the Premises remains available. LANDLORD may make improvements to the common areas and use the common areas while making improvements, alterations, or repairs to any part of the Building, and do and perform such other acts and make other changes in, to or with respect to the Building as LANDLORD may deem appropriate.
28. Assignment & Subletting. TENANT shall not assign this Lease or any interest in this Lease, and shall not sublet the Premises or any part of the Premises, or grant any license or other right or appurtenant privilege to the Premises, or permit any other person, except TENANT's employees, agents, and guests, to use or occupy the Premises or any part of the Premises without LANDLORD's prior written consent. Any such consent shall not be deemed consent to any subsequent assignment, subletting, occupation, or use by another person. Neither this Lease nor any interest in it shall be assignable, as to TENANT's interest, by operation of law, without LANDLORD's written consent. "Assignment" shall include without limitation the transfer of any interest in this Lease and, if TENANT is other than a natural person, the transfer of a controlling interest in TENANT or any of TENANT's general partners, principals, or controlling shareholders.
- a. Consent Conditions. LANDLORD may require, as a condition to consenting to any assignment, sublease or other grant of rights related to the use and occupancy of the Premises, that this Lease be revised to comply with then-current LANDLORD lease provisions, and that the sublease be subject and subordinate to each and every provision of this Lease.
- b. Disclosure of Interests. TENANT and each of its subtenants and assignees shall make a full and complete disclosure of the name and identity of any and all persons directly or indirectly involved in this Lease and the precise nature of all interests of all persons therein. Every person or entity which will have an interest in this Lease must be reviewed and approved by LANDLORD.
- c. Additional Consideration to LANDLORD. If this Lease is assigned or a majority of the Premises are subleased, or in the event of a refinancing that encumbers the leasehold, TENANT shall pay to LANDLORD an amount equal to: (a) for assignments, two percent (2%) of the gross amount paid for the leasehold; (b) for majority subleases, two percent (2%) of all amounts paid to TENANT in consideration of such sublease; and (c) in the case of a refinancing, two percent (2%) of the amount of any new loan over and above the sum of the balance of the old loan plus, if applicable, the cost of new permanent improvements constructed on the Premises as required or allowed under this Lease. The amount upon which such two-percent payments shall be based shall be the total consideration resulting from the transaction, including without limitation all cash

payments and the market value of non-cash consideration, including without limitation stocks, bonds, deferred payments, secured and unsecured notes, and forbearances regarding claims and judgments. Prior to LANDLORD's consent to any assignment, majority subletting, or refinancing, TENANT shall deliver to LANDLORD a written statement of all sums due and owing to LANDLORD from TENANT pursuant to the provisions of this section, together with an acknowledgment from the proposed assignee, sublessee, or the source of the refinancing as to the amount due LANDLORD. The additional consideration payable to LANDLORD for assignments and refinancings shall be paid concurrently with the closing of the proposed transaction. For majority subleases, such additional consideration shall be payable to LANDLORD when accrued regardless of actual receipt by TENANT. The applicable two-percent payment required by this section shall not apply to:

- i. an assignment or transfer of a beneficial interest in the leasehold resulting from devise, bequest, intestate succession, or by operation of law for the benefit of the spouse or descendants of the individual who is the owner of a controlling interest in TENANT; or
- ii. an assignment deemed by LANDLORD, in its sole reasonable discretion, not to materially affect the legal and equitable ownership interests in the leasehold, such as a change in TENANT's legal or fictitious name without any other change in the equity, beneficial use of, or legal title to, the leasehold as an asset or the income produced thereby.

