

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended March 31, 2022

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from to

Commission File Number: 001-40323

**RECURSION PHARMACEUTICALS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware 46-4099738**

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

**41 S Rio Grande Street  
Salt Lake City, UT 84101**

(Address of principal executive offices) (Zip code)

**(385) 269 - 0203**

(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.00001	RXRX	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes x No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer x

Accelerated filer

Smaller reporting company

Emerging growth company x

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of April 30, 2022, there were 163,834,157 and 8,173,209 of the registrant's Class A and B common stock, par value \$0.00001 per share, outstanding, respectively.

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### Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains “forward-looking statements” about us and our industry within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “would,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential,” or “continue” or the negative of these terms or other similar expressions. Forward-looking statements contained in this report may include without limitation those regarding:

- the initiation, timing, progress, results and cost of research and development programs, current and future preclinical and clinical studies, including statements regarding the design of, and the timing of initiation and completion of, studies and related preparatory work, as well as the period during which the results of the studies will become available;
- the ability of our clinical trials to demonstrate the safety and efficacy of our drug candidates, and other positive results;
- the ability and willingness of our collaborators to continue research and development activities relating to our development candidates and investigational medicines;
- future agreements with third parties in connection with the commercialization of our investigational medicines and any other approved product;
- the timing, scope, or likelihood of domestic and foreign regulatory filings and approvals, including our ability to maintain any such approvals;
- the size of the potential market opportunity for our drug candidates, including our estimates of the number of patients who suffer from the diseases we are targeting;
- our ability to identify viable new drug candidates for clinical development and the rate at which we expect to identify such candidates, whether through an inferential approach or otherwise;
- our expectation that the assets that will drive the most value for us are those that we will identify in the future using our datasets and tools;
- our ability to develop and advance our current drug candidates and programs into, and successfully complete, clinical studies;
- our ability to reduce the time or cost or increase the likelihood of success of our research and development relative to the traditional drug discovery paradigm;
- our ability to improve, and the rate of improvement in, our infrastructure, datasets, biology, technology tools and drug discovery platform, and our ability to realize benefits from such improvements;
- our expectations related to the performance and benefits of our BioHive-1 supercomputer;
- our ability to realize a return on our investment of resources and cash in our drug discovery collaborations;
- our ability to scale like a technology company and to add more programs to our pipeline each year;
- our ability to successfully compete in a highly competitive market;
- our manufacturing, commercialization and marketing capabilities and strategies;
- our plans relating to commercializing our drug candidates, if approved, including the geographic areas of focus and sales strategy;
- our expectations regarding the approval and use of our drug candidates in combination with other drugs;
- the rate and degree of market acceptance and clinical utility of our current drug candidates, if approved, and other drug candidates we may develop;
- our competitive position and the success of competing approaches that are or may become available;
- our estimates of the number of patients that we will enroll in our clinical trials and the timing of their enrollment;
- the beneficial characteristics, safety, efficacy and therapeutic effects of our drug candidates;
- our plans for further development of our drug candidates, including additional indications we may pursue;
- our ability to adequately protect and enforce our intellectual property and proprietary technology, including the scope of protection we are able to establish and maintain for intellectual property rights covering our current drug candidates and other drug candidates we may develop, receipt of patent protection, the extensions of existing patent terms where available, the validity of intellectual property rights held by third parties, the protection of our trade secrets, and our ability not to infringe, misappropriate or otherwise violate any third-party intellectual property rights;
- the impact of any intellectual property disputes and our ability to defend against claims of infringement, misappropriation, or other violations of intellectual property rights;
- our ability to keep pace with new technological developments;

- our ability to utilize third-party open source software and cloud-based infrastructure, on which we are dependent;
- the adequacy of our insurance policies and the scope of their coverage;
- the potential impact of a pandemic, epidemic, or outbreak of an infectious disease, such as COVID-19, or natural disaster, global political instability or warfare, and the effect of such outbreak or natural disaster, global political instability or warfare on our business and financial results;
- our continued reliance on third parties to conduct additional clinical trials of our drug candidates, and for the manufacture of our drug candidates for preclinical studies and clinical trials;
- the pricing and reimbursement of our current drug candidates and other drug candidates we may develop, if approved;
- Our ability to obtain and maintain collaboration, licensing or other arrangements required for the research, development and commercialization of our platform and drug candidates.
- our estimates regarding expenses, future revenue, capital requirements and need for additional financing;
- our financial performance;
- the period over which we estimate our existing cash and cash equivalents will be sufficient to fund our future operating expenses and capital expenditure requirements;
- our ability to raise substantial additional funding;
- the impact of current and future laws and regulations, and our ability to comply with all regulations that we are, or may become, subject to;
- the need to hire additional personnel and our ability to attract and retain such personnel;
- the impact of any current or future litigation, which may arise during the ordinary course of business and be costly to defend;
- our expectations regarding the period during which we will qualify as an emerging growth company under the JOBS Act;
- our anticipated use of our existing resources and the net proceeds from our initial public offering; and
- other risks and uncertainties, including those listed in the section titled "Risk Factors."

We have based these forward-looking statements largely on our current expectations and projections about our business, the industry in which we operate, and financial trends that we believe may affect our business, financial condition, results of operations and prospects. These forward-looking statements are not guarantees of future performance or development. These statements speak only as of the date of this report and are subject to a number of risks, uncertainties and assumptions described in the section titled "Risk Factors" and elsewhere in this report. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Except as required by applicable law, we undertake no obligation to update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, or otherwise.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this report. While we believe such information forms a reasonable basis for such statements, the information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon them.

**PART I - FINANCIAL INFORMATION**
**Item 1. Financial Statements.**

**Recursion Pharmaceuticals, Inc.**  
**Condensed Consolidated Balance Sheets (unaudited)**  
*(in thousands, except share and per share amounts)*

	March 31, 2022	December 31, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 507,891	\$ 285,116
Restricted cash	1,521	1,552
Accounts receivable	34	34
Other receivables	11,363	9,056
Investments	83,214	231,446
Other current assets	15,432	7,514
<b>Total current assets</b>	<b>619,455</b>	<b>534,718</b>
Restricted cash, non-current	8,713	8,681
Property and equipment, net	70,704	64,725
Operating lease right-of-use assets	33,301	—
Intangible assets, net	1,309	1,385
Goodwill	801	801
Other non-current assets	36	35
<b>Total assets</b>	<b>\$ 734,319</b>	<b>\$ 610,345</b>
<b>Liabilities and stockholders' equity</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 4,162	\$ 2,819
Accrued expenses and other liabilities	23,118	32,333
Unearned revenue	54,247	10,000
Notes payable	92	90
Operating lease liabilities	4,086	—
Lease incentive obligation	—	1,416
<b>Total current liabilities</b>	<b>85,705</b>	<b>46,658</b>
Deferred rent	—	4,110
Unearned revenue, non-current	107,121	6,667
Notes payable, non-current	610	633
Operating lease liabilities, non-current	47,317	—
Lease incentive obligation, non-current	—	9,339
<b>Total liabilities</b>	<b>240,753</b>	<b>67,407</b>
Commitments and contingencies (Note 7)		
<b>Stockholders' equity</b>		
Common stock, \$0.00001 par value; 2,000,000,000 shares (Class A 1,989,032,117 and Class B 10,967,883) authorized as of March 31, 2022 and December 31, 2021; 171,078,088 shares (Class A 162,472,729 and Class B 8,605,359) and 170,272,462 shares (Class A 160,906,245 and Class B 9,366,217) issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	2	2
Additional paid-in capital	949,932	943,142
Accumulated deficit	(456,059)	(400,080)
Accumulated other comprehensive loss	(309)	(126)
<b>Total stockholders' equity</b>	<b>493,566</b>	<b>542,938</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 734,319</b>	<b>\$ 610,345</b>

See the accompanying notes to these condensed consolidated financial statements.

Recursion Pharmaceuticals, Inc.  
Condensed Consolidated Statements of Operations (unaudited)  
(in thousands, except share and per share amounts)

	Three months ended March 31,	
	2022	2021
<b>Revenue</b>		
Operating revenue	\$ 5,299	\$ 2,500
Grant revenue	34	62
<b>Total revenue</b>	<b>5,333</b>	<b>2,562</b>
<b>Operating costs and expenses</b>		
Cost of revenue	7,799	—
Research and development	32,441	24,109
General and administrative	21,074	8,937
<b>Total costs and operating expenses</b>	<b>61,314</b>	<b>33,046</b>
<b>Loss from operations</b>	<b>(55,981)</b>	<b>(30,484)</b>
Other income (loss), net	2	(233)
<b>Net loss</b>	<b>\$ (55,979)</b>	<b>\$ (30,717)</b>
<b>Per share data</b>		
<b>Net loss per share of Class A and B common stock, basic and diluted</b>	<b>\$ (0.33)</b>	<b>\$ (1.33)</b>
<b>Weighted-average shares (Class A and B) outstanding, basic and diluted</b>	<b>170,690,392</b>	<b>23,035,623</b>

See the accompanying notes to these condensed consolidated financial statements.

Recursion Pharmaceuticals, Inc.  
Condensed Consolidated Statements of Comprehensive Loss (unaudited)  
(in thousands)

	Three months ended March 31,	
	2022	2021
<b>Net loss</b>	\$ (55,979)	\$ (30,717)
Unrealized losses on investments	(222)	—
Net realized losses on investments reclassified into net loss	39	—
Other comprehensive loss	(183)	—
<b>Comprehensive loss</b>	<b>\$ (56,162)</b>	<b>\$ (30,717)</b>

See the accompanying notes to these condensed consolidated financial statements.

**Recursion Pharmaceuticals, Inc.**  
**Condensed Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity (Deficit) (unaudited)**  
*(in thousands, except share amounts)*

	Convertible Preferred Stock		Common Stock (Class A and B)		Additional Paid- in-Capital	Accumulated Deficit	Accumulated other comprehensive loss	Stockholders' Equity
	Shares	Amount	Shares	Amount				
<b>Balance as of December 31, 2021</b>	—	—	170,272,462	2	943,142	(400,080)	(126)	542,938
Net loss	—	—	—	—	—	(55,979)	—	(55,979)
Other comprehensive loss	—	—	—	—	—	—	(183)	(183)
Stock option exercises and other	—	—	805,626	—	1,158	—	—	1,158
Stock-based compensation	—	—	—	—	5,632	—	—	5,632
<b>Balance as of March 31, 2022</b>	— \$	—	171,078,088 \$	2 \$	949,932 \$	(456,059) \$	(309) \$	493,566

	Convertible Preferred Stock		Common Stock (Class A and B)		Additional Paid- in-Capital	Accumulated Deficit	Accumulated other comprehensive loss	Stockholders' Deficit
	Shares	Amount	Shares	Amount				
<b>Balance as of December 31, 2020</b>	112,088,065	448,312	22,314,685	—	7,312	(213,601)	—	(206,289)
Net loss	—	—	—	—	—	(30,717)	—	(30,717)
Stock option exercises	—	—	1,722,040	—	2,154	—	—	2,154
Stock-based compensation	—	—	—	—	1,821	—	—	1,821
<b>Balance as of March 31, 2021</b>	112,088,065	448,312	24,036,725	—	11,287	(244,318)	—	(233,031)

See the accompanying notes to these condensed consolidated financial statements.

Recursion Pharmaceuticals, Inc.  
Condensed Consolidated Statements of Cash Flows (unaudited)  
(in thousands)

	Three months ended March 31,	
	2022	2021
<b>Cash flows from operating activities</b>		
Net loss	\$ (55,979)	\$ (30,717)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	2,767	1,402
Stock-based compensation	5,632	1,821
Lease expense	1,742	1,268
Other, net	402	101
Changes in operating assets and liabilities:		
Other receivables and assets	(7,551)	(2,830)
Unearned revenue	144,701	(2,500)
Accounts payable	1,344	2,051
Accrued development expense	1,413	(1,216)
Accrued expenses, deferred rent and other current liabilities	(15,903)	(135)
Operating lease liabilities	(1,265)	—
Other, net	85	—
<b>Net cash provided by (used in) operating activities</b>	<b>77,388</b>	<b>(30,755)</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(4,342)	(19,416)
Sales and maturities of investments	147,646	—
<b>Net cash provided by (used in) investing activities</b>	<b>143,304</b>	<b>(19,416)</b>
<b>Cash flows from financing activities</b>		
Proceeds from equity incentive plans	2,106	2,154
Repayment of long-term debt	(22)	(20)
<b>Net cash provided by financing activities</b>	<b>2,084</b>	<b>2,134</b>
<b>Net change in cash, cash equivalents and restricted cash</b>	<b>222,776</b>	<b>(48,037)</b>
Cash, cash equivalents and restricted cash, beginning of period	295,349	267,167
<b>Cash, cash equivalents and restricted cash, end of period</b>	<b>\$ 518,125</b>	<b>\$ 219,130</b>
<b>Supplemental schedule of non-cash investing and financing activities</b>		
Accrued property and equipment	\$ 4,328	\$ 705
Deferred issuance costs recorded in equity	—	2,997
Right-of-use asset additions	1,548	—
<b>Supplemental schedule of cash flow information</b>		
Cash paid for interest	\$ 14	\$ 254
Cash paid for operating leases	1,265	—

See the accompanying notes to these condensed consolidated financial statements.

**Recursion Pharmaceuticals, Inc.**  
**Notes to Condensed Consolidated Financial Statements (unaudited)**

**Note 1. Description of the Business**

Recursion Pharmaceuticals, Inc. (Recursion, the Company, we or our) was originally formed as a limited liability company on November 4, 2013 under the name Recursion Pharmaceuticals, LLC. In September 2016, we converted to a Delaware corporation and changed our name to Recursion Pharmaceuticals, Inc.

Recursion is a biotechnology company that combines automation, artificial intelligence, machine learning, in vivo validation capabilities and a highly cross-functional team to discover novel medicines that expand our collective understanding of biology. Recursion's rich, relatable database of biological images generated in-house on the Company's robotics platform enables advanced machine learning approaches to reveal drug candidates, mechanisms of action, novel chemistry and potential toxicity, with the eventual goal of decoding biology and advancing new therapeutics that radically improve people's lives.

As of March 31, 2022, the Company had an accumulated deficit of \$456.1 million. The Company expects to incur substantial operating losses in future periods and will require additional capital to advance its drug candidates. The Company does not expect to generate significant revenue until the Company successfully completes significant drug development milestones with its subsidiaries or in collaboration with third parties, which the Company expects will take a number of years. In order to commercialize its drug candidates, the Company or its partners need to complete clinical development and comply with comprehensive regulatory requirements. The Company is subject to a number of risks and uncertainties similar to those of other companies of the same size within the biotechnology industry, such as the uncertainty of clinical trial outcomes, uncertainty of additional funding and a history of operating losses.

The Company has funded its operations to date through the issuance of convertible preferred stock and the issuance of Class A common stock in an Initial Public Offering (IPO), which was completed in April 2021 (see Note 8, "Common Stock" for additional details). Recursion will likely be required to raise additional capital. As of March 31, 2022, the Company did not have any unconditional outstanding commitments for additional funding. If the Company is unable to access additional funds when needed, it may not be able to continue the development of its products or the Company could be required to delay, scale back or abandon some or all of its development programs and other operations. The Company's ability to access capital when needed is not assured and, if not achieved on a timely basis, could materially harm its business, financial condition and results of operations.

The Company believes that the Company's existing cash, cash equivalents and investments will be sufficient to fund the Company's operating expenses and capital expenditures for at least the next 12 months.

**Note 2. Basis of Presentation**

***Basis of Presentation***

The unaudited interim condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (SEC). Accordingly, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP) have been condensed or omitted. These unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes for the year ended December 31, 2021.

In April 2021, the Company completed a 1.5-for-1 forward stock split of common and convertible preferred stock. All shares presented within these condensed consolidated financial statements were adjusted to reflect the forward stock split for all periods presented. See Note 8, "Common Stock" for additional details.

In April 2021, the Company's Board of Directors authorized two classes of common stock, Class A and Class B. Certain shares of Class A were exchanged for Class B on a one-for-one basis. The creation and issuance of the Class B common stock did not affect the loss per share for the Class A or Class B shares for any period. The Company presented the net loss per share amounts as if the authorization and exchange occurred as of the start of



the 2021 reporting period. All share amounts presented prior to the authorization are referred to as Class A common stock. See Note 8, "Common Stock" for additional details.

It is management's opinion that these condensed consolidated financial statements include all normal and recurring adjustments necessary for a fair presentation of the Company's financial statements. Revenues and net loss for any interim period are not necessarily indicative of future or annual results.

### **Emerging Growth Company**

The Company is an emerging growth company (EGC), as defined by the Jumpstart Our Business Startups Act of 2012 (the JOBS Act). The JOBS Act exempts EGCs from being required to comply with new or revised financial accounting standards until private companies are required to comply. Recursion has elected to use the extended transition period for new or revised financial accounting standards, although the Company may adopt certain new or revised accounting standards early. This may make comparisons of the Company's financial statements with other public companies difficult because of the potential differences in accounting standards used.

Recursion may remain an EGC until the earlier of (1) December 31, 2026; (2) December 31 of the year in which we (a) become a "large accelerated filer;" or (b) have annual gross revenues of \$1.07 billion or more; or (3) the date on which we have issued more than \$1.0 billion of non-convertible debt over a three-year period.

### **Recent Accounting Pronouncements**

On January 1, 2022, Recursion adopted Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). Under Topic 842, lessees are required to recognize a right-of-use asset and a lease liability on the balance sheet for all leases with terms greater than 12 months. The guidance also expanded the disclosure requirements of lease arrangements. The Company adopted Topic 842 using the modified retrospective method. Recursion elected the following practical expedients when assessing the transition impact: i) not to reassess whether any expired or existing contracts as of the adoption date are or contain leases; ii) not to reassess the lease classification for any expired or existing leases as of the adoption date; and iii) not to reassess initial direct costs for any existing leases as of the adoption date.

Results for reporting periods beginning after December 31, 2021 are presented in accordance with the standard, while results for prior periods are not adjusted and continue to be reported in accordance with Recursion's historical accounting. The January 1, 2022 adjustment to record lease right-of-use assets and lease liabilities was \$32.9 million and \$47.8 million, respectively. The impact to the condensed consolidated statements of income and cash flows was not material.

### **Note 3. Supplemental Financial Information**

#### **Property and Equipment**

(in thousands)	March 31, 2022	December 31, 2021
Lab equipment	\$ 36,111	\$ 33,076
Leasehold improvements	14,008	13,936
Office equipment	20,005	20,005
Construction in progress	22,008	16,445
Property and equipment, gross	92,132	83,462
Less: Accumulated depreciation	(21,428)	(18,737)
Property and equipment, net	\$ 70,704	\$ 64,725

Depreciation expense on property and equipment was \$2.7 million and \$1.4 million during the three months ended March 31, 2022 and 2021 respectively.

The construction in progress balance primarily relates to leasehold improvements under construction for several leased locations.

#### **Accrued Expenses and Other Liabilities**

(in thousands)	March 31, 2022	December 31, 2021
Accrued compensation	\$ 5,922	\$ 11,738
Accrued development expenses	5,845	4,682
Accrued early discovery expenses	2,318	2,114
Accrued construction	3,570	4,665
Accrued professional fees	424	1,793
Accrued other expenses	5,039	7,341
Accrued expense and other liabilities	\$ 23,118	\$ 32,333

#### **Notes Payable**

In 2018, the Company borrowed \$992 thousand, which was available as part of a lease agreement for use on tenant improvements. Under the terms of the lease, the note will be repaid over a 10-year period at an 8% interest rate.

In September 2019, the Company entered into a lending agreement with Midcap Financial Trust (Midcap) and the other lenders party thereto (the Midcap loan agreement) for borrowing \$11.9 million. In July 2021, the Company paid the balance due under the Midcap loan agreement. The total amount paid was \$12.7 million. The Company recorded an early extinguishment loss of \$996 thousand, which was included in "Other expense, net" on the Condensed Consolidated Statements of Operations.

#### **Interest Income (Expense), net**

(in thousands)	Three months ended March 31,	
	2022	2021
Interest expense	\$ (14)	\$ (249)
Interest income	87	16
Interest income (expense), net	\$ 73	\$ (233)

For the three months ended March 31, 2022, interest expense primarily related to the tenant improvement allowance notes and interest income primarily related to the investment portfolio. See Note 4, "Investments" for additional details on the investment portfolio. For the three months ended March 31, 2021, interest expense primarily related to the Midcap loan and tenant improvement allowance notes. Interest expense was included in "Other income (loss), net" on the Condensed Consolidated Statements of Operations.

#### **Note 4. Investments**

In August 2021, the Company invested cash in an investment portfolio. The primary objectives of the investment portfolio are to preserve principal, maintain prudent levels of liquidity and obtain investment returns. Recursion's investment policy limits investments to certain types of debt and money market instruments issued by institutions with investment-grade credit ratings and it places restrictions on maturities and concentration by asset class and issuer.

The following tables summarize the Company's available-for-sale investments by type of security:

(in thousands)	March 31, 2022			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair values
Money market funds	\$ 316,385	\$ —	\$ —	316,385
U.S. government debt	19,874	—	(95)	19,779
Corporate bonds	52,201	3	(188)	52,016
Certificates of deposit	11,448	—	(29)	11,419
<b>Total</b>	<b>\$ 399,908</b>	<b>\$ 3</b>	<b>\$ (312)</b>	<b>399,599</b>

(in thousands)	December 31, 2021			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair values
Money market funds	\$ 155,731	\$ —	\$ —	155,731
U.S. government debt	19,960	—	(33)	19,927
Corporate bonds	61,451	—	(74)	61,377
Certificates of deposit	21,450	—	(10)	21,440
Commercial paper	140,911	3	(12)	140,902
<b>Total</b>	<b>\$ 399,503</b>	<b>\$ 3</b>	<b>\$ (129)</b>	<b>399,377</b>

The following table summarizes the classification of the Company's available-for-sale investments on the Condensed Consolidated Balance Sheets:

(in thousands)	March 31, 2022		December 31, 2021	
Cash and cash equivalents	\$	316,385	\$	167,931
Short-term investments		83,214		231,446
<b>Total</b>	<b>\$</b>	<b>399,599</b>	<b>\$</b>	<b>399,377</b>

As of March 31, 2022 and December 31, 2021, all of the Company's available-for-sale investments mature in one year or less.

The Company held a total of 20 positions that were in an unrealized loss position as of March 31, 2022. The unrealized losses were primarily due to changes in interest rates. There were no significant unrealized losses during the three months ended March 31, 2022. Realized gains and losses on the Company's investments were insignificant during the three months ended March 31, 2022. No impairments were recorded during the three months ended March 31, 2022. Realized gains and losses on interest-bearing securities are recorded in "Other income (loss), net," in the Condensed Consolidated Statements of Income.

The Company did not have an investment portfolio as of March 31, 2021.

#### Note 5. Leases

The Company has entered into various long-term real estate leases primarily related to office, research and development and operating activities. The Company has elected to utilize the package of practical expedients under the transition guidance of Accounting Standards Codification (ASC) Topic 842, *Leases*, which allows Recursion to not reassess whether any existing contract contains a lease, the classification of any existing leases and initial direct costs for any existing leases. The Company's leases have remaining terms from 2 to 10 years, and some of those leases include options that provide Recursion with the ability to extend the lease term for five years. Such options are included in the lease term when it is reasonably certain that the option will be exercised.

Certain leases include provisions for variable lease payments which are based on, but not limited to, maintenance, insurance, taxes and usage-based amounts and Recursion will recognize these costs as they are incurred. The Company has also elected to apply the practical expedient for short-term leases whereby Recursion does not recognize a lease liability and right-of-use asset for leases with a term of less than 12 months. The Company has also elected to not separate consideration in the contract between lease and non-lease components of a contract that contains a lease.

Recursion classifies leases as operating or finance at the lease commencement date. All outstanding leases are operating leases. Certain leases have free rent periods or escalating rent payment provisions. The Company recognizes lease cost on a straight-line basis over the term of the lease.

Lease liabilities and right-of-use assets are calculated and recognized at the lease commencement date based on the present value of minimum lease payments over the lease term. The incremental borrowing rate is equal to the rate of interest that Recursion would have to pay to borrow on a collateralized basis over a similar term in an amount equal to the lease payments in a similar economic environment. For operating leases that commenced prior to the Company's adoption of Topic 842, Recursion measured the lease liabilities and right-of-use assets using the incremental borrowing rate as of January 1, 2022.

In February 2021, the Company entered into a lease agreement for laboratory and office space with approximately 51,869 square feet (the "Industry Lease"). The right of use is expected to begin in the third quarter of 2022 and the Industry Lease term is five years with a five-year renewal option. The lease includes provisions for escalating rent payments and a tenant improvement allowance of up to \$1.8 million. Total fixed lease payments are expected to be approximately \$7.6 million with additional variable expenses, including building and amenity expenses. The Company did not control the space or any of the assets being constructed as of March 31, 2022 and therefore no right of use asset or lease liability was recorded on the Condensed Consolidated Balance Sheet as of March 31, 2022.

The components of the lease cost are as follows:

(in thousands)	Three months ended March 31, 2022	
Operating lease cost	\$	1,827
Variable lease cost		204
Lease cost	\$	2,031

Lease term and discount rates as of March 31, 2022 were:

(in thousands)	March 31, 2022	
<b>Operating leases</b>		
Weighted-average remaining lease term (years)		8.1
Weighted-average discount rate		5.1 %

Maturities of operating lease liabilities as of March 31, 2022 were:

(in thousands)	Operating leases	
Remainder of 2022	\$	3,857
2023		8,480
2024		7,672
2025		7,838
2026		8,073
Thereafter		28,828
Total lease payments		64,748
Less: imputed interest		(13,345)
Present value of lease liabilities	\$	51,403

Prior to adoption of ASC 842, future minimum lease payments as of December 31, 2021, as disclosed in our 2021 Annual Report, were:

(in thousands)	Amount
2022	\$ 3,977
2023	7,053
2024	7,325
2025	7,513
2026	7,739
Thereafter	26,448
<b>Total minimum payments</b>	<b>\$ 60,055</b>

For the three months ended March 31, 2021, total rent expense was \$1.3 million.

## Note 6. Goodwill and Intangible Assets

### Goodwill

There were no changes to the carrying amount of goodwill during the three months ended March 31, 2022 and 2021. No goodwill impairment was recorded during the three months ended March 31, 2022 and 2021.

### Intangible Assets, Net

The following table summarizes intangible assets:

(in thousands)	March 31, 2022			December 31, 2021		
	Gross carrying amount	Accumulated Amortization	Net carrying amount	Gross carrying amount	Accumulated Amortization	Net carrying amount
Definite-lived intangible asset	\$ 911	\$ (506)	\$ 405	\$ 911	\$ (430)	\$ 481
Indefinite-lived intangible asset	904	—	904	904	—	904
<b>Intangible assets, net</b>	<b>\$ 1,815</b>	<b>\$ (506)</b>	<b>\$ 1,309</b>	<b>\$ 1,815</b>	<b>\$ (430)</b>	<b>\$ 1,385</b>

Amortization expense was \$76 thousand during the three months ended March 31, 2022 and 2021, respectively. Amortization expense was included in research and development in the Condensed Consolidated Statements of Operations.

The indefinite-lived intangible asset represents the Recursion domain name that the Company purchased. No indefinite-lived intangible asset impairment charges were recorded during the three months ended March 31, 2022 and 2021.

## Note 7. Commitments and Contingencies

### Contract Obligations

In the normal course of business, the Company enters into contracts with clinical research organizations, drug manufacturers and other vendors for preclinical and clinical research studies, research and development supplies and other services and products for operating purposes. These contracts generally provide for termination on notice and are cancellable contracts.

### Indemnification

The Company has agreed to indemnify its officers and directors for certain events or occurrences, while the officer or director is or was serving at the Company's request in such capacity. The Company purchases directors and

officers liability insurance coverage that provides for reimbursement to the Company for covered obligations and this is intended to limit the Company's exposure and enable it to recover a portion of any amounts it pays under its indemnification obligations. The Company had no liabilities recorded for these agreements as of March 31, 2022 and December 31, 2021, as no amounts are probable or estimable.

#### ***Employee Agreements***

The Company has signed employment agreements with certain key employees pursuant to which, if their employment is terminated following a change of control of the Company, the employees are entitled to receive certain benefits, including accelerated vesting of equity incentives.

#### ***Legal Matters***

The Company is not currently a party to any material litigation or other material legal proceedings. The Company may, from time to time, be involved in various legal proceedings arising in the normal course of business. An unfavorable resolution of any such matter could materially affect the Company's future financial position, results of operations or cash flows.

#### **Note 8. Common Stock**

Each share of Class A common stock entitles the holder to one vote per share and each share of Class B common stock entitles the holder to 10 votes per share on all matters submitted to a vote of the Company's stockholders. Common stockholders are entitled to receive dividends, as may be declared by the Company's board of directors. As of March 31, 2022 and December 31, 2021, no dividends had been declared.

#### ***Initial Public Offering***

On April 20, 2021, the Company closed its IPO and issued 27,878,787 shares of its Class A common stock at a price of \$18.00 per share for net proceeds of \$462.4 million, after deducting underwriting discounts and commissions of \$35.1 million and other offering costs of \$4.3 million. In connection with the IPO, all shares of convertible preferred stock converted into 115,598,018 shares of Class A common stock.

#### ***Stock Split***

In April 2021, the Board of Directors approved a 1.5-for-1 forward stock split of the Company's common and convertible preferred stock. Each shareholder of record on April 9, 2021 received 1.5 shares for each then-held share. The split proportionally increased the authorized shares and did not change the par values of the Company's stock. The split affected all stockholders uniformly and did not affect any stockholder's ownership percentage of the Company's shares of common stock. All shares and per share amounts presented within these Condensed Consolidated Financial Statements were adjusted to reflect the forward stock split for all periods presented.

#### ***Class A and B Common Shares Authorization***

In April 2021, the Company's Board of Directors authorized two classes of common stock, Class A and Class B. The rights of the holders of Class A and B common stock are identical, except with respect to voting and conversion. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to 10 votes per share and is convertible at any time into one share of Class A common stock.

All Class B common stock is held by Christopher Gibson, Ph.D., the Company's Chief Executive Officer (CEO), or his affiliate. As of March 31, 2022, Dr. Gibson and his affiliate held outstanding shares of Class B common stock representing approximately 35% of the voting power of the Company's outstanding shares. This voting power may increase over time as Dr. Gibson vests in and exercises equity awards outstanding. If all the equity awards held by Dr. Gibson had been fully vested and exercised and exchanged for shares of Class B common stock as of March 31, 2022, Dr. Gibson and his affiliate would hold approximately 38% of the voting power of the Company's outstanding shares. As a result, Dr. Gibson will be able to significantly influence any action requiring the approval of Recursion stockholders, including the election of the board of directors; the adoption of amendments to the Company's certificate of incorporation and bylaws; and the approval of any merger, consolidation, sale of all or substantially all of the Company's assets, or other major corporate transaction.

**Note 9. Collaborative Development Contracts*****Roche and Genentech******Description***

In December 2021, Recursion entered into a collaboration and license agreement with Roche and Genentech (collectively referred to as Roche). Recursion is constructing, using the Company's imaging technology and proprietary machine-learning algorithms, unique maps of the inferred relationships amongst perturbation phenotypes in a given cellular context with the goal to discover and develop therapeutic small molecule programs in a gastrointestinal cancer indication and in key areas of neuroscience. Roche and Recursion will collaborate to select certain novel inferences with respect to small molecules or targets generated from the Phenomaps for further validation and optimization as collaboration programs. Roche and Recursion may also combine sequencing datasets from Roche with Recursion's Phenomaps and collaborate to generate new algorithms to produce multi-modal maps from which additional collaboration programs may be initiated. For every collaboration program that successfully identifies potential therapeutic small molecules or validates a target, Roche will have an option to obtain an exclusive license to develop and commercialize such potential therapeutic small molecules or to exploit such target in the applicable exclusive field.

***Pricing***

In January 2022, Recursion received a \$150.0 million non-refundable upfront payment from the Company's collaboration with Roche. Recursion is eligible for additional milestone payments based on performance progress of the collaboration. Each of the Phenomaps requested by Roche and created by Recursion may be subject to either an initiation fee, acceptance fee or both. Such fees could exceed \$250.0 million for 16 accepted Phenomaps. In addition, for a period of time after Roche's acceptance of certain Phenomaps, Roche will have the option to obtain, subject to payment of an exercise fee, rights to use outside the collaboration the raw images generated in the course of creating those Phenomaps. If Roche exercises its external use option for all 12 eligible Phenomaps, Roche's associated exercise fee payments to Recursion could exceed \$250.0 million. Under the collaboration, Roche may initiate up to 40 programs, each of which, if successfully developed and commercialized, could yield more than \$300.0 million in development, commercialization and net revenue milestones for Recursion, as well as tiered royalties on net revenue.

***Accounting***

This agreement represents a transaction with a customer and therefore will be accounted for in accordance with ASC 606. Recursion has determined that it has three performance obligations, one related to gastrointestinal cancer and two in neuroscience. These performance obligations are for performing research and development services for Roche to identify targets and medicines. The performance obligations also include potential licenses related to the intellectual property. The Company concluded that licenses within the contract are not distinct from the research and development services as they are interrelated due to the fact that the research and development services significantly impact the potential licenses. Any additional services are considered customer options and will be considered as separate contracts for accounting purposes.

The Company has determined the transaction price to be \$150.0 million, comprised of the upfront payment. Recursion will fully constrain the amounts of variable consideration to be received from potential milestones considering the stage of development and the risks associated with the remaining development required to achieve each milestone. Recursion will re-evaluate the transaction price each reporting period.

The transaction price was allocated to the performance obligations based on the estimated relative stand-alone selling price of each performance obligation as determined using an expected cost plus margin approach. The Company recognizes revenue over time based on costs incurred relative to total expected costs to perform the research and development services. Recursion determined that this method provides a faithful depiction of the transfer of control to the customer. This method of recognizing revenue requires the Company to make estimates of total costs to provide the services required under the performance obligations. Significant inputs used to determine the total costs included the length of time required, service hours performed by Company employees and materials costs. A significant change in these estimates could have a material effect on the timing and amount of revenue recognized in future periods. Recursion has estimated the completion of the performance obligations by 2025.

## **Bayer AG**

### Description

In August 2020, the Company entered into a Research Collaboration and Option Agreement (the Bayer Agreement) with Bayer AG (Bayer) for a five-year term pursuant to which the Company and Bayer may initiate approximately 10 research projects related to fibrosis across multiple organ systems, including the lung, liver and heart. Under the agreement, the Company contributed compounds from its proprietary library and Bayer contributed compounds from its proprietary library and will contribute scientific expertise throughout the collaboration. Under each research project, the Company will work with Bayer to identify potential candidates for development. Under the agreement, Bayer has the first option for licenses to potential candidates.

### Pricing

In October 2020, the Company received a \$30.0 million non-refundable upfront payment. Each such license could potentially result in option exercise fees and development and commercial milestone payments payable to the Company, with an aggregate value of up to approximately \$100.0 million (for an option on a lead series) or up to approximately \$120.0 million (for an option on a development candidate), as well as tiered royalties for each such license, ranging from low- to mid-single digit percentages of sales, depending on commercial success.

### Accounting

The Company determined that it has one performance obligation under the agreement, which is to perform research and development services for Bayer. Recursion determined the transaction price to be \$30.0 million, comprised of the upfront payment. The Company allocated the amount to the single performance obligation. The Company is recognizing revenue over time by measuring progress towards completion of the performance obligation. This method of recognizing revenue requires the Company to make estimates of the total time to provide the services required under the performance obligation. A significant change in these estimates could have a material effect on the timing and amount of revenue recognized in future periods. For the three months ended March 31, 2021, cost of revenue for this agreement was immaterial and was included within "Research and development" in the Condensed Consolidated Statement of Operations. Recursion has estimated the completion of the performance obligation by 2023.

### **Additional Revenue Disclosures**

Recursion recognized \$5.3 million of operating revenue during the three months ended March 31, 2022 of which \$2.5 million was included in the unearned revenue balance as of December 31, 2021. All revenue recognized during the three months ended March 31, 2021 was included in the unearned revenue balance as of December 31, 2020. Revenue recognized was from upfront payments received at the inception of the related contracts, which decreased the initial unearned revenue recognized. Unearned revenue of \$150.0 million was recorded on the Condensed Consolidated Balance Sheet during the three months ended March 31, 2022 related to the upfront payment from the Roche collaboration.

Unearned revenue was classified as short-term and long-term on the Condensed Consolidated Balance Sheets based on the Company's estimate of revenue that will be recognized during the next twelve months.

### **Note 10. Stock-Based Compensation**

In April 2021, the Board of Directors and the stockholders of the Company adopted the 2021 Equity Incentive Plan (the 2021 Plan). Under the 2021 Plan, 16,186,000 shares of Class A common stock were reserved. Additionally, shares were reserved for all outstanding awards under the previous 2016 Plan. The Company may grant stock options, restricted stock units (RSUs), stock appreciation rights, restricted stock awards and other forms of stock-based compensation.

As of March 31, 2022, 20,739,837 shares of Class A common stock were available for grant.



The following table presents the classification of stock-based compensation expense for stock options and RSUs for employees and non-employees within the Condensed Consolidated Statements of Operations:

(in thousands)	Three months ended March 31,	
	2022	2021
Cost of revenue	\$ 348	\$ —
Research and development	1,635	628
General and administrative	3,361	1,070
Total	\$ 5,344	\$ 1,698

### Stock Options

Stock options generally vest over four years and expire no later than 10 years from the date of grant. Stock option activity during the three months ended March 31, 2022 was as follows:

(in thousands except share data)	Shares	Weighted-average exercise Price	Weighted-average remaining contractual life (in years)	Aggregate intrinsic value
Outstanding as of December 31, 2021	19,191,714	\$ 3.78	8.1	\$ 260,762
Granted	1,871,946	12.56		
Cancelled	(346,319)	4.44		
Exercised	(780,464)	1.49		7,602
Outstanding as of March 31, 2022	19,936,877	\$ 4.68	8.1	\$ 80,203
Exercisable as of March 31, 2022	8,626,521	\$ 2.37	7.3	\$ 43,833

The fair value of options granted to employees is calculated on the grant date using the Black-Scholes option valuation model. The weighted-average grant-date fair values of stock options granted during the three months ended March 31, 2022 and 2021 were \$7.42 and \$2.63 respectively.

The following weighted-average assumptions were used to calculate the grant-date fair value of stock options:

	Three months ended March 31,	
	2022	2021
Expected term (in years)	6.2	6.1
Expected volatility	63 %	66 %
Expected dividend yield	—	—
Risk-free interest rate	1.7 %	0.8 %

As of March 31, 2022, \$40.9 million of unrecognized compensation cost related to stock options is expected to be recognized as expense over approximately the next three years.

### RSUs

In April 2021, Recursion redesigned certain aspects of its long-term incentive program. As a result, equity awards granted to employees since the redesign generally consist of a combination of stock options and RSUs. RSUs awarded to employees pursuant to the 2021 Plan generally vest over four years. The weighted-average grant-date fair value of RSUs generally is determined based on the number of units granted and the quoted price of Recursion's common stock on the date of grant.

The following table summarizes Recursion's RSU activity during the three months ended March 31, 2022:

	Stock units	Weighted-average grant date fair value
Outstanding as of December 31, 2021	478,136 \$	23.40
Granted	931,490	12.58
Vested	(25,162)	16.35
Forfeited	(25,914)	16.16
Outstanding as of March 31, 2022	1,358,550 \$	16.25

The fair market value of RSUs vested was \$398 thousand during the three months ended March 31, 2022. As of March 31, 2022, \$19.6 million of unrecognized compensation cost related to RSUs is expected to be recognized as expense over approximately the next four years.

#### Note 11. Income Taxes

The Company did not record any income tax expense during the three months ended March 31, 2022 and 2021. The Company has historically incurred operating losses and maintains a full valuation allowance against its net deferred tax assets. Foreign taxes were insignificant during the three months ended March 31, 2022.

NOLs and tax credit carryforwards are subject to review and possible adjustment by the Internal Revenue Service ("IRS") and may become subject to annual limitation due to ownership changes that have occurred previously or that could occur in the future under Section 382 of the Internal Revenue Code, as amended and similar state provisions. These ownership changes may limit the amount of carryforwards that can be utilized annually to offset future taxable income. In general, an ownership change, as defined by Section 382, results from transactions increasing the ownership of certain shareholders or public groups in the stock of a corporation by more than 50% over a three-year period. The Company has not conducted a study to assess whether a change of control has occurred or whether there have been multiple changes of control since inception due to the significant complexity and cost associated with such a study. If the Company has experienced a change of control, as defined by Section 382, at any time since inception, utilization of the net operating loss carryforwards or research and development tax credit carryforwards would be subject to an annual limitation under Section 382, which is determined by first multiplying the value of the Company's stock at the time of the ownership change by the applicable long-term tax-exempt rate and then could be subject to additional adjustments, as required. Any limitation may result in expiration of a portion of the net operating loss carryforwards or research and development tax credit carryforwards before utilization. Further, until a study is completed and any limitation is known, no amounts are being presented as an uncertain tax position.

The Company files income tax returns in the United States, Canada, Utah, California and Massachusetts. The Company is not currently under examination in any of these jurisdictions. The Company is subject to income tax examinations on all federal returns since the 2018 tax return.

#### Note 12. Net Loss Per Share

For the three months ended March 31, 2022, Recursion calculated net loss per share of Class A and Class B common stock using the two-class method. Basic net loss per share is computed using the weighted-average number of shares outstanding during the period. Diluted net loss per share is computed using the weighted-average number of shares and the effect of potentially dilutive securities outstanding during the period. Potentially dilutive securities consist of stock options and other contingently issuable shares. For periods presented in which the Company reports a net loss, all potentially dilutive shares are anti-dilutive and as such are excluded from the calculation.

The rights, including the liquidation and dividend rights, of the holders of the Company's Class A and Class B common stock are identical, except with respect to voting. As a result, the undistributed earnings for each period are allocated based on the contractual participation rights of the Class A and Class B common shares as if the earnings for the period had been distributed. As the liquidation and dividend rights are identical, the undistributed earnings are allocated on a proportionate basis and the resulting amount per share for Class A and Class B common stock was the same during the three months ended March 31, 2022.

Recursion issued certain shares of convertible preferred stock that were outstanding until April 2021 and were concluded to be participating securities. For the three months ended March 31, 2021, there was only one class of common stock outstanding. Due to the presence of participating securities, Recursion calculated net loss per share using the more dilutive of the treasury stock or the two-class method. For periods presented in which the Company reports a net loss, the losses are not allocated to the participating securities. The preferred stock converted to common stock in April 2021 as part of the Company's IPO. See Note 8, "Common stock" for additional details.

The following tables set forth the computation of basic and diluted net loss per share of Class A and Class B common stock during the three months ended March 31, 2022:

(in thousands, except share amount)	Three months ended March 31, 2022	
	Class A	Class B
Numerator:		
Allocation of undistributed earnings	\$ (53,022)	\$ (2,957)
Denominator:		
Weighted average common shares outstanding	161,674,169	9,016,223
Net loss per share, basic and diluted	\$ (0.33)	\$ (0.33)

The following table sets forth the computation of basic and diluted net loss per share during three months ended March 31, 2021:

(in thousands, except share amounts)	Three months ended March 31, 2021	
Numerator:		
Net loss	\$	(30,717)
Denominator:		
Weighted average common shares outstanding		23,035,623
Net loss per share, basic and diluted	\$	(1.33)

For the three months ended March 31, 2022 and 2021, the Company reported a net loss and therefore basic and diluted loss per share are the same. The Company excluded the following potential common shares from the computation of diluted net loss per share for the periods indicated because including them would have had an anti-dilutive effect:

	Three months ended	
	March 31, 2022	March 31, 2021
Convertible preferred stock	—	115,598,018
Stock based compensation	12,089,621	4,706,313
Warrants	—	122,358
Total	12,089,621	120,426,689

### Note 13. Fair Value Measurements

The fair value hierarchy consists of the following three levels:

- Level 1 — Valuations based on unadjusted quoted prices in active markets for identical assets that the company has the ability to access;
- Level 2 — Valuations based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuations in which all significant inputs are observable in the market; and

- Level 3 — Valuations using significant inputs that are unobservable in the market and include the use of judgment by the company's management about the assumptions market participants would use in pricing the asset or liability.