29. Sublease Revenue. Notwithstanding any other provision in this Lease, TENANT shall pay to LANDLORD fifty percent (50%) of the gross revenue payable under each sublease of the Premises when and as accrued. Such amount shall be deemed additional rent under this Lease.
30. Compliance with Law. TENANT shall at all times in the construction, maintenance, occupancy, and operation of the Premises comply with all applicable laws, rules, and regulations, and direction by competent authority at TENANT's sole cost and expense. At least annually, TENANT shall deliver to City copies of all documentary evidence of such compliance received by or otherwise available to TENANT (e.g., validation of periodic inspection of TENANT's fire-suppression equipment in the Premises).
31. California Public Records Act. If LANDLORD is a public entity, LANDLORD shall determine, in its sole discretion, whether information provided by TENANT pursuant to this Lease is or is not a public record subject to disclosure under the California Public Records Act. TENANT shall hold LANDLORD, its officers and employees harmless for LANDLORD's disclosure of any such information in response to a request for information under the CPRA.
32. Nondiscrimination. TENANT shall not discriminate in any manner against any person or persons on account of race, color, religion, gender, sexual orientation, medical status, national origin, age, marital status, or physical disability in TENANT's use of the Premises,

including without limitation the provision of goods, services, facilities, privileges, advantages, and accommodations, and the hiring and retention of employees and contractors.

33. Disabled Access Compliance. TENANT shall comply with Title 24 of the California Code of Regulations (i.e., the "Building Code", as defined in Title 24 of the California Health and Safety Code), the Americans with Disabilities Act of 1990 ("ADA"); and any other applicable state and federal laws and regulations enacted protecting the rights of people with disabilities. TENANT's compliance shall include without limitation the following:
- a. TENANT shall not discriminate against qualified persons with disabilities in any aspects of employment, including recruitment, hiring, promotions, conditions and privileges of employment, training, compensation, benefits, discipline, layoffs, and termination of employment;
 - b. No qualified individual with a disability may be excluded on the basis of disability from participation in, or be denied the benefits of, services, programs, or activities of TENANT;
 - c. TENANT shall post a statement addressing the requirements of the ADA in a prominent place at the work site;
 - d. Where required by law, TENANT shall, at TENANT's sole cost and in conformance with all applicable building codes, comply with disabled-access requirements by making accessible any areas of the Premises which deny access to disabled persons; and
 - e. TENANT shall include language in each sublease agreement indicating the sublessee's agreement to abide by the foregoing provisions.

TENANT and each of its sublessees shall be individually responsible for their own ADA compliance program. TENANT's failure to comply with the above requirements and/or submitting false information in response to those requirements shall be a default under this Lease.

34. Taxes. TENANT shall pay, before delinquency, all taxes, assessments, and fees assessed or levied upon TENANT or the Premises by reason of TENANT's occupancy, use, development, maintenance, or restoration of the Premises, including without limitation licensing and permitting costs and fees. TENANT acknowledges that this Lease may create a possessory interest subject to property taxation, and that TENANT may be subject to the payment of taxes levied on that interest. TENANT shall pay all such possessory interest taxes. TENANT's payment for such taxes, fees, and assessments shall not reduce any payment due LANDLORD. Real property taxes related to the building of which the Premises are a part have been included in the calculation of rent under this Lease. Therefore, this section shall not apply to the payment of such taxes independent of the rent.
35. Standard of Employees. TENANT and its employees shall at all times conduct themselves and the operations on the Premises in a creditable manner.