The Company is required to maintain a cash balance in a collateralized account to secure the Company's credit cards. Additionally, the Company holds restricted cash related to an outstanding letter of credit issued by J.P. Morgan, which was obtained to secure certain Company obligations relating to tenant improvements.

The following tables summarize the Company's assets and liabilities that are measured at fair value on a recurring basis:

(in thousands)	March 31, 2022	Basis of fair value measurement		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Cash equivalents:				
Money market funds	\$ 316,385	\$ —	\$ 316,385	—
Restricted cash	10,233	10,233	—	—
Investments:				
U.S. government debt	19,779	—	19,779	—
Corporate bonds	52,016	—	52,016	—
Certificates of deposit	11,419	—	11,419	—
<b>Total assets</b>	<b>\$ 409,832</b>	<b>\$ 10,233</b>	<b>\$ 399,599</b>	<b>—</b>

(in thousands)	December 31, 2021	Basis of fair value measurement		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Cash equivalents:				
Money market funds	\$ 155,731	\$ —	\$ 155,731	—
Commercial paper	12,000	—	12,000	—
Corporate bonds	200	—	200	—
Restricted cash	10,233	10,233	—	—
Investments:				
U.S. government debt	19,927	—	19,927	—
Corporate bonds	61,177	—	61,177	—
Certificates of deposit	21,440	—	21,440	—
Commercial paper	128,902	—	128,902	—
<b>Total assets</b>	<b>\$ 409,610</b>	<b>\$ 10,233</b>	<b>\$ 399,377</b>	<b>—</b>

In addition to the financial instruments that are recognized at fair value on the Condensed Consolidated Balance Sheet, the Company has certain financial instruments that are recognized at amortized cost or some basis other than fair value. The carrying amount of these instruments are considered to be representative of their approximate fair values. Additionally, Recursion has short-term financial instruments including accounts receivable and accounts payable whose carrying amounts are considered representative of their approximate fair values.

The following tables summarize the Company's financial instruments that are not measured at fair value:

(in thousands)	Book values		Fair values	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
<b>Liabilities</b>				
Current portion of notes payable	\$ 92	\$ 90	\$ 92	\$ 90
Notes payable, net of current portion	610	633	610	633
<b>Total liabilities</b>	<b>\$ 702</b>	<b>\$ 723</b>	<b>\$ 702</b>	<b>\$ 723</b>

#### Note 14. Subsequent Events

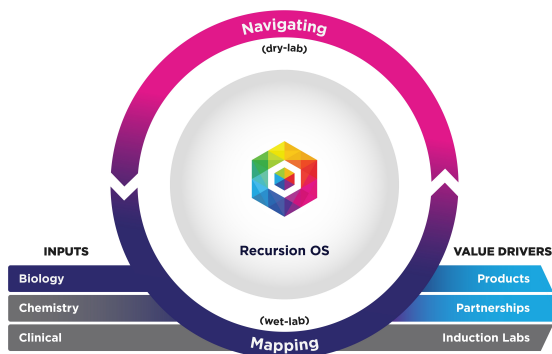
In May 2022, the Company entered into a lease agreement for office space with approximately 26,320 square feet (the "Toronto Lease"). The Toronto Lease term is 10 years with a five-year renewal option. The lease includes provisions for escalating rent payments and a tenant improvement allowance of up to \$1.5 million. Total fixed lease payments are expected to be approximately \$10.9 million with additional variable expenses, including building and amenity expenses.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following is a discussion and analysis of the financial condition of Recursion Pharmaceuticals, Inc. (Recursion, the Company, we, us or our) and the results of operations. This commentary should be read in conjunction with the unaudited Condensed Consolidated Financial Statements and accompanying notes appearing in Item 1, "Financial Statements" and the Company's audited consolidated financial statements and accompanying notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Annual Report on Form 10-K. This discussion, particularly information with respect to our future results of operations or financial condition, business strategy and plans and objectives of management for future operations, includes forward-looking statements that involve risks and uncertainties as described under the heading "Note About Forward-Looking Statements" in this Quarterly Report on Form 10-Q. You should review the disclosure under the heading "Risk Factors" in the Annual Report on Form 10-K for a discussion of important factors that could cause our actual results to differ materially from those anticipated in these forward-looking statements.

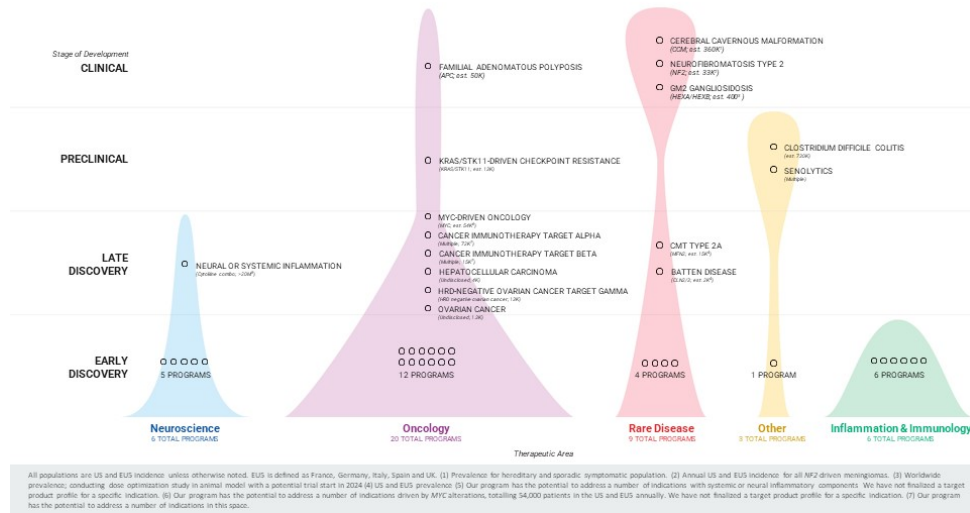
### Overview

We are a clinical-stage biotechnology company industrializing drug discovery by decoding biology. Central to our mission is the Recursion Operating System (OS), a platform built across diverse technologies that enables us to map and navigate hundreds of billions of biological and chemical relationships within one of the world's largest proprietary biological and chemical datasets, the Recursion Data Universe. Scaled 'wet-lab' biology and chemistry tools are organized into an iterative loop with 'dry-lab' computational tools to rapidly translate map-based hypotheses into validated insights and novel chemistry, unconstrained by published literature or human bias. Our focus on novel technologies spanning target discovery through translation, as well as our ability to rapidly iterate between wet lab and dry lab in-house and at scale, differentiates us from other companies in our space. Further, our balanced team of life scientists and computational and technical experts creates an environment where empirical data, statistical rigor and creative thinking are brought to bear on our decisions. To date, we have leveraged our Recursion OS to enable three value drivers: i) an expansive pipeline of internally-developed programs, including several clinical-stage assets, focused on genetically-driven rare diseases and oncology with significant unmet need and market opportunities, in some cases expected to be in excess of \$1.0 billion in annual sales; ii) strategic partnerships with leading biopharma companies to map and navigate intractable areas of biology, including fibrosis with Bayer and neuroscience with Roche and Genentech, to identify novel targets and translate potential new medicines to resource-heavy clinical development overseen by our partners; and iii) Induction Labs, a growth engine created to explore new extensions of the Recursion OS both within and beyond therapeutics. We are a biotechnology company scaling more like a technology company.



Recursion finished the first quarter of 2022 with a portfolio of clinical stage, preclinical, late discovery and early discovery programs and continued scaling the total number of phenomic experiments to approximately 128 million, the size of its proprietary data universe to over 14 petabytes, and the number of biological and chemical relationships to approximately 247 billion. Data have been generated on the Recursion OS across 44 human cell types, an in-house chemical library of approximately 1.3 million compounds, and an *in silico* library of 12 billion

small molecules, by a growing team of over 450 Recursionauts that is balanced between life scientists and computational and technical experts.



**Summary of Business Highlights**

**Clinical Programs**

- **Cerebral cavernous malformation (CCM) (REC-994):** In March 2022, we enrolled the first participant in our Phase 2 SYCAMORE clinical trial, which is a double-blind, placebo-controlled safety, tolerability and exploratory efficacy study of this drug candidate in 60 participants with CCM. At this time, multiple participants have been enrolled and dosed.
- **Neurofibromatosis type 2 (NF2) (REC-2282):** We plan to enroll the first participant in our Phase 2/3 POPLAR-NF2 clinical trial, which is a parallel group, two stage, randomized, multicenter study of this drug candidate in participants with progressive NF2-mutated meningiomas, in the second quarter of 2022.
- **Familial adenomatous polyposis (FAP) (REC-4881):** In April 2022, the U.S. Food and Drug Administration granted Fast Track designation for REC-4881 for the potential treatment of FAP. We plan to initiate a Phase 2, randomized, double-blind, placebo-controlled study to evaluate safety, pharmacokinetics and efficacy of this drug candidate in the third quarter of 2022.

**Preclinical and Discovery Programs**

- **Clostridium difficile colitis (REC-3964):** We made progress in IND-enabling studies for REC-3964 and plan to initiate a Phase 1 study in the second half of 2022.
- **Oncology pipeline:** We continued to make progress advancing numerous oncology programs discovered using our next generation mapping and navigating technology, including programs related to immune checkpoint resistance in STK11-mutant non-small cell lung cancer, cancer immunotherapy target 'alpha', HRD-negative ovarian cancer target 'gamma', hepatocellular carcinoma, small molecule MYC inhibition, ovarian cancer and other indications. We highlighted this progress at the annual meeting of the American Association for Cancer Research (AACR).

**Roche and Genentech Collaboration**

We have initiated laboratory efforts and are scaling our pilot work to create our first partnership-specific maps in an oncology indication. We have also begun the initial work for development of phenomaps in neuroscience.

### **Bayer AG Collaboration**

We have profiled Bayer's compound library for next generation map-based drug discovery and are actively navigating the map to seed potential programs. We have multiple first-generation brute-force programs related to the potential treatment of fibrotic diseases progressing simultaneously with our partner.

### **Recursion OS**

- **Transcriptomics:** We automated key processes in our transcriptomics platform, TrekSeq, to enable higher scale and robustness related to the acquisition of transcriptomics data for use as an industrialized orthogonal validation assay.
- **InVivomics:** We completed studies to enable the simultaneous monitoring of multiple mice and their respective individual digital biomarkers within the same cage and the tracking of digital biomarkers related to group social behaviors.

### **Financing and Operations**

We were incorporated in November 2013. On April 20, 2021, we closed our Initial Public Offering (IPO) and issued 27,878,787 shares of Class A common stock at a price of \$18.00 per share, raising gross and net proceeds of \$501.8 million and \$462.4 million, respectively. Prior to our IPO, we had raised approximately \$448.9 million in equity financing from investors in addition to \$30.0 million in an upfront payment from our collaboration with Bayer AG (Bayer). In December 2021, we announced a collaboration with Roche and received an upfront payment of \$150.0 million in January 2022. See Note 9, "Collaborative Development Contracts" to the Condensed Consolidated Financial Statements for additional information.

We use the capital we have raised to fund operations and investing activities across platform research operations, drug discovery, clinical development, digital and other infrastructure, creation of our portfolio of intellectual property and administrative support. We do not have any products approved for commercial sale and have not generated any revenues from product sales. We had cash, cash equivalents and investments of \$591.1 million as of March 31, 2022. Based on our current operating plan, we believe that our cash, cash equivalents and investments will be sufficient to fund our operations for at least the next twelve months.

Since inception, we have incurred significant operating losses. Our net losses were \$56.0 million and \$30.7 million during the three months ended March 31, 2022 and 2021, respectively. As of March 31, 2022, our accumulated deficit was \$456.1 million. We anticipate that our expenses and operating losses will increase substantially over the foreseeable future. The expected increase in expenses will be driven in large part by our ongoing activities, if and as we: continue to advance our platform; continue preclinical development of our current and future product candidates and initiate additional preclinical studies; commence clinical studies of our current and future product candidates; establish our manufacturing capability, including developing our contract development and manufacturing relationships and building our internal manufacturing facilities; acquire and license technologies aligned with our platform; seek regulatory approval of our current and future product candidates; expand our operational, financial and management systems and increase personnel, including personnel to support our preclinical and clinical development, manufacturing and commercialization efforts; continue to develop, grow, perfect and defend our intellectual property portfolio; and incur additional legal, accounting, or other expenses in operating our business, including the additional costs associated with operating as a public company.

We anticipate that we will need to raise additional financing in the future to fund our operations, including the commercialization of any approved product candidates. Until such time, if ever, as we can generate significant product revenue, we expect to finance our operations with our existing cash and cash equivalents, any future equity or debt financings and upfront, milestone and royalty payments, if any, received under current or future license or collaboration agreements. We may not be able to raise additional capital on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, results of operations and financial condition may be adversely affected.



## Components of Operating Results

### Revenues

To date, our business has generated revenue from two sources: (i) grant revenue and (ii) operating revenue.

**Grant Revenue**—We recognize grant revenue in the period in which the revenue is earned in accordance with the associated grant agreement, which is the period in which corresponding reimbursable expenses under the grant agreement are incurred.

**Operating Revenue**—Operating revenue is generated through research and development agreements derived from strategic alliances. We are entitled to receive variable consideration as certain milestones are achieved. The timing of revenue recognition is not directly correlated to the timing of cash receipts.

### Cost of Revenue

Cost of revenue consist of the Company's costs to provide services for drug discovery required under performance obligations with partnership customers. These primarily include materials costs, service hours performed by our employees and depreciation of property and equipment.

### Research and Development

Research and development expenses account for a significant portion of our operating expenses. We recognize research and development expenses as they are incurred. Research and development expenses consist of costs incurred in performing activities including:

- costs to develop and operate our platform;
- costs of discovery efforts which may lead to development candidates, including research materials and external research;
- costs for clinical development of our investigational products;
- costs for materials and supplies associated with the manufacture of active pharmaceutical ingredients, investigational products for preclinical testing and clinical trials;
- personnel-related expenses, including salaries, benefits, bonuses and stock-based compensation for employees engaged in research and development functions;
- costs associated with operating our digital infrastructure; and
- other direct and allocated expenses incurred as a result of research and development activities, including those for facilities, depreciation, amortization and insurance.

We monitor research and development expenses directly associated with our clinical assets at the program level to some degree, however, indirect costs associated with clinical development and the balance of our research and development expenses are not tracked at the program or candidate level.

We recognize expenses associated with third-party contracted services as they are incurred. Upon termination of contracts with third parties, our financial obligations are generally limited to costs incurred or committed to date. Any advance payments for goods or services to be used or rendered in future research and product development activities pursuant to a contractual arrangement are classified as prepaid expenses until such goods or services are rendered.

### General and Administrative

We expense general and administrative costs as incurred. General and administrative expenses consist primarily of salaries; employee benefits; stock-based compensation; and outsourced labor for personnel in executive, finance, human resources, legal and other corporate administrative functions. General and administrative expenses also include legal fees for corporate and patent matters; professional fees for accounting, auditing, tax and administrative consulting services, insurance costs, facilities and depreciation expenses.

We expect that our general and administrative expenses will increase in the future to support personnel in research and development and to support our operations as we increase our research and development activities and activities related to the potential commercialization of our drug candidates.

#### Other Income (loss), net

Other income (loss), net consists of interest earned primarily from investments, interest expense incurred under our loan agreements and gains and losses from investments.

#### Results of Operations

The following table summarizes our results of operations:

(in thousands, except percentages)	Three months ended March 31,		Change	
	2022	2021	\$	%
<b>Revenue</b>				
Operating revenue	\$ 5,299	\$ 2,500	\$ 2,799	>100%
Grant revenue	34	62	(28)	(44.8)%
<b>Total revenue</b>	<b>5,333</b>	<b>2,562</b>	<b>2,771</b>	<b>&gt;100%</b>
<b>Operating costs and expenses</b>				
Cost of revenue	7,799	—	7,799	n/m
Research and development	32,441	24,109	8,332	34.6 %
General and administrative	21,074	8,937	12,137	>100%
<b>Total operating costs and expenses</b>	<b>61,314</b>	<b>33,046</b>	<b>28,268</b>	<b>85.5 %</b>
<b>Loss from operations</b>	<b>(55,981)</b>	<b>(30,484)</b>	<b>(25,497)</b>	<b>(83.6)%</b>
Other income (loss), net	2	(233)	235	98.7 %
<b>Net loss</b>	<b>\$ (55,979)</b>	<b>\$ (30,717)</b>	<b>\$ (25,262)</b>	<b>82.2 %</b>

n/m = Not meaningful

#### Summary

Our financial performance during the three months ended March 31, 2022 compared to the prior period included; (i) a decrease in platform research and development costs due to partnership-related materials of \$9.6 million, which has been capitalized on the Condensed Consolidated Balance Sheet; (ii) an increase in revenue recognized due to our strategic partnership with Roche; and (iii) cost of revenue due to the strategic partnership with Roche. Additionally, our financial results reflected added funding to support our emerging early- and mid-stage pipeline assets and continued growth of the Company.

#### Revenue

The following table summarizes our components of revenue:

(in thousands, except percentages)	Three months ended March 31,		Change	
	2022	2021	\$	%
<b>Revenue</b>				
Operating revenue	\$ 5,299	\$ 2,500	\$ 2,799	>100%
Grant revenue	34	62	(28)	(44.8)%
<b>Total revenue</b>	<b>\$ 5,300</b>	<b>\$ 2,500</b>	<b>\$ 2,799</b>	<b>&gt;100%</b>

For the three months ended March 31, 2022, the increase in revenue compared to prior period was due to revenue recognized from our strategic partnership with Roche, which commenced in January 2022.

### Cost of Revenue

The following table summarizes our cost of revenue:

(in thousands, except percentages)	Three months ended March 31,		Change	
	2022	2021	\$	%
Total cost of revenue	\$ 7,799	\$ —	\$ 7,799	n/m

For the three months ended March 31, 2022, the increase in cost of revenue compared to prior period was due to our strategic partnerships. For the three months ended March 31, 2021, cost of revenue was immaterial and was included within "Research and development" in the Condensed Consolidated Statement of Operations.

### Research and Development

The following table summarizes our components of research and development expense:

(in thousands, except percentages)	Three months ended March 31,		Change	
	2022	2021	\$	%
Research and development expenses				
Platform	\$ 5,314	\$ 10,532	\$ (5,218)	(49.5)%
Discovery	12,361	7,739	4,622	59.7 %
Clinical	11,112	2,955	8,157	>100%
Stock based compensation	1,764	628	1,136	>100%
Other	1,890	2,255	(365)	(16.2)%
Total research and development expenses	\$ 32,441	\$ 24,109	\$ 8,332	34.6 %

Significant components of research and development expense include the following allocated by development phase: Platform, which refers primarily to expenses related to screening of product candidates through hit identification; Discovery, which refers primarily to expenses related to hit identification through development of candidates; and Clinical, which refers primarily to expenses related to development of candidates and beyond.

For the three months ended March 31, 2022, the increase in research and development expenses compared to prior period was due to an increased number of pre-clinical assets being validated and increased clinical costs as studies progressed. These increases were partially offset by a decrease in platform costs due to partnership-related materials of \$9.6 million, now capitalized on the Condensed Consolidated Balance Sheet.

### General and Administrative Expenses

The following table summarizes our general and administrative expense:

(in thousands, except percentages)	Three months ended March 31,		Change	
	2022	2021	\$	%
Total general and administrative expenses	\$ 21,074	\$ 8,937	\$ 12,137	>100%

For the three months ended March 31, 2022, the increase in general and administrative expenses compared to prior period was due to the growth in size of the Company's operations including an increase in salaries and wages of \$6.6 million, facilities costs, information technology and security costs and other administrative costs associated with operating a growth-stage company.

### Other income (loss), net

The following table summarizes our components of other income (loss), net:

(in thousands, except percentages)	Three months ended March 31,		Change	
	2022	2021	\$	%
Interest expense	\$ (14)	\$ (249)	\$ 235	(94.3)%
Interest income	87	16	71	>100%
Other	(71)	—	(71)	n/m
Other income (loss), net	\$ 2	\$ (233)	\$ 235	(100.8)%

For the three months ended March 31, 2022, the decrease in expense compared to the prior year was driven by a decrease in interest expense from the 2021 the Midcap loan settlement and an increase in interest income from our investment portfolio. See Note 3, "Supplemental Financial Information" to the Condensed Consolidated Financial Statements for additional details on the Midcap loan agreement and see Note 4, "Investments" for additional details on the investment portfolio.

### Liquidity and Capital Resources

#### Sources of Liquidity

We have not yet commercialized any products and do not expect to generate revenue from the sales of any product candidates for at least several years. Cash, cash equivalents and investments totaled \$591.1 million and \$516.6 million as of March 31, 2022 and December 31, 2021, respectively.

We have incurred operating losses and experienced negative operating cash flows and we anticipate that the Company will continue to incur losses for at least the foreseeable future. Our net loss was \$56.0 million and \$30.7 million during the three months ended March 31, 2022 and 2021, respectively. As of March 31, 2022 and December 31, 2021, we had an accumulated deficit of \$456.1 million and \$400.1 million, respectively.

We have financed our operations through the private placements of preferred stock and an IPO. As of March 31, 2022, we have received proceeds of \$448.9 million from the sale of preferred stock. We received net proceeds of \$462.4 million from the IPO. See Note 8, "Common Stock" to the Condensed Consolidated Financial Statements for additional details on the IPO.

In January 2022, we received an upfront payment of payment of \$150.0 million from our strategic partnership with Roche. In October 2020, we received a \$30.0 million upfront payment from our strategic partnership with Bayer. See Note 9, "Collaborative Development Contracts" to the Condensed Consolidated Financial Statements for information on these collaborations.

#### Cash Flows

The following table is a summary of the Condensed Consolidated Statements of Cash Flows for each of the periods presented below:

(in thousands)	Three months ended March 31,	
	2022	2021
Cash provided by (used in) operating activities	\$ 77,388	\$ (30,755)
Cash provided by (used in) investing activities	143,304	(19,416)
Cash provided by financing activities	2,084	2,134
Net increase (decrease) in cash and cash equivalents	\$ 222,776	\$ (48,037)

#### Operating Activities

Cash provided by operating activities increased during the three months ended March 31, 2022 as we received an upfront payment of payment of \$150.0 million from our strategic partnership with Roche. Cash inflows were partially offset by cash used for research and development and general and administrative expenses. Cash used by

operating activities increased during the three months ended March 31, 2021 as a result of higher costs incurred for research and development and general and administrative expenses due to the Company's growth.

Investing Activities

Cash provided by investing activities during the three months ended March 31, 2022 was driven by sales and maturities of investments \$147.6 million. Cash used by investing activities during the three months ended March 31, 2021 consisted of property and equipment purchases of \$19.4 million, which included \$17.9 million for the purchase of a Dell EMC supercomputer.

Financing Activities

Cash provided by financing activities during the three months ended March 31, 2022 and 2021 primarily included proceeds from equity incentive plans of \$2.1 million and \$2.2 million, respectively.

**Critical Accounting Estimates and Policies**

A summary of the Company's significant accounting estimates and policies is included in Note 2, "Summary of Significant Accounting Policies" in our 2021 Annual Report. There were no significant changes in the Company's application of its critical accounting policies during the three months ended March 31, 2022.

**Recently Issued and Adopted Accounting Pronouncements**

See Note 2, "Basis of Presentation" in Item 1 of this Quarterly Report on Form 10-Q for information regarding recently issued and adopted accounting pronouncements.

**Emerging Growth Company**

The Company is an emerging growth company (EGC), as defined by the Jumpstart Our Business Startups Act of 2012 (the JOBS Act). The JOBS Act, among other things, exempts EGCs from compliance with new or revised financial accounting standards until private companies are required to comply. Recursion has elected to use the extended transition period for new or revised financial accounting standards during the period in which we remain an EGC. However, the Company may adopt certain new or revised accounting standards earlier. This could make comparisons of the Company's financial statements with other public companies difficult because of the potential differences in applicable accounting standards.

Recursion may remain an EGC until the earlier of (1) December 31, 2026; (2) December 31 of the year in which we (a) become a "large accelerated filer;" or (b) have annual gross revenues of \$1.07 billion or more; or (3) the date on which we have issued more than \$1.0 billion of non-convertible debt over a three-year period.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

**Interest Rate Risk**

As of March 31, 2022, Recursion had an investment portfolio with a fair value of \$399.6 million which included cash equivalents and available-for-sale investments. See Note 4, "Investments" to the Condensed Consolidated Financial Statements for additional details on the portfolio. Recursion's investment portfolio is subject to interest rate risk and will fall in value if market interest rates increase. The Company does not believe it is materially exposed to changes in interest rates related to the investments and Recursion does not currently use interest rate derivative instruments to manage exposure to interest rate changes of the investments. A hypothetical 100 basis point increase in interest rates relative to interest rates as of March 31, 2022, would have resulted in a reduction in fair value of approximately \$287 thousand of the investment portfolio. In addition, a hypothetical 100 basis point decrease in interest rates as of March 31, 2022 would have an insignificant effect on net loss in the ensuing year.

**Item 4. Controls and Procedures.**

The Company has established disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act) designed to ensure that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to management, including the principal executive officer (our Chief Executive

Officer) and principal financial officer (our Chief Financial Officer), to allow timely decisions regarding required disclosure. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

***Evaluation of Disclosure Controls and Procedures***

Our management has evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives as management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures have been designed to provide reasonable assurance of achieving their objectives. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2022, our disclosure controls and procedures were effective.

***Changes in Internal Control Over Financial Reporting***

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended March 31, 2022 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **PART II - OTHER INFORMATION**

### **Item 1. Legal Proceedings.**

The Company may, from time to time, be involved in various legal proceedings arising in the normal course of business. An unfavorable resolution of any such matter could materially affect the Company's future financial position, results of operations or cash flows. For more information pertaining to legal proceedings, please see Part I, Item 1, Note 7, which is incorporated herein by reference.

### **Item 1A. Risk Factors.**

We do not believe that there have been any material changes to the risk factors previously disclosed in Part I, Item 1A. "Risk Factors" of our 2021 Annual Report.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

#### ***(a) Sales of Unregistered Securities***

##### Stock Option Exercises

For the three months ended March 31, 2022, we issued 70,000 shares of our Class A common stock to our employees, directors, advisors and consultants upon the exercise of stock options under our Key Personnel Incentive Stock Plan for aggregate consideration of approximately \$21 thousand. The shares of Class A common stock issued upon the exercise of stock options were issued pursuant to written compensatory plans or arrangements with our employees, directors, advisors and consultants, in reliance on the exemption provided by Rule 701 promulgated under the Securities Act of 1933, as amended, or pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended, relative to transactions by an issuer not involving any public offering, to the extent an exemption from such registration was required. All recipients either received adequate information about our company or had access, through employment or other relationships, to such information.

**Item 6. Exhibits.**

Exhibit Index:

Exhibit number	Description	Incorporated by Reference				Filed / Furnished Herewith
		Form	File No.	Exhibit No.	Filing Date	
3.1	<a href="#">Amended and Restated Certificate of Incorporation of Recursion Pharmaceuticals, Inc.</a>	8-K	001-40323	3.1	April 21, 2021	
3.2	<a href="#">Amended and Restated Bylaws of Recursion Pharmaceuticals, Inc.</a>	8-K	001-40323	3.2	April 21, 2021	
4.1	<a href="#">Amended and Restated Investors' Rights Agreement by and among the Registrant and certain of its stockholders, dated September 1, 2020.</a>	S-1/A	333-254576	4.1	April 15, 2021	
4.2	<a href="#">Specimen Class A common stock certificate of the Registrant.</a>	S-1/A	333-254576	4.2	April 15, 2021	
10.1	<a href="#">Office Lease by and between Vestar Gateway, LLC and Registrant, dated November 13, 2017, as amended.</a>					X
10.2	<a href="#">Office Lease by and between Constantine Enterprises, Inc and Registrant, dated May 1, 2022.</a>					X
23.1	<a href="#">Consent of Ernst and Young (S-8)</a>					X
23.2	<a href="#">Consent of Ernst and Young (S-3)</a>					X
31.1	<a href="#">Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>					X
31.2	<a href="#">Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>					X
32.1*	<a href="#">Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Extension Schema Document					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					X

\* The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates it by reference.



**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on May 10, 2022.

RECURSION PHARMACEUTICALS, INC.

By: \_\_\_\_\_ /s/ Christopher Gibson  
Christopher Gibson  
Chief Executive Officer  
(Principal Executive Officer)

By: \_\_\_\_\_ /s/ Michael Secora  
Michael Secora  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

**OFFICE LEASE**

This Office Lease (the "Lease"), dated as of the date set forth in Section 1 of the Summary of Basic Lease Information (the "Summary"), below, is made by and between VESTAR GATEWAY, LLC, a Delaware limited liability company ("Landlord"), and RECURSION PHARMACEUTICALS, INC., a Delaware corporation ("Tenant").

**SUMMARY OF BASIC LEASE INFORMATION**

<u>TERMS OF LEASE</u>	<u>DESCRIPTION</u>																																												
1. Date:	November 13, 2017																																												
2. Premises																																													
2.1 Building:	That certain two (2) story office building containing approximately 99,172 rentable square feet of space, commonly known as Station 41 at The Gateway, 41 South Rio Grande, Salt Lake City, Utah, and depicted in <u>Exhibit A</u> to this Lease.																																												
2.2 Premises:	The Premises consists of the entire Building.																																												
3. Lease Term (Article 2).																																													
3.1 Length of Term:	Approximately ten (10) years commencing as of the Lease Commencement Date (as defined below).																																												
3.2 Delivery Date:	The date that Landlord delivers the Premises to Tenant in the condition required under Section 1.3 below. The Delivery Date is anticipated to occur on December 1, 2017.																																												
3.3 Lease Commencement Date:	The earlier to occur of the issuance of a final certificate of occupancy for the Premises by the Building Services Department of Salt Lake City Corporation, or June 1, 2018.																																												
3.4 Lease Expiration Date:	May 31, 2028.																																												
4. Base Rent (Article 3):																																													
4.1 Amount Due:																																													
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\*During the period from June 1, 2018 through May 31, 2023 (the "**Reduced Rent Period**"), Tenant shall only be required to pay Base Rent on 88,033 rentable square feet of the Premises (rather than on the entire 99,172 rentable square feet), as shown in the second column of the rental chart above. The "**Reduced Rent Amount**" refers to the amount of Base Rent that Tenant is not paying for the entire Premises (i.e., the remaining 11,151 rentable square feet) during the Reduced Rent Period. Landlord shall have the right to purchase the Reduced Rent from Tenant pursuant to Section 3.2 below, in which case, from and after the date such payment is received, Base Rent shall be payable by Tenant as shown in the third column of the rental chart above.

If the Lease Commencement Date occurs prior to June 1, 2018, then the parties shall execute an amendment to this Lease to update the rental chart set forth above.

- |     |                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.2 | Rent Payment Address:             | If by check and sent via United States Postal Service:<br><br>Vestar Gateway, LLC<br>Department # 880114<br>PO Box 29650<br>Phoenix, Arizona 85038 – 9650<br><br>If by check and sent via Federal Express:<br><br>J.P. Morgan Chase (AZ1 – 2170)<br>Attn: Vestar Gateway, LLC<br>PO Box 29650, Dept. 880114<br>1820 E. Sky Harbor Circle South<br>Phoenix, Arizona 85034<br><br>If by wire:<br>Account Name: Vestar Gateway, LLC<br>Bank: J.P. Morgan Chase<br>Method: ACH<br>Account No. 780182130<br>ABA/Routing: 122100024<br>Tax Payer ID # 37-1797456 |
| 5.  | Base Year<br>(Article 4):         | Calendar year 2017.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 6.  | Permitted Use<br>(Article 5):     | As more fully set forth in this Lease, general office and, subject to the terms of Section 5.1 and Article 24 of this Lease, Laboratory Use (as defined below) and all ancillary uses related thereto.                                                                                                                                                                                                                                                                                                                                                     |
| 7.  | Letter of Credit<br>(Article 21): | \$3,800,882.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 8.  | Parking Passes<br>(Article 28):   | Up to two hundred eighty-eight (288) parking passes for use in the parking garage located below the Building, of which up to twenty-five (25) of such parking passes are reserved parking passes, subject to the terms of Article 28 of this Lease.                                                                                                                                                                                                                                                                                                        |

9. Address of Tenant (Section 29.18): Recursion Pharmaceuticals  
630 Komas Drive, Suite 300  
Salt Lake City, Utah 84108  
Attention: John Pereira  
  
(Prior to Lease Commencement Date)
- and Recursion Pharmaceuticals  
41 South Rio Grande  
Salt Lake City, Utah 84101  
Attention: John Pereira  
  
(After Lease Commencement Date)
- With a copy to:  
  
Holland & Hart LLP  
201 South Main Street, Suite 2200  
Salt Lake City, Utah 84101  
  
Attention: Adrienne Bell, Esq.
10. Address of Landlord (Section 29.18): Vestar Gateway, LLC  
c/o Vestar Development Co.  
2425 East Camelback Road, Suite 750  
Phoenix, Arizona 85016  
Attention: President
11. Broker(s) (Section 29.24): Cushman & Wakefield (for Landlord)
12. Tenant Improvement Allowance (Section 2 of **Exhibit B**): \$3,966,880.00 (based on \$40.00 per rentable square foot of the Premises).

**ARTICLE 1**

**PREMISES, BUILDING, PROJECT, AND COMMON AREAS**

**1.1 Premises, Building, Project and Common Areas.**

1.1.1 **The Premises.** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises set forth in Section 2.2 of the Summary (the "**Premises**"). The parties hereto agree that the lease of the Premises is upon and subject to the terms, covenants and conditions herein set forth, and each party covenants as a material part of the consideration for this Lease to keep and perform each and all of such terms, covenants and conditions by it to be kept and performed and that this Lease is made upon the condition of such performance. The parties hereto hereby acknowledge that the purpose of **Exhibit A** is to show the approximate location of the Premises in the "**Building**," as that term is defined in Section 1.1.2, below, only, and such Exhibit is not meant to constitute an agreement, representation or warranty as to the construction of the Premises, the precise area thereof or the specific location of the "**Common Areas**," as that term is defined in Section 1.1.3, below, or the elements thereof or of the accessways to the Premises or the "**Project**", as that term is defined in Section 1.1.2, below.

1.1.2 **The Building and The Project.** The Premises consists of the entire building commonly known as Station 41 at The Gateway, 41 South Rio Grande, Salt Lake City, Utah (the "**Building**"), together with the loading areas serving the Building which are shown as "exclusive" and depicted on attached **Exhibit A-3** attached hereto. The term "**Project**," as used in this Lease, shall mean (i) the Building, (ii) the real property and improvements now or to be located thereon as more particularly described and depicted on the Site Plan attached as **Exhibit A-1**, located west of 400 West and east of 500 West between 200 South and 50 North, City of Salt Lake, Salt Lake County, Utah (collectively, the "**Other Buildings**"), (iii) the Common Areas, (iv) the land (which is improved with landscaping, parking facilities and other improvements) upon which the Building, the Other Buildings and the Common Areas are located, and (v) at Landlord's discretion, subject to the conditions set forth in Section 1.1.3, below, any additional real property, areas, land, buildings or other improvements added thereto outside of the Project. The Project is part of a mixed use project known as "The Gateway," and is subject to the "Declarations," as that term is defined in Section 29.33 below.

1.1.3 **Common Areas.** Tenant shall have the non-exclusive right to use in common with other tenants in the Project, and subject to the rules and regulations referred to in Article 5 of this Lease and the Declarations, those portions of the Project which are provided, from time to time, for use in common by Landlord, Tenant and any other tenants of the Project, including (i) the areas on the ground floor and all other floors of the Project devoted to non-exclusive uses such as corridors, stairways, loading and unloading areas, walkways, driveways, fire vestibules, elevators and elevator foyers, lobbies, electric and telephone closets, restrooms, mechanical areas, janitorial closets and other similar facilities for the general use of and/or benefit of all tenants and invitees of the Project, (ii) those areas of the Project devoted to central plant facilities, mechanical and service rooms servicing more than one (1) floor or the Project as a whole and which service the Project tenants as a whole, and (iii) Project atriums and plazas, if any, and (iv) those areas of the Project that are reasonably necessary or appropriate for access to, and use of, the Premises as contemplated under the specified in this Lease (such areas, together with such other portions of the Project designated by Landlord, in its reasonable discretion, including certain areas designated for the exclusive use of certain tenants, or to be shared by Landlord and certain tenants, are collectively referred to herein as the "**Common Areas**"). The manner in which the Building, Other Buildings, Project and Common Areas are maintained and operated shall be at the sole discretion of Landlord and the use thereof shall be subject to such rules, regulations and restrictions as Landlord may make from time to time (including, without limitation, any rules regulations or restrictions contained in or promulgated under the Declarations). Landlord reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Project and the Common Areas; provided that if any such alterations or additions will have a material adverse effect on Tenant's use of or access to the Premises, Landlord shall provide Tenant with at least seven (7) days' prior written notice of the same (except in the event of an emergency, in which case prior written notice is not required, but Landlord shall use commercially reasonable efforts to notify Tenant as promptly as possible under the circumstances).

**1.2 Intentionally Omitted.**

1.3 **Condition of the Premises.** Except as specifically set forth in this Lease and in the Tenant Work Letter attached hereto as **Exhibit B** (the "**Tenant Work Letter**"), Tenant shall accept the Premises and the Building, including the base, shell, and core of (i) the Premises and (ii) the floor of the Building on which the Premises is located (collectively, the "**Base, Shell, and Core**") in their "AS-IS" condition as of the Lease Commencement Date and Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises. Tenant also acknowledges that Landlord has made no representation or warranty regarding the condition of the Premises, the Building or the Project or with respect to the suitability of any of the foregoing for the conduct of Tenant's business, except as specifically set forth in this Lease and the Tenant Work Letter. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Building were at such time in good and sanitary order, condition and repair.

**1.4 Outdoor Patio Area.**

1.4.1 Subject to the satisfaction of all applicable provisions of this Lease and the conditions in this Section 1.4, Landlord hereby grants to Tenant, and Tenant hereby accepts from Landlord, a non-exclusive, non-transferable (except as provided herein) license to use certain patio areas (collectively, the "**Patio Area**") located adjacent to the Premises, as shown on the plan attached hereto as **Exhibit A-2**. Tenant's use of the Patio Area is further and expressly subject to Landlord obtaining all necessary approvals and permits from the relevant

governmental authorities for the use of the Patio Area as described herein, which permits and approvals Landlord shall apply for no later than the Lease Commencement Date. The Patio Area shall be used by Tenant in a manner consistent with a first-class office project containing outdoor decks, on the terms and conditions set forth herein. Tenant may install furniture, plants, a movable outdoor gas grill, and other items, within the Patio Area, subject to Landlord's prior consent, which shall not be unreasonably withheld, conditioned, or delayed (however, it shall be reasonable for Landlord to withhold its consent for any such items if, in Landlord's sole but reasonable judgment, such items are not consistent with the quality and character of the outdoor areas of the Project). Tenant shall not make any permanent improvements or alterations to the Patio Area, nor shall Tenant be permitted to install or place on the Patio Area any furniture, fixtures, plants or other items of any kind whatsoever without the consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed (however, it shall be reasonable for Landlord to withhold its consent for any such items if, in Landlord's sole but reasonable judgment, such items are not consistent with the quality and character of the outdoor areas of the Project). Tenant shall not be permitted to display any graphics or insignias or the like on the Patio Area. Landlord shall have the right, in its sole discretion, to make improvements and alterations to the Patio Area so long as such improvements and alterations do not materially adversely affect Tenant's use and enjoyment thereof. Upon providing Tenant with seven (7) days' advance written notice, Landlord shall have the right to temporarily close the Patio Area or limit access thereto from time to time in connection with Patio Area or Building repairs or maintenance and/or for other reasonable purposes (except in the event of an emergency, in which case prior written notice is not required, but Landlord shall use commercially reasonable efforts to notify Tenant as promptly as possible under the circumstances). Tenant's right to use the Patio Area shall be conditioned upon Tenant abiding by all reasonable and non-discriminatory rules and regulations which are prescribed by Landlord in writing from time to time for use of the Building's decks of which Tenant has received prior written notice.

1.4.2 If the Patio Area requires additional cleaning as a result of the use thereof by Tenant or any Tenant Patio Area Users (hereinafter defined), then such additional cleaning shall be performed, at Tenant's expense, by Landlord's cleaning contractor and Tenant shall reimburse Landlord for Landlord's actual, out-of-pocket costs incurred to perform such cleaning within thirty (30) days after receipt of an invoice therefor, together with reasonable documentation of such costs. Except to the extent caused by Landlord's gross negligence or intentional acts, (i) Tenant acknowledges and agrees that Tenant assumes the risk for any loss, claim, damage or liability arising out of the use or misuse of the Patio Area by Tenant's employees, officers, directors, shareholders, agents, representatives, contractors and/or invitees (the "Tenant Patio Area Users"), and (ii) Tenant releases and discharges Landlord from and against any such loss, claim, damage or liability. Tenant further agrees to indemnify, defend and hold Landlord and the "Landlord Parties," as that term is defined below, harmless from and against any and all losses and claims relating to or arising out of the use or misuse of the Patio Area by Tenant or Tenant's Patio Area Users except to the extent caused by the negligence or willful misconduct of Landlord, its agents, employees or contractors. Tenant acknowledges and agrees that the other occupants of the Project (together with their respective employees, officers, directors, shareholders, agents, representatives, contractors and/or invitees, collectively "Other Patio Area Users") may or shall have non-exclusive rights of access to the Patio Area and that Landlord shall have no liability or responsibility to monitor the use, or manner of use, by any Other Patio Area Users; provided, however, that in the event the Patio Area is damaged by the Other Patio Area Users, Landlord shall use commercially reasonable efforts to enforce such provisions to cause the Other Patio Area Users to fulfill their obligations under their respective leases.

1.4.3 Without limiting the foregoing, it is understood that the Patio Area is and shall remain a public and common area and is not part of the Premises and the license to use the Patio Area granted herein is not a lease and does not confer any rights with respect to the Patio Area other than as expressly stated in this Section. Except as otherwise provided in this Lease, the term of the license hereby granted to Tenant shall commence on the Lease Commencement Date and unless sooner revoked by Landlord, the term of said license shall terminate upon the expiration or earlier termination of this Lease. Notwithstanding anything in this Lease to the contrary, the license granted hereby may be revoked by Landlord at any time, only for cause (but not otherwise), immediately upon Landlord giving Tenant written notice of such revocation and in any such event, Landlord shall have no liability to Tenant, and Tenant acknowledges and agrees that Tenant shall not be entitled to any diminution or abatement of rent or other compensation for diminution of rental value, nor shall this Lease or any of Tenant's obligations hereunder be affected or reduced, as a result of such revocation by Landlord. For purposes of this Section, the term "for cause" shall mean a governmental or similar requirement preventing Tenant's use of the Patio Area, an emergency, a safety reason, a default by Tenant under this Lease with respect to Tenant's failure to use the Patio Area in accordance with the provisions of this Lease (which default is not cured to Landlord's reasonable satisfaction within ten (10) days after Tenant's receipt of written notice thereof, without reference to any other notice or cure period provided for in this Lease).

## ARTICLE 2

### LEASE TERM

2.1 **General.** The terms and provisions of this Lease shall be effective as of the date of this Lease except for the provisions of this Lease relating to the payment of Rent. The term of this Lease (the "Lease Term") shall be as determined in accordance with Section 3.1 of the Summary, shall commence on the date determined in accordance with Section 3.3 of the Summary (the "Lease Commencement Date"), and shall terminate on the date determined in accordance with Section 3.3 of the Summary (the "Lease Expiration Date") unless this Lease is sooner terminated as hereinafter provided. The "Delivery Date" shall be date described in Section 3.2 of the Summary. For purposes of this Lease, the term "Lease Year" shall mean each consecutive twelve (12) month period during the Lease Term. This Lease shall not be void, voidable or subject to termination, nor shall Landlord be liable to Tenant for any loss or damage, resulting from Landlord's inability to deliver the Premises to Tenant by any particular date; provided that if Landlord fails to deliver possession of the Premises by January 1, 2018, as such

date may be extended by Force Majeure, as defined below (such date, as so extended, the "**Trigger Date**"), Tenant may, at Tenant's option, (i) terminate this Lease upon providing written notice to Landlord no later than ten (10) days after the Trigger Date, and upon such termination, Landlord shall promptly return all funds previously paid to Landlord by Tenant hereunder and, upon such reimbursement, this Lease shall terminate and neither party shall have further obligation to the other hereunder, or (ii) delay commencement of the Tenant Improvements (as defined below) until Landlord is able to deliver possession of the Premises, in which event the Lease Commencement Date and Lease Expiration Date shall each be extended day-for-day equal to the number days of Landlord's delay in delivering possession. At any time during the Lease Term, Landlord may deliver to Tenant, or Tenant may request from Landlord, a notice in the form as set forth in Exhibit C, attached hereto, as a confirmation only of the information set forth therein, which each party shall execute and return to Landlord within five (5) days of receipt thereof.

2.2 **Beneficial Occupancy.** Notwithstanding any provision to the contrary contained in this Lease, Tenant shall have the right to occupy all or any portion of the Premises for the conduct of its business prior to the Lease Commencement Date, provided that (i) Tenant shall give Landlord at least three (3) days' prior written notice of any such occupancy for the conduct of its business, (ii) governmental approval (including permit "sign-offs") permitting the occupancy of the Premises by Tenant shall have been issued by the appropriate governmental authorities for each such portion to be occupied, (iii) Tenant shall have delivered to Landlord satisfactory evidence of the insurance coverage required to be carried by Tenant in accordance with Article 10 below with respect to the applicable portion of the Premises, and (iv) all of the terms and conditions of this Lease shall apply, other than Tenant's obligation to pay Base Rent and Tenant's Share of Building Direct Expenses (as defined below), as though the Lease Commencement Date had occurred (although the Lease Commencement Date shall not actually occur until the occurrence of the same pursuant to the terms of Section 2.1).

### 2.3 **Renewal Option.**

2.3.1 **Option Right.** Landlord hereby grants to the original Tenant executing this Lease ("**Original Tenant**") and any Non-Transferee Assignee (as defined in Section 14.7 below) one (1) option to extend the Lease Term for a period of five (5) years (the "**Option Term**"), which option shall be exercisable only by written notice delivered by Tenant to Landlord as provided below, provided that the following conditions (the "**Option Conditions**") are satisfied: (i) as of the date of delivery of the Option Exercise Notice, this Lease remains in full force and effect, Tenant is not in Default under this Lease, and Original Tenant (and/or any Permitted Non-Transferee, as defined in Section 14.7 below) occupies the entire Premises; (ii) as of the end of the initial Lease Term, this Lease remains in full force and effect, Tenant is not in Default under this Lease; and (iii) Original Tenant (and/or any Permitted Non-Transferee) occupies the entire Premises at the time the option to extend is exercised and as of the commencement of the Option Term. Landlord may, at Landlord's option, exercised in Landlord's sole and absolute discretion, waive any of the Option Conditions in which case the option, if otherwise properly exercised by Tenant, shall remain in full force and effect. Upon the proper exercise of such option to extend, and provided that Tenant satisfies all of the Option Conditions (except those, if any, which are waived by Landlord), the Lease Term, as it applies to the Premises, shall be extended for a period of five (5) years. The rights contained in this Section 2.3 shall be personal to the Original Tenant and any Non-Transferee Assignee, and may be exercised only by the Original Tenant or any Non-Transferee Assignee (and not by any other assignee, sublessee or other "Transferee," as that term is defined in Section 14.1, below, of Tenant's interest in this Lease), unless otherwise agreed to by Landlord.

2.3.2 **Option Rent.** The annual Rent payable by Tenant during the Option Term (the "**Option Rent**") shall be the "Fair Rental Value," as that term is defined in Section 2.3.3 below, for the Premises for the Option Term.

2.3.3 **Fair Rental Value.** As used in this Lease, "**Fair Rental Value**" shall be equal to the rent (including additional rent and considering any "base year" or "expense stop" applicable thereto) on an annual per rentable square foot basis, including all escalations, at which, as of the commencement of the Option Term, tenants are leasing non-sublease, non-encumbered, non-equity space which is comparable in size, location and quality to, and used for similar uses as, the Premises, for a comparable lease term, in an arm's length transaction consummated during the twelve (12) month period prior to the date on which Landlord delivers the "Option Rent Notice," as that term is defined in Section 2.3.4, below, which comparable space is located in the Project, or if there are not a sufficient number of comparable transactions in the Project, then in comparable first-class institutionally-owned buildings which are comparable to the Building in terms of tenant mix, age (based upon the date of completion of construction or major renovation), quality of construction, level of services and amenities, size and appearance, and are located in Salt Lake City, Utah ("**Comparable Buildings**"), taking into consideration the value of the existing improvements in the subject space, such value to be based upon the age, condition, design, quality of finishes and layout of the improvements and the extent to which the same could be utilized by a general office user (but taking into consideration, as applicable, the fact that the precise tenant improvements existing in the Premises are specifically suitable to Tenant) and the following concessions (collectively, the "**Concessions**"): (a) rental abatement concessions, if any, being granted such tenants in connection with such comparable space; and (b) other reasonable monetary concessions being granted such tenants in connection with such comparable space; provided, however, that in calculating the Fair Rental Value, no consideration shall be given to (i) the fact that Landlord is or is not required to pay a real estate brokerage commission in connection with Tenant's exercise of its right to lease the subject space during the term thereof, or the fact that landlords are or are not paying real estate brokerage commissions in connection with such comparable space, (ii) any period of rental abatement, if any, granted to tenants in comparable transactions in connection with the design, permitting and construction of tenant improvements in such comparable spaces, and (iii) tenant improvements or allowances provided or to be provided for such comparable space. The Fair Rental Value shall additionally include a determination as to whether, and if so to what extent, Tenant must provide Landlord with financial security, such as a letter of credit or guaranty, for



Tenant's Rent obligations during the Option Term. Such Concessions, at Landlord's election, either (A) shall be reflected in the effective rental rate payable by Tenant (which effective rental rate shall take into consideration the total dollar value of such Concessions as amortized on a straight-line basis over the applicable term of the comparable transaction), in which case such Concessions evidenced in the effective rental rate shall not be granted to Tenant, or (B) shall be granted to Tenant in kind.

**2.3.4 Exercise of Option.** The option contained in this Section 2.3 shall be exercised by Tenant, if at all, only in the following manner: (i) Tenant shall deliver written notice (the "**Option Exercise Notice**") to Landlord not more than fifteen (15) months nor less than twelve (12) months prior to the expiration of the initial Lease Term, stating that Tenant is irrevocably exercising its option for the entire Premises then being leased by Tenant; (ii) Landlord, within thirty (30) days after receipt of the Option Exercise Notice, shall deliver notice (the "**Option Rent Notice**") to Tenant setting forth the proposed Option Rent, which Option Rent Notice shall state the basis upon which Landlord calculated the proposed Option Rent; and (iii) Tenant, within ten (10) days after Tenant's receipt of the Option Rent Notice, shall send written notice to Landlord either (A) confirming Tenant's agreement with the proposed Option Rent contained in the Option Rent Notice, or (B) objecting to the Option Rent contained in the Option Rent Notice. If Tenant timely objects to the Option Rent Notice or fails to timely respond to the Option Rent Notice, then the parties shall follow the procedure, and the Option Rent shall be determined, as set forth in Section 2.3.5 below.

**2.3.5 Determination of Option Rent.** In the event Tenant timely and appropriately objects to the Option Rent, Landlord and Tenant shall attempt to agree upon the Option Rent using their best good-faith efforts. If Landlord and Tenant fail to reach agreement within ten (10) business days following Tenant's objection to the Option Rent (the "**Outside Agreement Date**"), then each party shall make a separate determination of the Option Rent within five (5) business days, and such determinations shall be submitted to arbitration in accordance with Sections 2.3.5.1 through 2.3.5.7 below.

**2.3.5.1** Landlord and Tenant shall each appoint one arbitrator who shall by profession be a real estate broker licensed in the State of Utah in good standing who shall have been active over the five (5) year period ending on the date of such appointment in the leasing of projects comparable to the Project located within the greater Salt Lake City market. The determination of the arbitrators shall be limited solely to the issue area of whether Landlord's or Tenant's submitted Option Rent is the closest to the actual Option Rent as determined by the arbitrators, taking into account the requirements of Section 2.3.3 of this Lease. Each such arbitrator shall be appointed within fifteen (15) days after the Outside Agreement Date.

**2.3.5.2** The two arbitrators so appointed shall within ten (10) days of the date of the appointment of the last appointed arbitrator agree upon and appoint a third arbitrator who shall be qualified under the same criteria set forth hereinabove for qualification of the initial two arbitrators, provided that the third arbitrator shall not be then representing Landlord or Tenant.

**2.3.5.3** The three arbitrators shall within thirty (30) days of the appointment of the third arbitrator reach a decision as to whether the parties shall use Landlord's or Tenant's submitted Option Rent and shall notify Landlord and Tenant thereof.

**2.3.5.4** The decision of the majority of the three (3) arbitrators shall be binding upon Landlord and Tenant.

**2.3.5.5** If either Landlord or Tenant fails to appoint an arbitrator within fifteen (15) days after the Outside Agreement Date, the arbitrator appointed by one of them shall reach a decision, notify Landlord and Tenant thereof, and such arbitrator's decision shall be binding upon Landlord and Tenant.

**2.3.5.6** If the two (2) arbitrators fail to agree upon and appoint a third arbitrator, or if both parties fail to appoint an arbitrator, then the appointment of the third arbitrator or any arbitrator shall be dismissed and the matter to be decided shall be forthwith submitted to binding, final, non-appealable arbitration before a JAMS arbitrator mutually agreed upon by Landlord and Tenant. If Landlord and Tenant cannot agree on the arbitrator, the parties will so inform JAMS, who will then be authorized to select a JAMS judge to arbitrate the matter.

**2.3.5.7** The cost of arbitration shall be paid by Landlord and Tenant equally.

**2.4 Termination Option.** Provided Tenant fully and completely satisfies each of the conditions set forth in this Section 2.4, the Original Tenant shall have the option ("**Termination Option**") to terminate this Lease effective as of the expiration of the sixtieth (60<sup>th</sup>) full calendar month of the Lease Term (the "**Termination Date**"). In order to exercise the Termination Option, Tenant must fully and completely satisfy each and every one of the following conditions: (a) Tenant must give Landlord written notice ("**Termination Notice**") of its exercise of the Termination Option, which Termination Notice must be delivered to Landlord at least nine (9) months prior to the Termination Date; (b) at the time of the Termination Notice Tenant shall not be in Default under this Lease after expiration of applicable cure periods; and (c) concurrently with Tenant's delivery of the Termination Notice to Landlord, Tenant shall pay to Landlord a termination fee ("**Termination Fee**") equal to the unamortized balance, as of the Termination Date, of (i) the Tenant Improvement Allowance (and the Additional Allowance, if applicable), and (ii) the brokerage commissions paid by Landlord in connection with this Lease. Amortization pursuant to the foregoing, shall be calculated on a one hundred twenty (120) month amortization schedule commencing as of the Lease Commencement Date based upon equal monthly payments of principal and interest, with interest imputed on the outstanding principal balance at the rate of eight percent (8%) per annum. The rights contained in this Section 2.4 shall be personal to the Original Tenant, and may be exercised only by the Original Tenant (and not by



any assignee, sublessee or other Transferee of Tenant's interest in this Lease). If Tenant exercises Tenant's Termination Option, then, on or before the Termination Date, Tenant shall vacate and surrender the Premises to Landlord in the condition required by this Lease (as if the Termination Date were the original expiration date under the Lease).

### **ARTICLE 3**

#### **BASE RENT**

3.1 **General.** Tenant shall pay, without prior notice or demand, to Landlord or Landlord's agent at the address set forth in Section 4.2 of the Summary, or, at Landlord's option, at such other place as Landlord may from time to time designate by delivering written notice to Tenant at Tenant's notice address as set forth herein, by a check or wire transfer for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, base rent ("**Base Rent**") as set forth in Section 4 of the Summary, payable in equal monthly installments as set forth in Section 4 of the Summary in advance on or before the first day of each and every calendar month during the Lease Term, without any setoff or deduction whatsoever, except as otherwise expressly set forth in this Lease. The Base Rent for the first full month of the Lease Term which occurs after the expiration of any free rent period shall be paid at the time of Tenant's execution of this Lease. If any Rent payment date (including the Lease Commencement Date) falls on a day of the month other than the first day of such month or if any payment of Rent is for a period which is shorter than one month, the Rent for any fractional month shall accrue on a daily basis for the period from the date such payment is due to the end of such calendar month or to the end of the Lease Term at a rate per day which is equal to 1/365 of the applicable annual Rent. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

3.2 **Right to Purchase Reduced Rent Amount.** Notwithstanding anything to the contrary contained in Section 4.2 of the Summary, Landlord reserves the right, in its sole and absolute discretion, to elect to pay Tenant the entire Reduced Rent Amount or any such remaining Reduced Rent Amount, as applicable, in cash prior to the scheduled application of the same. If Landlord elects to pay Tenant the Reduced Rent Amount, or any portion thereof, then with respect to those portions of the Reduced Rent Amount that Landlord has so paid, from and after the date thereof, Tenant shall pay Base Rent pursuant the third column in the rental chart set forth in Section 4.1 of the Summary.

### **ARTICLE 4**

#### **ADDITIONAL RENT**

4.1 **General Terms.** In addition to paying the Base Rent specified in Article 3 of this Lease, Tenant shall pay "**Tenant's Share**" of the annual "**Direct Expenses**," as those terms are defined in Sections 4.2.6 and 4.2.2 of this Lease, respectively, allocated to the tenants of the Building pursuant to Section 4.3.1 below, which are in excess of the amount of Direct Expenses applicable to the "Base Year," as that term is defined in Section 4.2.1, below, allocated to the tenants of the Building pursuant to Section 4.3.1 below; provided, however, that in no event shall any decrease in Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 below for any Expense Year below Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 below for the Base Year entitle Tenant to any decrease in Base Rent or any credit against sums due under this Lease, except as set forth in Section 4.4.1. Such payments by Tenant, together with any and all other amounts payable by Tenant to Landlord or Landlord's property manager pursuant to the terms of this Lease, are hereinafter collectively referred to as the "**Additional Rent**", and the Base Rent and the Additional Rent are herein collectively referred to as "**Rent**." All amounts due under this Article 4 as Additional Rent shall be payable for the same periods and in the same manner as the Base Rent. Without limitation on other obligations of Tenant which survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 shall survive the expiration of the Lease Term. As of the date hereof, the parties acknowledge and agree that Tenant is the sole tenant of the Building.

4.2 **Definitions of Key Terms Relating to Additional Rent.** As used in this Article 4, the following terms shall have the meanings hereinafter set forth:

4.2.1 "**Base Year**" shall mean the period set forth in Section 5 of the Summary.

4.2.2 "**Direct Expenses**" shall mean "Operating Expenses" and "Tax Expenses."

4.2.3 "**Expense Year**" shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires.

4.2.4 "**Operating Expenses**" shall mean all actual expenses, costs and amounts of every kind and nature which Landlord pays or accrues during any Expense Year because of or in connection with the ownership, management, maintenance, security, repair, replacement, restoration or operation of the Project, or any portion thereof, including, without limitation, any and all of the following (excluding any Operating Expense Exclusions, as defined below): (i) the cost of supplying all utilities to the Common Areas (but not to the Premises), the cost of operating, repairing, maintaining, and renovating the utility, telephone, mechanical, sanitary, storm drainage, and elevator systems, and the cost of maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections and the cost of contesting any governmental enactments which may affect Operating Expenses, and the costs incurred in connection with a transportation system management program or similar program; (iii) the cost of all insurance carried by Landlord or the property manager of Landlord

in connection with the Project in such amounts as Landlord may reasonably determine or as may be required by the Declarations, any mortgagees or the lessor of any underlying or ground lease affecting the Project and/or the Building; (iv) the cost of landscaping, relamping, all supplies, tools, equipment and materials used in the operation, repair and maintenance of the Project, or any portion thereof; (v) reasonable costs incurred in connection with the parking areas servicing the Project; (vi) reasonable fees and other costs, including management fees, consulting fees, legal fees and accounting fees, of all contractors and consultants in connection with the management, operation, maintenance or security of the Project, and employer's Social Security taxes, unemployment taxes or insurance, and any other taxes which may be levied on such wages, salaries, compensation and benefits; provided, that if any employees of Landlord provide services for more than one project of Landlord, then a prorated portion of such employees' wages, benefits and taxes shall be included in Operating Expenses based on the portion of their working time devoted to the Project; (vii) payments under any equipment rental agreements and the fair rental value of any management office space and the cost of furnishings in such management office space; (viii) wages, salaries and other compensation and benefits, including taxes levied thereon, of all persons engaged in the operation, maintenance and security of the Project; provided, that if any employees of Landlord provide services for more than one project of Landlord, then a prorated portion of such employees' wages, benefits and taxes shall be included in Operating Expenses based on the portion of their working time devoted to the Project; (ix) costs under any instrument pertaining to the sharing of costs by the Project; (x) operation, repair, maintenance and replacement of all systems and equipment and components thereof of the Building; (xi) the reasonable cost of janitorial for the Common Area (but not for the Premises), alarm, security and other services, replacement of wall and floor coverings, ceiling tiles and fixtures in common areas, maintenance and replacement of curbs and walkways, repair to roofs and re-roofing; (xii) amortization (including interest on the unamortized cost) of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Project, or any portion thereof; (xiii) the cost of capital improvements or other costs incurred in connection with the Project (A) which are intended to effect economies in the operation or maintenance of the Project, or any portion thereof, or (B) that are required under any governmental law or regulation; provided, however, that any capital expenditure shall be amortized with interest over the lesser of its useful life or, if applicable, the period of time in which the savings from such capital expenditure is equal to or greater than the cost of the capital expenditure, as Landlord shall reasonably determine in accordance with generally accepted property management practices and accounting principles; (xiv) costs, fees, charges or assessments imposed by, or resulting from any mandate imposed on Landlord by, any federal, state or local government for fire and police protection, trash removal, community services, or other services which do not constitute "Tax Expenses" as that term is defined in Section 4.2.5, below; and (xv) payments under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs by the Building (collectively, "CC&R Payments"), including, without limitation, all assessments levied against Landlord or the Project pursuant to the Declarations (whether or not the same would otherwise be includable in Operating Expenses pursuant to this Section 4.3).

If Landlord is not furnishing any particular work or service (the cost of which, if performed by Landlord, would be included in Operating Expenses) to a tenant who has undertaken to perform such work or service in lieu of the performance thereof by Landlord, Operating Expenses shall be deemed to be increased by an amount equal to the additional Operating Expenses which would reasonably have been incurred during such period by Landlord if it had at its own expense furnished such work or service to such tenant. If the Project is not at least ninety-five percent (95%) occupied during all or a portion of the Base Year or any Expense Year, Landlord may elect to make an appropriate and reasonable adjustment to the components of Operating Expenses for such year to determine the amount of Operating Expenses that would have been incurred had the Project been ninety-five percent (95%) occupied; and the amount so determined shall be deemed to have been the amount of Operating Expenses for such year. Only as provided below in items (1) and (2), below, in the event Landlord incurs costs or expenses associated with or relating to separate items or categories or subcategories of Operating Expenses which were not part of Operating Expenses during the entire Base Year, Operating Expenses for the Base Year shall be deemed increased by the amounts Landlord would have incurred during the Base Year with respect to such costs and expenses had such separate items or categories or subcategories of Operating Expenses been included in Operating Expenses during the entire Base Year. The foregoing shall only apply as follows: (1) in the event any portion of the Project is covered by a warranty at any time during the Base Year, Operating Expenses for the Base Year shall be deemed increased by such amount as Landlord would have incurred during the Base Year with respect to the items or matters covered by the subject warranty, had such warranty not been in effect at the time during the Base Year; and (2) any insurance premium resulting from any new forms of insurance including earthquake insurance shall be deemed to be included in Operating Expenses for the Base Year. Operating Expenses for the Base Year shall not include market-wide labor-rate increases due to extraordinary circumstances, including, but not limited to, acts of war or terrorism, boycotts and strikes, and utility rate increases due to extraordinary circumstances including, but not limited to, conservation surcharges, boycotts, embargoes or other shortages, or amortized costs relating to capital improvements; provided, however, that at such time as any such particular assessments, charges, costs or fees are no longer included in Operating Expenses, such particular assessments, charges, costs or fees shall be excluded from the Base Year calculation of Operating Expenses. Operating Expenses shall not, however, include any of the following (collectively, the "Operating Expense Exclusions"): (A) except as otherwise specifically provided in this Section 4.2, to the extent Landlord is reimbursed by insurance proceeds, the costs of repairs or other work occasioned by fire, windstorm or other casualty (other than those amounts within the deductible limits of insurance policies actually carried by Landlord, which amounts shall be includable as Operating Expenses so long as such deductibles are within the generally prevailing range of deductibles to policies carried by landlords of comparable first-class office buildings located in the vicinity of the Building); (B) costs of leasing commissions, attorneys' fees and other costs and expenses incurred in connection with negotiations or disputes with present or prospective tenants or other occupants of the Building; (C) except as otherwise specifically provided in this Section 4.2, costs incurred by Landlord in connection with the initial development of the Project and any costs for repairs, capital additions, alterations or replacements made or incurred to rectify or correct defects in design, materials or workmanship in connection with any portion of the Building; (D) costs (including permit, license and inspection costs) incurred in renovating or otherwise improving, decorating or redecorating rentable space for other tenants or vacant rentable space; (E) cost of utilities or services sold to Tenant or others for which Landlord is entitled to reimbursement (other

than through any operating cost reimbursement provision identical or substantially similar to the provisions set forth in this Lease); (F) except as otherwise specifically provided in this Section 4.2, costs incurred by Landlord for alterations to the Building which are considered capital improvements and replacements under sound real estate management and accounting principles, consistently applied; (G) costs of depreciation and amortization, except on materials, small tools and supplies purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party, where such depreciation and amortization would otherwise have been included in the charge for such third party services, all as determined in accordance with sound real estate management principles, consistently applied; (H) costs of services or other benefits which are not available to Tenant but which are provided to other tenants of the Project; (I) costs to procure tenants and marketing, negotiating and enforcing Project leases, including, without limitation, brokerage commissions, attorneys' fees, advertising and promotional expenses, and rent concessions, the costs incurred in removing and storing the property of former tenants of the Project, and any other costs incurred due to the violation by Landlord or any other tenant of the terms and conditions of any lease of space in the Building; (J) except as otherwise specifically provided in this Section 4.2, costs of debt service on debt or amortization on any mortgages, and rent and other charges, costs and expenses payable under any mortgage, if any, including, without limitation, costs for points, prepayment penalties, financing and refinancing costs, appraisal costs, title insurance and survey costs, and attorneys' fees; (K) the amount of the management fee paid by Landlord in connection with the management of the Building and the Project to the extent such management fee is not exclusive to the Project and is in excess of three percent (3%) of the gross revenues of the Project (which shall be grossed up by Landlord up to one hundred percent (100%) occupancy on an annual basis); (L) costs of any compensation and employee benefits paid to clerks, attendants or other persons in a commercial concession operated by Landlord, except the parking facilities for the Project; (M) costs of rentals and other related expenses incurred in leasing HVAC, elevators or other equipment ordinarily considered to be of a capital nature except equipment which is used in providing janitorial or similar services and which is not affixed to the Building; (N) costs of advertising and promotion; and (O) costs of electrical power or other utilities for which Tenant directly contracts with and pays a local public service company or other utility provider; (P) expenses (including, without limitation, penalties and interest) resulting from the violation of Laws (as defined below) or any contract by Landlord, Landlord's employees, agents or contractors or other tenants of the Project; (Q) Landlord's general corporate overhead; and (R) leasehold taxes on other tenants' personal property; (S) the cost of any abatement, removal, or other remedial activities with respect to Hazardous Materials (as defined below); provided, however, Operating Expenses may include the costs attributable to those actions taken by Landlord in connection with the routine and ordinary operation and maintenance of the Building, including costs incurred in removing limited amounts of Hazardous Materials from the Building when such removal or spill is directly related to such routine and ordinary maintenance and operation; (T) charitable, civic and political contributions and professional dues; (U) expenses for the use of the Project to accommodate events including, without limitation, shows, promotions, kiosks, displays, filming, photography, private events and parties and ceremonies; (V) costs of repairs to the Premises, the Building or the Project necessitated by Landlord's default hereunder or its willful misconduct, or gross negligence of Landlord or its employees or agents; (W) acquisition costs for sculpture, paintings or other objects of art or any extraordinary costs for the insuring, repair or maintenance thereof; and (X) bad debt and rent loss reserves.

#### 4.2.5 **Taxes.**

4.2.5.1 "Tax Expenses" shall mean, subject to the provisions of Section 4.2.4 and 4.2.5.2, all federal, state, county, or local governmental or municipal taxes, fees, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary (including, without limitation, real estate taxes, general and special assessments, transit taxes, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, unless required to be paid by Tenant, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Project, or any portion thereof), which shall be paid or accrued during any Expense Year (without regard to any different fiscal year used by such governmental or municipal authority) because of or in connection with the ownership, leasing and operation of the Project, or any portion thereof.

4.2.5.2 Any costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in attempting to protest, reduce or minimize Tax Expenses shall be included in Tax Expenses in the Expense Year such expenses are paid. Refunds of Tax Expenses shall be credited against Tax Expenses and refunded to Tenant regardless of when received, based on the Expense Year to which the refund is applicable, provided that in no event shall the amount to be refunded to Tenant for any such Expense Year exceed the total amount paid by Tenant as Additional Rent under this Article 4 for such Expense Year. If Tax Expenses for any period during the Lease Term or any extension thereof are increased after payment thereof for any reason, including, without limitation, error or reassessment by applicable governmental or municipal authorities, Tenant shall pay Landlord within thirty (30) days of written demand therefor, together with reasonable documentation of such expenses, Tenant's Share of any such increased Tax Expenses included by Landlord as Tax Expenses pursuant to the terms of this Lease. Notwithstanding anything to the contrary contained in this Section 4.2.5 (except as set forth in Section 4.2.5.1, above), there shall be excluded from Tax Expenses (i) all excess profits and income taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, transfer and revenue taxes and other taxes applicable to Landlord's general or net income or imposed on or measured by gross income (as opposed to rents, receipts or income attributable to operations at the Project), (ii) any items included as Operating Expenses, (iii) any items paid by Tenant under Section 4.5 of this Lease, and (iv) any tax increment amounts applicable to the Project and paid by Landlord for which Landlord is reimbursed pursuant to any participation or similar agreement with a city agency.

4.2.5.3 If the Tax Expenses for the Base Year include special assessments from a prior period and such special assessments terminate during the Lease Term, then from and after the date of such

termination of the special assessment, the Tax Expenses for the Base Year shall be deemed to be reduced by the amount of such special assessment so that Tenant pays its full Tenant's Share of increases in the Tax Expenses during the Lease Term.

4.2.6 **"Tenant's Share"** shall be calculated as the percentage determined by dividing the number of rentable square feet of the Premises by the total rentable square feet in the Building (or the total rentable square feet leased in the Building if such total is greater than ninety-five percent (95%) of the total rentable square feet in the building).

#### 4.3 **Allocation of Direct Expenses to Building; Cost Pools.**

4.3.1 **Allocation of Direct Expenses to Building.** The parties acknowledge that the Building is a part of a multi-building project, and that the costs and expenses incurred in connection with the Project (i.e., the Direct Expenses) shall be shared between the tenants of the Building and the tenants of the Other Buildings. Accordingly, as set forth in Sections 4.1 and 4.2 above, Direct Expenses are determined annually for the Project as a whole, and a portion of the Direct Expenses, which portion shall be determined by Landlord on an equitable basis, shall be allocated to the tenants of the Building (as opposed to the tenants of the Other Buildings), and such portion so allocated shall be the amount of Direct Expenses payable with respect to the Building upon which Tenant's Share shall be calculated. Such portion of the Direct Expenses allocated to the tenants of the Building shall include all Direct Expenses which are attributable solely to the Building, and an equitable portion of the Direct Expenses attributable to the Project as a whole.

4.3.2 **Cost Pools.** Subject and in addition to the provisions of Section 4.3.1 above, Landlord shall have the right, from time to time, in its discretion, to: (i) equitably allocate and prorate some or all of the Operating Expenses and/or Tax Expenses among different tenants and/or different buildings of the Project and/or on a building-by-building basis (collectively, the "Cost Pools"), which Cost Pools may include, without limitation, the office space tenants and retail space tenants, if any, of the buildings in the Project and/or the office buildings and retail buildings of the Project; and (ii) to include or exclude existing or future buildings in the Project for purposes of determining some or all of the Operating Expenses, Tax Expenses and/or the provision of various services and amenities thereto, including allocation of Operating Expenses and/or Tax Expenses in any such Cost Pools.

4.4 **Calculation and Payment of Additional Rent.** If for any Expense Year ending or commencing within the Lease Term, Tenant's Share of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above for such Expense Year exceeds Tenant's Share of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above for the Base Year, then Tenant shall pay to Landlord, in the manner set forth in Section 4.4.1, below, and as Additional Rent, an amount equal to the excess (the "Excess"). If for any Expense Year ending or commencing within the Lease Term, Tenant's Share of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above for such Expense Year is less than Tenant's Share of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above for the Base Year, then Tenant shall not be entitled to any refund.

4.4.1 **Statement of Actual Direct Expenses and Payment by Tenant.** Within one hundred twenty (120) days following the end of each Expense Year, Landlord shall give to Tenant a statement (the "Statement") which shall state in reasonable detail the Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above incurred or accrued for such preceding Expense Year, and which shall indicate the amount of the Excess, if any. Notwithstanding the foregoing, Landlord and Tenant hereby acknowledge and agree that the failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord or Tenant from enforcing its rights under this Article 4; provided, however, Landlord shall not be entitled to collect from Tenant any Operating Expenses that are billed to Tenant for the first time more than two (2) years after the Expense Year in which such Operating Expenses arise (provided further that the foregoing waiver shall not apply with respect to, and Tenant shall remain responsible for, any Operating Expenses levied by any governmental authority or any public utility companies at any time following the expiration of the applicable Expense Year which are attributable to such Expense Year so long as Landlord delivers to Tenant any such bill for such amounts within the later of (i) two (2) calendar years after the end of a Expense Year or (ii) three (3) months following Landlord's receipt of the bill therefor). Upon receipt of the Statement for each Expense Year commencing or ending during the Lease Term, if an Excess is present, Tenant shall pay, at Tenant's election, with its next installment of Base Rent due or within thirty (30) days of Tenant's receipt of the Statement, the full amount of the Excess for such Expense Year, less the amounts, if any, paid during such Expense Year as "Estimated Excess," as that term is defined in Section 4.4.2, below. Even though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's Share of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above for the Expense Year in which this Lease terminates, if an Excess is present, Tenant shall pay to Landlord such amount within thirty (30) days following receipt by Tenant of the Statement setting forth the Excess. In the event that a Statement shall indicate that Tenant has paid more as Estimated Excess than Tenant's Share of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above in connection with any Expense Year or as determined in accordance with the provisions of Section 4.6 below (an "Overage"), Tenant shall receive a credit against the Rent next due under this Lease in the amount of such Overage (or, in the event that this Lease shall have terminated, Tenant shall receive a refund from Landlord in the amount of such Overage within thirty (30) days after Landlord delivers such Statement). The provisions of this Section 4.4.1 shall survive the expiration or earlier termination of the Lease Term.

4.4.2 **Statement of Estimated Direct Expenses.** In addition, Landlord shall give Tenant a yearly expense estimate statement (the "Estimate Statement") which shall set forth, in reasonable detail, Landlord's reasonable estimate (the "Estimate") of what the total amount of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above for the then-current Expense Year shall be and the estimated excess (the



"Estimated Excess") as calculated by comparing the Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above for such Expense Year, which shall be based upon the Estimate, to the amount of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above for the Base Year. The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Estimated Excess under this Article 4, nor shall Landlord be prohibited from revising any Estimate Statement or Estimated Excess theretofore delivered to the extent necessary, but not more frequently than once per calendar year. Thereafter, Tenant shall pay, with its next installment of Base Rent due, a fraction of the Estimated Excess for the then-current Expense Year (reduced by any amounts already paid pursuant to the last sentence of this Section 4.4.2). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year, including the month of such payment, and twelve (12) as its denominator. Until a new Estimate Statement is furnished in accordance with the provisions of this Section, Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Excess set forth in the previous Estimate Statement delivered by Landlord to Tenant.

#### 4.5 **Taxes and Other Charges for Which Tenant Is Directly Responsible.**

4.5.1 Tenant shall be liable for and shall pay before delinquency, taxes levied against Tenant's equipment, furniture, trade fixtures and any other personal property located in or about the Premises. If any such taxes on Tenant's equipment, furniture, fixtures and any other personal property are levied against Landlord or Landlord's property or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed upon such equipment, furniture, fixtures or any other personal property and if Landlord pays the taxes based upon such increased assessment, which Landlord shall have the right to do regardless of the validity thereof but only under proper protest if requested by Tenant, Tenant shall within thirty (30) days of receipt of written demand repay to Landlord the taxes so levied against Landlord or the proportion of such taxes resulting from such increase in the assessment, as the case may be, so long as Landlord provides reasonable documentation of such increased assessment and payment by Landlord of the same.

4.5.2 If the tenant improvements in the Premises, whether installed and/or paid for by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, are assessed for real property tax purposes at a valuation higher than the valuation at which tenant improvements conforming to Landlord's "building standard" in other space in the Building are assessed, then the Tax Expenses levied against Landlord or the property by reason of such excess assessed valuation shall be deemed to be taxes levied against personal property of Tenant and shall be governed by the provisions of Section 4.5.1, above.

4.5.3 Notwithstanding any contrary provision herein and so long as Tenant receives from Landlord reasonable documentation of such taxes, Tenant shall pay prior to delinquency any (i) rent tax or sales tax, service tax, transfer tax or value added tax, or any other applicable tax on the rent or services herein or otherwise respecting this Lease, (ii) taxes assessed upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion of the Project, including the Project parking facility; or (iii) taxes assessed upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

4.6 **Landlord's Books and Records.** Within forty-five (45) days after receipt of a Statement by Tenant, if Tenant disputes the amount of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above and set forth in the Statement, an independent certified public accountant (which accountant is a member of a nationally or regionally recognized accounting firm and which accountant shall not be compensated on a contingency fee or similar basis related to the result of such audit) or other authorized representative (which representative shall not be compensated on a contingency fee or similar basis related to such audit), designated by Tenant, may, within ten (10) business days after Landlord's receipt of notice from Tenant and, in any event, only during normal business hours, inspect Landlord's records at Landlord's offices; provided that Tenant is not then in default under this Lease and Tenant has paid all amounts required to be paid under the applicable Statement; and further provided that such inspection must be completed within ten (10) business days after Landlord's full and complete records are made available to Tenant. Tenant agrees that any records of Landlord reviewed under this Section 4.6 shall constitute confidential information of Landlord, which Tenant shall not disclose, nor permit to be disclosed by Tenant or Tenant's accountant. If, within thirty (30) days after such inspection, Tenant notifies Landlord in writing that Tenant still disputes such Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above and included in the Statement, then a certification as to the proper amount shall be made, at Tenant's expense, by an independent certified public accountant selected by Landlord, which certification shall be final and conclusive; provided, however, if the actual amount of Direct Expenses allocated to the tenants of the Building pursuant to Section 4.3.1 above and due for that Expense Year, as determined by such certification, is determined to have been overstated by more than five percent (5%), then Landlord shall pay the costs associated with such certification and the costs of Tenant's inspection of Landlord's records. Tenant's failure (i) to take exception to any Statement within forty-five (45) days after Tenant's receipt of such Statement or (ii) to timely complete its inspection of Landlord's records or (iii) to timely notify Landlord of any remaining dispute after such inspection shall be deemed to be Tenant's approval of such Statement and Tenant, thereafter, waives the right or ability to dispute the amounts set forth in such Statement, which Statement shall be considered final and binding. Notwithstanding anything in this Section 4.6 to the contrary, Tenant may not inspect Landlord's records pursuant to this Section 4.6 more than once per Expense Year.

4.7 **Utilities.** During each calendar year or part thereof during the Lease Term, Tenant shall pay to Landlord, as Additional Rent, the actual cost incurred by Landlord with respect to all electricity, water, gas, fuel, steam, light, power and other utilities consumed within the Premises, as more particularly described in this Section 4.7 (all such costs payable by Tenant pursuant to this Section 4.7 shall be referred to as "Tenant's Monthly Utility Charge", and all such amounts shall constitute rent hereunder). All electricity directly serving the Premises

("Direct Electrical Costs") shall be separately metered or submetered and Tenant shall pay the cost (without mark up by Landlord) of all such Direct Electrical Costs either to Landlord as a reimbursement, or, at Landlord's election, as a payment directly to the entity providing such electricity. With respect to all utility costs for the Premises other than Direct Electrical Costs (collectively, "Other Utility Costs"), Landlord shall have the right, from time to time, to equitably allocate some or all of such Other Utility Costs among cost pools for different portions or occupants of the Building, in Landlord's reasonable discretion. Such cost pools may include, but shall not be limited to, office space tenants and retail space tenants of the Building. The utility costs within each such cost pool shall be allocated and charged to the tenants within such cost pool in an equitable manner. With respect to Other Utility Costs that vary based on occupancy, such if the Building is not at least one hundred percent (100%) occupied during all or a portion of any month, Landlord shall elect to make an appropriate adjustment to the components of Other Utility Costs for such month to determine the amount of Other Utility Costs that would have been incurred had the Building been one hundred percent (100%) occupied; and the amount so determined shall be deemed to have been the amount of Other Utility Costs for such month. Payments on account of Tenant's Monthly Utility Charge are due and payable monthly together with the payment of Base Rent. Tenant's Monthly Utility Charges shall not be based upon the Base Year. Notwithstanding the foregoing, with respect to HVAC (as defined below), Landlord owns and operates a central plant which generates both hot and cold water to be used for artificial heating and cooling of building improvements in the Project, including, but not limited to, the Premises, and to heat culinary water used by the occupants and guests of the Project, including, but not limited to, the Premises. Landlord shall deliver hot and cold water to their respective points of connection to the Premises, with hot water being delivered at a temperature of not less than 180°F and chilled water being delivered at a temperature of no warmer than 45°F, or sufficiently hot/cool so as maintain 72°F air temperature in cooling mode and 70°F air temperature in heating mode in the Premises. Tenant, at Tenant's sole cost and expense, shall maintain all HVAC facilities from the point of connection to the Premises and Landlord shall maintain all HVAC facilities serving the Project generally, up to their point of connection to the Premises. Tenant shall pay Landlord, as additional rent, \$1.26 per cooling per one hundred thousand BTU and \$2.62 per heating per one hundred thousand BTU, which rates are subject to change from time to time based on increases in the utility costs charged to Landlord by the applicable utility companies.

## ARTICLE 5

### USE OF PREMISES

5.1 **Permitted Use.** Tenant shall use the Premises solely for general office purposes and wet and dry laboratory uses (collectively, "Laboratory Use"), together with all ancillary uses related thereto (including, without limitation, a cafe/cafeteria with food preparation for Tenant's internal use (subject to Section 5.4 below)), consistent with the character of the Building as a first-class office/laboratory building and Tenant shall not use or permit the Premises or the Project to be used for any other purpose or purposes whatsoever without the prior written consent of Landlord, which may be withheld in Landlord's sole discretion. With respect to Tenant's proposed lab use at the Premises, Tenant, at Tenant's sole cost and expense, shall obtain and maintain any and all approvals and permits required under applicable Laws. Subject to the terms of this Lease and Rules and Regulations set forth in Exhibit D and such security measures that Landlord may reasonably deem necessary or desirable for the safety and security of the Project, the Building or the Premises, Tenant shall have access to the Premises twenty-four (24) hours per day, seven (7) days per week, subject to full or partial closures which may be required from time to time in the event of an actual or threatened emergency or otherwise (in which case Landlord shall use its good faith efforts to reopen access to the Premises as soon as possible following such emergency, or for construction, maintenance, repairs, or other events or circumstances which make it reasonably necessary to temporarily restrict or limit access so long as Landlord provides Tenant with seven (7) days' advance written notice of such work and such work does not materially interfere with Tenant's access to, and use of, the Premises.

5.2 **Prohibited Uses.** The uses prohibited under this Lease shall include, without limitation, use of the Premises or a portion thereof for: (i) offices of any agency or bureau of the United States or any state or political subdivision thereof; (ii) offices or agencies of any foreign governmental or political subdivision thereof; (iii) intentionally omitted; (iv) schools or other training facilities which are not ancillary to corporate, executive or professional office use; (v) retail or restaurant uses (except as otherwise set forth in this Lease); (vi) communications firms such as radio and/or television stations, or (vii) an executive suites subleasing business or operation. Tenant shall not allow occupancy density of use of the Premises which is greater than one person per one hundred fifty (150) rentable square feet of the Premises. Tenant further covenants and agrees that Tenant shall not use, or suffer or permit any person or persons to use, the Premises or any part thereof for any use or purpose contrary to the provisions of the Rules and Regulations set forth in Exhibit D, attached hereto, as the same may be amended by Landlord from time to time so long as such amendments are commercially reasonable and Landlord provides written notice of such amendments to Tenant, or in violation of the laws, statutes, regulations, or other rules or requirements of the United States of America, the State of Utah, or the ordinances, rules, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Project, including, without limitation, any such laws, ordinances, regulations or requirements relating to Hazardous Materials (as defined below) or to the Americans with Disabilities Act of 1990 (collectively, the "Laws"). Tenant shall not do or permit anything to be done in or about the Premises which will in any way damage the reputation of the Project or obstruct or interfere with the rights of other tenants or occupants of the Building or the Other Buildings, or injure them or use or allow the Premises to be used for any unlawful or reasonably objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall comply with all recorded covenants, conditions, and restrictions now or hereafter affecting the Project.