36. Default and Remedies.

- a. Default. TENANT shall be in default of this Lease if any of the following occurs:
- i. TENANT fails to make any payment required under this Lease within five (5) days past due more than once in any twelve-month period;
 - ii. TENANT breaches any of its obligations under this Lease, other than those requiring payment to LANDLORD, and fails to cure the breach within thirty (30) days following written notice thereof from LANDLORD, or if not curable within thirty (30) days, fails to commence to cure the breach within thirty (30) days and diligently pursue the cure to completion;
 - i. TENANT voluntarily files or involuntarily has filed against it any petition under any bankruptcy or insolvency act or law;
 - ii. TENANT is adjudicated a bankrupt; or
 - iii. TENANT makes a general assignment for the benefit of creditors.
- b. Remedies. Upon TENANT's default, LANDLORD may, at its option, give TENANT, or any person claiming rights through TENANT, a written Three Day Notice to Pay or Quit, or LANDLORD may terminate the Lease and all rights of TENANT, and all persons claiming rights through TENANT, to the Premises or to possession of the Premises. Upon termination, LANDLORD may enter and take possession of the Premises, and may recover from TENANT the sum of:
- i. the worth at the time of award of any unpaid rent that was due at the time of termination;
 - ii. the worth at the time of award of the amount by which the unpaid rent that would have been earned after termination until the time of award exceeds the amount of rental loss, if any, that TENANT affirmatively proves could have been reasonably avoided;
 - iii. the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of rental loss, if any, that TENANT affirmatively proves could be reasonably avoided;
 - iv. any other amount necessary to compensate LANDLORD for all the detriment proximately caused by TENANT's breach and default, or that in the ordinary course of things, would be likely to result; and
 - v. all other amounts in addition to or in lieu of those previously stated as may be permitted from time to time by California law.

As used in clauses b(i) and b(ii), above, the "worth at the time of award" is computed by allowing interest at the rate of ten percent (10%) per annum. As used in clause b(iii), above, the "worth at the time of award" is computed by discounting that amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus two percent (2%). As used in this section, the term "rent" shall include rent and any other amounts payable by TENANT under this Lease.

- c. Default if Leasehold is Encumbered. If there is a LANDLORD-approved deed of trust or mortgage on the leasehold interest, LANDLORD shall give the mortgagee or beneficiary written notice of TENANT's default under this Lease, and the same mortgagee or beneficiary shall have thirty (30) days from the notice to cure the default, or, if the default is not curable within thirty (30) days, to commence to cure the default and diligently pursue the cure to completion. LANDLORD may extend the cure period if the mortgagee or beneficiary uses reasonable diligence to pursue a cure. If the mortgagee or beneficiary chooses to cure the default through litigation or foreclosure, then LANDLORD may exercise any of the following options:
- i. LANDLORD may correct the default and charge the costs to the account of TENANT, which charge shall be due and payable on the date that the rent is next due after LANDLORD's notice of such costs to TENANT, and mortgagee or beneficiary;
 - ii. LANDLORD may correct the default and pay the costs from the proceeds of any insurance fund held by LANDLORD, LANDLORD and TENANT, or by LANDLORD and mortgagee or beneficiary, or LANDLORD may use the funds of any faithful performance or cash bond on deposit with LANDLORD, or LANDLORD may call on the bonding agent to correct the default or to pay the costs of correction performed by or at the direction of LANDLORD; and
 - iii. LANDLORD may terminate this Lease as to the rights of TENANT by assuming or causing the assumption of liability for any trust deed or mortgage. TENANT shall assume and pay any and all penalties or bonuses required by the beneficiaries, trustees or mortgagees as a condition of early payoff of the related obligations by LANDLORD. LANDLORD may, as an alternative, substitute the terminated TENANT with a new lessee reasonably satisfactory to the mortgagee or beneficiary. TENANT shall pay to LANDLORD all reasonable costs incurred by LANDLORD in re-leasing to a new lessee.

If the default is noncurable by TENANT, then any lender holding a beneficial interest in the Premises, whose qualifications as an assignee have been approved by LANDLORD, shall have the absolute right to substitute itself to the estate of TENANT hereunder and to commence performance of this Lease. If the mortgagee or beneficiary gives notice in writing of its election to substitute itself within the thirty (30) day period after receiving LANDLORD's written notice of a default, and the default, if curable, is cured by the mortgagee or beneficiary, then this Lease will not terminate pursuant to the default. In that event, LANDLORD consents to the substitution and authorizes the mortgagee or

beneficiary to perform under this Lease with all the rights, privileges, and obligations of TENANT, subject to the curing of the default, if possible, by mortgagee or beneficiary. In that event, TENANT shall assign to mortgagee or beneficiary all of its interest in and to the leasehold estate under this Lease.

- d. Abandonment by TENANT. If TENANT breaches the Lease and abandons the property, this Lease shall continue in effect as long as LANDLORD does not terminate this Lease, and LANDLORD may enforce all of its rights and remedies under this Lease, including but not limited to the right to recover the rent as it becomes due, plus damages.
 - e. Waiver. Any waiver by LANDLORD of a breach or default by TENANT shall not be a waiver of any other breach or default. No waiver shall be valid and binding unless in writing and executed by LANDLORD. LANDLORD's delay or failure to enforce a right or remedy shall not be a waiver of that or any other right or remedy under this Lease. The enforcement of a particular right or remedy for a breach or default shall not waive any other right or remedy for the same breach or default, or for any other or later breach or default. LANDLORD's acceptance of any rents shall not be a waiver of any default preceding such payment. TENANT acknowledges that the Premises are a part of LANDLORD-owned property held in trust for the benefit of the citizens of the City of San Diego, and that any failure by LANDLORD to discover a breach or default, or take prompt action to require the cure of any breach or default, shall not result in an equitable estoppel, but LANDLORD shall at all times, have the legal right to require the cure of any breach or default. LANDLORD's acceptance of a partial payment of rent shall not constitute a waiver of the balance of the rent payment due.
37. Notices. Any notice required or permitted to be given under this Lease shall be in writing and may be served personally or by United States mail, postage prepaid, and addressed, respectively, as follows:

SAN DIEGO DATA PROCESSING CORPORATION
Attn: Don Del Rio
5975 Santa Fe Street
San Diego, CA 92109
Telephone: (858) 581-9600 - Fax: (858) 581-9606

ASSOCIATED MICROBREWRIES, LTD.
Attn: Matt Rattner
5985 Santa Fe Street
San Diego, CA 92109

Any party entitled or required to receive notice under this Lease may by like notice designate a different address to which notices shall be sent.

38. Partial Invalidity. If any term, covenant, condition, or provision of this Lease is found invalid, void, or unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

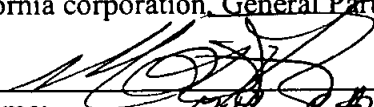
39. Number and Gender. Words of any gender used in this Lease shall include any other gender, and words in the singular number shall include the plural, when the tense requires.
40. Captions. The section headings and captions for various articles and paragraphs shall not be held to define, limit, augment, or describe the scope, content, or intent of any or all parts of this Lease. The numbers of the paragraphs and pages of this Lease may not be consecutive. The lack of consecutive numbers shall have no effect on the enforceability of this Lease.
41. Lease Modifications. Any modification, alteration, or amendment of this Lease shall be in writing and signed by all the parties hereto.
42. Time is of the Essence. Time is of the essence to the performance of this Lease.
43. Survival. Any obligation which accrues under this Lease prior to its expiration or termination shall survive the expiration or earlier termination of this Lease.
44. Governance. This Lease shall be governed, construed, and enforced in accordance with the laws of the State of California.
45. Counterparts. This Lease may be executed in any number of counterparts, each of which when executed shall be deemed an original, but all of which together shall constitute one and the same instrument.
46. Successors and Assigns. Except as otherwise provided in this Lease, all of the terms, covenants, and conditions of this Lease shall apply to, benefit, and jointly and severally bind the successors and assigns of the respective parties.
47. Attorneys' Fees. If any party brings an action or proceeding against another party under this Lease, the prevailing party shall be entitled to recover from the non-prevailing party reasonable attorneys' fees and costs therefor. If, as a result of an action brought by or against TENANT relating to TENANT's leasehold or otherwise in connection with this Lease, and LANDLORD intervenes therein, becomes a party, or is made a party thereto, TENANT shall pay all of LANDLORD's expenses thereof, including without limitation costs and attorneys' fees.
48. Entire Understanding. This Lease contains the entire understanding of the parties. There is no other written or oral understanding between the parties with respect to this Lease or the Premises. Each party has relied solely on its own examination of the Premises and advice from its own attorneys and experts in entering into this Lease. No other party, agent, or attorney of any other party has made any promise, representation, or warranty whatsoever which is not contained in this Lease. No modification, amendment, or alteration of this Lease shall be valid unless it is in writing and signed by all parties. TENANT shall pay to LANDLORD an administrative fee for any modification, amendment or alteration of this Lease requested by TENANT. Such administrative fees may be revised from time to time.