5.3 **Hazardous Materials; Tenant.** Except for ordinary and general office supplies typically used in the ordinary course of business within office buildings, such as copier toner, liquid paper, glue, ink and common household cleaning materials (some or all of which may constitute "Hazardous Materials" as defined in this Lease), and except in connection with the operation of Tenant's Laboratory Use, Tenant agrees not to cause or knowingly

permit any Hazardous Materials to be brought upon, stored, used, handled, generated, released or disposed of on, in, under or about the Premises, the Building, the Common Areas or any other portion of the Project by Tenant, its agents, employees, subtenants, assignees, licensees, contractors or invitees (collectively, "**Tenant Parties**"), without the prior written consent of Landlord, which consent Landlord may withhold in its sole and absolute discretion. With respect to any material which Tenant or its agents brings onto the Premises in connection with Tenant's Laboratory Use that are Hazardous Materials, Tenant shall at all time handle and store such materials in compliance with all applicable Laws. Within twenty (20) days after Landlord's written request (but in no event more than once against any eighteen (18) month period), Tenant shall complete, to the best of Tenant's knowledge, the Landlord's then-current Hazardous Materials questionnaire, and shall provide Material Safety Data Sheets for any Hazardous Materials used on or brought to the Premises by Tenant. Upon the expiration or earlier termination of this Lease, Tenant agrees to promptly remove from the Premises, the Building and the Project, at its sole cost and expense, any and all Hazardous Materials, including any equipment or systems containing Hazardous Materials which are installed, brought upon, stored, used, generated or released upon, in, under or about the Premises, the Building and/or the Project or any portion thereof by Tenant or any of Tenant Parties. To the fullest extent permitted by law, Tenant agrees to promptly indemnify, protect, defend and hold harmless Landlord and Landlord's partners, officers, directors, employees, agents, successors and assigns (collectively, "**Landlord Indemnified Parties**") from and against any and all claims, damages, judgments, suits, causes of action, losses, liabilities, penalties, fines, expenses and costs (including, without limitation, clean-up, removal, remediation and restoration costs, sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees and court costs) which arise or result from the presence of Hazardous Materials on, in, under or about the Premises, the Building or any other portion of the Project and which are caused or permitted by Tenant or any of Tenant Parties. Tenant agrees to promptly notify Landlord of any release of Hazardous Materials at the Premises, the Building or any other portion of the Project which Tenant becomes aware of during the Lease Term, whether caused by Tenant or any other persons or entities. In the event of any release of Hazardous Materials caused or permitted by Tenant or any of Tenant Parties, Tenant shall immediately take all steps required under applicable Laws to remediate such release and prevent any similar future release to the satisfaction of Landlord and Landlord's mortgagee(s), acting reasonably. As used in this Lease, the term "**Hazardous Materials**" shall mean and include any hazardous or toxic materials, substances or wastes as now or hereafter designated under any law, statute, ordinance, rule, regulation, order or ruling of any agency of the State in which the Building is located, the United States Government or any local governmental authority, including, without limitation, asbestos, petroleum, petroleum hydrocarbons and petroleum based products, urea formaldehyde foam insulation, polychlorinated biphenyls ("PCBs"), and freon and other chlorofluorocarbons. The provisions of this Section 5.3 will survive the expiration or earlier termination of this Lease.

5.4 **Kitchen Use.** Subject to Landlord's prior written approval of the plans and specifications therefor, Tenant shall have the right to use a portion of the Premises for the operation of, and include in the Tenant Improvements (or subsequent Alterations) the construction of, a kitchen/cooking/dining facility (including a gas line of adequate capacity with gas lines stubbed to the Premises with a local shut-off valve and a gas meter connection) for Tenant's employees and guests only (in no event shall such kitchen/cooking/dining facility be open to or serve the general public), on and subject to the following terms and conditions: (i) Tenant shall be responsible, at its sole cost and expense (subject to the application of the Tenant Improvement Allowance), for obtaining all applicable permits, licenses and governmental approvals necessary for the use of the Premises for such kitchen/cooking/dining facility uses (including, without limitation, any necessary approvals from the applicable health and/or fire departments, permits required in connection with any venting or other air-removal/circulation system, and any required fire-suppression systems), copies of which shall be delivered to Landlord prior to Tenant's installation of any Tenant Improvements or other Alterations in the Premises in connection with such kitchen/cooking/dining facility uses; (ii) in the event such use requires any alterations or improvements to the Building structure and/or the Base Building (as defined below) (specifically including, without limitation, in connection with the installation of any venting or other air-removal/circulation system), Tenant shall be solely responsible for all costs incurred in connection therewith (subject to the application of the Tenant Improvement Allowance); (iii) Tenant shall take all reasonable actions and shall conduct its operations in the kitchen/cooking/dining areas of the Premises so as to reasonably ensure that no liquid seeps from the Premises to the space of any other tenant or to any other portion of the Building, including, without limitation, through the floor of the Premises; (iv) Tenant shall not permit any emission or emanation of any unreasonable noise, odors or vibrations from the kitchen/cooking/dining areas of the Premises affecting adjacent areas of the Project in violation of any applicable Laws; (v) the kitchen/cooking/dining areas of the Premises and the equipment contained therein must at all times be adequately ventilated and filtered, and any odors must be exhausted and dispersed, in a manner in compliance with all applicable Laws; (vi) if reasonably requested by Landlord, Tenant shall install grease traps of sufficient size and design to catch grease, fat and oils disposed into the sinks located in the Premises before entry into the Building's sewer system, and Tenant shall keep such grease traps clean and operational at all times; (vii) Tenant shall cause to be provided pest eradication and control services if and as necessary to control any pest infestation related to Tenant's kitchen/cooking/dining facility, as reasonably required by Landlord, with respect to the Premises; (viii) all trash generated from Tenant's kitchen/cooking/dining use shall be stored in covered containers to reduce the emission or emanation of odors from the Premises, shall be sealed in double plastic bags (or otherwise sealed in a manner prescribed by or acceptable to Landlord), and shall be deposited by Tenant daily and removed pursuant to Tenant's janitorial contract at commercially reasonable times in the areas of the Building designated for trash removal; and (ix) in connection with Tenant's kitchen/cooking/dining use of the Premises, Tenant shall maintain the Premises at all times in a clean and sanitary manner in compliance with all applicable health and sanitation Requirements and with any reasonable health and safety guidelines promulgated by Landlord.

## ARTICLE 6

### SERVICES AND UTILITIES

6.1 **Standard Tenant Services.** Landlord (or Landlord's property manager) shall provide the following services on all days (unless otherwise stated below) during the Lease Term.

6.1.1 Subject to Force Majeure (as defined below), limitations imposed by all governmental rules, regulations and guidelines applicable thereto and Tenant's payment to Landlord for the same pursuant to Section 4.7 above, Landlord shall provide heating and air conditioning by means of hot and cold water delivered to the Premises from the central plant at the temperatures specified in Section 4.7 ("HVAC") twenty-four (24) hours a day, seven (7) days a week.

6.1.2 Landlord shall provide adequate electrical wiring and facilities for normal general office use and electricity at levels consistent with normal general office use, as reasonably determined by Landlord. Tenant shall bear the cost of replacement of lamps, starters and ballasts for non-Building standard lighting fixtures within the Premises.

6.1.3 Landlord shall provide city water from the regular Building outlets for drinking, lavatory and toilet purposes and for any business office type kitchens in the Premises and the Common Areas.

Tenant shall cooperate fully with Landlord at all times and abide by all regulations and requirements that Landlord may reasonably prescribe for the proper functioning and protection of the HVAC, electrical, mechanical and plumbing systems.

6.2 **Overstandard Tenant Use.** If Tenant requires heating or cooling beyond that which Landlord is required to supply pursuant to Section 4.7 and/or 6.1 above (and so long as the same is consistent with the requirements of the central plant, as reasonably determined by Landlord), then Tenant, at Tenant's sole cost and expense, shall be responsible for any supplemental air conditioning units or other facilities serving the Premises necessary to satisfy such additional Tenant requirements. Tenant's use of electricity shall never exceed the capacity of the feeders to the Project or the risers or wiring installation, and subject to the terms of Section 29.32, below, Tenant shall not install or use or permit the installation or use of any computer or electronic data processing equipment in the Premises, without the prior written consent of Landlord.

6.3 **Interruption of Use.** Tenant agrees that Landlord (or Landlord's property manager) shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by breakage, repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building or Project after reasonable effort to do so, by any riot or other dangerous condition, emergency, accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause (except to the extent due to Landlord's gross negligence or willful misconduct); and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease. Furthermore, Landlord (or Landlord's property manager) shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 6. Landlord (or Landlord's property manager) may comply with voluntary controls or guidelines promulgated by any governmental entity relating to the use or conservation of energy, water, gas, light or electricity or the reduction of automobile or other emissions without creating any liability of Landlord (or Landlord's property manager) to Tenant under this Lease, provided that the Premises are not thereby rendered untenable.

Notwithstanding the foregoing, if (i) Landlord fails to perform the obligations required of Landlord under this Lease, (ii) such failure causes all or a portion of the Premises to be untenable and unusable by Tenant, and (iii) such failure relates to the nonfunctioning of the HVAC system in the Premises, or the failure to provide any of the services described in Section 6.1 above, or the nonfunctioning of the elevator service to the Premises, Tenant shall give Landlord Notice (the "Initial Notice"), specifying such failure to be performed by Landlord (the "Abatement Event"). If Landlord has not cured such Abatement Event within five (5) business days after the receipt of the Initial Notice (the "Eligibility Period"), then Tenant may abate Rent payable under this Lease for that portion of the Premises rendered untenable and not used by Tenant, for the period beginning as of the date immediately after the expiration of the Eligibility Period and continuing until the earlier of the date Landlord cures such Abatement Event or the date Tenant recommences the use of such portion of the Premises. Such right to abate Rent shall be Tenant's sole and exclusive remedy at law or in equity to abate Rent for an Abatement Event. If the Abatement Event continues for sixty (60) consecutive days after Tenant's delivery of the Initial Notice, then Tenant shall have the right to terminate this Lease upon written notice to Landlord given at any time prior to the earlier of the date Landlord cures such Abatement Event or the date Tenant recommences the use of such portion of the Premises. The abatement provisions set forth above shall be inapplicable to any interruption in, or failure or inability to provide any of the services or utilities described above that is caused by (x) damage by fire or other casualty or a taking (it being acknowledged that such situations shall be governed by Article 11 and 13, respectively), or (y) the negligence or willful misconduct of Tenant or any other Tenant Parties (as defined below).

## **ARTICLE 7**

### **REPAIRS**

7.1 **Tenant's Repair Obligations.** Tenant shall, at Tenant's own expense, pursuant to the terms of this Lease, including, without limitation, Article 8 hereof, keep the Premises, including all improvements, fixtures and furnishings therein, in good order, repair and condition at all times during the Lease Term. In addition, Tenant shall, at Tenant's own expense (except to the extent caused by Landlord's gross negligence or intentional act), but under the supervision and subject to the prior approval of Landlord, and within any reasonable period of time specified by Landlord, pursuant to the terms of this Lease, including, without limitation, Article 8 hereof, promptly



and adequately repair all damage to the Premises and replace or repair all damaged, broken, or worn fixtures and appurtenances, except for damage caused by ordinary wear and tear or beyond the reasonable control of Tenant or to the extent due to Landlord's gross negligence or intentional act; provided however, that, at Landlord's option upon written notice to Tenant, or if Tenant fails to make such repairs, Landlord (or Landlord's property manager) may, but need not, make such repairs and replacements, and Tenant shall pay Landlord (or Landlord's property manager) within thirty (30) days after Tenant's receipt of written request for payment, together with reasonable documentation of such costs, Landlord's actual, out-of-pocket costs thereof. Landlord may, but shall not be required to, enter the Premises at all reasonable times to make such repairs, alterations, improvements or additions to the Premises or to the Project or to any equipment located in the Project as Landlord shall desire or deem necessary or as Landlord may be required to do by governmental or quasi-governmental authority or court order or decree. Landlord shall at all times when entering the Premises comply with Tenant's reasonable safety rules and regulations and laboratory protocols of which Landlord has knowledge of, and, at Tenant's option, shall be accompanied or escorted by Tenant's representative at all times when entering the Premises, so long as such representative is made available when Landlord or its agents need to enter the Premises. Tenant shall be responsible for supplying its own janitorial services for the Premises using contractors and subcontractors who are licensed in the State of Utah and bonded and who must be approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed. Tenant agrees not to employ any person, entity or contractor for any janitorial services in the Premises whose presence may give rise to a labor or other disturbance in the Building. Landlord shall have the right to require that Tenant cause any of its janitorial service providers to obtain and maintain insurance as reasonably determined by Landlord and as to which Landlord and such other parties designated by Landlord shall be additional insureds. Except as expressly set forth in this Lease, Tenant hereby waives and releases its right to make repairs at Landlord's expense under any applicable law, statute, or ordinance now or hereafter in effect.

**7.2 Landlord's Repair Obligations.** Notwithstanding anything to the contrary in this Lease, Landlord shall make all necessary structural and exterior repairs to the Premises, the Building and the Project and shall be responsible for all repairs and maintenance of the Base Building and the Common Areas, and any costs associated with such repairs shall be deemed an Operating Expense; provided, however, that if any such repairs or maintenance are required by reason of the special requirements, acts, or negligence of Tenant or of the agents, employees, patients, or invitees of Tenant, including, without limitation, any equipment required or installed by Tenant and, then, only serving the Premises (as the same may be adjusted hereunder), then Landlord shall make the necessary repairs at the sole expense of Tenant. In this connection, Landlord shall maintain or cause to be maintained, as an Operating Expense, the Base Building in good condition and repair, and in accordance with all applicable Laws and all insurance companies of Landlord insuring all or any part of the Common Areas and/or the Project. To the extent that any Hazardous Materials, including, without limitation, mold or carbon monoxide, are or become present in, or migrate onto or under, the Building, the Premises, or the Project, and the presence or migration of such Hazardous Materials is not caused by Tenant's use of or occupancy of the Premises, then Landlord shall promptly cause such Hazardous Materials to be removed and/or remediated in accordance with all applicable Laws and in a manner that minimizes disruption to Tenant's access to and use of the Premises to the extent reasonably practicable. Notwithstanding anything to the contrary in this Lease, Tenant shall have no liability of any kind for any pre-existing Hazardous Materials located in, on, or under the Building, the Premises, or the Project as of the date of this Lease or for any Hazardous Materials that migrate onto or under, or otherwise become present at, the Building, Premises, or the Project as a result of activities of anyone other than Tenant or the Tenant Parties, except to the extent that Tenant or any Tenant Parties exacerbates any such pre-existing conditions.

## **ARTICLE 8**

### **ADDITIONS AND ALTERATIONS**

**8.1 Landlord's Consent to Alterations.** Tenant may not make any improvements, alterations, additions or changes to the Premises or any mechanical, plumbing or HVAC facilities or systems pertaining to the Premises (collectively, the "Alterations") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than thirty (30) days prior to the commencement thereof, and which consent shall not be unreasonably withheld by Landlord, provided it shall be deemed reasonable for Landlord to withhold its consent to any Alteration which adversely affects the structural portions or the systems or equipment of the Building or is visible from the exterior of the Premises (other than any Back-Up Generator, as defined in Section 29.35). The construction of the initial improvements to the Premises shall be governed by the terms of the Tenant Work Letter and not the terms of this Article 8. Notwithstanding anything to the contrary contained herein, Tenant may make non-structural alterations to the Premises ("**Permitted Alterations**"), without Landlord's consent, provided that the aggregate cost of any such changes does not exceed \$25,000.00 per instance (up to \$75,000.00 in any twelve (12) month period), and further provided that such changes do not (i) require any structural modifications to the Premises or Building, (ii) affect the exterior of the Building (nor visible from the exterior of the Building), (iii) trigger any Law which would require either party to make any alteration or improvement to the Premises, the Building or the Project, or (iv) result in the voiding of Landlord's insurance. Tenant shall give Landlord at least ten (10) days prior notice of such Permitted Alterations, which notice shall be accompanied by a reasonably detailed description of the Permitted Alteration and reasonably adequate evidence that such changes meet the criteria contained in this Section 8.1 to qualify as a Permitted Alteration. Except as otherwise provided, the term "Alterations" shall include Permitted Alterations.

**8.2 Manner of Construction.** Landlord may impose, as a condition of its consent to any and all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its sole discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors, subcontractors, materials, mechanics and materialmen selected by Tenant from a list provided and approved by Landlord, the requirement that upon Landlord's request given at the time of Landlord's approval of the Alteration, Tenant shall, at Tenant's expense, remove such Alterations upon the expiration or any early termination

of the Lease Term, and the requirement that all Alterations conform in terms of quality and style to the building's standards established by Landlord. If such Alterations will involve the use of or disturb hazardous materials or substances existing in the Premises, Tenant shall comply with Landlord's reasonable rules and regulations concerning such hazardous materials or substances. Landlord's approval of the plans, specifications and working drawings for Tenant's Alterations shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all Laws. Tenant shall construct such Alterations and perform such repairs in a good and workmanlike manner, in conformance with any and all applicable Laws and pursuant to a valid building permit, issued by Salt Lake City, all in conformance with Landlord's construction rules and regulations and the plans and specifications previously approved by Landlord. In the event Tenant performs any Alterations in the Premises which require or give rise to governmentally required changes to the "Base Building," as that term is defined below, then Landlord (or Landlord's property manager) shall, at Tenant's expense, make such changes to the Base Building. The "**Base Building**" shall mean the (i) Building's roof and roof membrane, elevator shafts, footings, foundations, structural portions of load-bearing walls, structural floors and subfloors, structural columns and beams, and curtain walls, and (ii) Building's core HVAC, life-safety, plumbing, electrical, mechanical and elevator systems. In performing the work of any such Alterations, Tenant shall have the work performed in such manner so as not to obstruct access to the Project or any portion thereof, by any other tenant of the Project, and so as not to obstruct the business of Landlord or other tenants in the Project. Tenant shall not use (and upon notice from Landlord shall cease using) contractors, services, workmen, labor, materials or equipment that, in Landlord's reasonable judgment, would disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Project and in that respect, Landlord shall have the right, in connection with the construction of any Alterations and/or any tenant improvements constructed in the Premises pursuant to the terms of the Tenant Work Letter, to require that all subcontractors, laborers, materialmen, and suppliers retained directly by Tenant and/or Landlord (unless Landlord elects otherwise) be union labor in compliance with the then existing master labor agreements. In addition to Tenant's obligations under Article 9 of this Lease, upon completion of any Alterations, Tenant agrees to deliver to the Project management office a reproducible copy of the "as built" drawings of the Alterations as well as all permits, approvals and other documents issued by any governmental agency in connection with the Alterations.

8.3 **Payment for Improvements.** If payment is made directly to contractors, Tenant shall comply with Landlord's reasonable requirements for final lien releases and waivers in connection with Tenant's payment for work to contractors for contracts in excess of \$5,000.00. Whether or not Tenant orders any work directly from Landlord (or Landlord's property manager), Tenant shall pay to Landlord (or Landlord's property manager) a percentage of the cost of such work sufficient to compensate Landlord (or Landlord's property manager) for all overhead, general conditions, fees and other costs and expenses arising from Landlord's (or Landlord's property manager's) involvement with such work, in an amount of one percent (1%) of the cost of such work, excluding any Permitted Alterations; provided that if Landlord manages the construction of the Alterations on behalf of Tenant, then the construction management fee payable by Tenant to Landlord shall be three percent (3%) of the cost of such work, excluding any Permitted Alterations.

8.4 **Construction Insurance.** In addition to the requirements of Article 10 of this Lease, in the event that Tenant makes any Alterations, prior to the commencement of such Alterations, Tenant shall provide Landlord with evidence that Tenant carries "**Builder's All Risk**" insurance in an amount approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof. In addition, Landlord may, in its reasonable discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of such Alterations and naming Landlord as a co-obligee.

8.5 **Landlord's Property.** All Alterations, improvements, fixtures, equipment and/or appurtenances which may be installed or placed in or about the Premises, from time to time, shall be at the sole cost of Tenant and, other than Tenant's equipment, which shall remain Tenant's sole property, shall be and become the property of Landlord. Landlord may, however, by written notice to Tenant prior to the end of the Lease Term, or given following any earlier termination of this Lease, require Tenant, at Tenant's expense, to (i) remove any Alterations or improvements in the Premises, and/or (ii) remove any "Above Standard Tenant Improvements," as that term is defined in Section 2.4 of the Tenant Work Letter, located within the Premises and replace the same with then existing "Building Standard Tenant Improvements," as that term is defined in Section 2.3 of the Tenant Work Letter, and to repair any damage to the Premises and Building caused by such removal and return the affected portion of the Premises to a building standard tenant improved condition as determined by Landlord. If Tenant fails to complete such removal and/or to repair any damage caused by the removal of any Alterations or improvements in the Premises, and return the affected portion of the Premises to a building standard tenant improved condition as determined by Landlord, then at Landlord's option, either (A) Tenant shall be deemed to be holding over in the Premises and Rent shall continue to accrue in accordance with the terms of Article 16, below, until such work shall be completed, or (B) Landlord may do so and may charge the cost thereof to Tenant. Tenant hereby protects, defends, indemnifies and holds Landlord harmless from any liability, cost, obligation, expense or claim of lien in any manner relating to the installation, placement, removal or financing of any such Alterations, improvements, fixtures and/or equipment in, on or about the Premises, which obligations of Tenant shall survive the expiration or earlier termination of this Lease.

## ARTICLE 9

### COVENANT AGAINST LIENS

Tenant shall keep the Project and Premises free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of Tenant, and shall protect, defend,

indemnify and hold Landlord harmless from and against any claims, liabilities, judgments or costs (including, without limitation, reasonable attorneys' fees and costs) arising out of same or in connection therewith. Tenant shall give Landlord notice at least twenty (20) days prior to the commencement of any Alterations on the Premises (or such additional time as may be necessary under applicable Laws) to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility. If a lien is recorded against the Building, Premises or Project relating to any work performed by or under Tenant, Tenant shall remove any such lien or encumbrance by bond or otherwise within fifteen (15) days after receipt of written notice by Landlord, and if Tenant shall fail to do so, Landlord may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof. The amount so paid shall be deemed Additional Rent under this Lease payable upon demand, without limitation as to other remedies available to Landlord under this Lease. Nothing contained in this Lease shall authorize Tenant to do any act which shall subject Landlord's title to the Project, Building or Premises to any liens or encumbrances whether claimed by operation of law or express or implied contract. Any claim to a lien or encumbrance upon the Project, Building or Premises arising in connection with any such work or respecting the Premises not performed by or at the request of Landlord shall be null and void, or at Landlord's option shall attach only against Tenant's interest in the Premises and shall in all respects be subordinate to Landlord's title to the Project, Building and Premises.

## ARTICLE 10

### INSURANCE

10.1 **Indemnification and Waiver.** Tenant hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause whatsoever (other than Landlord's gross negligence or willful misconduct) and agrees that Landlord, its partners, subpartners and their respective officers, agents, servants, and employees (collectively, "**Landlord Parties**") shall not be liable for, and are hereby released from any responsibility for, any damage either to person or property or resulting from the loss of use thereof, which damage is sustained by Tenant or by other persons claiming through Tenant, except to the extent due to Landlord's gross negligence or willful misconduct. Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from any and all losses, costs, damages, expenses and liabilities (including without limitation court costs and reasonable attorneys' fees) incurred in connection with or arising from any cause in, on or about the Premises, any violation of any of any applicable Laws, any acts, omissions or negligence of Tenant or of any person claiming by, through or under Tenant, or the Tenant Parties, in, on or about the Project or any breach of the terms of this Lease by Tenant, either prior to, during, or after the expiration of the Lease Term, provided that the terms of the foregoing indemnity shall not apply to the negligence or willful misconduct of the Landlord Parties. Should Landlord be named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy of the Premises, Tenant shall pay to Landlord its costs and expenses incurred in such suit, including without limitation, its actual professional fees such as appraisers', accountants' and attorneys' fees. Further, Tenant's agreement to indemnify Landlord pursuant to this Section 10.1 is not intended to and shall not relieve any insurance carrier of its obligations under policies required to be carried by Tenant pursuant to the provisions of this Lease, to the extent such policies cover the matters subject to Tenant's indemnification obligations; nor shall they supersede any inconsistent agreement of the parties set forth in any other provision of this Lease. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination.

Subject to Section 10.5 below, Landlord shall indemnify, defend, protect, and hold harmless Tenant and the Tenant Parties from any and all losses, costs, damages, expenses and liabilities (including, without limitation, court costs and reasonable attorneys' fees) incurred in connection with or arising from any accident, injury or damage to any person or the property of any person (i) in or about the Common Areas (specifically excluding the Premises) to the extent attributable to the negligence or willful misconduct of Landlord or the Landlord Parties and (ii) in or about the Premises to the extent attributable to the gross negligence or willful misconduct of Landlord or the Landlord Parties, provided that the terms of the foregoing indemnity shall not apply to the negligence or willful misconduct of the Tenant Parties. Should Landlord be named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy of the Premises, Tenant shall pay to Landlord its costs and expenses incurred in such suit, including without limitation, its actual professional fees such as appraisers', accountants' and attorneys' fees. Further, Landlord's agreement to indemnify Tenant pursuant to this Section 10.1 is not intended to and shall not relieve any insurance carrier of its obligations under policies required to be carried by Landlord pursuant to the provisions of this Lease, to the extent such policies cover the matters subject to Landlord's indemnification obligations; nor shall they supersede any inconsistent agreement of the parties set forth in any other provision of this Lease. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination.

10.2 **Tenant's Compliance with Landlord's Fire and Casualty Insurance.** Tenant shall, at Tenant's expense, comply with all customary insurance company requirements pertaining to the use of the Premises. If Tenant's conduct or use of the Premises causes any increase in the premium for such insurance policies then Tenant shall reimburse Landlord for any such increase. Tenant, at Tenant's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body.

10.3 **Tenant's Insurance.** Tenant shall maintain the following coverages in the following amounts.

10.3.1 Commercial General Liability Insurance covering the insured against claims of bodily injury, personal injury and property damage (including loss of use thereof) arising out of Tenant's operations, and contractual liabilities (covering the performance by Tenant of its indemnity agreements) including a Broad Form

endorsement covering the insuring provisions of this Lease and the performance by Tenant of the indemnity agreements set forth in Section 10.1 of this Lease, for limits of liability not less than:

Bodily Injury and Property Damage Liability	\$2,000,000 each occurrence \$3,000,000 annual aggregate
Personal Injury Liability	\$2,000,000 each occurrence \$3,000,000 annual aggregate 0% Insured's participation

10.3.2 **Special Form (Causes of Loss) Property Insurance** covering (i) all office furniture, business and trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's property on the Premises installed by, for, or at the expense of Tenant, (ii) the "Tenant Improvements," as that term is defined in Section 2.1 of the Tenant Work Letter, and any other improvements which exist in the Premises as of the Lease Commencement Date (excluding the Base Building) (the "**Original Improvements**"), and (iii) all Alterations. Such insurance shall be for the full replacement cost (subject to reasonable deductible amounts) new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include coverage for damage or other loss caused by fire or other peril including, but not limited to, vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting or stoppage of pipes, and explosion, and providing business interruption coverage for a period of one year.

10.3.3 **Worker's Compensation and Employer's Liability** or other similar insurance pursuant to all applicable state and local statutes and regulations.

10.3.4 **Business interruption, loss-of-income and extra expense insurance** in such amounts as will reimburse Tenant for direct or indirect loss of earnings attributable to all perils commonly insured against and payable to Landlord, insuring the loss of the full rent for up to twelve (12) months.

10.4 **Form of Policies.** The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall (i) name Landlord, Landlord's lender, and any other party the Landlord so specifies, as an additional insured, including Landlord's managing agent, if any; (ii) specifically cover the liability assumed by Tenant under this Lease, including, but not limited to, Tenant's obligations under Section 10.1 of this Lease; (iii) be issued by an insurance company having a rating of not less than A-VIII in Best's Insurance Guide or which is otherwise acceptable to Landlord and licensed to do business in the State of Utah; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is non-contributing with any insurance requirement of Tenant; (v) be in form and content reasonably acceptable to Landlord; and (vi) contain a cross-liability endorsement or severability of interest clause acceptable to Landlord; and (vii) provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord and any mortgagee of Landlord. Tenant shall deliver said policy or policies or certificates thereof to Landlord on or before the Lease Commencement Date and at least thirty (30) days before the expiration dates thereof. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificate, Landlord may, at its option, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord within five (5) days after delivery to Tenant of bills therefor.

10.5 **Subrogation.** Landlord and Tenant intend that their respective property loss risks shall be borne by reasonable insurance carriers to the extent above provided, and Landlord and Tenant hereby agree to look solely to, and seek recovery only from, their respective insurance carriers in the event of a property loss to the extent that such loss is the result of a risk insurable under the policies of property damage insurance which such party was required to maintain under this Lease (whether or not such party actually maintained the same), or which such party actually maintains at the time of such property loss. Notwithstanding anything to the contrary in this Lease, the parties each hereby waive all rights and claims against each other for such losses, and waive all rights of subrogation of their respective insurers, provided such waiver of subrogation shall not affect the right to the insured to recover thereunder. The parties agree that their respective insurance policies are now, or shall be, endorsed such that the waiver of subrogation shall not affect the right of the insured to recover thereunder, so long as no material additional premium is charged therefor.

10.6 **Additional Insurance Obligations.** Tenant shall carry and maintain during the entire Lease Term, at Tenant's sole cost and expense, increased amounts of the insurance required to be carried by Tenant pursuant to this Article 10 and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord.

10.7 **Landlord's Insurance Obligations.** Landlord shall maintain comprehensive public liability insurance coverage against claims for personal injury, death, or property damage resulting from any act or omission of Landlord occurring in or upon the Building, Premises, the Common Areas and the Project with a combined single limit for bodily injury and property damage of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate, and at least a \$5,000,000 umbrella. Landlord shall procure and maintain, throughout the Term of this Lease, a policy or policies of "all risk" and/or other comparable hazard and casualty property insurance, insuring the Building and the Project against loss by fire or, as determined by Landlord, other casualties in an amount equal to the replacement cost basis for the full insurable valuable of the Project. Landlord shall also carry rental loss insurance insuring the loss of all Rent required to be paid by Tenant hereunder for up to twelve (12) months. In addition, property insurance coverage will be maintained by Landlord upon the Building and the Project, inclusive of the Premises. In no event shall any such insurance requirement be deemed to constitute an obligation by



Landlord to provide insurance coverage beyond the scope of that required hereunder or, if a coverage amount is not specified herein, coverage amounts in excess of those customarily maintained by owners of similarly configured office buildings situated in Salt Lake County, Utah. Without limiting the foregoing, Landlord also shall, at all times during the Lease Term, procure and maintain any insurance required by Law for the protection of employees of Landlord working in or around the Project (including, without limitation, worker's compensation insurance) with no less than the minimum limits required by Law.

## ARTICLE 11

### DAMAGE AND DESTRUCTION

11.1 **Repair of Damage to Premises by Landlord.** Tenant shall promptly notify Landlord of any damage to the Premises resulting from fire or any other casualty. If the Premises or any Common Areas serving or providing access to the Premises is damaged by fire or other casualty, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 11, restore the Base Building and such Common Areas. Such restoration shall be to substantially the same condition of the Base Building and the Common Areas prior to the casualty, except for modifications required by zoning and building codes and other applicable Laws or by the holder of a mortgage on the Building or Project or any other modifications to the Common Areas deemed desirable by Landlord, provided that Tenant's access to and use of the Premises and any common restrooms serving the Premises shall not be materially impaired. If the Premises are damaged and Landlord does not elect to terminate this Lease pursuant to Landlord's termination right as provided in Section 11.2 below, Landlord shall provide to Tenant as soon as reasonably practicable, but in no event later than forty-five (45) days after the occurrence of such damage, the reasonable estimate of Landlord's architect or contractor of the estimated time required to complete the requisite repairs (the "**Landlord Repair Notice**"). If such repairs cannot, according to the Landlord Repair Notice, be completed within two hundred seventy (270) days from the date of such damage or ninety (90) days after the date on which such damage occurs if such damage occurs within the last twelve (12) months of the Lease Term, Tenant may elect to terminate this Lease by written notice to Landlord given within thirty (30) days after Tenant receive the Landlord Repair Notice, with such termination effective as of the date specified in the notice, which date shall not be less than thirty (30) days nor more than sixty (60) days after the date such notice is given by Tenant. If neither Landlord nor Tenant elect to terminate this Lease pursuant to a termination right provided in this Article 11, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under Section 10.3 of this Lease, and Landlord shall repair any injury or damage to the Tenant Improvements and the Original Improvements installed in the Premises and shall return such Tenant Improvements and Original Improvements to their original condition; provided that if the cost of such repair by Landlord exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, as assigned by Tenant, the cost of such repairs shall be paid by Tenant to Landlord within thirty (30) days of Landlord's written request therefor, together with reasonable documentation of such expenses. Except to the extent due to Landlord's gross negligence or intentional act or omission, Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; provided, however, that if such fire or other casualty shall have damaged the Premises or portions of the Common Areas necessary to Tenant's occupancy, Landlord shall allow Tenant a proportionate abatement of Base Rent and Tenant's Share of increases in Direct Expenses during the time and to the extent the Premises are unfit for occupancy for the Permitted Use, and not occupied by Tenant as a result thereof; provided, further, however, that if the damage or destruction is due to the negligence or willful misconduct of Tenant or any of its agents, employees, contractors, invitees or guests, Tenant shall be responsible for any reasonable, applicable insurance deductible (which shall be payable to Landlord upon demand) and there shall be no rent abatement.

11.2 **Landlord's Option to Repair.** Notwithstanding the terms of Section 11.1 of this Lease, Landlord may elect not to rebuild and/or restore the Premises, Building and/or Project, and instead terminate this Lease, by notifying Tenant in writing of such termination within forty-five (45) days after the date of discovery of the damage, such notice to include a termination date giving Tenant sixty (60) days to vacate the Premises, but Landlord may so elect only if the Building is damaged by fire or other casualty or cause, whether or not the Premises are affected, and one or more of the following conditions is present: (i) in the reasonable judgment of Landlord's architect or general contractor, such repairs cannot reasonably be completed within two hundred fifty (250) days after the date of discovery of the damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Building or Project or ground lessor with respect to the Building or Project shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground lease, as the case may be; (iii) the cost to repair such damage exceeds the amount of insurance proceeds available to Landlord under the insurance policies Landlord is required to carry under Section 10.7 of this Lease or otherwise by at least five percent (5%) of the replacement cost of the Building (excluding any applicable deductible amount) for reasons beyond Landlord's control (excluding Landlord's failure to carry such insurance policies); or (iv) the damage occurs during the last twelve (12) months of the Lease Term.

11.3 **Waiver of Statutory Provisions.** The provisions of this Lease, including this Article 11, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building or the Project, and any statute or regulation of the State of Utah with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building or the Project.

**ARTICLE 12****NONWAIVER**

No provision of this Lease shall be deemed waived by either party hereto unless expressly waived in a writing signed thereby. The waiver by either party hereto of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of same or any other term, covenant or condition herein contained. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No acceptance of a lesser amount than the Rent herein stipulated shall be deemed a waiver of Landlord's right to receive the full amount due, nor shall any endorsement or statement on any check or payment or any letter accompanying such check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the full amount due. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder, or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit, or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

**ARTICLE 13****CONDEMNATION**

If the whole of the Premises is taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if Landlord grants a deed or other instrument in lieu of such taking by eminent domain or condemnation for such taking, this Lease shall automatically terminate as of the date possession is required to be surrendered to the authority. If part, but not all, of the Premise, Building, or Project is taken, either Party may terminate as set forth in this Article 13. If more than twenty-five percent (25%) of the rentable square feet of the Premises, or any material part of the Building (excluding the Premises) shall be so taken, or if any adjacent property or street shall be so taken, or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or remodeling of more than twenty-five percent (25%) of the Building, Landlord shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. If more (i) than twenty-five percent (25%) of the rentable square feet of the Premises is taken, or (ii) a material part of the Project outside of the Premises is taken and as a result thereof, Tenant will not have reasonable access to the Premises or to sufficient off-street parking for Tenant's use of the Premises, Tenant shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. Tenant shall not because of such taking assert any claim against Landlord or the authority for any compensation because of such taking and Landlord shall be entitled to the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to the terms of this Lease, and for moving expenses, so long as such claim is payable separately to Tenant. All Rent shall be apportioned as of the date of such termination. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Base Rent and Tenant's Share of Direct Expenses shall be proportionately abated. This Article 13 shall be Tenant's sole and exclusive remedy in the event of any taking and Tenant hereby waives any rights and the benefits of any statute granting Tenant specific rights in the event of a taking which are inconsistent with the provisions of this Article 13. Notwithstanding anything to the contrary contained in this Article 13, in the event of a temporary taking of all or any portion of the Premises for a period of one hundred eighty (180) days or less, then this Lease shall not terminate but the Base Rent and the Additional Rent shall be abated for the period of such taking in proportion to the ratio that the amount of rentable square feet of the Premises taken bears to the total rentable square feet of the Premises. Landlord shall be entitled to receive the entire award made in connection with any such temporary taking.

**ARTICLE 14****ASSIGNMENT AND SUBLETTING**

14.1 **Transfers.** Tenant shall not, without the prior written consent of Landlord, assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment, or other transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or enter into any license or concession agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than Tenant and its employees and contractors (all of the foregoing are hereinafter sometimes referred to collectively as "**Transfers**" and any person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "**Transferee**"). If Tenant desires Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "**Transfer Notice**") shall include (i) the proposed effective date of the Transfer, which shall not be less than thirty (30) days nor more than one hundred eighty (180) days after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to be transferred (the "**Subject Space**"), (iii) all of the terms of the proposed Transfer and the consideration therefor, including calculation of the "**Transfer Premium**", as that term is defined in Section 14.3 below, in connection with such Transfer, the name and address of the proposed Transferee, and an executed copy of all documentation effectuating the proposed Transfer, including all operative documents to evidence such Transfer and all agreements incidental or related to such Transfer, provided that Landlord shall have the right to require Tenant to utilize Landlord's standard Transfer documents in connection with the documentation of such Transfer,

and provided further that the terms of the proposed Transfer shall provide that such proposed Transferee shall not be permitted to further assign or sublease its interest in the Subject Space and/or Lease, (iv) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, business credit and personal references and history of the proposed Transferee and any other information required by Landlord which will enable Landlord to determine the financial responsibility, character, and reputation of the proposed Transferee, nature of such Transferee's business and proposed use of the Subject Space and (v) an executed estoppel certificate from Tenant stating the information set forth in items (a) through (d) in Article 17 below. Any Transfer made without Landlord's prior written consent shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under this Lease. Whether or not Landlord consents to any proposed Transfer, Tenant shall pay Landlord's (or Landlord's property manager's) review and processing fees (which currently equal \$1,500.00 for each proposed Transfer), as well as any reasonable professional fees (including, without limitation, attorneys', accountants', architects', engineers' and consultants' fees) incurred by Landlord (or Landlord's property manager), within thirty (30) days after written request by Landlord; provided that Tenant's reimbursement for Landlord's fees pursuant to this sentence shall not exceed \$5,000.00 in connection with any one Transfer.

14.2 **Landlord's Consent.** Notwithstanding anything to the contrary herein, Landlord shall not unreasonably withhold its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply:

14.2.1 The Transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Building or the Project;

14.2.2 The Transferee intends to use the Subject Space for purposes which are not permitted under this Lease;

14.2.3 The Transferee is either a governmental agency or instrumentality thereof;

14.2.4 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested;

14.2.5 The proposed Transfer would cause a violation of another lease for space in the Project, or would give an occupant of the Project a right to cancel its lease;

14.2.6 The terms of the proposed Transfer will allow the Transferee to exercise a right of renewal, right of expansion, right of first offer, or other similar right held by Tenant (or will allow the Transferee to occupy space leased by Tenant pursuant to any such right);

14.2.7 Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, (i) occupies space in the Project at the time of the request for consent, or (ii) is negotiating with Landlord (which for purposes of this item (ii) and (iii), below, shall be evidenced by the transmittal of one or more letters of intent, draft proposals or lease documents by such Transferee to Landlord or Landlord to such Transferee) to lease space in the Project at such time, or (iii) has actively negotiated with Landlord to lease space within the Project during the six (6)-month period immediately preceding the Transfer Notice (with "actively negotiated" meaning, at least, written correspondence and negotiation for the lease of space within the Project, but excluding, without more, the mere delivery of leasing or property information relating to the Project); provided, however, that Landlord shall not unreasonably withhold, condition or delay its consent to an assignment of this Lease or a sublease of the Premises to a proposed assignee or subtenant under the foregoing portion of this subsection (iii) if Landlord is not willing and able to accommodate the space needs of such assignee or subtenant within the Project, and Tenant is able to do so by such assignment or sublease;

14.2.8 The Transferee does not intend to occupy the entire Subject Space and conduct its business therefrom for a substantial portion of the term of the Transfer; or

14.2.9 The portion of the Premises to be sublet or assigned is irregular in shape with inadequate means of ingress and/or egress.

Notwithstanding anything to the contrary contained herein, in no event shall Tenant enter into any Transfer for the possession, use, occupancy or utilization (collectively, "use") of the part of the Premises which (i) provides for a rental or other payment for such use based in whole or in part on the income or profits derived by any person from the Premises (other than an amount based on a fixed percentage or percentages of gross receipts or sales), and Tenant agrees that all Transfers of any part of the Premises shall provide that the person having an interest in the use of the Premises shall not enter into any lease or sublease which provides for a rental or other payment for such use based in whole or in part on the income or profits derived by any person from the Premises (other than an amount based on a fixed percentage or percentages of gross receipts or sales), or (ii) would cause any portion of the amounts payable to Landlord hereunder to not constitute "rents from real property" within the meaning of Section 512(b)(3) of the Internal Revenue Code of 1986, and any such purported Transfer shall be absolutely void and ineffective as a conveyance of any right or interest in the possession, use, occupancy or utilization of any part of the Premises.

If Landlord consents to any Transfer pursuant to the terms of this Section 14.2 (and does not exercise any recapture rights Landlord may have under Section 14.4 of this Lease), Tenant may enter into such Transfer of the

Subject Space, upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 14.1 of this Lease, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice (i) such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, or (ii) which would cause the proposed Transfer to be more favorable to the Transferee than the terms set forth in Tenant's original Transfer Notice, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14 (including Landlord's right of recapture, if any, under Section 14.4 of this Lease). Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed Transferee claims that Landlord has unreasonably withheld or delayed its consent under Section 14.2 or otherwise has breached or acted unreasonably under this Article 14, their sole remedies shall be a declaratory judgment and an injunction for the relief sought without any monetary damages, and Tenant hereby waives all other remedies, including, without limitation, any right at law or equity to terminate this Lease, on its own behalf and, to the extent permitted under all applicable Laws, on behalf of the proposed Transferee.

14.3 **Transfer Premium.** If Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any "Transfer Premium," as that term is defined in this Section 14.3, received by Tenant from such Transferee in any particular calendar month, which amount shall be paid to Landlord immediately following Tenant's receipt of the same. "Transfer Premium" shall mean all rent, additional rent or other consideration (including, without limitation, key money, bonus money or other cash consideration but excluding any payment for assets, inventory, equipment or furniture transferred by Tenant to Transferee in connection with such Transfer) payable by such Transferee in connection with the Transfer in excess of the Rent and Additional Rent payable by Tenant under this Lease during the term of the Transfer on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the reasonable expenses incurred by Tenant for (i) any changes, alterations and improvements to the Premises in connection with the Transfer, and (ii) any market rate, third party brokerage commissions incurred in connection with the Transfer (collectively, the "Subleasing Costs"); provided, however, that if, at the time of any such sublease or assignment, Landlord determines that the foregoing "Transfer Premium" formula may result in the receipt by Landlord of amounts that the Landlord may not be permitted to receive pursuant to any requirements, obligation or understanding applicable to Landlord, the parties agree to enter into an amendment to this Lease which revises the "Transfer Premium" formula in a manner that (x) is mutually agreed to by the parties and (y) does not result in any material increase in the expected costs or benefits to either party under this Section 14.3.

14.4 **Landlord's Option as to Subject Space.** Notwithstanding anything to the contrary contained in this Article 14, Landlord shall have the option, by giving written notice to Tenant within thirty (30) days after receipt of any Transfer Notice, to recapture the Subject Space for the remainder of the Lease Term. Such recapture notice shall cancel and terminate this Lease with respect to the Subject Space as of the date stated in the Transfer Notice as the effective date of the proposed Transfer (or at Landlord's option, shall cause the Transfer to be made to Landlord or its agent, in which case the parties shall execute the Transfer documentation promptly thereafter); provided, however, Tenant may, within ten (10) business days after receipt of Landlord's notice of intent to recapture the Subject Space, withdraw its request for consent to the Transfer if the Subject Space is less than all or substantially all of the Premises. In that event, Landlord's election to terminate this Lease as to the Subject Space shall be null and void and of no force and effect. In the event of a recapture by Landlord, if this Lease shall be canceled with respect to less than the entire Premises, the Base Rent and Tenant's Share of increases in Direct Expenses reserved herein shall be prorated on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same. If Landlord declines, or fails to elect in a timely manner to recapture the Subject Space under this Section 14.4, then, provided Landlord has consented to the proposed Transfer, Tenant shall be entitled to proceed to transfer the Subject Space to the proposed Transferee, subject to provisions of this Article 14.

14.5 **Effect of Transfer.** If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, (iv) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant, or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer, and (v) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of the Lease from any liability under this Lease, including, without limitation, in connection with the Subject Space. In no event shall any Transferee assign, sublease or otherwise encumber its interest in this Lease or further sublet any portion of the Subject Space, or otherwise suffer or permit any portion of the Subject Space to be used or occupied by others, except in accordance with this Section 14. Landlord or its authorized representatives shall have the right at all reasonable times during normal business hours, but not more than once for each Transfer, to audit the books, records and papers of Tenant relating to any Transfer. Landlord agrees to and shall keep and maintain the books, records, and papers of Tenant strictly confidential and shall not disclose such confidential information to any person or entity other than Landlord's financial or legal consultants or Landlord's mortgagee. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency, and if understated by more than five percent (5%), Tenant shall pay Landlord's reasonable costs of such audit.

14.6 **Additional Transfers.** For purposes of this Lease, the term "Transfer" shall also include (i) if Tenant is a partnership, the withdrawal or change, voluntary, involuntary or by operation of law, of fifty percent (50%) or more of the partners, or transfer of fifty percent (50%) or more of partnership interests, within a twelve (12)-month period, or the dissolution of the partnership without immediate reconstitution thereof, and (ii) if Tenant is a closely held corporation (*i.e.*, whose stock is not publicly held and not traded through an exchange or over the



counter), (A) the dissolution, merger, consolidation or other reorganization of Tenant or (B) the sale or other transfer of an aggregate of fifty percent (50%) or more of the voting shares of Tenant (other than to immediate family members by reason of gift or death), within a twelve (12)-month period, or (C) the sale, mortgage, hypothecation or pledge of an aggregate of fifty percent (50%) or more of the value of the unencumbered assets of Tenant within a twelve (12)-month period.

14.7 **Non-Transfers.** Notwithstanding anything to the contrary contained in this Article 14 and so long as any such Permitted Non-Transfer (as defined herein) is not a subterfuge by Tenant to avoid its obligations under this Lease, any of the following transfers shall not be deemed a Transfer under this Article 14 (each of which are hereinafter referred to as a "Permitted Non-Transfer" and any such assignee or sublessee pursuant to a Permitted Non-Transfer hereinafter referred to as a "Permitted Non-Transferee"): (i) an assignment of Tenant's interest in this Lease, or a subletting of all or a portion of the Premises, to an affiliate of Tenant (i.e., an entity which is controlled by, controls, or is under common control with, Tenant) or any parent of Tenant, (ii) an assignment of Tenant's interest in this Lease to an entity which acquires all or substantially all of the assets of Tenant, (iii) an assignment of Tenant's interest in this Lease to an entity which is the resulting entity of a stock acquisition, merger or consolidation of Tenant during the Lease Term; (iv) any sale of stock for capital raising purposes in which Tenant is the surviving corporation, or the sale of stock or other equity interests in Tenant on a public stock exchange (e.g., NYSE or NASDAQ), whether in connection with an initial public offering or thereafter; (v) or any merger effected exclusively to change the domicile of Tenant; or (vi) any assignment of Tenants' interest in the Lease in connection with any financing or refinancing of Tenant's business, whether such financing or refinancing takes the form of debt or equity investments through publicly or privately traded equity or any other form, including, without limitation, any transaction whereby an equity investor directly or indirectly provides financing or refinancing for Tenant and/or purchases ownership interests of Tenant, its parent or any affiliate of Tenant. Each Permitted Non-Transferee shall have a valuation immediately following such transaction that (A) is the greater of (1) the valuation of Tenant immediately prior to such Permitted Non-Transfer or (2) the valuation of Original Tenant on the date of this Lease, and (B) is otherwise reasonably sufficient to satisfy the financial obligations under this Lease or sublease, as the case may be. For each Permitted Non-Transfer, Tenant shall notify Landlord of the same and promptly supply Landlord with any commercially reasonable documents or information reasonably requested by Landlord regarding such Permitted Non-Transfer or such Permitted Non-Transferee. An assignee of Original Tenant's entire interest in this Lease which assignee is a Permitted Non-Transferee may also be referred to herein as a "Non-Transferee Assignee." As used in this Section 14.7, "control" shall mean the ownership, directly or indirectly, of at least fifty-one percent (51%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of at least fifty-one percent (51%) of the voting interest in, any person or entity.

14.8 **Occurrence of Default.** Any Transfer hereunder shall be subordinate and subject to the provisions of this Lease, and if this Lease shall be terminated during the term of any such Transfer, Landlord shall have the right to: (i) treat such Transfer as cancelled and repossess the Subject Space by any lawful means, or (ii) require that such Transferee attorn to and recognize Landlord as its landlord under any such Transfer. If Tenant shall be in default under this Lease, Landlord is hereby irrevocably authorized, as Tenant's agent and attorney-in-fact, to direct any Transferee to make all payments under or in connection with such Transfer directly to Landlord (which Landlord shall apply towards Tenant's obligations under this Lease) until such default is cured. Such Transferee shall rely on any representation by Landlord that Tenant is in default hereunder, without any need for confirmation thereof by Tenant. Upon any assignment of Tenant's interest in this Lease, the assignee shall assume in writing all obligations and covenants of Tenant thereafter to be performed or observed under this Lease. No collection or acceptance of rent by Landlord from any Transferee shall be deemed a waiver of any provision of this Article 14 or the approval of any Transferee or a release of Tenant from any obligation under this Lease, whether theretofore or thereafter accruing. In no event shall Landlord's enforcement of any provision of this Lease against any Transferee be deemed a waiver of Landlord's right to enforce any term of this Lease against Tenant or any other person. If Tenant's obligations hereunder have been guaranteed, Landlord's consent to any Transfer shall not be effective unless the guarantor also consents to such Transfer.

## ARTICLE 15

### SURRENDER OF PREMISES; OWNERSHIP AND REMOVAL OF TRADE FIXTURES

15.1 **Surrender of Premises.** No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in writing by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises or terminate any or all such subleases or subtenancies.

15.2 **Removal of Tenant Property by Tenant.** Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15, quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture, equipment, business and trade fixtures, free-standing cabinet work, movable partitions, cabling installed

by or at the request of Tenant that is not contained in protective conduit or metal raceway and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant, as Landlord may, in its sole discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal.

#### ARTICLE 16

##### HOLDING OVER

If Tenant holds over after the expiration of the Lease Term or earlier termination thereof, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term, and in such case Rent shall be payable at a monthly rate equal to the product of 150% of the Rent applicable during the last rental period of the Lease Term under this Lease. Such month-to-month tenancy shall be subject to every other applicable term, covenant and agreement contained herein. For purposes of this Article 16, a holding over shall include Tenant's remaining in the Premises after the expiration or earlier termination of the Lease Term, as required pursuant to the terms of this Lease or the Tenant Work Letter, to remove any Alterations or Above Building Standard Tenant Improvements located within the Premises and replace the same with Building Standard Tenant Improvements. Nothing contained in this Article 16 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all losses, costs (including reasonable attorneys' fees) and liabilities resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender and any lost profits to Landlord resulting therefrom.

#### ARTICLE 17

##### ESTOPPEL CERTIFICATES

Within fifteen (15) days following a request in writing by Landlord, Tenant shall execute, acknowledge and deliver to Landlord an estoppel certificate in the form of Exhibit H attached hereto. Any such certificate may be relied upon by any current or prospective mortgagee or purchaser of all or any portion of the Project. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes. At any time during the Lease Term (but in no event more than once during any calendar year except in connection with a sale or refinancing of the Building), Landlord may require Tenant, and to the extent applicable, any guarantor(s), to provide Landlord with a current audited financial statement and audited financial statements of the two (2) years prior to the current financial statement year. Such statements shall be delivered by Tenant and such guarantor(s) to Landlord within thirty (30) days after Landlord's written request therefor and be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Tenant or such guarantor(s), shall be audited by an independent certified public accountant with copies of the auditor's statement, reflecting Tenant's or such guarantor(s)', as applicable, then-current financial condition in such form and detail as Landlord may reasonably request. Any such financial statements obtained by Landlord shall be kept strictly confidential and Landlord shall not disclose such confidential information to any person or entity other than Landlord's financial and legal consultants and Landlord's mortgagee's without Tenant's prior written consent, which may be withheld in Tenant's sole discretion. At any time and from time to time, in the context of a sale of Tenant's business or a financing thereof only, and upon not less than fifteen (15) days' prior notice from Tenant, Landlord shall execute and deliver to Tenant a statement certifying (i) the titles and dates of the documents then comprising this Lease, (ii) the current amounts of and the dates to which the Base Rent and Additional Rent have been paid, (iii) to the best of Landlord's knowledge that Tenant is not in default under this Lease (or if Tenant is in default, specifying the nature of such default), and (iv) such other information reasonably requested by Tenant for such purposes. The failure of either party and any such guarantor(s) to timely execute, acknowledge and deliver such estoppel certificate shall constitute an acknowledgment by such party and such guarantor(s) that statements included in the estoppel certificate are true and correct, without exception.

#### ARTICLE 18

##### SUBORDINATION

This Lease shall be subject and subordinate to all present and future ground or underlying leases of the Building or Project and to the lien of any mortgage, trust deed or other encumbrances now or hereafter in force against the Building or Project or any part thereof, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages, trust deeds or other encumbrances, or the lessors under such ground lease or underlying leases, require in writing that this Lease be superior thereto. Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage or deed in lieu thereof (or if any ground lease is terminated), to attorn, without any deductions or set-offs whatsoever, to the lienholder or purchaser or any successors thereto upon any such foreclosure sale or deed in lieu thereof (or to the ground lessor), if so requested to do so by such purchaser or lienholder or ground lessor, and to recognize such purchaser or lienholder or ground lessor as the lessor under this Lease, provided such lienholder or purchaser or ground lessor agrees in writing to accept this Lease and agrees not disturb Tenant's occupancy, so long as Tenant timely pays the Rent and observes and performs the terms, covenants and conditions of this Lease to be observed.

and performed by Tenant. Landlord's interest herein may be assigned as security at any time to any lienholder. Tenant shall, within fifteen (15) days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, ground leases or underlying leases so long as Tenant's rights under this Lease are not adversely affected thereby. So long as the requirements of this Section are satisfied, Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale.

#### ARTICLE 19

##### DEFAULTS; REMEDIES

19.1 **Events of Default.** The occurrence of any of the following shall constitute a default of this Lease ("Default") by Tenant:

19.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, within five (5) days when due and such failure continues for five (5) days after written notice thereof from Landlord, except that Landlord shall only be required to give one (1) such notice in any calendar year, and after any such notice is given any failure by Tenant in such calendar year to pay any Rent due hereunder within five (5) days when due shall itself constitute a Default, without the requirement of notice from Landlord of such failure; or

19.1.2 Except where a specific time period is otherwise set forth for Tenant's performance in this Lease, in which event the failure to perform by Tenant within such time period shall be a default by Tenant under this Section 19.1.2, any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for twenty (20) days after written notice thereof from Landlord to Tenant; provided that if the nature of such default is such that the same cannot reasonably be cured within such 20-day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default, but in no event exceeding a period of time in excess of thirty (30) days after written notice thereof from Landlord to Tenant; or

19.1.3 The failure by Tenant to observe or perform according to the provisions of Articles 5, 14, 17 or 18 of this Lease where such failure continues for more than five (5) business days after notice from Landlord; or

19.1.4 Tenant's failure to comply with the terms of the Declarations within ten (10) days following Tenant's receipt of written notice of such failure; or

19.1.5 To the extent permitted by law, a general assignment by Tenant or any guarantor of this Lease for the benefit of creditors, or the taking of any corporate action in furtherance of bankruptcy or dissolution whether or not there exists any proceeding under an insolvency or bankruptcy law, or the filing by or against Tenant or any guarantor of any proceeding under an insolvency or bankruptcy law, unless in the case of a proceeding filed against Tenant or any guarantor the same is dismissed within sixty (60) days, or the appointment of a trustee or receiver to take possession of all or substantially all of the assets of Tenant or any guarantor, unless possession is restored to Tenant or such guarantor within thirty (30) days, or any execution or other judicially authorized seizure of all or substantially all of Tenant's assets located upon the Premises or of Tenant's interest in this Lease, unless such seizure is discharged within thirty (30) days; or

19.1.6 Tenant's failure to occupy the Premises for business operations for more than thirty (30) consecutive days at any time during the Lease Term (or any applicable Option Term); or

19.1.7 Tenant's failure to occupy the Premises within ten (10) business days after the Lease Commencement Date.

The notice periods provided herein are in lieu of, and not in addition to, any notice periods provided by law.

19.2 **Remedies Upon Default.** Upon the occurrence of any event of default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (all of which remedies shall be distinct, separate and cumulative), the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

19.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor; and Landlord may recover from Tenant the following:

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

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

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

(iv) Any other reasonable amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, reasonable brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant (whether performed by Landlord or Landlord's property manager), whether for the same or a different use, and any special concessions made to obtain a new tenant; provided, however, that for purposes of Tenant's liability under the foregoing portion of this sentence, such costs of reletting and commissions (only) shall be amortized over the initial term of such new lease, with interest thereon at the Interest Rate (as defined below), and Tenant shall be liable only for that portion so amortized falling within the remaining portion of the Term; and

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

The term "rent" as used in this Section 19.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Paragraphs 19.2.1(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the rate set forth in Article 25 of this Lease, but in no case greater than the maximum amount of such interest permitted by law. As used in Paragraph 19.2.1(iii) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

19.2.2 Terminate Tenant's right to possess the Premises by any lawful means with or without terminating this Lease, in which event Tenant will immediately surrender possession of the Premises to Landlord within ten (10) days of receipt of written notice from Landlord. In such event, this Lease continues in full force and effect (except for Tenant's right to possess the Premises) and Tenant continues to be obligated for and must pay all Rent as and when due under this Lease. Unless Landlord specifically states that it is terminating this Lease, Landlord's termination of Tenant's right to possess the Premises is not to be construed as an election by Landlord to terminate this Lease or Tenant's obligations and liabilities under this Lease. If Landlord terminates Tenant's right to possess the Premises, Landlord is not obligated to, but upon providing written notice to Tenant, may re-enter the Premises and remove all persons and property from the Premises if Tenant fails to do so within such 10-day period. Landlord may store any property Landlord removes from the Premises in a public warehouse or elsewhere at the cost and for the account of Tenant, and if Tenant fails to pay the storage charges therefor within ten (10) days of Tenant's receipt of written request therefor, Landlord may deem such property abandoned and cause such property to be sold or otherwise disposed of without further obligation or any accounting to Tenant. Upon such re-entry, Landlord shall, to the extent required by applicable Laws, use commercially reasonable efforts to relet the Premises to a third party or parties for Tenant's account. Tenant shall be liable to Landlord for all Costs of Re-Letting (as defined below) and shall pay Landlord the same within thirty (30) days after Landlord's written notice to Tenant. Landlord may relet the Premises for a period shorter or longer than the remaining Lease Term. If Landlord relets all or any part of the Premises, Tenant remains obligated to pay all Rent when due under this Lease; provided that Landlord will, on a monthly basis, credit any Net Re-Letting Proceeds (as defined below) received for the current month against Tenant's Rent obligation for the next succeeding month. If the Net Re-Letting Proceeds received for any month exceeds Tenant's Rent obligation for the succeeding month, Landlord may retain the surplus.

As used herein, "Net Re-Letting Proceeds" shall mean the total amount of rent and other consideration paid by any Replacement Tenants (as defined below), less all Costs of Re-Letting, during a given period of time. "Costs of Re-Letting" shall include without limitation, all commercially reasonable costs and expenses incurred by Landlord for any repairs, maintenance, changes, alterations and improvements to the Premises, brokerage commissions, advertising costs, attorneys' fees, any reasonable and customary free rent periods or credits, tenant improvement allowances, take-over lease obligations and other reasonable and customary economic incentives required to enter leases with Replacement Tenants. "Replacement Tenants" shall mean any individual, trust, partnership, company, joint venture, association, corporation, or any other entity to whom Landlord relets the Premises or any portion thereof pursuant to this Section 19.2.2.

19.3 **Form of Payment After Default.** Following the occurrence of an event of default by Tenant, Landlord shall have the right to require that any or all subsequent amounts paid by Tenant to Landlord hereunder, whether to cure the default in question or otherwise, be paid in the form of cash, money order, cashier's or certified check drawn on an institution acceptable to Landlord, or by other commercially reasonable means approved by Landlord, notwithstanding any prior practice of accepting payments in any different form.

19.4 **Efforts to Relet.** No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlord's interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Tenant hereby irrevocably waives any right otherwise available under any law to redeem or reinstate this Lease.



19.5 **Subleases of Tenant.** Whether or not Landlord elects to terminate this Lease on account of any default by Tenant, as set forth in this Article 19, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

19.6 **Landlord's Default/Tenant's Remedies.** Upon the occurrence of any failure by Landlord to observe or perform any term, covenant or condition of this Lease to be observed or performed by Landlord, if such failure shall continue for thirty (30) days after receipt of written notice thereof to Landlord, Landlord shall be in default under this Lease; provided, however, that if the nature of the default is such that the same cannot be reasonably cured within said thirty (30) day period, Landlord shall not be in default hereunder if Landlord shall within such period commence such cure and shall thereafter diligently prosecute the same to completion; provided that, if longer than ninety (90) days, Landlord shall notify Tenant of the reasons for such extended time period and of the projected completion date.

19.7 **Remedies Generally.** Except as otherwise specified in this Lease, Landlord's remedies and Tenant's remedies set forth in this Lease shall not be exclusive, but shall be cumulative and shall be in addition to, and not in lieu of, any other remedies now or hereafter allowed by law or in equity, including, without limitation, injunctive relief, specific performance and consequential damages. Notwithstanding anything to the contrary herein, in the event of a default by Tenant, Landlord shall use its commercially reasonable efforts to mitigate its damages in accordance with applicable Laws; provided that those efforts shall not require Landlord to relet the Premises in preference to any other space in the Project, relet the Premises to any party that Landlord could reasonably reject as a transferee pursuant to Article 14, or incur any out-of-pocket construction costs or brokerage commissions in connection with such efforts (other than such costs that amortize over the term of a new lease for the Premises).

## **ARTICLE 20**

### **COVENANT OF QUIET ENJOYMENT**

Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof, without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

## **ARTICLE 21**

### **LETTER OF CREDIT**

21.1 **Delivery of Letter of Credit.** Tenant shall deliver to Landlord, within ninety (90) days of the Effective Date, an unconditional, clean, irrevocable letter of credit (the "L-C") in the amount set forth in Section 7 of the Summary (the "L-C Amount"), which L-C shall be issued by either Silicon Valley Bank, a subsidiary of SVB Financial Group; Pacific Western Bank or an affiliate or division thereof; or a money-center, solvent and nationally recognized bank (a bank which accepts deposits, maintains accounts, has a local office in Salt Lake City, Utah that will negotiate a letter of credit, and whose deposits are insured by the FDIC) reasonably acceptable to Landlord (such approved, issuing bank being referred to herein as the "Bank"), which Bank must have a short term Fitch Rating which is not less than "F1", and a long term Fitch Rating which is not less than "A" (or in the event such Fitch Ratings are no longer available, a comparable rating from Standard and Poor's Professional Rating Service or Moody's Professional Rating Service) (collectively, the "Bank's Credit Rating Threshold"), and which L-C shall be in the form of **Exhibit E**, attached hereto. Tenant shall pay all expenses, points and/or fees incurred by Tenant in obtaining the L-C. The L-C shall (i) be "callable" at sight, irrevocable and unconditional, (ii) be maintained in effect, whether through renewal or extension, for the period commencing on the date of this Lease and continuing until the date (the "L-C Expiration Date") that is no less than one hundred twenty (120) days after the expiration of the Lease Term, as the same may be extended, and Tenant shall deliver a new L-C or certificate of renewal or extension to Landlord at least sixty (60) days prior to the expiration of the L-C then held by Landlord, without any action whatsoever on the part of Landlord, (iii) be fully assignable by Landlord, its successors and assigns, (iv) permit partial draws and multiple presentations and drawings, and (v) be otherwise subject to the International Standby Practices-ISP 98, International Chamber of Commerce Publication #590. Landlord, or its then managing agent, shall have the right to draw down an amount up to the face amount of the L-C if any of the following shall have occurred or be applicable: (A) such amount is due to Landlord under the terms and conditions of this Lease (following the expiration of all applicable payment and default cure periods) or (B) Tenant has filed a voluntary petition under the U. S. Bankruptcy Code or any state bankruptcy code (collectively, "Bankruptcy Code"), or (C) an involuntary petition has been filed against Tenant under the Bankruptcy Code, or (D) the Bank has notified Landlord that the L-C will not be renewed or extended through the L-C Expiration Date, or (E) Tenant is placed into receivership or conservatorship, or becomes subject to similar proceedings under Federal or State law, or (F) Tenant executes an assignment for the benefit of creditors, or (G) if (1) any of the Bank's Fitch Ratings (or other comparable ratings to the extent the Fitch Ratings are no longer available) have been reduced below the Bank's Credit Rating Threshold, or (2) there is otherwise a material adverse change in the financial condition of the Bank, and Tenant has failed to provide Landlord with a replacement letter of credit within thirty (30) days following receipt of Landlord's written request therefor, conforming in all respects to the requirements of this Article 21 (including, but not limited to, the requirements placed on the issuing Bank more particularly set forth in this

Section 21.1 above), in the amount of the applicable L-C Amount, within ten (10) days following Landlord's written demand therefor (with no other notice or cure or grace period being applicable thereto, notwithstanding anything in this Lease to the contrary) (each of the foregoing being an "L-C Draw Event"). The L-C shall be honored by the Bank regardless of whether Tenant disputes Landlord's right to draw upon the L-C. In addition, in the event the Bank is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation or any successor or similar entity, then, effective as of the date such receivership or conservatorship occurs, said L-C shall be deemed to fail to meet the requirements of this Article 21, and, within ten (10) days following Landlord's notice to Tenant of such receivership or conservatorship (the "L-C FDIC Replacement Notice"), Tenant shall replace such L-C with a substitute letter of credit from a different issuer (which issuer shall meet or exceed the Bank's Credit Rating Threshold and shall otherwise be acceptable to Landlord in its reasonable discretion) and that complies in all respects with the requirements of this Article 21. If Tenant fails to replace such L-C with such conforming, substitute letter of credit pursuant to the terms and conditions of this Section 21.1, then, notwithstanding anything in this Lease to the contrary, Landlord shall have the right to declare Tenant in default of this Lease for which there shall be no notice or grace or cure periods being applicable thereto (other than the aforesaid ten (10) day period). Tenant shall be responsible for the payment of any and all costs incurred with the review of any replacement L-C (including without limitation Landlord's reasonable attorneys' fees), which replacement is required pursuant to this Section or is otherwise requested by Tenant.

Notwithstanding anything to the contrary contained in this Lease, Landlord shall not be required to disburse any portion of the Tenant Improvement Allowance to Tenant until Tenant has provided Landlord with the L-C described in this Article 21.

21.2 **Application of L-C.** Tenant hereby acknowledges and agrees that Landlord is entering into this Lease in material reliance upon the ability of Landlord to draw upon the L-C upon the occurrence of any L-C Draw Event. In the event of any L-C Draw Event, Landlord may, but without obligation to do so, and without notice to Tenant, draw upon the L-C, in part or in whole, to cure any such L-C Draw Event and/or to compensate Landlord for any and all damages of any kind or nature sustained or which Landlord reasonably estimates that it will sustain resulting from Tenant's breach or default of the Lease or other L-C Draw Event and/or to compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, subject to the provisions of Article 19 hereof. The use, application or retention of the L-C, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by this Lease or by any applicable Laws, it being intended that Landlord shall not first be required to proceed against the L-C, and such L-C shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. No condition or term of this Lease shall be deemed to render the L-C conditional to justify the issuer of the L-C in failing to honor a drawing upon such L-C in a timely manner. Tenant agrees and acknowledges that (i) the L-C constitutes a separate and independent contract between Landlord and the Bank, (ii) Tenant is not a third party beneficiary of such contract, (iii) Tenant has no property interest whatsoever in the L-C or the proceeds thereof, and (iv) in the event Tenant becomes a debtor under any chapter of the Bankruptcy Code, Tenant is placed into receivership or conservatorship, and/or there is an event of a receivership, conservatorship or a bankruptcy filing by, or on behalf of, Tenant, neither Tenant, any trustee, nor Tenant's bankruptcy estate shall have any right to restrict or limit Landlord's claim and/or rights to the L-C and/or the proceeds thereof by application of Section 502(b)(6) of the U. S. Bankruptcy Code or otherwise. In the event of an assignment by Tenant of its interest in this Lease (and irrespective of whether Landlord's consent is required for such assignment), the acceptance of any replacement or substitute L-C by Landlord from the assignee shall be subject to Landlord's prior written approval, in Landlord's reasonable discretion, and the actual and reasonable attorney's fees incurred by Landlord in connection with such determination shall be payable by Tenant to Landlord within ten (10) days of billing.

21.3 **L-C Amount; Maintenance of L-C by Tenant.** If, as a result of any drawing by Landlord of all or any portion of the L-C, the amount of the L-C shall be less than the L-C Amount, Tenant shall, within five (5) days thereafter, provide Landlord with additional letter(s) of credit in an amount equal to the deficiency, and any such additional letter(s) of credit shall comply with all of the provisions of this Article 21. Tenant further covenants and warrants that it will neither assign nor encumber the L-C or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. Without limiting the generality of the foregoing, if the L-C expires earlier than the L-C Expiration Date, Landlord will accept a renewal thereof (such renewal letter of credit to be in effect and delivered to Landlord, as applicable, not later than ninety (90) days prior to the expiration of the L-C), which shall be irrevocable and automatically renewable as above provided through the L-C Expiration Date upon the same terms as the expiring L-C or such other terms as may be acceptable to Landlord in its sole discretion. If the L-C is not timely renewed, or if Tenant fails to maintain the L-C in the amount and in accordance with the terms set forth in this Article 21, Landlord shall have the right to present the L-C to the Bank in accordance with the terms of this Article 21, and the proceeds of the L-C may be applied by Landlord against any rent payable by Tenant under this Lease that is not paid when due and/or to pay for all losses and damages that Landlord has suffered or that Landlord reasonably estimates that it will suffer as a result of any breach or default by Tenant under this Lease. In the event Landlord elects to exercise its rights under the preceding sentence, (x) any unused proceeds shall constitute the property of Landlord (and not Tenant's property or, in the event of a receivership, conservatorship, or a bankruptcy filing by Tenant, property of such receivership, conservatorship or Tenant's bankruptcy estate) and need not be segregated from Landlord's other assets, and (y) Landlord agrees to pay to Tenant within thirty (30) days after the L-C Expiration Date the amount of any proceeds of the L-C received by Landlord and not applied against any rent payable by Tenant under this Lease that was not paid when due or used to pay for any losses and/or damages suffered by Landlord (or reasonably estimated by Landlord that it will suffer) as a result of any breach or default by Tenant under this Lease; provided, however, that if prior to the L-C Expiration Date a voluntary petition is filed by Tenant, or an involuntary petition is filed against Tenant by any of Tenant's creditors, under the Bankruptcy Code, then Landlord shall not be obligated to make such payment in the amount of the unused L-C proceeds until either all preference issues relating to payments under this Lease have been resolved in such bankruptcy or reorganization case or such bankruptcy or reorganization case has been dismissed.

21.4 **Transfer and Encumbrance.** The L-C shall also provide that Landlord may, at any time and without notice to Tenant and without first obtaining Tenant's consent thereto, transfer (one or more times) all or any portion of its interest in and to the L-C to another party, person or entity, regardless of whether or not such transfer is from or as a part of the assignment by Landlord of its rights and interests in and to this Lease. In the event of a transfer of Landlord's interest in under this Lease, Landlord shall transfer the L-C, in whole or in part, to the transferee and thereupon Landlord shall, without any further agreement between the parties, be released by Tenant from all liability therefor, and it is agreed that the provisions hereof shall apply to every transfer or assignment of the whole of said L-C to a new landlord. In connection with any such transfer of the L-C by Landlord, Tenant shall, at Tenant's sole cost and expense, execute and submit to the Bank such applications, documents and instruments as may be necessary to effectuate such transfer and, Tenant shall be responsible for paying the Bank's transfer and processing fees in connection therewith.

21.5 **L-C Not a Security Deposit.** Landlord and Tenant (1) acknowledge and agree that in no event or circumstance shall the L-C or any renewal thereof or substitute therefor or any proceeds thereof be deemed to be or treated as a "security deposit" under any law applicable to security deposits in the commercial context (the "Security Deposit Laws"), (2) acknowledge and agree that the L-C (including any renewal thereof or substitute therefor or any proceeds thereof) is not intended to serve as a security deposit, and the Security Deposit Laws shall have no applicability or relevancy thereto, and (c) waive any and all rights, duties and obligations that any such party may now, or in the future will, have relating to or arising from the Security Deposit Laws. Tenant hereby irrevocably waives and relinquishes any statute, and all other provisions of law, now or hereafter in effect, which (x) establish the time frame by which a landlord must refund a security deposit under a lease, and/or (y) provide that a landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by a tenant or to clean the premises, it being agreed that Landlord may, in addition, claim those sums specified in this Article 21 and/or those sums reasonably necessary to (a) compensate Landlord for any loss or damage caused by Tenant's breach of this Lease, including any damages Landlord suffers following termination of this Lease, and/or (b) compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease.

21.6 **Non-Interference By Tenant.** Subject to the provisions of Sections 21.1 and 21.8, Tenant agrees not to interfere in any way with any payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of all or any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw down all or any portion of the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional and thereby afford the Bank a justification for failing to honor a drawing upon such L-C in a timely manner.

21.7 **Waiver of Certain Relief.** Tenant unconditionally and irrevocably waives (and as an independent covenant hereunder, covenants not to assert) any right to claim or obtain any of the following relief in connection with the L-C:

21.7.1 A temporary restraining order, temporary injunction, permanent injunction, or other order that would prevent, restrain or restrict the presentment of sight drafts drawn under any L-C or the Bank's honoring or payment of sight draft(s); or

21.7.2 Any attachment, garnishment, or levy in any manner upon either the proceeds of any L-C or the obligations of the Bank (either before or after the presentment to the Bank of sight drafts drawn under such L-C) based on any theory whatever.

21.8 **Remedy for Improper Drafts.** Tenant's sole remedy in connection with the improper presentment or payment of sight drafts drawn under any L-C shall be the right to obtain from Landlord a refund of the amount of any sight draft(s) that were improperly presented or the proceeds of which were misapplied, together with interest at the Interest Rate and reasonable actual costs incurred by Tenant, including, without limitation, attorneys' fees, within ten (10) days of Tenant's demand therefor, provided that at the time of such refund, Tenant increases the amount of such L-C to the amount (if any) then required under the applicable provisions of this Lease. Tenant acknowledges that the presentment of sight drafts drawn under any L-C, or the Bank's payment of sight drafts drawn under such L-C, could not under any circumstances cause Tenant injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor. In the event Tenant shall be entitled to a refund as aforesaid and Landlord shall fail to make such payment within ten (10) business days after demand, Tenant shall have the right to deduct the amount thereof together with interest thereon at the Interest Rate from the next installment(s) of Base Rent.

21.9 **Notices to Bank.** Tenant shall not request or instruct the Bank of any L-C to refrain from paying sight draft(s) drawn under such L-C.

21.10 **Reduction in L-C Amount.** Notwithstanding the foregoing, the L-C Amount required hereunder shall reduce to the following amounts on the following dates (each such date, a "Reduction Date"): (i) on the expiration of the thirty-sixth (36<sup>th</sup>) full calendar month of the Lease Term, the L-C Amount shall reduce to \$3,040,705.00; (ii) on the expiration of the forty-eighth (48<sup>th</sup>) full calendar month of the Lease Term, the L-C Amount shall reduce to \$2,280,529.00; (iii) on the expiration of the sixtieth (60<sup>th</sup>) full calendar month of the Lease Term, the L-C Amount shall reduce to \$1,520,353.00; and (iv) on the expiration of the seventy-second (72<sup>th</sup>) full calendar month of the Lease Term, the L-C Amount shall reduce to \$1,229,271.00; provided, however, that if on or prior to any Reduction Date, a Default by Tenant shall have occurred and remain uncured, the L-C Amount shall not reduce on such date and shall not thereafter reduce until the next Reduction Date if such Default has been cured; provided further that in no event shall the L-C Amount reduce below \$1,229,271.00. If Tenant is entitled to any such reduction, then Landlord shall cooperate in a commercially reasonable manner with Tenant upon Tenant's

request to replace or amend the then existing L-C to reflect the reduced L-C Amount. In no event shall any such reduction of the L-C Amount be construed as an admission by Landlord that Tenant has performed all of its covenants and obligations hereunder.

**ARTICLE 22**

**INTENTIONALLY OMITTED**

**ARTICLE 23**

**SIGNS**

23.1 **Full Floors.** Subject to Landlord's prior written approval, not to be unreasonably withheld, conditioned or delayed, and provided all signs are in keeping with the quality, design and style of the Building and Project, Tenant, if the Premises comprise an entire floor of the Building, at its sole cost and expense, may install identification signage anywhere in the Premises including in the elevator lobby of the Premises.

23.2 **Multi-Tenant Floors.** If other tenants occupy space on the floor on which the Premises is located, Tenant's identifying signage shall be provided by Landlord, at Tenant's cost, and such signage shall be comparable to that used by Landlord for other similar floors in the Building and shall comply with Landlord's Building standard signage program.

23.3 **Building Directory.** Tenant shall be entitled, at no charge, to one line on the Building directory to display Tenant's name and location in the Building. The location, quality, design, style, and size of such signage shall be consistent with the Landlord's Building standard signage program. Any changes to Tenant's directory signage after the initial placement of the same shall be at Tenant's sole cost and expense.

23.4 **Prohibited Signage and Other Items.** Any signs, notices, logos, pictures, names or advertisements which are installed and that have not been separately approved by Landlord may be removed without notice by Landlord at the sole expense of Tenant. Tenant may not install any signs on the exterior or roof of the Project or the Common Areas. Any signs, window coverings, or blinds (even if the same are located behind the Landlord-approved window coverings for the Building), or other items visible from the exterior of the Premises or Building, shall be subject to the prior approval of Landlord, in its sole discretion.

23.5 **Exterior Building Signage.**

23.5.1 Subject to the terms of this Section 23.5, as a part of the Tenant Improvements in accordance with terms of the Tenant Work Letter or as Alterations in accordance with Article 8 above, Tenant shall have the right to install signage on the exterior of the Building, identifying the name and/or logo of the Original Tenant (i.e., "Recursion Pharmaceuticals") in the approximate locations shown and as depicted on **Exhibit F** attached hereto (the "**Exterior Building Signage**"). The graphics, materials, color, design, lettering, size, quality and specifications of the Exterior Building Signage shall be subject to the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. The Exterior Building Signage shall also comply with and be subject to all applicable Laws, including, but not limited to, all requirements of the City of Salt Lake City ("City") (or other applicable governmental authorities), all applicable Declarations (as defined below), and Landlord's signage criteria; provided, however, that in no event shall the approval by the City (or other applicable governmental authorities) of the Exterior Building Signage be deemed a condition precedent to the effectiveness of this Lease, and if such approval is not obtained, Landlord's and Tenant's other obligations under this Lease shall not be affected thereby. Landlord shall, at no out-of-pocket cost to Landlord, reasonably cooperate with Tenant in obtaining applicable permits from the City in connection with the installation of the Exterior Building Signage. Following the initial construction and installation of the Exterior Building Signage, Tenant shall be entitled to modify the name and/or logo for such signage, at Tenant's sole cost and expense, to the new name and/or logo adopted by Original Tenant, provided that the new name and/or logo shall not be an Objectionable Name or Logo (defined below). "**Objectionable Name or Logo**" shall mean any name or logo which relates to an entity which is of a character or reputation, or is associated with a political orientation or faction, which is inconsistent with the quality of the Building as a first-class office building. Tenant shall, at its sole cost and expense, maintain the Exterior Building Signage in good condition and repair. The signage rights granted to Tenant under this Section 23.5 are personal to the Original Tenant and may only be exercised by the Original Tenant (and not any assignee, or any sublessee or other transferee of the Original Tenant's interest in this Lease). Notwithstanding anything to the contrary contained in this Section 23.5, in no event shall Tenant have any right to the Exterior Building Signage if the Original Tenant is not leasing and occupying at least 49,586 rentable square feet in the Building (the "**Occupancy Threshold**").

23.5.2 Upon the expiration or earlier termination of this Lease or Tenant's right to possession of the Premises, or the earlier termination of Tenant's right to the Exterior Building Signage by reason of Tenant's failure to meet the requirements applicable thereto pursuant to this Section 23.5, or by Landlord's written notice to Tenant by reason of Tenant's failure to meet the Occupancy Threshold, Tenant shall remove the Exterior Building Signage, at Tenant's sole cost and expense and repair and restore to good condition the areas of the Building on which the Exterior Building Signage was located or that was otherwise affected by such signage or the removal thereof, or at Landlord's election with prior written notice thereof to Tenant, Landlord may perform any such removal and/or repair and restoration and Tenant shall pay Landlord the reasonable cost thereof within thirty (30) days after Landlord's demand from time to time.



**ARTICLE 24**

**COMPLIANCE WITH LAW**

Tenant shall not do anything or suffer anything to be done in or about the Premises or the Project which will in any way conflict with any applicable Laws. At its sole cost and expense, Tenant shall promptly comply with all such Laws, including, without limitation, the making of any alterations and improvements to the Premises. Notwithstanding the foregoing to the contrary, Landlord shall be responsible, as part of Operating Expenses to the extent permitted under Article 4 above, for making all alterations to the following portions of the Building and Project required by applicable Laws: (i) structural portions of the Premises and Building, but not including Tenant Improvements or any Alterations installed by or at the request of Tenant; and (ii) those portions of the Building and Project located outside the Premises; provided, however, Tenant shall reimburse Landlord (or Landlord's property manager), within thirty (30) days after invoice, for the reasonable, out-of-pocket costs of any such improvements and alterations and other compliance costs to the extent necessitated by or resulting from (A) any Alterations or Tenant Improvements installed by or on behalf of Tenant, (B) the negligence or willful misconduct of Tenant or any Tenant Parties that is not covered by insurance obtained by Landlord and as to which the waiver of subrogation applies, and/or (C) Tenant's specific manner of use of the Premises (as distinguished from general office use).

**ARTICLE 25**

**LATE CHARGES**

If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within ten (10) days after said amount is due, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the overdue amount plus any attorneys' fees incurred by Landlord by reason of Tenant's failure to pay Rent and/or other charges when due hereunder. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid within thirty days after that the date they are due shall bear interest from the date when due until paid at a rate per annum equal to the lesser of (i) the annual "Bank Prime Loan" rate cited in the Federal Reserve Statistical Release Publication G.13(415), published on the first Tuesday of each calendar month (or such other comparable index as Landlord and Tenant shall reasonably agree upon if such rate ceases to be published) plus four (4) percentage points, and (ii) the highest rate permitted by applicable law (the "Interest Rate").

**ARTICLE 26**

**RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT**

26.1 **Landlord's Cure.** All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent, except to the extent, if any, otherwise expressly provided herein. If Tenant shall fail to perform any obligation under this Lease, and, except in case of an emergency, such failure shall continue in excess of the time allowed under Section 19.1.2, above, unless a specific time period is otherwise stated in this Lease, Landlord may, but shall not be obligated to, make any such payment or perform any such act on Tenant's part without waiving its rights based upon any default of Tenant and without releasing Tenant from any obligations hereunder.

26.2 **Tenant's Cure.** In the event of any default under this Lease by Landlord as described in Section 19.6 above (for failure to maintain or repair the Building) and such failure materially adversely affects use of or operation of business from the Premises, Tenant shall have the right upon ten (10) days' prior written notice to Landlord (with a reasonably detailed description of the cure to be undertaken by Tenant by reason of any such default) to cure the default at Landlord's expense. If, however, Landlord delivers to Tenant, within five (5) days after receipt of Tenant's notice described in the preceding notice, a written objection to the necessity or scope of Tenant's intended actions, setting forth with reasonable particularity Landlord's reasons for its claim that such actions do not need to be taken by Landlord pursuant to this Lease, then Tenant shall not then be entitled to proceed hereunder until such matter is resolved by agreement, mediation, or a court of competent jurisdiction. Notwithstanding the foregoing, any repairs and/or maintenance performed by Tenant pursuant to this Section 26.2 shall be subject to the following: (i) Tenant shall not unreasonably disturb any other tenant of the Project, (ii) affect the safety or structural integrity of the Building, (iii) make any alterations, modifications, or improvements or cause any damage to any part of the Project outside the Premises, or (iv) if Tenant is not the sole tenant of the Building, affect any portion of the Base Building. If Tenant takes any such action, Tenant may use any contractors, subcontractors, materials, mechanics and materialmen Tenant previously used to complete the Tenant Improvements (so long as the same does not void any warranty with respect to the roof of the Building) or such other contractors, subcontractors, materials, mechanics and materialmen selected by Tenant from a list previously provided and approved by Landlord. If such contractors are unwilling or unable to perform, or timely perform such work, Tenant may utilize the services of any other qualified contractor which normally and regularly performs similar work in comparable buildings in Salt Lake City, Utah. In such event, to the extent that Tenant pays any sum or incurs any expense in curing the default, Tenant shall provide Landlord with a written statement along with copies of all documentation supporting such costs and the actions taken by Tenant. Within thirty (30) days after receipt of the statement from Tenant, Landlord shall reimburse Tenant for the amount of such payment or expense. If Landlord fails to pay such amount due to Tenant by the due date, interest at the Interest Rate shall accrue on the past due amount from the due date until the date the amount is paid. Nothing herein contained shall relieve Landlord from its obligations hereunder, nor shall this subsection be construed to obligate Tenant to perform Landlord's repair obligations.