49. Authority to Contract. Each individual executing this Lease on behalf of another person or legal entity represents and warrants that they are authorized to execute and deliver this Lease on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions which are necessary and proper and under such legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement, and that this Lease is binding upon such person or entity in accordance with its terms. Each person executing this Lease on behalf of another person or legal entity represents and warrants such entity is a valid, qualified corporation, limited liability company, partnership, or other unincorporated association in good standing in its home state and that such entity is qualified to do business in California.

IN WITNESS WHEREOF, this Lease is executed to be effective as of the Effective Date:

ASSOCIATED MICROBREWERIES, LTD., a
California limited partnership doing business as
"Karl Strauss Brewing Company"

BY: ASSOCIATED MICROBREWERIES, INC.,
a California corporation, General Partner

By: 
Name: John R. Patton
Title: Secretary

Signatures continue on next page

**SAN DIEGO DATA PROCESSING
CORPORATION, INC., a California corporation**

BY: *Howard L. Mader*
Name: HOWARD L. MADER
Title: EXECUTIVE DIRECTOR

**EXHIBIT A - FLOOR PLAN
EXHIBIT B - RULES AND REGULATIONS**

EXHIBIT A
FLOOR PLAN

[TO FOLLOW BEHIND THIS PAGE]

EXHIBIT A
FLOOR PLAN

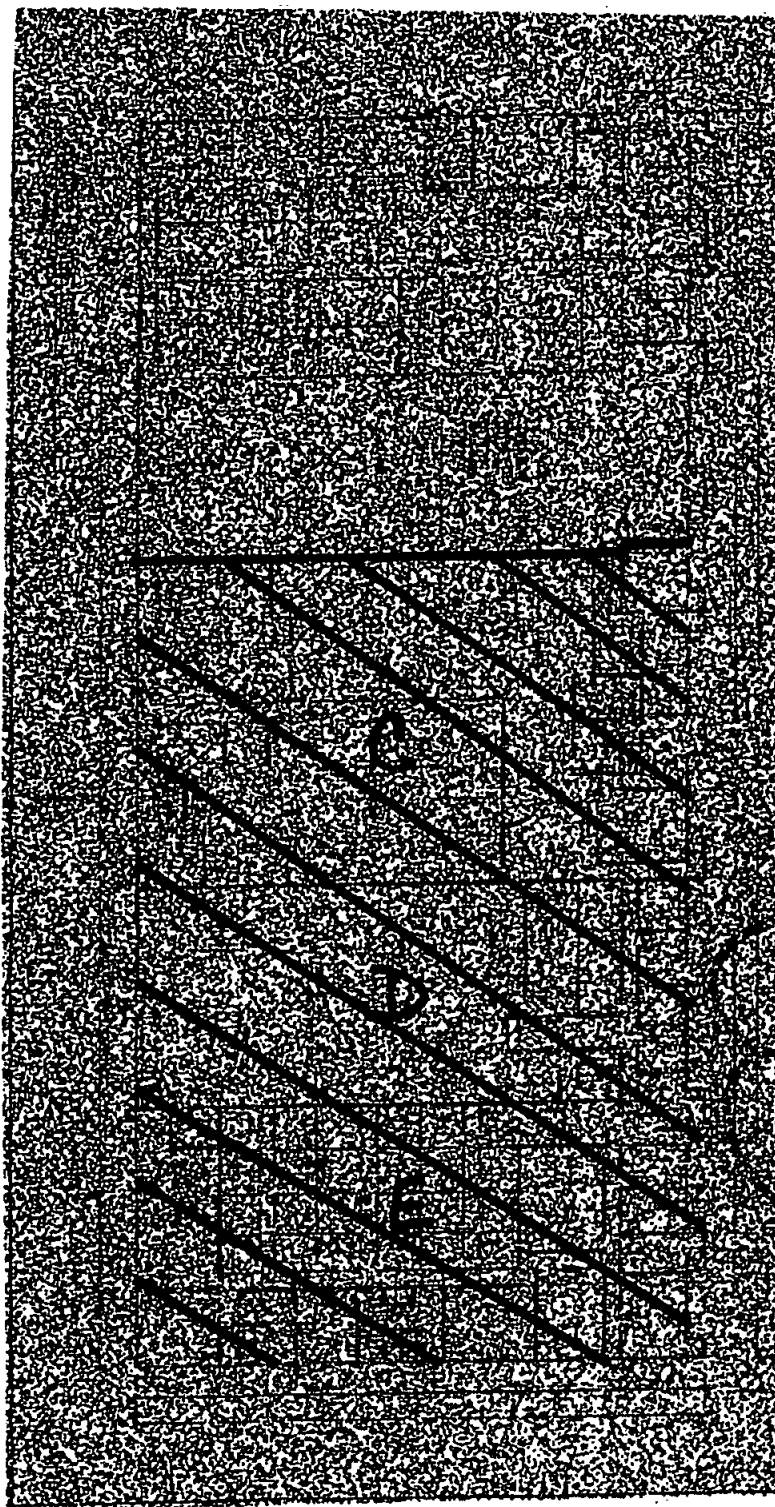


EXHIBIT B

RULES AND REGULATIONS

1. The sidewalks, entrances, halls, corridors, elevators and stairways of the Building and Premises shall not be obstructed or used as a waiting or lounging place by any tenant or any tenant's agent, servant, employee, invitee, licensee or visitor. Entrance doors leading from the Premises to the hallways shall not be propped or kept open at any time.
2. In case of invasion, riot, public excitement or other commotion, LANDLORD may prevent access to the Building during the continuance of same. LANDLORD shall in no case be liable for damages for the admission or exclusion of any person to or from the Building. LANDLORD may exclude or expel from the Building any person who, in LANDLORD's judgment, is intoxicated or under the influence of liquor or drugs, or who is in violation of any of these Rules and Regulations.