26.3 **Tenant's Reimbursement.** Except as may be specifically provided to the contrary in this Lease, Tenant shall pay to Landlord (or Landlord's property manager), upon delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with the remedying by Landlord of Tenant's defaults pursuant to the provisions of Section 26.1; (ii) sums equal to all losses, costs, liabilities, damages and expenses referred to in Article 10 of this Lease; and (iii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all legal fees and other amounts so expended. Tenant's obligations under this Section 26.2 shall survive the expiration or sooner termination of the Lease Term.

#### ARTICLE 27

##### ENTRY BY LANDLORD

Landlord (or Landlord's property manager) reserves the right at all commercially reasonable times and upon providing one (1) business days' advance notice to Tenant (except in the case of an emergency) to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees or tenants, or to current or prospective mortgagees, ground or underlying lessors or insurers; (iii) post notices of nonresponsibility; or (iv) alter, improve or repair the Premises or the Building, or for structural alterations, repairs or improvements to the Building or the Building's systems and equipment. Notwithstanding anything to the contrary contained in this Article 27, Landlord (or Landlord's property manager) may enter the Premises at any time to (A) perform services required of Landlord, including janitorial service; (B) take possession due to any breach of this Lease in the manner provided herein; and (C) perform any covenants of Tenant which Tenant fails to perform. Landlord shall at all times when entering the Premises comply with Tenant's reasonable safety rules and regulations and laboratory protocols of which Landlord has knowledge of, and, at Tenant's option, shall be accompanied or escorted by Tenant's representative at all times when entering the Premises, so long as such representative is made available when Landlord or its agents need to enter the Premises. Subject to the provisions of this Section, Landlord (or Landlord's property manager) may make any such entries without the abatement of Rent and may take such reasonable steps as required to accomplish the stated purposes. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's laboratories, vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises by Landlord in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises. No provision of this Lease shall be construed as obligating Landlord to perform any repairs, alterations or decorations except as otherwise expressly agreed to be performed by Landlord herein.

#### ARTICLE 28

##### TENANT PARKING

28.1 **Tenant Parking Passes.** Tenant shall rent from Landlord, commencing on the Lease Commencement Date, up to the number of parking passes set forth in Section 8 of the Summary, on a monthly basis throughout the Lease Term, which parking passes shall pertain to the those certain portions of the Project parking facility designated by Landlord and shall entitle Tenant and/or its personnel to park one (1) vehicle in one (1) parking space per pass rented. Any such passes for reserved parking spaces shall be at locations in the Project which are described in **Exhibit I** attached hereto (the "**Reserved Parking Area**"). Any such passes for unreserved parking spaces shall be on a first-come, first-serve basis. Tenant's continued right to use the parking passes is conditioned upon Tenant abiding by all reasonable rules and regulations which are prescribed from time to time for the orderly operation and use of the parking facility where the parking passes are located, including any sticker or other identification system established by Landlord (so long as Tenant is provided with at least thirty (30) days' advance written notice of any such rules and regulations so prescribed and such rules and regulations do not materially interfere with Tenant's use of or access to the Premises or its rights under this Lease), Tenant's reasonable cooperation in seeing that Tenant's employees and visitors also comply with such rules and regulations. In addition, Tenant shall comply with all applicable Laws. Accordingly, Tenant hereby agrees that Tenant shall not charge its employees for the parking passes utilized by such employees at the Project (notwithstanding any charge which may be imposed upon Tenant for such parking passes pursuant to the terms of this Lease). Landlord shall not reduce or relocate the Reserved Parking Area without Tenant's advance written consent, which may be granted or withheld in Tenant's sole discretion.

At any time during the Term, Tenant may request additional parking passes for additional reserved parking spaces above the maximum number set forth in Section 8 of the Summary, which Landlord shall provide within thirty (30) days of receipt of Tenant's request, subject to availability of such additional parking. Tenant shall pay Landlord on a monthly basis the prevailing rate charged from time to time for each month of the Lease Term for each such additional parking pass provided to Tenant pursuant to the provisions hereof.

Prior to the expiration of the twenty-fourth (24<sup>th</sup>) full calendar month of the Lease Term, Tenant shall provide Landlord with at least thirty (30) days prior written notice if Tenant needs additional parking passes (up to the maximum number set forth in Section 8 of the Summary). Notwithstanding anything contained herein to the contrary, commencing on the first day of the twenty-fifth (25<sup>th</sup>) full calendar month of the Lease Term and continuing thereafter during the Lease Term, Tenant shall be required to take all two hundred eighty-eight (288)

parking passes. Once Tenant has elected to take (or been required to take) any parking passes pursuant to this Article 28, Tenant shall not be permitted to release such parking passes back to Landlord during the Lease Term.

**28.2 Other Terms.** Landlord specifically reserves the right to change the size, configuration, design, layout and all other aspects of the Project parking facility at any time and Tenant acknowledges and agrees that Landlord may, without incurring any liability to Tenant and without any abatement of Rent under this Lease, from time to time, temporarily close-off or restrict access to the Project parking facility (for a period of time not to exceed sixty (60) days) for purposes of permitting or facilitating any such construction, alteration or improvements; provided that if any such alterations or additions will have a material adverse effect on Tenant's use of or access to the Premises, Landlord shall provide Tenant with at least seven (7) days prior written notice of the same (except in the event of an emergency, in which case prior written notice is not required, but Landlord shall use commercially reasonable efforts to notify Tenant as promptly as possible under the circumstances) and in no event shall any such changes reduce or relocate the Reserved Parking Area or otherwise reduce the number of unreserved parking spaces available to Tenant within the parking garage located below the Building. Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to provide any parking, including any failure to provide reserved parking spaces, when such failure is occasioned, in whole or in part, by construction, alteration, improvements, repairs or replacements (subject to the provisions of this Section 28.2), by any strike, lockout or other labor trouble, by inability to resolve any dispute with any other party to the Declarations after reasonable effort to do so, by any riot or other dangerous condition, emergency, accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause (except to the extent due to Landlord's gross negligence or willful misconduct); and, subject to the provisions of this Section, such failures shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any parking as set forth in this Article 28 (except to the extent due to Landlord's gross negligence or willful misconduct). The parking passes rented by Tenant pursuant to this Article 28 are provided to Tenant solely for use by Tenant's own personnel, visitors and guests and such passes may not be transferred, assigned, subleased or otherwise alienated by Tenant without Landlord's prior approval. Tenant may validate visitor parking by such method or methods as may be established from time to time, at the validation rate from time to time generally applicable to visitor parking.

**28.3 Parking Procedures.** Except with respect to those parking passes which apply to the Reserved Parking Area, the parking passes initially will not be separately identified but will apply to the parking garage located beneath the Building; however Landlord reserves the right in its sole and absolute discretion to separately identify by signs or other markings the area to which Tenant's parking passes relate within such parking garage. Landlord shall have no obligation to monitor the use of such parking facility, nor shall Landlord be responsible for any loss or damage to any vehicle or other property or for any injury to any person. Tenant's parking passes shall be used only for parking of automobiles no larger than full size passenger automobiles, sport utility vehicles, vans or pick-up trucks in connection with Tenant's business operations at the Premises at any time during the hours that Tenant and/or its personnel, visitors or guests are conducting business operations from the Premises, which may include overnight parking and parking on evenings and weekends consistent with Tenant's business operations, subject to Tenant's and/or its personnel's compliance with Landlord's rules related to such overnight parking. Tenant shall comply with all reasonable rules and regulations which may be prescribed from time to time with respect to parking and/or the parking facilities servicing the Project so long as Tenant receives written notice of such rules and regulations and such rules and regulations are not inconsistent with Tenant's rights under this Lease. Tenant shall not at any time use more parking spaces in the Project parking facility than the number of parking passes so allocated to Tenant or park its vehicles or the vehicles of others in any portion of the Project parking facility not designated by Landlord as a non-exclusive parking area. If any unauthorized vehicle uses any parking passes allocated to the Reserved Parking Area, Landlord shall, upon notice from Tenant, use commercially reasonable efforts to cause the removal of the same in accordance with Landlord's rules and regulations with respect to parking. If any person or entity has the exclusive right to use any particular parking space(s) and such parking spaces are so designated by signage or other markings indicating the same, Tenant shall not use such spaces. All trucks (other than pick-up trucks) and delivery vehicles shall be (i) parked at the designated areas of the surface parking lot (which designated areas are subject to change by Landlord at any time), (ii) loaded and unloaded in a manner which does not interfere with the businesses of other occupants of the Project, and (iii) permitted to remain on the Project only so long as is reasonably necessary to complete loading and unloading. In the event Landlord elects in its sole and absolute discretion or is required by any Law or by the Declarations to limit or control parking, whether by validation of parking tickets or any other method of assessment, Tenant agrees to participate in such validation or assessment program under such reasonable rules and regulations as are from time to time established by Landlord so long as Tenant is provided with at least thirty (30) days' advance written notice of any such changes and such changes do not materially interfere with Tenant's use of or access to the Premises or its rights under this Lease.

**28.4 Parking Fees.** Of the parking passes provided to Tenant pursuant to Section 8 of the Summary, the parking fees for one hundred forty-four (144) of such parking passes shall be abated during the initial Lease Term, but excluding any renewal term. With respect to the remaining one hundred forty-four (144) parking passes provided to Tenant pursuant to Section 8 of the Summary, the parking charges for such passes shall be as follows: (i) during the period commencing on the Lease Commencement Date and ending on the expiration of the twenty-fourth (24<sup>th</sup>) full calendar month of the Lease Term, Tenant shall pay to Landlord on a monthly basis the prevailing rate charged from time to time at the location of such parking passes; (ii) during the period commencing on the first day of the twenty-fifth (25<sup>th</sup>) full calendar month of the Lease Term and ending on the expiration of the eighty-fourth (84<sup>th</sup>) full calendar month of the Lease Term, the parking fees for parking passes shall be abated; and (iii) commencing on the first day of the eighty-fifth (85<sup>th</sup>) full calendar month of the Lease Term and continuing thereafter (including during any Option Term), Tenant shall pay to Landlord on a monthly basis the prevailing rate charged from time to time at the location of such parking passes; provided that (A) during the first two (2) years of

the Lease Term, in no event may parking rates increase by more than five percent (5%) over the parking rates charged during the preceding year, and (B) after the first two (2) years of the Lease Term, the prevailing parking rates charged to Tenant shall not be higher than the prevailing parking rates charged by Landlord to other tenants of the Project. As of the date hereof, the prevailing parking rate at the Project is \$85.00 per parking pass per month. In addition, Tenant shall be responsible for the full amount of any taxes imposed by any governmental authority in connection with the renting of such parking passes by Tenant or the use of the parking facility by Tenant. The amount of parking fees that is abated pursuant to this paragraph is referred to as the "**Reduced Parking Amount**".

Notwithstanding anything to the contrary contained above in Section 28.4, Landlord reserves the right, in its sole and absolute discretion, to elect to pay Tenant the entire Reduced Parking Amount or any such remaining Reduced Parking Amount, as applicable, in cash prior to the scheduled application of the same. If Landlord elects to pay Tenant the Reduced Parking Amount, or any portion thereof, then with respect to those portions of the Reduced Parking Amount that Landlord has so paid, from and after the date thereof, Tenant shall pay to Landlord on a monthly basis the prevailing rate charged from time to time at the location of such parking passes.

## ARTICLE 29

### MISCELLANEOUS PROVISIONS

29.1 **Terms; Captions.** The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

29.2 **Binding Effect.** Subject to all other provisions of this Lease, each of the covenants, conditions and provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective heirs, personal representatives, successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 14 of this Lease.

29.3 **No Air Rights.** No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease. If at any time any windows of the Premises are temporarily darkened or the light or view therefrom is obstructed by reason of any repairs, improvements, maintenance or cleaning in or about the Project, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease.

29.4 **Modification of Lease.** Should any current or prospective mortgagee or ground lessor for the Building or Project require a modification of this Lease, which modification will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute such commercially reasonable documents as reasonably required therefor, subject to Tenant's review and approval of the same, and to deliver the same to Landlord within thirty (30) days following a request therefor. At the request of Landlord or any mortgagee or ground lessor, Tenant agrees to execute a short form of Lease and deliver the same to Landlord within thirty (30) days following the request therefor.

29.5 **Transfer of Landlord's Interest.** Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Project or Building and in this Lease, and Tenant agrees that in the event of any such transfer, Landlord shall be released from all liability under this Lease as long as such transferee assumes in writing the obligations of Landlord hereunder and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer and such transferee shall be deemed to have fully assumed and be liable for all obligations of this Lease to be performed by Landlord from and after such date, including the return of any Security Deposit, and Tenant shall attorn to such transferee. Tenant further acknowledges that Landlord may assign its interest in this Lease to a mortgage lender as additional security and agrees that such an assignment shall not release Landlord from its obligations hereunder and that Tenant shall continue to look to Landlord for the performance of its obligations hereunder.

29.6 **Prohibition Against Recording.** Except as provided in Section 29.4 of this Lease, neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant.

29.7 **Landlord's Title.** Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord.

29.8 **Relationship of Parties.** Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant.

29.9 **Application of Payments.** Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

29.10 **Time of Essence.** Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.



29.11 **Partial Invalidity.** If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

29.12 **No Warranty.** In executing and delivering this Lease, Tenant has not relied on any representations, including, but not limited to, any representation as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate or that Landlord is furnishing the same services to other tenants, at all, on the same level or on the same basis, or any warranty or any statement of Landlord which is not set forth herein or in one or more of the exhibits attached hereto.

29.13 **Limitations on Liability.** The liability of Landlord or the Landlord Parties to Tenant for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Project or the Premises shall be limited solely and exclusively to the interest of Landlord in the Building, provided that in no event shall such liability extend to any sales or insurance proceeds received by Landlord or the Landlord Parties in connection with the Project, Building or Premises. In the case of Landlord and Tenant, no personal liability shall at any time be asserted or enforceable against the Landlord Parties or the Tenant Parties, respectively, on account of any of Landlord's or Tenant's respective obligations or actions under this Lease, unless otherwise agreed to in writing by such party. The limitations of liability contained in this Section 29.13 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, members, agents and employees, and their respective partners, heirs, successors and assigns and Tenant's and the Tenant Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, members, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of either party (if such party is a partnership), member of either party (if such party is a limited liability company), or trustee or beneficiary (if such partner or any partner of such party is a trust), have any liability for the performance of such party's obligations under this Lease. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

29.14 **Entire Agreement.** It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease constitutes the parties' entire agreement with respect to the leasing of the Premises and supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. None of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto.

29.15 **Right to Lease.** Landlord reserves the absolute right to effect such other tenancies in the Project as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Building or Project. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building or Project.

29.16 **Force Majeure.** Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, acts of war, acts of terrorism, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to Rent and other charges to be paid by Tenant pursuant to this Lease and except as to Tenant's obligations under Articles 5 and 24 of this Lease (collectively, a "Force Majeure"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

29.17 **Waiver of Redemption by Tenant.** Tenant hereby waives, for Tenant and for all those claiming under Tenant, any and all rights now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

29.18 **Notices.** All notices, demands, statements, designations, approvals or other communications (collectively, "Notices") given or required to be given by either party to the other hereunder or by law shall be in writing, shall be (A) sent by United States certified or registered mail, postage prepaid, return receipt requested ("Mail"), (B) transmitted by confirmed electronic mail (except for (i) any notice of default, (ii) any notice required under Section 2.3, (iii) any notice required under Section 2.4, (iv) any notice required under Section 4.6, (v) any notice required under Section 6.3, (vi) any notice required under Article 11, (vii) any notice required under Article 14, (viii) any notice required under Article 19, or (ix) any notice required under Section 26.2), (C) delivered by a nationally recognized overnight courier, or (D) delivered personally. Any Notice shall be sent, transmitted, or delivered, as the case may be, to Tenant at the appropriate address set forth in Section 9 of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord, or to Landlord at the addresses set forth in Section 10 of the Summary, or to such other places as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given (i) three (3) days after the date it is posted if sent by Mail, (ii) the date the electronic mail is transmitted, (iii) the date the overnight courier delivery is made, or (iv) the date personal delivery is made or attempted to be made. If Tenant is notified of the identity and address of Landlord's mortgagee or ground or underlying lessor, Tenant shall give to such mortgagee or ground or underlying lessor written notice of any default by Landlord under the terms of this Lease by registered or certified mail, and such mortgagee or ground

or underlying lessor shall be given a reasonable opportunity to cure such default (not to exceed thirty (30) days beyond any applicable cure period) prior to Tenant's exercising any remedy available to Tenant.

29.19 **Joint and Several.** If there is more than one Tenant, the obligations imposed upon Tenant under this Lease shall be joint and several.

29.20 **Authority; Tenant Representation.** If Tenant is a corporation, trust, partnership or limited liability company, each individual executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in the State of Utah and that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so. In such event, Tenant shall, within ten (10) days after execution of this Lease, deliver to Landlord satisfactory evidence of such authority and, upon demand by Landlord, also deliver to Landlord satisfactory evidence of (i) good standing in Tenant's state of formation and (ii) qualification to do business in the State of Utah. Tenant hereby represents to Landlord that neither Tenant nor any members, partners, subpartners, parent organization, affiliate or subsidiary, or their respective officers, directors, contractors, agents, servants, employees, invitees or licensees (collectively, "**Tenant Individuals**"), to Tenant's current actual knowledge, appears on any of the following lists (collectively, "**Government Lists**") maintained by the United States government:

29.20.1 The two (2) lists maintained by the United States Department of Commerce (Denied Persons and Entities; the Denied Persons list can be found at <http://www.bis.doc.gov/dpl/thedeniallist.asp>; the Entity List can be found at <http://www.bis.doc.gov/entities/default.htm>);

29.20.2 The list maintained by the United States Department of Treasury (Specially Designated Nationals and Blocked Persons, which can be found at <http://www.ustreas.gov/ofac/tl1sdn.pdf>);

29.20.3 The two (2) lists maintained by the United States Department of State (Terrorist Organizations and Debarred Parties; the State Department List of Terrorists can be found at <http://www.state.gov/s/ct/rls/other/des/123085.html>; the List of Debarred Parties can be found at <http://www.pmdtc.state.gov/compliance/debar.html>); and

29.20.4 Any other list of terrorists, terrorist, organizations or narcotics traffickers maintained pursuant to any of the rules and regulations of the Office of Foreign Assets Control, United States Department of Treasury, or by any other government or agency thereof.

29.20.5 Should any Tenant Individuals appear on any Government Lists at any time during the Lease Term, Landlord shall be entitled to terminate this Lease by written notice to Tenant effective as of the date specified in such notice.

29.21 **Attorneys' Fees.** In the event that either Landlord or Tenant should bring suit for the possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provision of this Lease or for any other relief against the other, then all costs and expenses, including reasonable attorneys', experts' and arbitrators' fees and costs, incurred by the substantially prevailing party therein shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment.

29.22 **Governing Law; WAIVER OF TRIAL BY JURY.** This Lease shall be construed and enforced in accordance with the laws of the State of Utah. IN ANY ACTION OR PROCEEDING ARISING HEREFROM, LANDLORD AND TENANT HEREBY CONSENT TO (I) THE JURISDICTION OF ANY COMPETENT COURT WITHIN SALT LAKE COUNTY, UTAH, (II) SERVICE OF PROCESS BY ANY MEANS AUTHORIZED BY UTAH LAW, AND (III) IN THE INTEREST OF SAVING TIME AND EXPENSE, TRIAL WITHOUT A JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR THEIR SUCCESSORS IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY. IN THE EVENT LANDLORD COMMENCES ANY SUMMARY PROCEEDINGS OR ACTION FOR NONPAYMENT OF BASE RENT OR ADDITIONAL RENT, TENANT SHALL NOT INTERPOSE ANY COUNTERCLAIM OF ANY NATURE OR DESCRIPTION (UNLESS SUCH COUNTERCLAIM SHALL BE MANDATORY) IN ANY SUCH PROCEEDING OR ACTION, BUT SHALL BE RELEGATED TO AN INDEPENDENT ACTION AT LAW.

29.23 **Submission of Lease.** Submission of this instrument for examination or signature by Tenant does not constitute a reservation of, option for or option to lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

29.24 **Brokers.** Landlord and Tenant each hereby represents and warrants to the other that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in Section 11 of the Summary (the "**Brokers**"), and that it knows of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing in connection with this Lease on account of any dealings with any real estate broker or agent, other than the Brokers, occurring by, through, or under the indemnifying party.

29.25 **Independent Covenants.** This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord.

29.26 **Project or Building Name and Signage.** Landlord shall have the right at any time to change the name of the Project and to install, affix and maintain any and all signs on the exterior and on the interior of the Project as Landlord may, in Landlord's sole discretion, desire. Tenant shall not use the name of the Project or use pictures or illustrations of the Project in advertising or other publicity or for any purpose other than as the address of the business to be conducted by Tenant in the Premises, without the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned, or delayed.

29.27 **Counterparts.** This Lease may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single lease.

29.28 **Confidentiality.** Tenant and Landlord acknowledges that the content of this Lease and any related documents, and any documents delivered to the other party in connection with this Lease so identified by such party as confidential, are confidential information. Each party shall keep such confidential information strictly confidential and shall not disclose such confidential information of the other party to any person or entity other than such party's financial, legal, and space planning consultants without the prior written consent of the other party.

29.29 **Transportation Management.** Tenant shall fully comply with all present or future government-mandated programs intended to manage parking, transportation or traffic in and around the Building, and in connection therewith, Tenant shall take responsible action for the transportation planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities.

29.30 **No Violation.** Tenant and Landlord each hereby warrants and represents that neither its execution of nor performance under this Lease shall cause such party to be in violation of any agreement, instrument, contract, law, rule or regulation by which such party is bound, and each party shall protect, defend, indemnify and hold the other party harmless against any claims, demands, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable attorneys' fees and costs, arising from such party's breach of this warranty and representation.

29.31 **Communications and Computer Lines.** Tenant may at any time install, maintain, replace, remove or use any communications fiber optics and/or computer wires and cables (collectively, the "Lines") at, under or through the Project in or serving the Premises, provided that (i) Tenant shall obtain Landlord's prior written consent, use an experienced and qualified contractor approved in writing by Landlord, and comply with all of the other provisions of Articles 7 and 8 of this Lease, (ii) an acceptable number of spare Lines and space for additional Lines shall be maintained for existing and future occupants of the Project, as determined in Landlord's reasonable opinion, (iii) the Lines therefor (including riser cables) shall be appropriately insulated to prevent excessive electromagnetic fields or radiation, and shall be surrounded by a protective conduit (iv) any new or existing Lines servicing the Premises shall comply with all applicable Laws, (v) as a condition to permitting the installation of new Lines, Landlord may require that Tenant remove existing Lines located in or serving the Premises and repair any damage in connection with such removal, and (vi) Tenant shall pay all costs in connection therewith, including any fees charged by Landlord for Tenant's use of the Building's telecommunications capacity in excess of Tenant's pro rata share thereof. Landlord reserves the right to require that Tenant remove any Lines located in or serving the Premises which are installed in violation of these provisions, or which are at any time in violation of any applicable Laws or represent a dangerous or potentially dangerous condition.

29.32 **Office and Communications Services.**

29.32.1 **The Provider.** Landlord has advised Tenant that certain office and communications services may be offered to tenants of the Building by a concessionaire under contract to Landlord ("Provider"). Tenant may contract with Provider for the provision of any or all of such services on such terms and conditions as Tenant and Provider may agree. Nothing herein shall be construed as requiring Tenant to contract with Provider and Tenant may and reserves the right to contract directly with any such other provider of such services at Tenant's sole discretion. If any such provider requires the installation of equipment on, in or near the Building in connection with the delivery of services to Tenant, Tenant shall obtain Landlord's prior written approval, not to be unreasonably withheld, conditioned or delayed, prior to such installation.

29.32.2 **Other Terms.** Tenant acknowledges and agrees that: (i) Landlord has made no warranty or representation to Tenant with respect to the availability of any such services, or the quality, reliability or suitability thereof; (ii) the Provider is not acting as the agent or representative of Landlord in the provision of such services, and Landlord shall have no liability or responsibility for any failure or inadequacy of such services, or any equipment or facilities used in the furnishing thereof, or any act or omission of Provider, or its agents, employees, representatives, officers or contractors; (iii) Landlord shall have no responsibility or liability for the installation, alteration, repair, maintenance, furnishing, operation, adjustment or removal of any such services, equipment or facilities; and (iv) any contract or other agreement between Tenant and Provider shall be independent of this Lease, the obligations of Tenant hereunder, and the rights of Landlord hereunder, and, without limiting the foregoing, no default or failure of Provider with respect to any such services, equipment or facilities, or under any contract or agreement relating thereto, shall have any effect on this Lease or give to Tenant any offset or defense to the full and



timely performance of its obligations hereunder, or entitle Tenant to any abatement of rent or additional rent or any other payment required to be made by Tenant hereunder, or constitute any accrual or constructive eviction of Tenant, or otherwise give rise to any other claim of any nature against Landlord.

29.33 **Declarations.** This Lease and the terms hereof shall be subject in all respects to the provisions of the Declarations (as defined in **Exhibit G** attached hereto). Tenant shall comply with all of the terms and conditions of the Declaration of Condominium (as defined below) and the Bylaws of the Block B Condominium Association. Tenant shall not allow or commit any nuisance, waste, unlawful or illegal act upon the Project. Landlord and Tenant acknowledge that (i) the Association (as defined in the Declaration of Condominium) is an intended third party beneficiary of this Lease, (ii) the Association shall have the right to enforce compliance with the Declaration of Condominium and the Bylaws of the Block B Condominium Association and to abate any nuisance, waste, unlawful or illegal activity upon the Premises, and (iii) the Association shall be entitled to exercise all of Landlord's rights and remedies under this Lease to effect the foregoing. As used herein, the "Declaration of Condominium" means that certain Declaration of Condominium, Gateway Block B Condominium Project, recorded 2/26/2001 as Entry No. 7828971 in Book 8427 at Page 4752 in the official records of Salt Lake County, as amended.

29.34 **Building Renovations.** It is specifically understood and agreed that Landlord has made no representation or warranty to Tenant and has no obligation and has made no promises to alter, remodel, improve, renovate, repair or decorate the Premises, Building, or any part thereof and that no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant except as specifically set forth herein or in the Tenant Work Letter. However, Tenant hereby acknowledges that Landlord may during the Lease Term renovate, improve, alter, or modify (collectively, the "Renovations") the Project, the Building and/or the Premises including, without limitation, the parking structure, Common Areas, systems and equipment, roof, and structural portions of the same, which Renovations may include, without limitation, (i) installing sprinklers in the Building Common Areas and tenant spaces, (ii) modifying the Common Areas and tenant spaces to comply with applicable Laws, including regulations relating to the physically disabled, seismic conditions, and building safety and security, and (iii) installing new floor covering, lighting, and wall coverings in the Building Common Areas, and in connection with any Renovations, Landlord may, among other things, erect scaffolding or other necessary structures in the Building, limit or eliminate access to portions of the Project, including portions of the Common Areas, or perform work in the Building, which work may create noise, dust or leave debris in the Building. Tenant hereby agrees that such Renovations and Landlord's actions in connection with such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent so long as Landlord provides Tenant with seven (7) days' advance written notice of such work and such work does not materially interfere with Tenant's business operations or use of, or access to, the Premises. Except to the extent due to Landlord's gross negligence or willful misconduct, Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from the Renovations or Landlord's actions in connection with such Renovations, or for any inconvenience or annoyance occasioned by such Renovations or Landlord's actions.

29.35 **Installation of Back-Up Generator.** Tenant shall have the right, at Tenant's sole cost and expense, at any time to install up to two (2) emergency or backup power systems serving the Premises (the "Back-Up Generator"). The Back-Up Generator shall be located wholly within the Building and/or on the roof of the Building and/or in the parking garage, in a location reasonably acceptable to Landlord. If Tenant elects to install a Back-Up Generator, then Tenant, at its sole cost and expense, shall perform all work required in connection with such installation (all such work being referred to herein, collectively, as the "Back-Up Generator Alterations"). Tenant shall have the right (but not the obligation) to install a Back-Up Generator concurrently with Tenant's construction of the Tenant Improvements, in which case, except as otherwise expressly provided in this Section 29.35, the Back-Up Generator Alterations shall be subject to all of the requirements of the Tenant Work Letter. If Tenant elects to install a Back-Up Generator separate and apart from Tenant's construction of the Tenant Improvements, then, except as otherwise expressly provided in this Section 29.35, the Back-Up Generator Alterations shall be subject to all of the requirements of Article 8. Notwithstanding the foregoing, Landlord shall have the right in any event to review and approve Tenant's plans and specifications for the Back-Up Generator and the Back-Up Generator Alterations (including, without limitation, the manner in which the Back-Up Generator, and any ventilation and exhaust system shall be installed and the measures that shall be taken to mitigate any vibrations or sound disturbances from the operation of the Back-Up Generator), which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall have the obligation to maintain the Back-Up Generator in good working order and condition and in accordance with all applicable Laws and all permits and approvals of any governmental authorities. Tenant, at its sole cost and expense, shall procure and maintain in full force and effect, a contract (the "Service Contract") for the service, maintenance, repair and replacement of the Back-Up Generator with an electrical generator service and maintenance contracting firm reasonably acceptable to Landlord. Tenant shall follow all reasonable recommendations of said contractor for the use, maintenance, repair and replacement of the Back-Up Generator. A copy of the then current Service Contract shall be delivered to Landlord annually. Tenant, at its sole cost and expense, shall also procure insurance coverage adequate to cover the full replacement value of the Back-Up Generator. A copy of the then-current insurance certificate shall be delivered to Landlord prior to the installation of the Back-Up Generator and thereafter annually. Tenant shall pay for all electricity and other utilities provided to the Back-Up Generator by separate charge in accordance with Section 4.7 above. Except to the extent due to Landlord's gross negligence or intentional act or omission, Tenant hereby agrees to indemnify and hold Landlord and all Landlord Parties harmless from all liability, losses, claims, penalties, and expenses, including, without limitation, reasonable attorneys' fees, resulting from or arising out of Tenant's connection to, or use or operation of, the Back-Up Generator. Tenant hereby agrees that Tenant's use of the Back-Up Generator is at Tenant's sole risk, and Tenant hereby agrees that Landlord and the Landlord Parties shall not be liable for, and Tenant hereby waives, all claims for loss or damage to Tenant's business or damage to person or property sustained by Tenant or any Tenant Parties resulting from Tenant's use of the Back-Up Generator or connection to the same,

the failure of the Back-Up Generator to operate properly, or the interruption or cessation of electrical service from the Back-Up Generator, except to the extent due to by Landlord's gross negligence or intentional act or omission.

29.36 **Landlord's Representations.** In connection with Tenant's lease of the Premises from Landlord pursuant to the terms hereof, Landlord represents, warrants, and certifies to Tenant that (a) Landlord is the fee owner of Retail Unit 2 and Parking Unit 1 contained within the Gateway Block B Condominium Project as the same is identified in the Record of Survey Map recorded in Salt Lake County, Utah, on February 26, 2001, as Entry No. 7828970 and in the Declaration of Condominium, together with the undivided ownership interest in said Project's Common Elements that are appurtenant to said Unit as more particularly described in the Declaration; (b) no additional approvals of any third party are required under any of the Declarations in connection with the lease of the Premises to Tenant or in connection with Tenant's completion of the Tenant Improvements (other than any and all building permits and approvals required under applicable Law); (c) Landlord is the "Declarant" under that certain Declaration and Establishment of Protective Covenants, Conditions and Restrictions and Grant of Easements, recorded 12/27/2000 as Entry No. 7787948 in Book 8410 at Page 8311, as amended (the "**Master Declaration**"), and that, while the proposed use of the Premises as described in Article 5 of this Lease is not expressly permitted by the terms of said Master Declaration, Landlord, both in its capacity as owner of the Building and as Declarant under the Master Declaration, hereby approves of Tenant's proposed use of the Premises described in Article 5 of this Lease and acknowledges and agrees not to allege that Tenant is violating the terms of the Master Declaration solely as a result of Tenant's proposed use of the Premises as described in Article 5 of this Lease; (d) the issuance of the parking passes and Tenant's exclusive use of the Reserved Parking Area in accordance with the provisions of Article 28 will not conflict with any of the Declarations or the rights of any third party in and to the same; (e) to the best of Landlord's knowledge, there exists no breach, default, event or condition which, with the giving of notice or the passage of time or both, would constitute a breach or default by any party to or under the Declarations; (f) the Declarations have not been amended, altered, supplemented or otherwise modified as of the effective date of this Lease, except to the extent expressly set forth on attached **Exhibit G**; and (g) there are no outstanding assessments or other amounts due by Landlord under any of the Declarations.

[Signatures appear on the following page]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

**LANDLORD:**

**VESTAR GATEWAY, LLC,**  
a Delaware limited liability company

By: SLC Gateway Retail, LLC,  
a Delaware limited liability company,  
its Sole Member

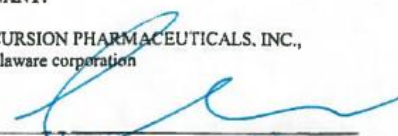
By: VGSLM, LLC,  
a Delaware limited liability company,  
its Managing Member

By:   
Name: Edward J. Reading  
Title: Manager

Signature Date: 11-22-17

**TENANT:**

**RECURSION PHARMACEUTICALS, INC.,**  
a Delaware corporation

By:   
Name: Christopher C. Gibson  
Its: CEO

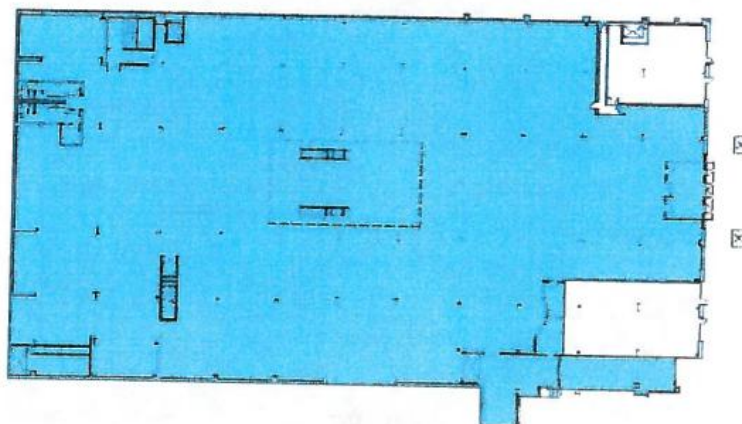
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Signature Date: 11-28-17

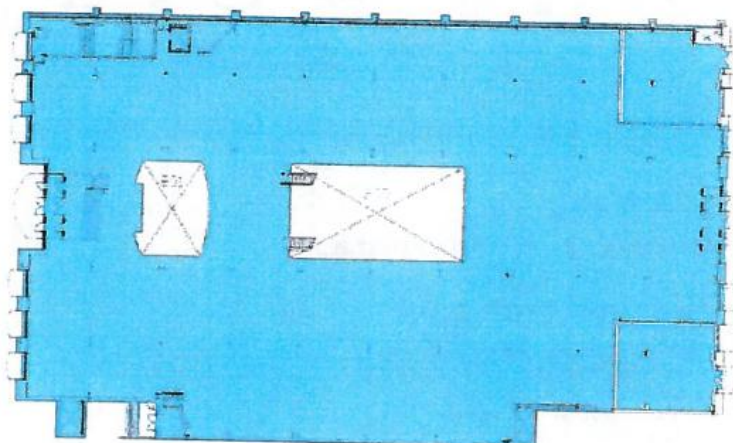
(This date shall be inserted as of the Date of this Lease in **Article 1**.)

If Tenant is a **CORPORATION**, the authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. The Lease must be executed by the president or vice president and the secretary or assistant secretary, unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, must be attached to this Lease.

**EXHIBIT A**  
**CONCEPTUAL OUTLINE OF PREMISES**



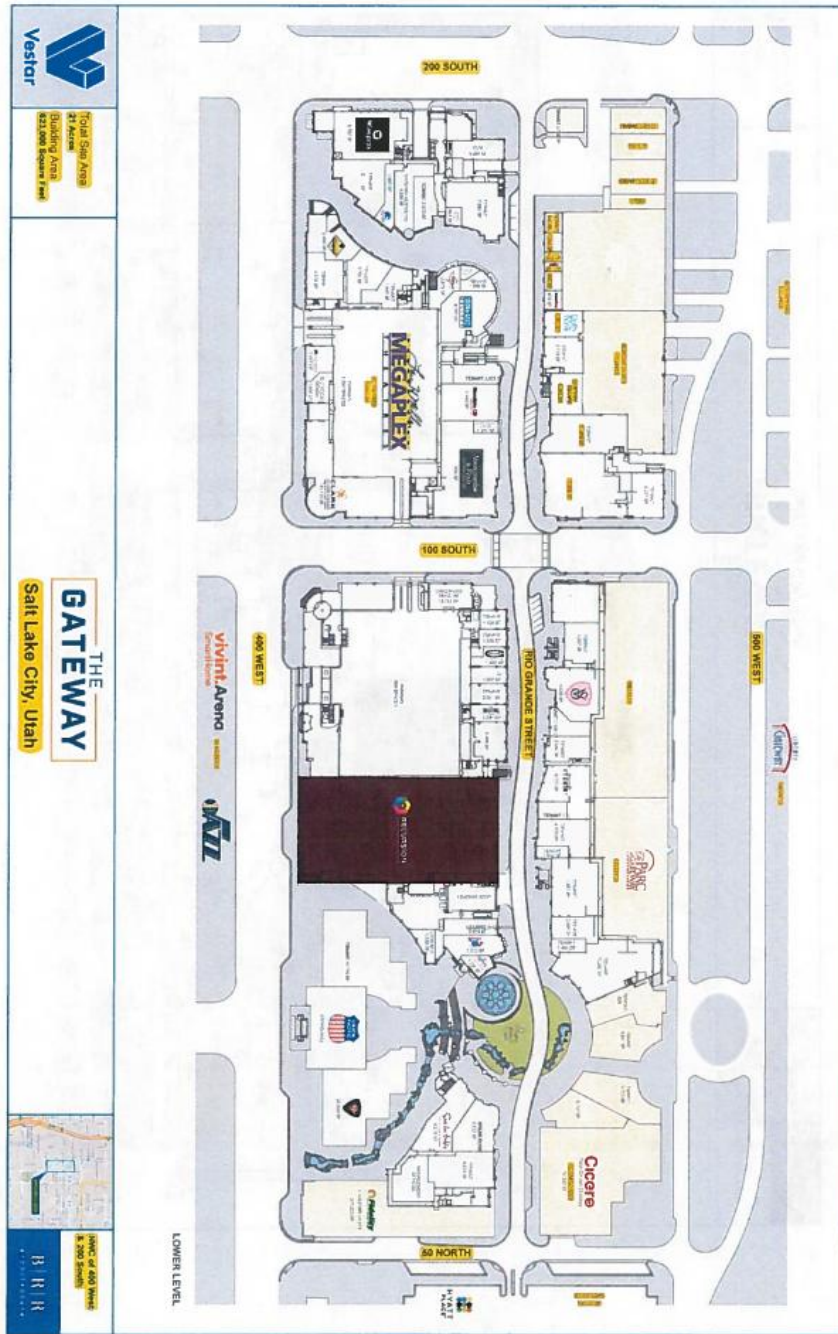
**Floor 1**

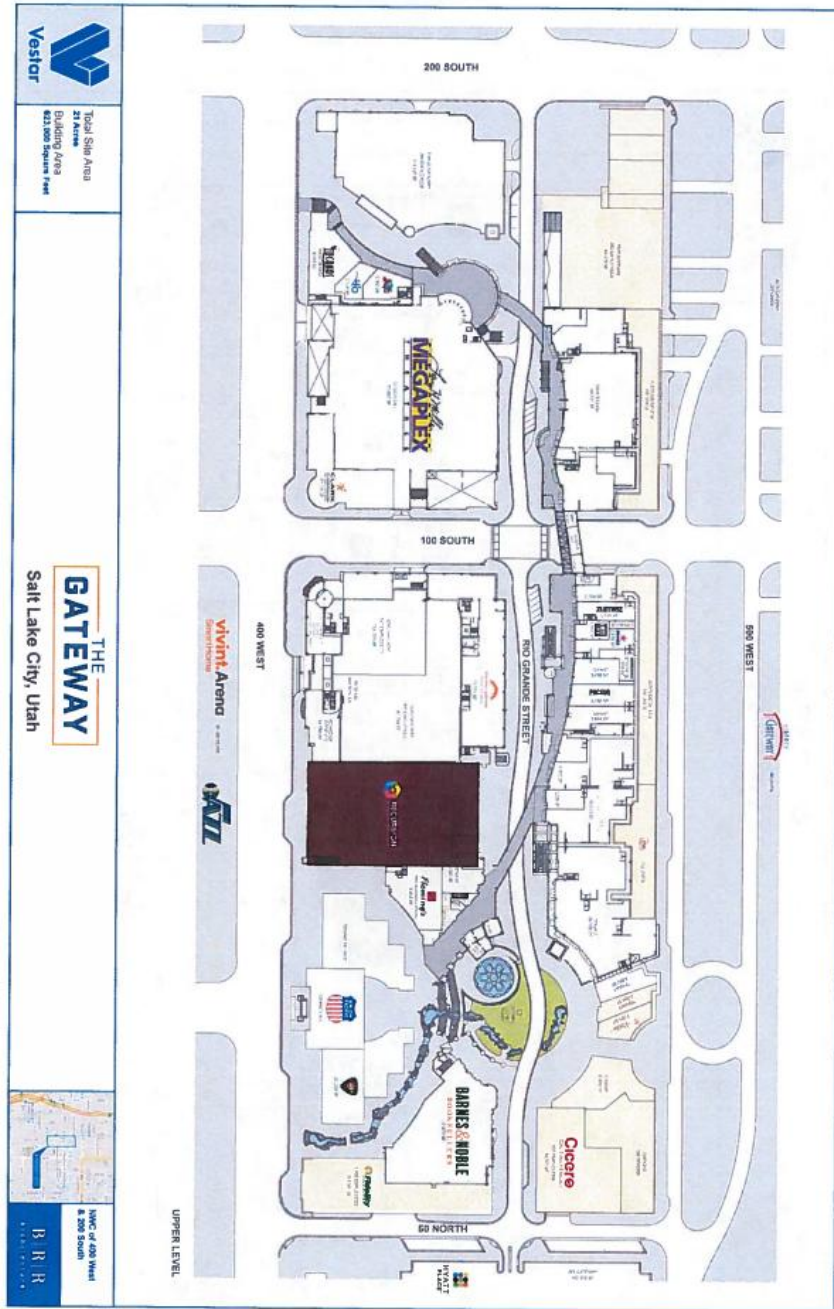


**Floor 2**



**EXHIBIT A-1**  
**DEPICTION OF PROJECT**





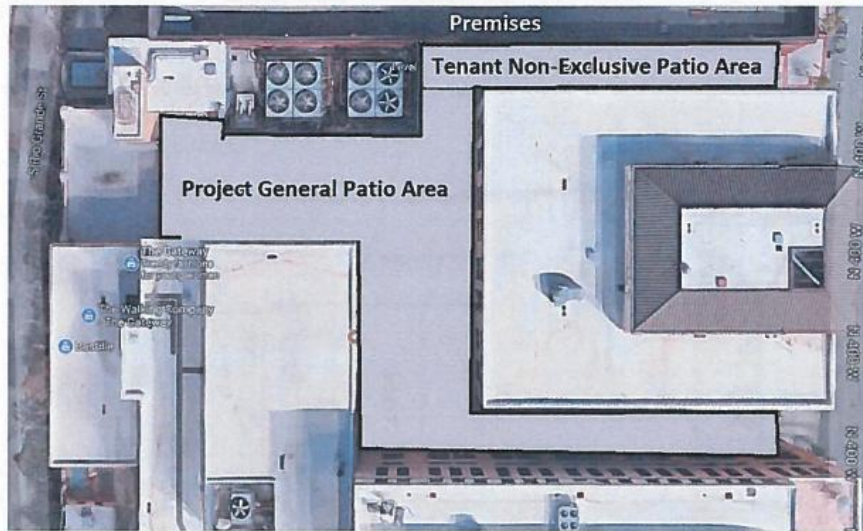
**Vestor**  
Total Site Area  
27 Acres  
Building Area  
423,000 Square Feet

**THE GATEWAY**  
Salt Lake City, Utah

WMC of 400 West  
& 200 South  
**BARR**

**EXHIBIT A-2**

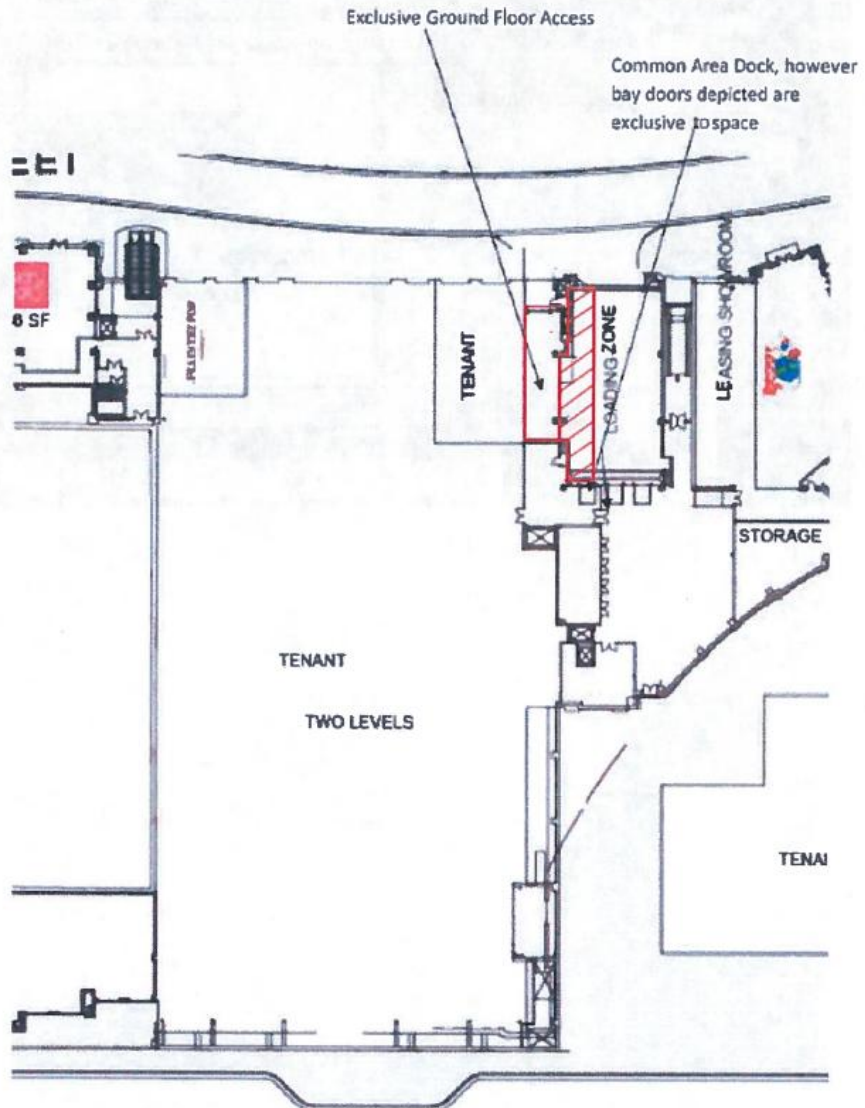
**PATIO AREA**





**EXHIBIT A-3**

**DEPICTION OF EXCLUSIVE LOADING AREAS**



Loading areas outlined in red above are reserved for Tenant's exclusive use pursuant to the terms of the Lease; provided, however, Tenant may not place any fixtures, equipment, improvements, or other obstacles within the hatched portion of the exclusive Common Area Dock that block any drive aisles or impede access to or the flow of traffic in and around the Common Area Dock.

**EXHIBIT B**

**TENANT WORK LETTER**

This Tenant Work Letter shall set forth the terms and conditions relating to the construction of the tenant improvements in the Premises. This Tenant Work Letter is essentially organized chronologically and addresses the issues of the construction of the Premises, in sequence, as such issues will arise during the actual construction of the Premises. All references in this Tenant Work Letter to Articles or Sections of "this Lease" shall mean the relevant portion of Articles 1 through 29 of the Office Lease to which this Tenant Work Letter is attached as **Exhibit B** and of which this Tenant Work Letter forms a part, and all references in this Tenant Work Letter to Sections of "this Tenant Work Letter" shall mean the relevant portion of Sections 1 through 6 of this Tenant Work Letter.

**SECTION 1**

**DELIVERY OF THE PREMISES**

Tenant acknowledges that Tenant has thoroughly examined the Premises. Upon the Delivery Date, Landlord shall deliver the Premises to Tenant and Tenant shall accept the Premises from Landlord in their presently existing, "as-is" condition as of the date of this Lease, except as otherwise expressly provided in the Lease. Subject to the provisions of Section 3.4 of this Tenant Work Letter, Tenant may, at Tenant's cost, remove and dispose of (and/or resell or salvage) any and all fixtures, furnishings or equipment within the Premises as of the Delivery Date and Tenant may retain any and all proceeds received by Tenant from the resale or salvage of any such fixtures, furnishings or equipment.

**SECTION 2**

**TENANT IMPROVEMENTS**

2.1 **Tenant Improvement Allowance.** Tenant shall be entitled to the one-time Tenant Improvement Allowance (as defined in Section 12 of the Summary) for the costs relating to the initial design and construction of Tenant's improvements, which are permanently affixed to the Premises (the "Tenant Improvements"). In no event shall Landlord be obligated to make disbursements pursuant to this Tenant Work Letter in a total amount which exceeds the Tenant Improvement Allowance, except to the extent specifically required by the terms of the Lease and this Tenant Work Letter. All Tenant Improvements for which the Tenant Improvement Allowance has been utilized shall be deemed Landlord's property under the terms of the Lease. In the event that Tenant shall fail to use the entire Tenant Improvement Allowance within one (1) year following the Delivery Date, such unused amounts shall be the sole property of Landlord and Tenant shall have no claim to any such unused amounts. Tenant acknowledges that the Tenant Improvement Allowance is to be applied to Tenant Improvements covering the entirety of the Premises such that, following the completion of the Tenant Improvements, the entire Premises has been built out by Tenant.

2.2 **Disbursement of the Tenant Improvement Allowance.**

2.2.1 **Tenant Improvement Allowance Items.** Except as otherwise set forth in this Tenant Work Letter, the Tenant Improvement Allowance shall be disbursed by Landlord only for the following items and costs (collectively the "Tenant Improvement Allowance Items"):

2.2.1.1 Payment of the fees of the "Architect/Space Planner" and the "Engineers," as those terms are defined in Section 3.1 of this Tenant Work Letter, which payment shall, notwithstanding anything to the contrary contained in this Tenant Work Letter, not exceed an aggregate amount equal to \$3.00 per rentable square foot of the Premises, and payment of the fees incurred by, and the cost of documents and materials supplied by, Landlord and Landlord's consultants in connection with the preparation and review of the "Construction Documents," as that term is defined in Section 3.1 of this Tenant Work Letter;

2.2.1.2 The payment of plan check, permit and license fees relating to construction of the Tenant Improvements;

2.2.1.3 The cost of construction of the Tenant Improvements, including, without limitation, demolition, testing and inspection costs, trash removal costs, parking fees, after-hours utilities usage and contractors' fees and general conditions;

2.2.1.4 The cost of any changes anywhere in the base building or the floor of the Building on which the Premises is located, when such changes are required by the Construction Documents (including if such changes are due to the fact that such work is prepared on an unoccupied basis) or to comply with applicable governmental regulations or building codes (collectively, the "Code"), such cost to include all direct architectural and/or engineering fees and expenses incurred in connection therewith;

2.2.1.5 The cost of any changes to the Construction Documents or Tenant Improvements required by Code;

2.2.1.6 Sales and use taxes; and

2.2.1.8 the "Landlord Coordination Fee," as that term is defined in Section 4.2.6 of this Tenant Work Letter.

**EXHIBIT B**

**2.2.2 Disbursement of Tenant Improvement Allowance.** During the construction of the Tenant Improvements, Landlord shall make monthly disbursements of the Tenant Improvement Allowance for Tenant Improvement Allowance Items for the benefit of Tenant and shall authorize the release of monies for the benefit of Tenant as follows.

**2.2.2.1 Monthly Disbursements.** On or before the twentieth (20<sup>th</sup>) day of each calendar month during the construction of the Tenant Improvements (the "Submittal Date") (or such other date as Landlord may designate), Tenant shall deliver to Landlord: (i) a request for payment of the "Contractor," as that term is defined in Section 4.1 of this Tenant Work Letter, approved by Tenant showing the schedule, by trade, or percentage of completion of the Tenant Improvements in the Premises; (ii) invoices from all of "Tenant's Agents," as that term is defined in Section 4.1.2 of this Tenant Work Letter, for labor rendered and materials delivered to the Premises (if such invoice is for the Contractor, the Contractor will need to provide an application and certificate for payment [AIA form G702-1992 or equivalent] signed by the Architect/Space Planner, and a breakdown sheet [AIA form G703-1992 or equivalent]); (iii) an original letter from the Tenant approving such invoices and requesting payment from the Tenant Improvement Allowance; (iv) executed mechanic's lien releases, which lien releases shall be conditional with respect to the then-requested payment amounts and unconditional with respect to payment amounts previously disbursed by Landlord or Tenant, from all of Tenant's Agents; and (v) all other information reasonably requested by Landlord. Tenant's request for payment shall be deemed Tenant's acceptance and approval of the work furnished and/or the materials supplied as set forth in Tenant's payment request. On or before the date occurring thirty (30) days after the Submittal Date, and assuming Landlord receives all of the information described in items (i) through (v), above, and subject to Tenant first disbursing any portion of the Over-Allowance Amount (as defined below) in accordance with Section 4.2.1, Landlord shall deliver a check to Tenant made to Tenant's Agent (or to Tenant if such invoices were previously paid by the Tenant) in payment of the lesser of: (A) the amounts so requested by Tenant, as set forth in this Section 2.2.2.1, above, less a ten percent (10%) retention (the aggregate amount of such retentions shall be known as the "Final TI Allowance Reimbursement"), and (B) the balance of any remaining available portion of the Tenant Improvement Allowance (not including the Final TI Allowance Reimbursement), provided that Landlord does not dispute any request for payment based on non-compliance of any work with the "Approved Construction Documents", as that term is defined in Section 3.4 below, or due to any substandard work, or for any other reason as provided in this Lease. Landlord's payment of such amounts shall not be deemed Landlord's approval or acceptance of the work furnished or materials supplied as set forth in Tenant's payment request.

**2.2.2.2 Final TI Allowance Reimbursement.** Subject to the provisions of this Tenant Work Letter, a check for the Final TI Allowance Reimbursement payable to Tenant shall be delivered by Landlord to Tenant following the completion of construction of the Premises, provided that (i) Tenant delivers to Landlord (a) properly executed, unconditional final mechanic's lien releases from all of Tenant's Agents, showing the amounts paid, in compliance with applicable Laws, (b) Contractor's last application and certificate for payment (AIA form G702 1992 or equivalent) signed by the Architect/Space Planner, (c) a breakdown sheet (AIA form G703 1992 or equivalent), (d) original stamped building permit plans, (e) copy of the building permit, (f) original stamped building permit inspection card with all final sign-offs, (g) full size bond copies and a CD R disk containing electronic files of the "as built" drawings of the Tenant Improvements in both "dwg" and "pdf" formats, from the Architect/Space Planner for architectural drawings, and from the Contractor for all other trades, (h) air balance reports, (i) excess energy use calculations, (j) one year warranty letters from Tenant's Agents, (k) manufacturer's warranties and operating instructions, (l) final punchlist completed and signed off by Tenant and the Architect/Space Planner, (m) letters of compliance from the Engineers stating that the Engineers have inspected the Tenant Improvements and that they comply with the Engineers' drawings and specifications, (n) a copy of the recorded Notice of Completion, and (o) a final list of all contractors/vendors/consultants retained by Tenant in connection with the Tenant Improvements and any other improvements in the Premises pursuant to this Tenant Work Letter, including, but not limited to, the Contractor, other contractors, subcontractors and the remaining Tenant's Agents, the Architect/Space Planner, the Engineers, systems furniture vendors/ installers, data/telephone cabling/equipment vendors/installers, etc., which final list shall set forth the full legal name, address, contact name (with telephone/fax/e mail addresses) and the total price paid by Tenant for goods and services to each of such contractors/vendors/consultants (collectively, the "Final Close Out Package"), and (ii) Landlord has inspected the Premises and reasonably determined that no substandard work exists which adversely affects the mechanical, electrical, plumbing, heating, ventilating and air conditioning, life-safety or other systems of the Building, the curtain wall of the Building, the structure or exterior appearance of the Building, or any other tenant's use of such other tenant's leased premises in the Building.

**2.2.2.3 Other Terms.** Landlord shall only be obligated to make disbursements from the Tenant Improvement Allowance to the extent costs are incurred by Tenant for Tenant Improvement Allowance Items. All Tenant Improvement Allowance Items for which the Tenant Improvement Allowance has been made available shall be deemed Landlord's property under the terms of Section 8.5 of this Lease. Tenant shall have no claim to any Tenant Improvement Allowance not expended by Tenant on or before the one (1) year anniversary of the Delivery Date and any such sums shall be the sole property of Landlord.

**2.2.2.4 L-C.** Notwithstanding anything to the contrary contained in this Lease, Landlord shall not be required to disburse any portion of the Tenant Improvement Allowance to Tenant until Tenant has provided Landlord with the L-C described in Article 21 of the Lease.

**2.3 Construction Rules, Requirements, Specifications, Design Criteria and Building Standards.** Landlord has established construction rules, regulation, requirements and procedures, and specifications, design criteria and Building standards with which Tenant, the "Architect/Space Planner," as that term is defined below, and all Tenant's Agents must comply in designing and constructing the Tenant Improvements in the Premises (the "Construction Rules, Requirements, Specifications, Design Criteria and Building Standards").

2.4 **Additional Allowance.** Notwithstanding the terms and conditions set forth in Section 2.1, within thirty (30) days after the mutual execution and delivery of this Lease, Tenant shall be entitled, pursuant to a written notice (the "Additional Allowance Notice") delivered to Landlord, to a one time increase (the "Additional Allowance") in the Tenant Improvement Allowance in an amount not to exceed \$10.00 per rentable square foot of the Premises (i.e., \$991,720.00), for the costs relating to the initial design and construction of the Tenant Improvements. In the event that Tenant exercises its right to use all or any portion of the Additional Allowance, then such portion of the Additional Allowance shall be repaid by Tenant to Landlord by increasing Tenant's monthly Base Rent hereunder by the amount required to fully amortize such portion of the Additional Allowance over the initial Lease Term, in one hundred twenty (120) equal monthly installments, commencing upon the Lease Commencement Date and continuing on the first day of each calendar month thereafter through the Lease Expiration Date (the "Additional Monthly Base Rent"). Such amortization shall be calculated together with interest at the rate of eight percent (8%) per annum. In the event Tenant elects to utilize all or any portion of the Additional Allowance, then (i) the parties shall promptly execute an amendment (the "Amendment") to the Lease setting forth the monthly Base Rent as increased by the Additional Monthly Base Rent, and (ii) Tenant shall pay to Landlord, concurrently with Tenant's execution and delivery of the Amendment to Landlord, an amount equal to the first installment of the Additional Monthly Base Rent payment.

### SECTION 3

#### CONSTRUCTION DOCUMENTS

3.1 **Selection of Architect/Space Planner/Construction Documents.** Tenant shall retain a licensed, competent, reputable architect/space planner experienced in high-rise office space and Laboratory Use design selected by Tenant and reasonably approved by Landlord (the "Architect/Space Planner") and licensed, competent, reputable engineering consultants selected by Tenant and reasonably approved by Landlord (the "Engineers") to prepare the Construction Documents. The plans and drawings to be prepared by Architect/Space Planner and the Engineers hereunder shall be known collectively as the "Construction Documents." All Construction Documents shall comply with Landlord's drawing format and specifications. Landlord's review of the Construction Documents as set forth in this Section 3, shall be for its sole purpose and shall not imply Landlord's review of the same, or obligate Landlord to review the same, for quality, design, Code compliance or other like matters. Accordingly, notwithstanding that any Construction Documents are reviewed by Landlord or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord's space planner, architect, engineers, and consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Documents, and Tenant's waiver and indemnity set forth in Section 10.1 of this Lease shall specifically apply to the Construction Documents. Furthermore, Tenant and Architect/Space Planner shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the base building plans, and Tenant and Architect/Space Planner shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith.

3.2 **Final Space Plan.** Tenant shall supply Landlord with two (2) copies signed by Tenant of its final space plan for the Premises before any architectural Construction Documents or engineering drawings have been commenced. The final space plan (the "Final Space Plan") shall include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein. Landlord may request clarification or more specific drawings for special use items not included in the Final Space Plan. Landlord shall advise Tenant within five (5) business days after Landlord's receipt of the Final Space Plan for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly cause the Final Space Plan to be revised to correct any deficiencies or other matters Landlord may reasonably require.

3.3 **Final Construction Documents.** After the approval of the Final Space Plan by Landlord and Tenant, Tenant shall promptly cause the Architect/Space Planner and the Engineers to complete the architectural and engineering drawings for the Premises, and Architect/Space Planner shall compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing Construction Documents in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the "Final Construction Documents") and shall submit the same to Landlord for Landlord's approval, not to be unreasonably withheld, conditioned, or delayed. Tenant shall supply Landlord with two (2) copies signed by Tenant of such Final Construction Documents. Landlord, acting reasonably and in good faith, shall advise Tenant within ten (10) business days after Landlord's receipt of the Final Construction Documents for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall immediately revise the Final Construction Documents in accordance with such review and any disapproval of Landlord in connection therewith.

3.4 **Approved Construction Documents.** The Final Construction Documents shall be approved by Landlord (the "Approved Construction Documents") prior to the commencement of construction of the Premises by Tenant; provided, however, Tenant may commence demolition work prior to Landlord's approval of the Final Construction Documents with Landlord's prior written consent, not to be unreasonably withheld, conditioned, or delayed. After approval by Landlord of the Final Construction Documents Tenant shall cause the Architect/Space Planner to submit the Approved Construction Documents to the appropriate municipal authorities for all architectural and structural permits (the "Permits"), provided that (a) the Architect/Space Planner shall provide Landlord with a copy of the package that it intends to submit prior to such submission, and (b) if there are Base Building modifications required to obtain the Permits, then Tenant shall obtain Landlord's prior written consent to any such Base Building modifications. Tenant hereby agrees that neither Landlord nor Landlord's consultants shall be responsible for obtaining any building permit or certificate of occupancy (or other documentation or approval allowing Tenant to legally occupy the Premises) for the Premises and that obtaining the same shall be Tenant's responsibility; provided, however, that Landlord shall cooperate with Tenant in performing ministerial acts



reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy (or other documentation or approval allowing Tenant to legally occupy the Premises). No changes, modifications or alterations in the Approved Construction Documents may be made without the prior written consent of Landlord, which consent may not be unreasonably withheld.

#### **SECTION 4**

##### **CONSTRUCTION OF THE TENANT IMPROVEMENTS**

#### **4.1 Tenant's Selection of Contractors.**

4.1.1 **The Contractor.** Tenant shall retain a licensed general contractor selected by Tenant and reasonably approved by Landlord (the "**Contractor**"), as contractor for the construction of the Tenant Improvements, which Contractor shall be a qualified, reputable, general contractor experienced in Comparable Buildings.

4.1.2 **Tenant's Agents.** The Architect/Space Planner, Engineers, consultants, Contractor, other contractors, vendors, subcontractors, laborers, and material suppliers retained and/or used by Tenant shall be known collectively as the "**Tenant's Agents.**" For the following trades, only those contractors, subcontractors, laborers, and material suppliers listed in the Construction Rules, Requirements, Specifications, Design Criteria and Building Standards may be selected by Tenant: Asbestos, Cable Television, Electrical, Elevators, Fire Sprinklers, Fire / Life Safety, HVAC, HVAC Air Balance, Plumbing, Roofing (as listed for each building comprising the Project), and Waste. The Electrical, Fire Sprinklers, Fire / Life Safety, HVAC and Plumbing must be engineered by, and any structural engineering must be conducted by, an engineer or engineers approved by Landlord.

#### **4.2 Construction of Tenant Improvements by Tenant's Agents.**

4.2.1 **Construction Contract; Cost Budget.** Prior to execution of a construction contract, Tenant shall submit a copy of the proposed contract with the Contractor for the construction of the Tenant Improvements, including the general conditions with Contractor (the "**Contract**") to Landlord for its approval, which approval shall not be unreasonably withheld, conditioned or delayed. Following execution of the Contract and prior to commencement of construction, Tenant shall provide Landlord with a fully executed copy of the Contract for Landlord's records. Prior to the commencement of the construction of the Tenant Improvements, and after Tenant has accepted all bids and proposals for the Tenant Improvements, Tenant shall provide Landlord with a detailed breakdown, by trade, for all of Tenant's Agents, of the final estimated costs to be incurred or which have been incurred in connection with the design and construction of the Tenant Improvements to be performed by or at the direction of Tenant or the Contractor (the "**Construction Budget**"), which costs shall include, but not be limited to, the costs of the Architect's and Engineers' fees and the Landlord Coordination Fee. The amount, if any, by which the total costs set forth in the Construction Budget exceed the amount of the Tenant Improvement Allowance is referred to herein as the "**Over Allowance Amount**".

In the event that an Over-Allowance Amount exists, then prior to the commencement of construction of the Tenant Improvements, Tenant shall supply Landlord with cash in an amount equal to the Over-Allowance Amount. The Over-Allowance Amount shall be disbursed by Landlord prior to the disbursement of any of the then remaining portion of the Tenant Improvement Allowance, and such disbursement shall be pursuant to the same procedure as the Tenant Improvement Allowance. In the event that, after the total costs set forth in the Construction Budget have been delivered by Tenant to Landlord, the costs relating to the design and construction of the Tenant Improvements shall change, any additional costs for such design and construction in excess of the total costs set forth in the Construction Budget shall be added to the Over-Allowance Amount and the total costs set forth in the Construction Budget, and such additional costs shall be paid by Tenant to Landlord immediately as an addition to the Over-Allowance Amount or at Landlord's option, Tenant shall make payments for such additional costs out of its own funds, but Tenant shall continue to provide Landlord with the documents described in items (i), (ii), (iii) and (iv) of Section 2.2.2.1 of this Tenant Work Letter, above, for Landlord's approval, prior to Tenant paying such costs. All Tenant Improvements paid for by the Over-Allowance Amount shall be deemed Landlord's property under the terms of the Lease.

#### **4.2.2 Tenant's Agents.**

4.2.2.1 **Landlord's General Conditions for Tenant's Agents and Tenant Improvement Work.** Tenant's and Tenant's Agent's construction of the Tenant Improvements shall comply with the following: (i) the Tenant Improvements shall be constructed in strict accordance with the Approved Construction Documents; (ii) Tenant and Tenant's Agents shall not, in any way, interfere with, obstruct, or delay, the work of Landlord's base building contractor and subcontractors with respect to the Base Building or any other work in the Building; (iii) Tenant's Agents shall submit schedules of all work relating to the Tenant's Improvements to Landlord and Landlord shall, within five (5) business days of receipt thereof, inform Tenant's Agents of any changes which are necessary thereto, and Tenant's Agents shall adhere to such corrected schedule; and (iv) Tenant shall abide by all rules made by Landlord with respect to the use of parking, freight, loading dock and service elevators, storage of materials, coordination of work with the contractors of other tenants, and any other matter in connection with this Tenant Work Letter, including, without limitation, the construction of the Tenant Improvements and Tenant shall promptly execute all documents including, but not limited to, Landlord's standard contractor's rules and regulations, as Landlord may deem reasonably necessary to evidence or confirm Tenant's agreement to so abide.

4.2.2.2 **Indemnity.** Tenant's indemnity of Landlord as set forth in Section 10.1 of this Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to

any act or omission of Tenant or Tenant's Agents, or anyone directly or indirectly employed by any of them, or in connection with Tenant's non-payment of any amount arising out of the Tenant Improvements and/or Tenant's disapproval of all or any portion of any request for payment. Such indemnity by Tenant, as set forth in Section 10.1 of this Lease, shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to Landlord's performance of any ministerial acts reasonably necessary (i) to permit Tenant to complete the Tenant Improvements, and (ii) to enable Tenant to obtain any building permit or certificate of occupancy (or other documentation or approval allowing Tenant to legally occupy the Premises) for the Premises.

**4.2.2.3 Requirements of Tenant's Agents.** Each of Tenant's Agents shall guarantee to Tenant and for the benefit of Landlord that the portion of the Tenant Improvements for which it is responsible shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Each of Tenant's Agents shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after the later to occur of (i) completion of the work performed by such contractor or subcontractors and (ii) the Lease Commencement Date. The correction of such work shall include, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Tenant Improvements, and/or the Building and/or common areas that may be damaged or disturbed thereby. All such warranties or guarantees as to materials or workmanship of or with respect to the Tenant Improvements shall be contained in the Contract or subcontract and shall be written such that such guarantees or warranties shall inure to the benefit of both Landlord and Tenant, as their respective interests may appear, and can be directly enforced by either. Tenant covenants to give to Landlord any assignment or other assurances which may be necessary to effect such right of direct enforcement.

**4.2.2.4 Insurance Requirements.**

**4.2.2.4.1 General Coverages.** All of Tenant's Agents shall carry worker's compensation insurance covering all of their respective employees, and shall also carry commercial general liability insurance, including property damage, all with limits, in form and with companies as are required to be carried by Tenant as set forth in Article 10 of this Lease, and the policies therefor shall insure Landlord and Tenant, as their interests may appear, as well as the Contractor and subcontractors.

**4.2.2.4.2 Special Coverages.** Tenant or Contractor shall carry "Builder's All Risk" insurance in an amount approved by Landlord, which shall in no event be less than the amount actually carried by Tenant or Contractor, covering the construction of the Tenant Improvements, and such other insurance as Landlord may require, it being understood and agreed that the Tenant Improvements shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof. Such insurance shall be in amounts and shall include such extended coverage endorsements as may be reasonably required by Landlord.

**4.2.2.4.3 General Terms.** Certificates for all insurance carried pursuant to this Section 4.2.2.4 shall be delivered to Landlord before the commencement of construction of the Tenant Improvements and before the Contractor's equipment is moved onto the site. All such policies of insurance must contain a provision that the company writing said policy will give Landlord thirty (30) days prior written notice of any cancellation or lapse of the effective date or any reduction in the amounts of such insurance. In the event that the Tenant Improvements are damaged by any cause during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense. Tenant's Agents shall maintain all of the foregoing insurance coverage in force until the Tenant Improvements are fully completed and accepted by Landlord, except for any Products and Completed Operation Coverage insurance required by Landlord, which is to be maintained for ten (10) years following completion of the work and acceptance by Landlord and Tenant and which shall name Landlord, and any other party that Landlord so specifies, as additional insured as to the full limits required hereunder for such entire ten (10) year period. All insurance, except Workers' Compensation, maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured thereunder. Such insurance shall provide that it is primary insurance as respects the owner and that any other insurance maintained by owner is excess and noncontributing with the insurance required hereunder. The requirements for the foregoing insurance shall not derogate from the provisions for indemnification of Landlord by Tenant under Section 4.2.2.2 of this Tenant Work Letter. Landlord may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of the Tenant Improvements and naming Landlord as a co-obligee.

**4.2.3 Governmental Compliance.** The Tenant Improvements shall comply in all respects with the following: (i) the Code and other state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; and (iii) building material manufacturer's specifications.

**4.2.4 Inspection by Landlord.** Landlord shall have the right to inspect the Tenant Improvements at all times, provided however, that Landlord's failure to inspect the Tenant Improvements shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of the Tenant Improvements constitute Landlord's approval of the same. Should Landlord reasonably disapprove any portion of the Tenant Improvements due to defects or deviations in the completion of such improvements, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. Any defects or deviations noted in Landlord's disapproval shall be rectified by Tenant at no expense to Landlord, provided however, that in the event Landlord determines that a defect or deviation exists, Landlord may, take such action as Landlord deems necessary, at Tenant's expense and without incurring any liability on Landlord's part, to correct any such defect or

deviation, including, without limitation, causing the cessation of performance of the construction of the Tenant Improvements until such time as the defect, deviation and/or matter is corrected to Landlord's satisfaction.

4.2.5 **Meetings.** Commencing upon the execution of this Lease, Tenant shall hold regular meetings with the Architect/Space Planner and the Contractor regarding the progress of the preparation of Construction Documents and the construction of the Tenant Improvements, which meetings shall be held at the office of the Project, at a time mutually agreed upon by Landlord and Tenant, and, upon Landlord's request, certain of Tenant's Agents shall attend such meetings. In addition, minutes shall be taken at all such meetings, a copy of which minutes shall be promptly delivered to Landlord. One such meeting each month shall include the review of Contractor's current request for payment.

4.2.6 **Landlord Coordination Fee.** Tenant shall pay a construction supervision and management fee (the "Landlord Coordination Fee") to Landlord in an amount equal to one percent (1%) of the hard and soft costs of the Tenant Improvements.

4.3 **Notice of Completion.** Within five (5) days after the final completion of construction of the Tenant Improvements, including, without limitation, the completion of any punch list items, Tenant shall cause a Notice of Completion to be recorded in the office of the Recorder of the County in which the Premises is located pursuant to applicable Law, and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and file the same on behalf of Tenant as Tenant's agent for such purpose, at Tenant's sole cost and expense. At the conclusion of construction and prior to Landlord's payment of the Final TI Allowance Reimbursement, (i) Tenant shall cause the Contractor and the Architect/Space Planner (A) to update the Approved Construction Documents through annotated changes, as necessary, to reflect all changes made to the Approved Construction Documents during the course of construction, (B) to certify to the best of the Architect/Space Planner's and Contractor's knowledge that such updated Approved Construction Documents are true and correct, which certification shall survive the expiration or termination of this Lease, as hereby amended, and (ii) Tenant shall deliver to Landlord the Final Close Out Package. Landlord shall, at Tenant's expense, update Landlord's "as-built" master plans, for the floor(s) on which the Premises are located, if any, including updated vellums and electronic CAD files, all of which may be modified by Landlord from time to time, and the current version of which shall be made available to Tenant upon Tenant's request.

## SECTION 5

### MISCELLANEOUS

5.1 **Tenant's Representative.** Tenant has designated Shannon Torstrom as its sole representative with respect to the matters set forth in this Tenant Work Letter, who shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

5.2 **Landlord's Representative.** Landlord has designated Jack Van Kleumen as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.

5.3 **Time of the Essence in This Tenant Work Letter.** Unless otherwise indicated, all references in this Tenant Work Letter to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until the document is approved by Landlord.

5.4 **Tenant's Lease Default.** Notwithstanding any provision to the contrary contained in this Lease, if an event of default as described in Section 19.1 of this Lease or a default by Tenant under this Tenant Work Letter has occurred at any time on or before the substantial completion of the Premises, then (i) in addition to all other rights and remedies granted to Landlord pursuant to this Lease, Landlord shall have the right to withhold payment of all or any portion of the Tenant Improvement Allowance and/or Landlord may cause Contractor to cease the construction of the Premises (in which case, Tenant shall be responsible for any delay in the substantial completion of the Premises caused by such work stoppage), and (ii) all other obligations of Landlord under the terms of this Tenant Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of this Lease (in which case, Tenant shall be responsible for any delay in the substantial completion of the Premises caused by such inaction by Landlord).



**EXHIBIT C**

**NOTICE OF LEASE TERM DATES**

To: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: Office Lease dated \_\_\_\_\_, 20\_\_ between VESTAR GATEWAY, LLC, a Delaware limited liability company ("**Landlord**"), and RECURSION PHARMACEUTICALS, INC., a Delaware corporation ("**Tenant**") concerning that certain two (2) story office building containing approximately 99,172 rentable square feet of space, commonly known as Station 41 at The Gateway, 41 South Rio Grande, Salt Lake City, Utah.

Ladies and gentlemen:

In accordance with the Office Lease (the "**Lease**"), we wish to advise you and/or confirm as follows:

1. The Delivery Date occurred on \_\_\_\_\_.
2. The Lease Term shall commence on or has commenced on [June 1, 2018] for a term of ten (10) years ending on [May 31, 2027].
3. Rent commenced to accrue on [June 1, 2018], in the amount of \$209,078.38 per month.
4. If the Lease Commencement Date is other than the first day of the month, the first billing will contain a pro rata adjustment. Each billing thereafter, with the exception of the final billing, shall be for the full amount of the monthly installment as provided for in the Lease.
5. Your rent checks should be made payable to \_\_\_\_\_ at \_\_\_\_\_.

**"Landlord":**

VESTAR GATEWAY, LLC,  
a Delaware limited liability company

**[ADD LANDLORD'S SIGNATURE BLOCK]**

Agreed to and Accepted  
as of \_\_\_\_\_, 20\_\_.

**"Tenant":**

RECURSION PHARMACEUTICALS, INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT D**

**RULES AND REGULATIONS**

Tenant shall faithfully observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the nonperformance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Project. In the event of any conflict between the Rules and Regulations and the other provisions of this Lease, the latter shall control.

1. Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior written consent, not to be unreasonably withheld, conditioned or delayed. Tenant shall bear the cost of any lock changes or repairs required by Tenant. Two keys will be furnished by Landlord for the Premises, and any additional keys required by Tenant must be obtained from Landlord at a reasonable cost to be established by Landlord. Upon the termination of this Lease, Tenant shall restore to Landlord all keys of stores, offices, and toilet rooms, either furnished to, or otherwise procured by, Tenant and in the event of the loss of keys so furnished, Tenant shall pay to Landlord the cost of replacing same or of changing the lock or locks opened by such lost key if Landlord shall deem it necessary to make such changes.

2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises.

3. Except as otherwise set forth in and permitted under the Lease, Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as are customary for the Comparable Buildings. Tenant, its employees and agents must be sure that the doors to the Building are securely closed and locked when leaving the Premises if it is after the normal hours of business for the Building. Any tenant, its employees, agents or any other persons entering or leaving the Building at any time when it is so locked, or any time when it is considered to be after normal business hours for the Building, may be required to sign the Building register. Access to the Building may be refused unless the person seeking access has proper identification or has a previously arranged pass for access to the Building. Landlord will furnish passes to persons for whom Tenant requests same in writing. Tenant shall be responsible for all persons for whom Tenant requests passes and shall be liable to Landlord for all acts of such persons. The Landlord and his agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building or the Project during the continuance thereof by any means it deems appropriate for the safety and protection of life and property.

4. No furniture, freight or equipment of any kind shall be brought into the Building without prior notice to Landlord. All moving activity into or out of the Building shall be scheduled with Landlord and done only at such time and in such manner as Landlord designates. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Building and also the times and manner of moving the same in and out of the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. Any damage to any part of the Building, its contents, occupants or visitors by moving or maintaining any such safe or other property shall be the sole responsibility and expense of Tenant.

5. No furniture, packages, supplies, equipment or merchandise will be received in the Building or carried up or down in the elevators, except between such hours established by Landlord from time to time, in such specific elevator and by such personnel as shall be designated by Landlord.

6. The requirements of Tenant will be attended to only upon application at the management office for the Project or at such office location designated by Landlord. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord.

7. No sign, advertisement, notice or handbill shall be exhibited, distributed, painted or affixed by Tenant on any part of the Premises or the Building without the prior written consent of the Landlord. Tenant shall not disturb, solicit, peddle, or canvass any occupant of the Project and shall cooperate with Landlord and its agents of Landlord to prevent same.

8. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose servants, employees, agents, visitors or licensees shall have caused same.

9. Tenant shall not overload the floor of the Premises, nor mark, drive nails or screws, or drill into the partitions, woodwork or drywall or in any way deface the Premises or any part thereof without Landlord's prior written consent. Tenant shall not purchase spring water, ice, towel, linen, maintenance or other like services from any person or persons not approved by Landlord.

10. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines other than fractional horsepower office machines shall be installed, maintained or operated upon the Premises without the written consent of Landlord.

11. Except as otherwise set forth in and permitted under the Lease, Tenant shall not use or keep in or on the Premises, the Building, or the Project any kerosene, gasoline, explosive material, corrosive material, material capable of emitting toxic fumes, or other inflammable or combustible fluid chemical, substitute or material. Tenant shall provide material safety data sheets for any Hazardous Material used or kept on the Premises.

12. Except as otherwise set forth in and permitted under the Lease, Tenant shall not without the prior written consent of Landlord use any method of heating or air conditioning other than that supplied by Landlord.

13. Except as otherwise set forth in and permitted under the Lease, Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Project by reason of noise, odors, or vibrations, or interfere with other tenants or those having business therein, whether by the use of any musical instrument, radio, phonograph, or in any other way. Tenant shall not throw anything out of doors, windows or skylights or down passageways.

14. Tenant shall not bring into or keep within the Project, the Building or the Premises any animals, birds, fish, aquariums, or, except in areas designated by Landlord, bicycles or other vehicles.

15. Except as otherwise set forth in and permitted under the Lease, no cooking shall be done or permitted on the Premises, nor shall the Premises be used for the storage of merchandise, for lodging or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' laboratory-approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages for employees and visitors, provided that such use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules and regulations.

16. The Premises shall not be used for manufacturing or for the storage of merchandise except as such storage may be incidental to the use of the Premises provided for in the Summary. Tenant shall not occupy or permit any portion of the Premises to be occupied as an office for a messenger-type operation or dispatch office, public stenographer or typist, or, except as otherwise set forth in and permitted under the Lease, for the manufacture or sale of liquor, narcotics, or tobacco in any form, or as a medical office, or as a barber or manicure shop, or as an employment bureau without the express prior written consent of Landlord. Tenant shall not engage or pay any employees on the Premises except those actually working for such tenant on the Premises nor advertise for laborers giving an address at the Premises.

17. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations.

18. Tenant, its employees and agents shall not loiter in or on the entrances, corridors, sidewalks, lobbies, courts, halls, stairways, elevators, vestibules or any Common Areas for the purpose of smoking tobacco products or for any other purpose, nor in any way obstruct such areas, and shall use them only as a means of ingress and egress for the Premises.

19. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to ensure the most effective operation of the Building's heating and air conditioning system, and shall refrain from attempting to adjust any controls. Tenant shall participate in recycling programs undertaken by Landlord.

20. Tenant shall store all its trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in Salt Lake City, Utah without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and elevators provided for such purposes at such times as Landlord shall designate. Tenant shall make alternate arrangements, at Tenant's cost, for the disposal of high volumes of trash in excess of the amount determined by Landlord to be an office tenant's typical volume of trash (i.e., excessive moving boxes or shipping materials). If the Premises is or becomes infested with vermin as a result of the use or any misuse or neglect of the Premises by Tenant, its agents, servants, employees, contractors, visitors or licensees, Tenant shall forthwith, at Tenant's expense, cause the Premises to be exterminated from time to time to the satisfaction of Landlord and shall employ such licensed exterminators as shall be approved in writing in advance by Landlord.

21. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

22. Any persons employed by Tenant to do janitorial work shall be subject to the prior written approval of Landlord, and while in the Building and outside of the Premises, shall be subject to and under the control and direction of the Building manager (but not as an agent or servant of such manager or of Landlord), and Tenant shall be responsible for all acts of such persons.

23. No awnings or other projection shall be attached to the outside walls of the Building without the prior written consent of Landlord, and no curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises other than Landlord standard drapes. All electrical ceiling fixtures hung in the Premises or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and a warm white bulb color approved in advance in writing by Landlord. Neither the interior nor exterior of any windows shall be coated or otherwise sunscreens without the prior written consent of Landlord.

Tenant shall be responsible for any damage to the window film on the exterior windows of the Premises and shall promptly repair any such damage at Tenant's sole cost and expense. Tenant shall keep its window coverings closed during any period of the day when the sun is shining directly on the windows of the Premises. Prior to leaving the Premises for the day, Tenant shall draw or lower window coverings and extinguish all lights. Tenant shall abide by Landlord's regulations concerning the opening and closing of window coverings which are attached to the windows in the Premises, if any, which have a view of any interior portion of the Building or Common Areas.

24. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills.

25. Tenant must comply with requests by the Landlord concerning the informing of their employees of items of importance to the Landlord.

26. Tenant must comply with all applicable "NO-SMOKING" or similar ordinances. If Tenant is required under the ordinance to adopt a written smoking policy, a copy of said policy shall be on file in the office of the Building.

27. Tenant hereby acknowledges that Landlord shall have no obligation to provide guard service or other security measures for the benefit of the Premises, the Building or the Project. Tenant hereby assumes all responsibility for the protection of Tenant and its agents, employees, contractors, invitees and guests, and the property thereof, from acts of third parties, including keeping doors locked and other means of entry to the Premises closed, whether or not Landlord, at its option, elects to provide security protection for the Project or any portion thereof. Tenant further assumes the risk that any safety and security devices, services and programs which Landlord elects, in its sole discretion, to provide may not be effective, or may malfunction or be circumvented by an unauthorized third party, and Tenant shall, in addition to its other insurance obligations under this Lease, obtain its own insurance coverage to the extent Tenant desires protection against losses related to such occurrences. Tenant shall cooperate in any reasonable safety or security program developed by Landlord or required by law.

28. All office equipment of any electrical or mechanical nature shall be placed by Tenant in the Premises in settings approved by Landlord, to absorb or prevent any vibration, noise and annoyance.

29. Tenant shall not use in any space or in the public halls of the Building, any hand trucks except those equipped with rubber tires and rubber side guards.

30. No auction, liquidation, fire sale, going-out-of-business or bankruptcy sale shall be conducted in the Premises without the prior written consent of Landlord.

31. No tenant shall use or permit the use of any portion of the Premises for living quarters, sleeping apartments or lodging rooms.

32. Tenant shall not purchase spring water, towels, janitorial or maintenance or other similar services from any company or persons not approved by Landlord. Landlord shall approve a sufficient number of sources of such services to provide Tenant with a reasonable selection, but only in such instances and to such extent as Landlord in its judgment shall consider consistent with the security and proper operation of the Building.

33. Tenant shall install and maintain, at Tenant's sole cost and expense, an adequate, visibly marked and properly operational fire extinguisher next to any duplicating or photocopying machines or similar heat producing equipment, which may or may not contain combustible material, in the Premises.

34. Tenant shall not permit any portion of the Project, including the Parking Facilities, to be used for the washing, detailing or other cleaning of automobiles.

Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, Building, the Common Areas and the Project, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein; provided that (i) Landlord provides Tenant with written notice of any such additional or modified Rules and Regulations and (ii) any such additional or modified Rules and Regulations remain subject to the provisions of this Lease and in the event of any conflict between the additional or modified Rules and Regulations and the other provisions of this Lease, the latter shall control. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Project. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises.