3. LANDLORD may require payment of a reasonable charge for any additional keys requested by TENANT. TENANT shall not have any keys made for the Premises, alter any lock, or install new or additional locks or bolts on any door without LANDLORD's prior written consent. TENANT shall provide LANDLORD with a key for any such lock or bolt. Upon the expiration or termination of its tenancy, TENANT shall deliver to LANDLORD all keys in its possession for all locks and bolts in the Building. TENANT shall pay to LANDLORD immediately upon demand all costs related to TENANT's loss of any Building or Premises key or access card.
4. TENANT shall permit LANDLORD's employees (or LANDLORD's agents' employees) to take care of and clean the Building. TENANT shall not employ any person other than LANDLORD's employees (or LANDLORD's agents' employees) for such purpose. TENANT shall not cause any unnecessary labor by reason of TENANT's carelessness or indifference in the preservation of good order and cleanliness of the Premises and the Building. If TENANT must dispose of crates, boxes, etc., which will not fit into office waste paper baskets, it will be TENANT's responsibility to dispose of same. In no event shall TENANT set such items in the public hallways or other common areas of the Building for disposal. TENANT shall store all of its trash and garbage within its Premises or in facilities provided by LANDLORD for that purpose. All garbage and refuse disposal shall be made in accordance with directions issued from time to time by LANDLORD.
5. LANDLORD may prescribe the date, time, method and conditions that any personal property, equipment, trade fixtures, merchandise and other similar items shall be delivered to or removed from the Building. No iron safe or other heavy or bulky object shall be delivered to or removed from the Building, except by experienced safe men, movers or riggers approved in writing in advance by LANDLORD. TENANT shall pay LANDLORD immediately upon demand for all damage done to the Building by the delivery or removal of such items, or by reason of their presence in the Building. Unless

equipped with rubber tires, no hand trucks shall be used in any space, or in the public halls of the Building, either by TENANT, jobbers, or others in the delivery or receipt of merchandise. Any Building freight elevator shall be available for use by all tenants in the Building. TENANT's initial move-in and subsequent deliveries of bulky items, such as furniture, safes and similar items shall be subject to such reasonable scheduling as LANDLORD, in its discretion, shall deem appropriate. Unless otherwise agreed to in writing by LANDLORD, deliveries during normal office hours shall be limited to normal office supplies and other small items. No deliveries shall be made which impede or interfere with other tenants or the operations of the Building.

6. TENANT shall not cover or obstruct the walls, partitions, skylights, windows, doors, and transoms that reflect or admit light into passageways or into any other part of the Building.
7. The restrooms, toilets, urinals, wash bowls, drains and water apparatus shall not be used for any purpose other than that for which they were constructed or installed, and no sweepings, rubbish, chemicals, or other unsuitable substances shall be thrown or placed therein. TENANT shall pay LANDLORD immediately upon demand all costs related to any breakage, stoppage or damage resulting from violation of this rule by TENANT or any of TENANT's agents, employees, invitees, licensees or visitors.
8. No sign, name, placard, advertisement or notice visible from the exterior of any Premises, shall be inscribed, painted or affixed by TENANT on any part of the Building without the prior written approval of LANDLORD. All signs or letterings on doors, or otherwise, must be approved by LANDLORD and shall be inscribed, painted or affixed by a person approved by LANDLORD at TENANT's sole cost and expense.
9. No signaling, telegraphic or telephonic instruments or devices, burglar alarm systems or similar service, or other wire, instruments or devices, shall be installed in or on the Premises without LANDLORD's prior written approval. Such installations, and the boring or cutting for wires, shall be made at TENANT's sole cost and expense and under the control and direction of LANDLORD. LANDLORD may require: (a) the installation and use of such electrical protecting devices that prevent the transmission of excessive currents of electricity into or through the Building; (b) the changing of wires and of their installation and arrangement underground or otherwise as LANDLORD may direct; and (c) compliance on the part of all using or seeking access to such wires with such rules as LANDLORD may establish relating thereto. All such wires used by TENANT must be clearly tagged at the distribution boards and junction boxes and elsewhere in the Building, with the number of the Premises to which said wires lead, the purpose for which said wires are used, and the name of the company operating same.
10. TENANT, its agents, servants or employees, shall not:
 - (a) go on the roof of the Building;
 - (b) use any additional method of heating or air conditioning the Premises;

- (c) sweep or throw any dirt or other substance from the Premises into any of the halls, corridors, elevators, or stairways of the Building;
 - (d) bring in or keep in or about the Premises any vehicles or animals of any kind;
 - (e) install any radio or television antennae or any other device or item on the roof, exterior walls, windows or window sills of the Building;
 - (f) place objects against glass partitions, doors or windows which would be unsightly from the interior or exterior of the Building;
 - (g) use the Premises for any manufacturing, storage or sale of merchandise or property of any kind;
 - (h) cause or permit unusual or objectionable odor to be produced or permeate from the Premises, including, without limitation, duplicating or printing equipment fumes;
 - (i) install or operate any vending machines in the Premises without LANDLORD's prior written consent; or
 - (j) permit operation of any musical or sound producing instrument or device which may be heard outside the Premises or Building, or which may emit electrical waves which will impair radio or television broadcast or reception from or into the Building.
11. TENANT shall not store or use any hazardous substance in the Premises without LANDLORD's prior written consent, including for illustration purposes: (a) ether, naphtha, phosphorous, benzene, gasoline, petroleum, crude or refined earth or coal oils, flashlight powder, kerosene or camphene; (b) any flammable, combustible, explosive or illuminating fluid, gas or material of any kind; or (c) any fluid, gas or material of any kind having an offensive odor, without LANDLORD's prior written consent.
 12. No canvassing, soliciting, distribution of hand bills or other written material, or peddling shall be permitted in the Building, and TENANT shall cooperate with LANDLORD in preventing and eliminating same.
 13. TENANT shall promptly notify LANDLORD of all damage to or defects in air conditioning equipment, plumbing, electrical facilities or any part or appurtenance of the Building.
 14. If the Premises becomes infested with pests or vermin, TENANT, at its sole cost and expense, shall cause such pests or vermin to be exterminated from time to time to the satisfaction of LANDLORD, and shall employ such exterminators as shall be approved by LANDLORD.
 15. No curtains, blinds, shades, screens, awnings or other coverings or projections of any nature shall be attached to or hung in, or used in connection with any door, window or wall of the Premises or of the Building without LANDLORD's prior written consent.
 16. TENANT shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry and which is allowed by law. LANDLORD may prescribe the weight, size and position of all equipment, materials,

furniture or other property brought into the building. Heavy objects shall stand on such platform as determined by LANDLORD to be necessary to properly distribute the weight, which platform shall be provided at TENANT's sole expense. Business machines and mechanical equipment belonging to TENANT, which cause noise or vibration that may be transmitted to the structure of the Building or to any space therein to such a degree as to be objectionable to LANDLORD or to any tenant in the Building, shall be placed and maintained by TENANT, at TENANT's sole expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. LANDLORD shall not be responsible for the loss or damage of any such equipment or other property for any cause. TENANT shall pay LANDLORD immediately upon demand all costs of damage done to the Building by maintaining or moving such equipment or other property.

17. TENANT shall not waste electricity, water or air conditioning, shall cooperate with LANDLORD to assure the most efficient operation of the Building's heating and air conditioning, shall comply with governmental energy saving rules, laws or regulations of which TENANT has actual notice, and shall refrain from attempting to adjust controls. TENANT shall keep corridors and window coverings closed at the end of each business day.
18. LANDLORD may prohibit any advertising by TENANT which, in LANDLORD's opinion, tends to impair the reputation of LANDLORD or of the Building, or its desirability as an office building for existing or prospective tenants who require the highest standards of integrity and respectability. Upon written notice from LANDLORD, TENANT shall immediately refrain from or discontinue such advertising.
19. TENANT shall be responsible for the acts and omissions of its associates, employees, agents and any other person entering the Building or the Premises under the express or implied invitation of TENANT. TENANT shall cooperate with LANDLORD to assure compliance by all such parties with these Rules and Regulations.
20. LANDLORD may make reasonable amendments, modifications and additions to these Rules and Regulations, and make additional reasonable rules and regulations, as in LANDLORD's sole judgment may be needed from time to time for the safety, care, cleanliness and preservation or good order of the Building.
21. Employees of LANDLORD shall not perform any work or do anything outside of their regular duties unless under special instructions from LANDLORD. No employee is authorized to admit any person (TENANT or otherwise) to any leased premises without specific instructions from LANDLORD.
22. LANDLORD may, without notice and without liability to TENANT, change the name and the street address of the Building of which the Premises are a part. LANDLORD shall pay for all reasonable costs incurred by TENANT as a result of changing the street address of the Building, unless the change is requested by an authorized governmental agency.

23. TENANT shall not obtain for use upon the Premises ice, towel or other similar services or accept barbering or shoe polishing services on the Premises, except from persons authorized by LANDLORD and at the hours and under regulations fixed by LANDLORD.
24. LANDLORD may waive any one or more of these Rules and Regulations for the benefit of any tenant. No such waiver by LANDLORD shall be construed as a waiver of such Rules and Regulations in favor of TENANT or any other tenant, or prevent LANDLORD from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Building.
25. TENANT assumes all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises secured. TENANT shall comply with all safety and fire protection evacuation procedures and regulations established by LANDLORD or any governmental agency.

Exhibit B: Assignment and Assumption of Flat Rate Lease

[TO FOLLOW BEHIND THIS PAGE]