**EXHIBIT E**

**FORM OF LETTER OF CREDIT**

**(Letterhead of a money center bank  
acceptable to the Landlord)**

FAX NO. [( ) - ]  
SWIFT: [Insert No., if any]

[Insert Bank Name And Address]

DATE OF ISSUE: \_\_\_\_\_

BENEFICIARY:  
[Insert Beneficiary Name And Address]

APPLICANT:  
[Insert Applicant Name And Address]

LETTER OF CREDIT NO. \_\_\_\_\_

EXPIRATION DATE:  
\_\_\_\_\_ AT OUR COUNTERS

AMOUNT AVAILABLE:  
USD [Insert Dollar Amount]  
(U.S. DOLLARS [Insert Dollar Amount])

LADIES AND GENTLEMEN:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. \_\_\_\_\_ IN YOUR FAVOR FOR THE ACCOUNT OF [Insert Tenant's Name], A [Insert Entity Type], UP TO THE AGGREGATE AMOUNT OF USD [Insert Dollar Amount] ([Insert Dollar Amount] U.S. DOLLARS) EFFECTIVE IMMEDIATELY AND EXPIRING ON \_\_\_\_\_ (Expiration Date) AVAILABLE BY PAYMENT UPON PRESENTATION OF YOUR DRAFT AT SIGHT DRAWN ON [Insert Bank Name] WHEN ACCOMPANIED BY THE FOLLOWING DOCUMENT(S):

1. THE ORIGINAL OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND AMENDMENT(S), IF ANY.

2. BENEFICIARY'S SIGNED STATEMENT PURPORTEDLY SIGNED BY AN AUTHORIZED REPRESENTATIVE OF [Insert Landlord's Name], A [Insert Entity Type] ("LANDLORD") STATING THE FOLLOWING:

"THE UNDERSIGNED HEREBY CERTIFIES THAT THE LANDLORD, EITHER (A) UNDER THE LEASE (DEFINED BELOW), OR (B) AS A RESULT OF THE TERMINATION OF SUCH LEASE, HAS THE RIGHT TO DRAW DOWN THE AMOUNT OF USD \_\_\_\_\_ IN ACCORDANCE WITH THE TERMS OF THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED (COLLECTIVELY, THE "LEASE"), OR SUCH AMOUNT CONSTITUTES DAMAGES OWING BY THE TENANT UNDER SUCH LEASE TO BENEFICIARY RESULTING FROM THE BREACH OF SUCH LEASE BY THE TENANT THEREUNDER, AND SUCH AMOUNT REMAINS UNPAID AT THE TIME OF THIS DRAWING."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT WE HAVE RECEIVED A WRITTEN NOTICE OF [Insert Bank Name]'S ELECTION NOT TO EXTEND ITS STANDBY LETTER OF CREDIT NO. \_\_\_\_\_ AND HAVE NOT RECEIVED A REPLACEMENT LETTER OF CREDIT WITHIN AT LEAST SIXTY (60) DAYS PRIOR TO THE PRESENT EXPIRATION DATE."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. \_\_\_\_\_ AS THE RESULT OF THE FILING OF A VOLUNTARY PETITION UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE BY THE TENANT UNDER THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED (COLLECTIVELY, THE "LEASE"), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING."

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. \_\_\_\_\_ AS THE RESULT OF AN INVOLUNTARY PETITION HAVING BEEN FILED UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE AGAINST THE TENANT



UNDER THAT CERTAIN OFFICE LEASE DATED [Insert Lease Date], AS AMENDED (COLLECTIVELY, THE "LEASE"), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING."

SPECIAL CONDITIONS:

PARTIAL DRAWINGS AND MULTIPLE PRESENTATIONS MAY BE MADE UNDER THIS STANDBY LETTER OF CREDIT, PROVIDED, HOWEVER, THAT EACH SUCH DEMAND THAT IS PAID BY US SHALL REDUCE THE AMOUNT AVAILABLE UNDER THIS STANDBY LETTER OF CREDIT.

ALL INFORMATION REQUIRED WHETHER INDICATED BY BLANKS, BRACKETS OR OTHERWISE, MUST BE COMPLETED AT THE TIME OF DRAWING. [Please Provide The Required Forms For Review, And Attach As Schedules To The Letter Of Credit.]

ALL SIGNATURES MUST BE MANUALLY EXECUTED IN ORIGINALS.

ALL BANKING CHARGES ARE FOR THE APPLICANT'S ACCOUNT.

IT IS A CONDITION OF THIS STANDBY LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR A PERIOD OF ONE YEAR FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO THE EXPIRATION DATE WE SEND YOU NOTICE BY NATIONALLY RECOGNIZED OVERNIGHT COURIER SERVICE THAT WE ELECT NOT TO EXTEND THIS CREDIT FOR ANY SUCH ADDITIONAL PERIOD. SAID NOTICE WILL BE SENT TO THE ADDRESS INDICATED ABOVE, UNLESS A CHANGE OF ADDRESS IS OTHERWISE NOTIFIED BY YOU TO US IN WRITING BY RECEIPTED MAIL OR COURIER. ANY NOTICE TO US WILL BE DEEMED EFFECTIVE ONLY UPON ACTUAL RECEIPT BY US AT OUR DESIGNATED OFFICE. IN NO EVENT, AND WITHOUT FURTHER NOTICE FROM OURSELVES, SHALL THE EXPIRATION DATE BE EXTENDED BEYOND A FINAL EXPIRATION DATE OF      (Expiration Date)     .

THIS LETTER OF CREDIT IS TRANSFERABLE ONE OR MORE TIMES, BUT IN EACH INSTANCE TO A SINGLE TRANSFEREE ("TRANSFEREE") AND ONLY IN THE FULL AMOUNT AVAILABLE TO BE DRAWN UNDER THE LETTER OF CREDIT AT THE TIME OF SUCH TRANSFER, ASSUMING SUCH TRANSFER TO SUCH TRANSFEREE IS IN COMPLIANCE WITH ALL APPLICABLE U.S. LAWS AND REGULATIONS. AT THE TIME OF TRANSFER, THE ORIGINAL LETTER OF CREDIT AND ORIGINAL AMENDMENT(S) IF ANY, MUST BE SURRENDERED TO US TOGETHER WITH OUR TRANSFER FORM (AVAILABLE UPON REQUEST) AND PAYMENT OF OUR CUSTOMARY TRANSFER FEES BY APPLICANT. IN CASE OF ANY TRANSFER UNDER THIS LETTER OF CREDIT, THE DRAFT AND ANY REQUIRED STATEMENT MUST BE EXECUTED BY THE TRANSFEREE AND WHERE THE BENEFICIARY'S NAME APPEARS WITHIN THIS STANDBY LETTER OF CREDIT, THE TRANSFEREE'S NAME IS AUTOMATICALLY SUBSTITUTED THEREFOR.

ALL DRAFTS REQUIRED UNDER THIS STANDBY LETTER OF CREDIT MUST BE MARKED: "DRAWN UNDER [Insert Bank Name] STANDBY LETTER OF CREDIT NO.                     ."

WE HEREBY AGREE WITH YOU THAT IF DRAFTS ARE PRESENTED TO [Insert Bank Name] UNDER THIS LETTER OF CREDIT AT OR PRIOR TO [Insert Time - (e.g., 11:00 AM)], ON A BUSINESS DAY, AND PROVIDED THAT SUCH DRAFTS PRESENTED CONFORM TO THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE INITIATED BY US IN IMMEDIATELY AVAILABLE FUNDS BY OUR CLOSE OF BUSINESS ON THE SUCCEEDING BUSINESS DAY. IF DRAFTS ARE PRESENTED TO [Insert Bank Name] UNDER THIS LETTER OF CREDIT AFTER [Insert Time - (e.g., 11:00 AM)], ON A BUSINESS DAY, AND PROVIDED THAT SUCH DRAFTS CONFORM WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE INITIATED BY US IN IMMEDIATELY AVAILABLE FUNDS BY OUR CLOSE OF BUSINESS ON THE SECOND SUCCEEDING BUSINESS DAY. AS USED IN THIS LETTER OF CREDIT, "BUSINESS DAY" SHALL MEAN ANY DAY OTHER THAN A SATURDAY, SUNDAY OR A DAY ON WHICH BANKING INSTITUTIONS IN THE STATE OF UTAH ARE AUTHORIZED OR REQUIRED BY LAW TO CLOSE. IF THE EXPIRATION DATE FOR THIS LETTER OF CREDIT SHALL EVER FALL ON A DAY WHICH IS NOT A BUSINESS DAY THEN SUCH EXPIRATION DATE SHALL AUTOMATICALLY BE EXTENDED TO THE DATE WHICH IS THE NEXT BUSINESS DAY.

PRESENTATION OF A DRAWING UNDER THIS LETTER OF CREDIT MAY BE MADE ON OR PRIOR TO THE THEN CURRENT EXPIRATION DATE HEREOF BY HAND DELIVERY, COURIER SERVICE, OVERNIGHT MAIL, OR FACSIMILE. PRESENTATION BY FACSIMILE TRANSMISSION SHALL BE BY TRANSMISSION OF THE ABOVE REQUIRED SIGHT DRAFT DRAWN ON US TOGETHER WITH THIS LETTER OF CREDIT TO OUR FACSIMILE NUMBER, [Insert Fax Number - ( ) - - ], ATTENTION: [Insert Appropriate Recipient], WITH TELEPHONIC CONFIRMATION OF OUR RECEIPT OF SUCH FACSIMILE TRANSMISSION AT OUR TELEPHONE NUMBER [Insert Telephone Number - ( ) - - ] OR TO SUCH OTHER FACSIMILE OR TELEPHONE NUMBERS, AS TO WHICH YOU HAVE RECEIVED WRITTEN NOTICE FROM US AS BEING THE APPLICABLE SUCH NUMBER. WE AGREE TO NOTIFY YOU IN WRITING, BY NATIONALLY RECOGNIZED OVERNIGHT COURIER SERVICE, OF ANY CHANGE IN SUCH DIRECTION. ANY FACSIMILE PRESENTATION PURSUANT TO THIS PARAGRAPH SHALL ALSO STATE THEREON THAT THE ORIGINAL OF SUCH SIGHT DRAFT AND LETTER OF CREDIT ARE BEING REMITTED, FOR DELIVERY ON THE NEXT BUSINESS DAY, TO [Insert Bank Name]

AT THE APPLICABLE ADDRESS FOR PRESENTMENT PURSUANT TO THE PARAGRAPH FOLLOWING THIS ONE.

WE HEREBY ENGAGE WITH YOU THAT ALL DOCUMENT(S) DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS STANDBY LETTER OF CREDIT WILL BE DULY HONORED IF DRAWN AND PRESENTED FOR PAYMENT AT OUR OFFICE LOCATED AT [Insert Bank Name], [Insert Bank Address], ATTN: [Insert Appropriate Recipient], ON OR BEFORE THE EXPIRATION DATE OF THIS CREDIT,                     (Expiration Date)                    .

[Insert Name of Issuing Bank] SHALL REPLACE THE ORIGINAL OF THIS LETTER OF CREDIT WITH A REPLACEMENT LETTER OF CREDIT IF SUCH ORIGINAL IS LOST, STOLEN, MUTILATED, OR DESTROYED PRIOR TO FULL DRAWING UPON PRIOR RECEIPT BY [Insert Name of Issuing Bank] OF ANY FEES CHARGED BY IT AND AN AFFIDAVIT OF LOST LETTER OF CREDIT AND INDEMNITY, EXECUTED BY BENEFICIARY, ACCEPTABLE TO [Insert Name of Issuing Bank] IN ITS SOLE DISCRETION. ANY BANK CHARGES FOR SUCH REPLACEMENT SHALL BE PAYABLE BY THE BENEFICIARY.

EXCEPT SO FAR AS OTHERWISE EXPRESSLY STATED HEREIN, THIS STANDBY LETTER OF CREDIT IS SUBJECT TO THE "INTERNATIONAL STANDBY PRACTICES" (ISP 98) INTERNATIONAL CHAMBER OF COMMERCE (PUBLICATION NO. 590).

Very truly yours,

(Name of Issuing Bank)

By: \_\_\_\_\_



**EXHIBIT F**

**EXTERIOR BUILDING SIGNAGE**



**EXHIBIT G**

**DECLARATION**

The term "**Declarations**" as used in this Lease shall mean, together, the following:

(i) Notice Of Adoption Of Redevelopment plan Entitled "Depot District Redevelopment Project Area Plan", dated October 15, 1998, recorded October 22, 1998 as Entry No. 7127194 in Book 8133 at Page 1835 of the Official Records, as amended and affected by an Amended Notice Of Adoption Of Redevelopment Plan Entitled "Depot District Redevelopment Project Area Plan", dated October 15, 1998, recorded May 6, 1999 as Entry No. 7345726 in Book 8275 at Page 1402 of the Official Records;

(ii) Easement Agreement (With Boundary Agreement), dated January 3, 2000, recorded January 13, 2000 as Entry No. 7553961, in Book 8336, at Page 1170 of the Official Records, as amended and/or otherwise affected by that certain Omnibus Amendment To City Project Agreements, recorded April 22, 2013 as Entry No. 11622650, in Book 10129, at Page 5755 of the Official Records, as amended and/or otherwise affected by that certain Affidavit, dated February 21, 2001, executed by BRIAN GOCHNOUR, recorded February 26, 2001 as Entry No.7828965, in Book 8427, at Page 4667 of the Official Records;

(iii) Amended And Restated Participation And Reimbursement Agreement, dated as of May 30, 2006, recorded June 8, 2006 as Entry No. 9747342, in Book 9305, at Page 5127 of the Official Records, as amended and/or otherwise affected by that certain First Amendment To Amended And Restated Participation And Reimbursement Agreement, recorded April 22, 2013 as Entry No. 11622649, in Book 10129, at Page 5750 of the Official Records;

(iv) Rio Grande Street Grant Of Easement, dated January 3, 2000, recorded January 13, 2000 as Entry No. 7553963, in Book 8336, at Page 1217 of the Official Records, as corrected by an Affidavit recorded August 7, 2000 as Entry No. 7693049, in Book 8379 at Page 5484 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To Rio Grande Street Grant Of Easement, recorded May 6, 2005 as Entry No. 9370280, in Book 9128, at Page 481 of the Official Records, and by that certain Second Amendment to Rio Grande Street Grant Of Easement, recorded December 20, 2007 as Entry No. 10305320, in Book 9550, at Page 5547 of the Official Records, and by that certain Joint Omnibus Amendment To Project Agreements, recorded April 22, 2013 as Entry No. 11622651, in Book 10129, at Page 5760 of the Official Records;

(v) Plaza Pedestrian And Public Use Easement And Programming Agreement, dated December 23, 1999, recorded January 13, 2000 as Entry No. 7553964, in Book 8336, at Page 1240 of the Official Records, as corrected by an Affidavit recorded August 7, 2000 as Entry No. 7693049, in Book 8379 at Page 5484 of the Official Records, and as amended, supplemented and otherwise affected by that certain First Amendment To Plaza Pedestrian And Public Use Easement And Programming Agreement, recorded May 6, 2005 as Entry No. 9370282, in Book 9128, at Page 506 of the Official Records, and by that certain Joint Omnibus Amendment To Project Agreements, recorded April 22, 2013 as Entry No. 11622651, in Book 10129, at Page 5760 of the Official Records;

(vi) North Temple Frontage Road Grant Of Easement, dated December 23, 1999, recorded January 13, 2000 as Entry No. 7553965, in Book 8336, at Page 1263 of the Official Records, as corrected by an Affidavit recorded August 7, 2000 as Entry No. 7693049, in Book 8379 at Page 5484 of the Official Records, and as amended, supplemented and otherwise affected by that certain First Amendment To North Temple Frontage Road Grant Of Easement, recorded May 6, 2005 as Entry No. 9370279, in Book 9128, at Page 466 of the Official Records, and by that certain Joint Omnibus Amendment To Project Agreements, recorded April 22, 2013 as Entry No. 11622651, in Book 10129, at Page 5760 of the Official Records;

(vii) Depot Pedestrian And Public Use Easement, dated December 23, 1999, recorded January 13, 2000 as Entry No. 7553966, in Book 8336, at Page 1284 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To Depot Pedestrian And Public Use Easement, recorded May 6, 2005 as Entry No. 9370281, in Book 9128, at Page 497 of the Official Records;

(viii) Hotel Pedestrian Easement, dated December 23, 1999, recorded January 13, 2000 as Entry No. 7553967, in Book 8336, at Page 1302 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To Hotel Pedestrian Easement Now Known As Walkway Easement, recorded May 6, 2005 as Entry No. 9370283, in Book 9128, at Page 525 of the Official Records;

(ix) Parks Blocks Agreement, dated as of July 5, 2000, recorded July 7, 2000 as Entry No. 7674967, in Book 8373, at Page 5614 of the Official Records, as amended and/or otherwise affected by that certain Omnibus Amendment To City Project Agreements, recorded April 22, 2013 as Entry No. 11622650, in Book 10129, at Page 5755 of the Official Records;

(x) Declaration And Establishment Of Protective Covenants, Conditions And Restrictions And Grant Of Easements, dated as of December 15, 2000, recorded December 27, 2000 as Entry No. 7787948, in Book 8410, at Page 8311 of the Official Records, as amended and/or otherwise affected by that certain First Amendment To Declaration And Establishment Of Protective Covenants, Conditions And Restrictions And Grant Of Easements, recorded March 1, 2001 as Entry No. 7833680, in Book 8430, at Page 1766 of the Official Records, and by that certain Second Amendment To Declaration And Establishment Of Protective Covenants, Conditions And Restrictions And Grant Of Easements, recorded May 6, 2005 as Entry No. 9370284, in Book 9128, at Page 536 of the Official Records;

(xi) Amended and Restated Declaration of Condominium Gateway Block C1 Condominium Project, recorded April 27, 2001 as Entry No. 7881708, in Book 8450, at Page 4761 of the Official Records, as said Amended And Restated

Declaration was amended and/or otherwise affected by that certain First Amendment to Amended and Restated Declaration of Condominium Gateway Block C1 Condominium Project, recorded February 15, 2011 as Entry No. 11134756, in Book 9905, at Page 6380 of the Official Records;

(xii) Amended And Restated Declaration Of Condominium Gateway Block C2 Condominium Project, recorded April 27, 2001 as Entry No. 7881709, in Book 8450, at Page 4843 of the Official Records;

(xiii) Declaration Of Condominium Gateway Block A Condominium Project, recorded February 26, 2001 as Entry No. 7828969, in Book 8427, at Page 4676 of the Official Records;

(xiv) Declaration Of Condominium Gateway Block B Condominium Project, recorded February 26, 2001 as Entry No. 7828971, in Book 8427, at Page 4752 of the Official Records, as amended or otherwise affected by that certain First Amendment To Declaration Of Condominium Gateway Block B Condominium Project And Amendment Of Record Of Survey Map, recorded May 16, 2002 as Entry No. 8235748, in Book 8598 at Page 7012, of the Official Records, and by that certain Second Amendment To Declaration Of Condominium Gateway Block B Condominium Project And Amendment Of Record Of Survey Map, recorded July 20, 2004 as Entry No. 9125323, in Book 9016 at Page 2655;

(xv) Declaration Of Covenants, Conditions And Restrictions Re Commercial Shared Maintenance, dated as of February 28, 2001, as evidenced by that certain Memorandum Of Declaration Of Covenants, Conditions And Restrictions Re Commercial Shared Maintenance (Gateway), recorded March 1, 2001 as Entry No. 7833681, in Book 8430, at Page 1770 of the Official Records, and by that certain First Amendment To Memorandum Of Declaration Of Covenants, Conditions And Restrictions Re Commercial Shared Maintenance, recorded May 6, 2005 as Entry No. 9370286, in Book 9128, at Page 563 of the Official Records, and by that certain Consent and Acknowledgment of Inland Western Salt Lake City Gateway, L.L.C., recorded September 25, 2013 as Entry No. 11730200, in Book 10180, at Page 1552 of the Official Records;

(xvi) Declaration Of Easements, dated as of September 1, 2001, recorded April 7, 2003 as Entry No. 8600407, in Book 8772, at Page 5889 of the Official Records;

(xvii) Covenant Agreement, dated as of February 28, 2003, recorded April 7, 2003 as Entry No. 8600408, in Book 8772, at Page 5901 of the Official Records;

(xviii) unrecorded Parking License Agreement dated April 8, 2002, unrecorded First Amendment to Parking License Agreement dated as of July 9, 2002, and unrecorded Central Plant Participation Agreement dated June 1, 2002, each as disclosed by that certain Parking License, Parking Access, Central Plant Participation And Subordination Agreement, dated as of June 16, 2003, recorded June 16, 2003 as Entry No. 8691592, in Book 8818, at Page 5955 of the Official Records;

(xix) Parking License Agreement, dated October 6, 2003, recorded October 10, 2003 as Entry No. 8848851, in Book 8894, at Page 9334 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To Parking License Agreement (Gateway Office 3), dated May 5, 2005, recorded May 6, 2005 as Entry No. 9370289, in Book 9128, at Page 580 of the Official Records; (xx) Agreement For Construction And Subsequent Acquisition Of Retail Unit 4, Gateway Block A Condominium, For The Purpose Of Operating A Planetarium And Presenting Large Screen Motion Picture Features, dated February 13, 2002, recorded June 8, 2004 as Entry No. 9084123, in Book 8998, at Page 4901 of the Official Records;

(xxi) Parking License Agreement, dated June 30, 2004, recorded July 20, 2004 as Entry No. 9125321, in Book 9016, at Page 2635 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To Parking License Agreement, dated May 5, 2005, recorded May 6, 2005 as Entry No. 9370288, in Book 9128, at Page 573 of the Official Records;

(xxii) Air Space Easement Agreement, dated as of May 5, 2005, recorded May 6, 2005 as Entry No. 9370290, in Book 9128, at Page 586 of the Official Records;

(xxiii) Encroachment Agreement, dated as of May 5, 2005, recorded May 6, 2005 as Entry No. 9370291, in Book 9128, at Page 595 of the Official Records;

(xxiv) Declaration Of Covenants, Restrictions And Easements (The Gateway--Retail Parcels), recorded May 6, 2005 as Entry No. 9370292, in Book 9128, at Page 605 of the Official Records, as amended by that certain Amendment To Declaration Of Covenants, Restrictions And Easements, recorded May 31, 2005 as Entry No. 9390612, in Book 9137, at Page 7862 of the Official Records;

(xxv) Declaration Of Easement (Emergency Ingress & Egress), dated as of January 6, 2006, recorded January 10, 2006 as Entry No. 9606025, in Book 9241, at Page 9418 of the Official Records;

(xxvi) Parking License Agreement, dated December 15, 2006, recorded December 26, 2006 as Entry No. 9951937, in Book 9399, at Page 9815 of the Official Records;

(xxvii) Easement, recorded December 4, 2007 as Entry No. 10291031, in Book 9544, at Page 1216 of the Official Records;

(xxviii) Declaration Of Bridge Covenants And Easements (The Gateway--Retail Parcels), dated October 3, 2007, recorded January 22, 2008 as Entry No. 10328082, in Book 9561, at Page 1129 of the Official Records;

(xxix) Easement, recorded January 22, 2008 as Entry No. 10328083, in Book 9561, at Page 1144 of the Official Records;

(xxx) Parking License Agreement, dated March 20, 2006, the existence of which is disclosed of record by that certain Memorandum Of Parking License Agreement recorded October 22, 2012 as Entry No. 11496303, in Book 10068, at Page 3312 of the Official Records;

(xxxi) Central Plant Participation Agreement, dated October 6, 2003, recorded October 10, 2003 as Entry No. 8848852, in Book 8894, at Page 9344 of the Official Records;

(xxxii) Central Plant Participation Agreement, dated June 30, 2004, recorded July 20, 2004 as Entry No. 9125322 , in Book 9016, at Page 2645 of the Official Records; and

(xxxiii) all amendments, modifications, extensions and renewals and replacements thereof; all of which shall be superior to this Lease, binding upon the Project and run with the land.

**EXHIBIT H**

**FORM OF TENANT'S ESTOPPEL CERTIFICATE**

The undersigned as Tenant under that certain Office Lease (the "Lease") made and entered into as of \_\_\_\_\_, 201\_\_ by and between \_\_\_\_\_ as Landlord, and the undersigned as Tenant, for Premises on the \_\_\_\_\_ floor(s) of the office building located at \_\_\_\_\_, certifies as follows:

1. Attached hereto as **Exhibit A** is a true and correct copy of the Lease and all amendments and modifications thereto. The documents contained in **Exhibit A** represent the entire agreement between the parties as to the Premises.

2. The undersigned currently occupies the Premises described in the Lease, the Lease Term commenced on \_\_\_\_\_, and the Lease Term expires on \_\_\_\_\_, and, except as set forth in the Lease, the undersigned has no option to terminate or cancel the Lease or to purchase all or any part of the Premises, the Building and/or the Project.

3. Base Rent became payable on \_\_\_\_\_.

4. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in **Exhibit A**.

5. Tenant has not transferred, assigned, or sublet any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows:

6. All monthly installments of Base Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through \_\_\_\_\_. The current monthly installment of Base Rent is \$ \_\_\_\_\_.

7. All conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and, to the undersigned's actual knowledge, Landlord is not in default thereunder. In addition, the undersigned has not delivered any notice to Landlord regarding a default by Landlord thereunder.

8. No rental has been paid more than thirty (30) days in advance and no security has been deposited with Landlord except as provided in the Lease.

9. As of the date hereof, there are no existing defenses or offsets, or, to the undersigned's actual knowledge, claims or any basis for a claim, that the undersigned has against Landlord.

10. If Tenant is a corporation or partnership, each individual executing this Estoppel Certificate on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in Utah and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so.

11. There are no actions pending against the undersigned under the bankruptcy or similar laws of the United States or any state.

12. Other than in compliance with all applicable laws and incidental to the ordinary course of the use of the Premises, the undersigned has not used or stored any hazardous substances in the Premises.

13. To the undersigned's actual knowledge, all tenant improvement work to be performed by Landlord under the Lease has been completed in accordance with the Lease and has been accepted by the undersigned and all reimbursements and allowances due to the undersigned under the Lease in connection with any tenant improvement work have been paid in full.

The undersigned acknowledges that this Estoppel Certificate may be delivered to Landlord or to a prospective mortgagee or prospective purchaser, and acknowledges that said prospective mortgagee or prospective purchaser will be relying upon the statements contained herein in making the loan or acquiring the property of which the Premises are a part and that receipt by it of this certificate is a condition of making such loan or acquiring such property.

*[Remainder of Page Intentionally Blank]*

This Estoppel Certificate has been executed by the undersigned on the \_\_\_ day of \_\_\_\_\_, 201\_.

"Tenant":

\_\_\_\_\_ a \_\_\_\_\_

By: \_\_\_\_\_ Its: \_\_\_\_\_

By: \_\_\_\_\_ Its: \_\_\_\_\_



**EXHIBIT I**  
**RESERVED PARKING SPACES**



**OFFICE LEASE**

**VESTAR GATEWAY, LLC,**

a Delaware limited liability company,

as Landlord,

and

**RECURSION PHARMACEUTICALS, INC.,**

a Delaware corporation,

as Tenant.

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FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this "**Amendment**") is dated as of September 25, 2018, between VESTAR GATEWAY, LLC, a Delaware limited liability company ("**Landlord**"), and RECURSION PHARMACEUTICALS, INC., a Delaware corporation ("**Tenant**").

RECITALS

A. Landlord and Tenant are parties to a lease dated as of November 13, 2017 (the "**Lease**"), pursuant to which Tenant leases from Landlord certain premises (the "**Premises**") consisting of a two (2) story office building containing approximately 99,172 rentable square feet of space, commonly known as Station 41 at The Gateway, 41 South Rio Grande, Salt Lake City, Utah. Capitalized terms not otherwise defined in this Amendment shall have the meanings given them in the Lease.

B. Pursuant to Section 2.4 of Exhibit B to the Lease, Tenant had the right to increase the Tenant Improvement Allowance by up to \$10.00 per rentable square foot of the Premises (i.e., \$991,720.00) (the actual amount of such increase being referred to as the "**Additional Allowance**"). The parties agreed that once the actual amount of the Additional Allowance was determined, the monthly Base Rent payable by Tenant for the Premises would be increased by the amortized value of such amount. The actual amount of the Additional Allowance has now been determined and that amount is the entire \$10.00 per rentable square foot of the Premises (i.e., \$991,720.00). Accordingly, the monthly Base Rent payable by Tenant shall increase by \$12,032.30 per month in order to amortize the Additional Allowance over the Lease Term.

C. Landlord and Tenant now desire to amend the Lease to (i) adjust the Base Rent payable by Tenant for the Premises pursuant to the Lease, and (ii) modify the location of Tenant's reserved parking spaces, all upon and subject to the terms and conditions set forth herein

NOW, THEREFORE, in consideration of the foregoing, the parties hereto agree as follows:

1. Base Rent. Effective as of the date of this Amendment, the rental chart set forth in Section 4.1 of the Summary of Basic Lease Information in the Lease is hereby deleted in its entirety and replaced with the following:

<u>Period</u>	<u>Monthly Installment of Base Rent Based on Partial Premises for First Five Years</u>	<u>Monthly Installment of Base Rent Based on Entire Premises</u>
06/01/18 – 05/31/19	\$221,110.68	\$247,565.80
06/01/19 – 05/31/20	\$227,383.03	\$254,631.81
06/01/20 – 05/31/21	\$233,843.55	\$261,909.79
06/01/21 – 05/31/22	\$240,497.89	\$269,406.12
06/01/22 – 05/31/23	\$247,351.85	\$277,127.33
06/01/23 – 05/31/24	\$285,080.18	\$285,080.18
06/01/24 – 05/31/25	\$293,271.62	\$293,271.62
06/01/25 – 05/31/26	\$301,708.80	\$301,708.80
06/01/26 – 05/31/27	\$310,399.09	\$310,399.09



06/01/27 – 05/31/28

\$319,350.09

\$319,350.09

\*During the period from June 1, 2018 through May 31, 2023 (the "**Reduced Rent Period**"), Tenant shall only be required to pay Base Rent on 88,033 rentable square feet of the Premises (rather than on the entire 99,172 rentable square feet), as shown in the second column of the rental chart above. The "**Reduced Rent Amount**" refers to the amount of Base Rent that Tenant is not paying for the entire Premises (i.e., the remaining 11,151 rentable square feet) during the Reduced Rent Period. Landlord shall have the right to purchase the Reduced Rent from Tenant pursuant to Section 3.2 of the Lease, in which case, from and after the date such payment is received, Base Rent shall be payable by Tenant as shown in the third column of the rental chart above.

Within ten (10) days after the execution of this Amendment, Tenant shall pay Landlord such additional increased Base Rent described Recital B above which is applicable for June 2018, July 2018 and August 2018 (and September 2018 if applicable).

2. Reserved Parking Spaces. Exhibit I to the Lease is hereby deleted in its entirety and replaced with Exhibit A attached hereto, it being acknowledged that the Reserved Parking Area is shown highlighted in yellow on Exhibit A attached hereto.

3. No Offer. Submission of this instrument for examination and signature by Tenant does not constitute an offer to amend the Lease or a reservation of or option to amend the Lease, and this instrument is not effective as a lease amendment or otherwise until executed and delivered by both Landlord and Tenant.

4. Lease in Full Force and Effect. Except as provided above, the Lease is unmodified hereby and remains in full force and effect.

5. Counterparts. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same First Amendment.

*[Signatures appear on the following page]*

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date and year first above written.

**LANDLORD:**

**VESTAR GATEWAY, LLC,**  
a Delaware limited liability company


By: SLC Gateway Retail, LLC,  
a Delaware limited liability company,  
its Sole Member

By: VGSLM, LLC,  
a Delaware limited liability company,  
its Managing Member

By:   
Name: Edward J. Flooding  
Title: Manager Manager

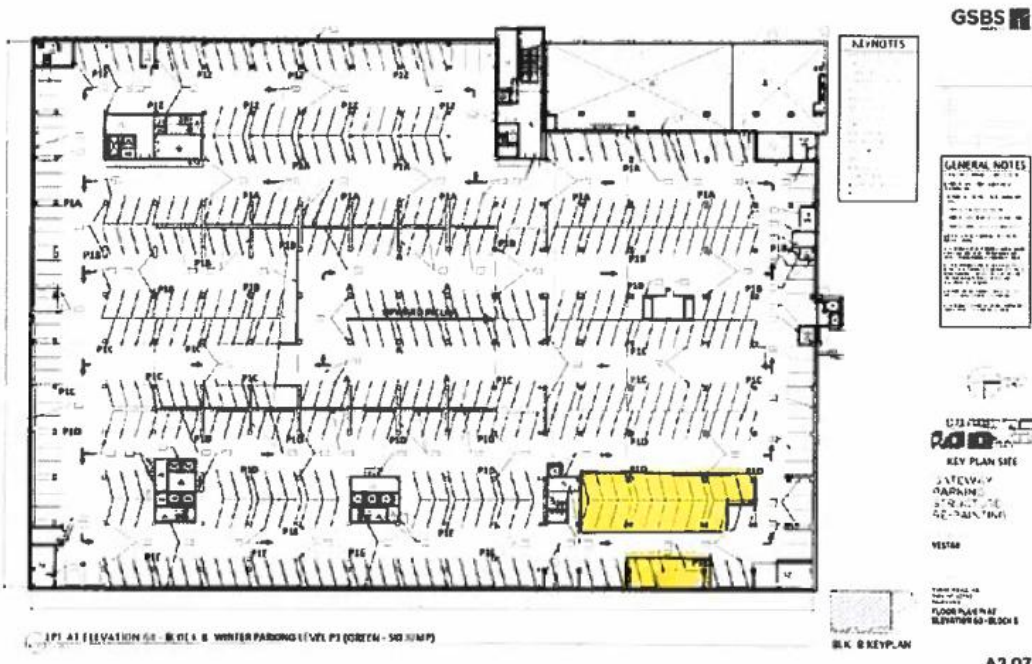
**TENANT:**

**RECURSION PHARMACEUTICALS, INC.,**  
a Delaware corporation

By:   
Name: Christopher Gibson  
Its: CEO

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT A**  
**RESERVED PARKING SPACES**



SECOND AMENDMENT TO OFFICE LEASE

THIS SECOND AMENDMENT TO OFFICE LEASE (this "Amendment") is made and entered into as of the 13th day of November, 2019 (the "Amendment Effective Date") by and between VESTAR GATEWAY, LLC, a Delaware limited liability company ("Landlord") and RECURSION PHARMACEUTICALS, INC., a Delaware corporation ("Tenant").

RECITALS:

A. Landlord and Tenant have previously executed and delivered that certain Office Lease dated November 13, 2017, as amended by that certain First Amendment to Lease dated September 25, 2018 (collectively, the "Lease") with respect to certain Premises more particularly described therein.

B. Landlord and Tenant have agreed to modify the Lease, subject to and in accordance with the further terms, covenants and provisions of this Amendment.

NOW, THEREFORE, in consideration of the execution and delivery of the Lease, the foregoing Recitals, the mutual agreements, covenants and promises contained in this Amendment and other good and valuable considerations, the receipt, sufficiency and validity of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Definitions. Capitalized terms used in this Amendment without definition shall have the meanings assigned to such terms in the Lease unless the context expressly requires otherwise.

2. Additional Premises.

(a) In addition to and together with the Premises, from and after the Additional Premises Rent Commencement Date (as defined in Paragraph 4 below), Landlord leases to Tenant and Tenant leases from Landlord that certain Additional Premises (herein so called) consisting of approximately five thousand five hundred forty-seven (5,547) square feet of Floor Area and identified as the "Additional Premises" on the Site Plan attached hereto as "Exhibit A," together with the "Outdoor Play Area" identified on the Site Plan attached as "Exhibit C-1." From and after the Additional Premises Rent Commencement Date, references in the Lease to the "Premises" shall be deemed to include the "Additional Premises" and Tenant's use, lease and occupancy of the Additional Premises shall be subject to all of the terms, covenants and provisions of the Lease, except as expressly set forth in this Amendment. The term of Tenant's lease of the Additional Premises shall be coterminous with the Lease.

(b) Landlord consents to entry by Tenant in the Additional Premises from and after completion by Landlord of the Sewer Work described in Paragraph 8 hereof for the purposes of readying the Additional Premises for Tenant's business operations. Tenant acknowledges that the (i) indemnification and waiver provisions of Article 10 of the Lease, (ii) the waiver of subrogation provisions of Section 10.5 of the Lease, and the insurance provisions of Article 10 of the Lease, apply to Tenant's entry in the Additional Premises.

3. Use. The Additional Premises shall be used solely for a daycare facility operated by Bright Horizons Family Solutions or its affiliate (or such other licensed day-care provider chosen by Tenant, which may or may not be a third-party); provided, however, the Additional Premises may be used for the purposes expressly set forth in Article 5 of the Lease upon Tenant providing advance written notice to Landlord of such change, and for no other purpose.

4. Base Rent. From and after the earlier of (a) the date the Additional Premises opens for business, and (b) the date that is 180 days after Tenant obtains the necessary building permits for the Additional Tenant Improvements (as defined below) (which date shall be no later than the date that is 270 days after the Amendment Effective Date, subject to Tenant's extension rights set forth below) (the "Additional Premises Rent Commencement Date"), Base Rent shall be payable with respect to the Additional Premises in accordance with the schedule of Base Rent set forth below; provided, however, Tenant may extend the Additional Premises Rent Commencement Date upon written notice to Landlord up to ninety (90) additional days to allow for completion of Tenant's Work (as defined below) so long as Tenant has commenced and continues to diligently prosecute such work to completion. No Rent shall be due or payable with respect to the Outdoor Play Area.

<u>Month of Lease Term</u>	<u>Monthly Rental</u>	<u>Annual Rental</u>	<u>Annual Rental Rate Per Square Foot</u>
Additional Premises Rent Commencement Date - 12	\$13,174.13	\$158,089.50	\$28.5000
13-24	\$13,569.35	\$162,832.19	\$29.3550
25-36	\$13,976.43	\$167,717.15	\$30.2357
37-48	\$14,395.72	\$172,748.67	\$31.1427
49-60	\$14,827.59	\$177,931.13	\$32.0770
61-72	\$15,272.42	\$183,269.06	\$33.0393
73-84*	\$15,730.59	\$188,767.13	\$34.0305

\*Tenant acknowledges that the Lease Term expires on May 31, 2028.

5. Termination of Lease. Tenant may terminate the Lease, but only with respect to the Additional Premises, from and after on the date that is three (3) years from the Amendment Effective Date. On the effective date of such termination, and as a condition to such termination, Tenant shall pay to Landlord an amount equal to the unamortized Additional Premises Allowance (as defined in Paragraph 9 hereof) and the unamortized brokerage commissions paid by Landlord in connection with the execution of this Amendment, as of the effective date of such termination amortized in accordance with the terms of Section 2.4 of the Lease.

6. Central Plant Charges. From and after the Additional Premises Rent Commencement Date, Tenant shall pay to Landlord Two and 75/100 Dollars (\$2.75) per square foot of floor area of the Additional Premises per annum for costs incurred by Landlord to provide heated and chilled water from the central plant, and which shall be payable in twelve (12) equal monthly installments during each year of the Lease Term, in advance, on the first day of each calendar month, without setoff or deduction, notice or demand, together with Tenant's monthly payments of Base Rent.

7. Operating Expenses, Taxes – Additional Premises. Tenant acknowledges that its obligation for payments for Direct Expenses, Operating Expenses and Tax Expenses with respect to the Additional Premises shall be calculated differently than its obligations for Direct Expenses, Operating Expenses and Tax Expenses with respect to the original Premises (as is set forth in Article 4 of the Lease). Accordingly, Landlord and Tenant hereby agree as follows:

- (a) Operating Expenses. Operating Expenses with respect to the Additional Premises shall be prorated in the following manner: A portion of the Project is or will be owned or leased by occupants of buildings having a floor area of ten thousand (10,000) square feet or more (the "Major Tenants"). The contributions of the Major Tenants towards the Operating Expenses shall be credited toward payment of the entirety of the Operating Expenses and the balance of the Operating Expenses shall be prorated in the following manner. From and after the Additional Premises Rent Commencement Date, Tenant shall pay to Landlord, on the first day of each calendar month, an amount estimated by Landlord to be Tenant's share of the Operating Expenses. This estimated monthly charge may be adjusted by Landlord at the end of any calendar quarter on the basis of Landlord's experience and any variation in reasonably anticipated cost (subject, however, to the definitions and limitations set forth in the Lease of Operating Expenses and Operating Expenses Exclusions). Operating Expenses and Operating Expense Exclusions as defined in the Lease shall not be modified by the terms of this Amendment. In addition to Operating Expenses, Tenant shall pay to Landlord a sum for accounting, bookkeeping and collection of the Operating Expenses in an amount equal to three percent (3%) of the Base Rent.
- (b) Operating Expenses Statement. Within thirty (30) days following the end of each calendar quarter or, at Landlord's option, within ninety (90) days after the end of each calendar year, Landlord shall furnish Tenant a statement of actual Operating Expenses incurred or accrued for the preceding calendar year or calendar quarter, as applicable, for the Additional Premises, certified as correct by a certified public accountant or an authorized representative of Landlord, showing in reasonable detail the total amount of the Operating Expenses allocated to tenants of the Project, the amount of Tenant's share of the Operating Expenses for such calendar quarter or year and the payments made by Tenant with respect to such period as set forth above. If Tenant's share of the Operating Expenses for the Additional Premises exceeds Tenant's payments, Tenant shall pay Landlord the deficiency within thirty (30) days after receipt of such statement. If Tenant's payments exceed Tenant's share of the Operating Expenses, Tenant shall be entitled to offset the excess against payments next thereafter to become due Landlord as set forth in above (or receive a refund of such excess payments within thirty (30) days of Tenant's written request therefor, which obligation shall survive the expiration of the Lease Term). Tenant's share of the Operating Expenses for the Additional Premises for the previous calendar quarter or year shall be that portion of all Operating Expenses, less the amounts contributed by the Major Tenants multiplied by a fraction, the

numerator of which is the number of square feet of floor area in the Additional Premises and the denominator of which is the total number of square feet of floor area of buildings in the Project (other than the Excluded Components, defined below) as of the commencement of such calendar quarter or year, and excluding those buildings the owners, tenants or occupants of which self-maintain with respect to any particular component of Operating Expenses. There shall be an appropriate adjustment of Tenant's share of the Operating Expenses as of the Additional Premises Rent Commencement Date and at the expiration or earlier termination of Lease Term. Tenant's right to audit Direct Expenses shall be as set forth in Section 4.6 of the Lease (with the terms thereof modified as necessary to conform to the terms and purposes of this Amendment). Excluded Components include those portions of the Project identified on the Project site plan attached as **Exhibit "B"** (the "Project Site Plan") as "**One Gateway**", "**Two Gateway**", "**Three Gateway**", "**Four Gateway**" and "**Five Gateway**" and the portions of the Project utilized for residential purposes and/or lodging purposes.

- (c) **Estimated Operating Expenses.** Landlord estimates that Tenant's share of Operating Expenses (excluding Tax Expenses and insurance premiums) for the Additional Premises during calendar year 2020 shall be Seven and 54/100 Dollars (\$7.54) per square foot of the floor area of the Additional Premises. Notwithstanding this estimate, subject to the terms of the Lease and this Amendment, Tenant shall be liable for the actual obligations for Operating Expenses, irrespective of whether the actual obligation for Operating Expenses is greater or less than Landlord's estimate.
- (d) **Insurance.** Tenant shall pay Landlord, commencing on the Additional Premises Rent Commencement Date and for the balance of the Lease Term, on the first day of each calendar month thereafter, as a component of Operating Expenses, one twelfth (1/12th) of the estimated cost to Landlord of the insurance required to be maintained by Landlord under the Lease for each such year or partial year, subject to annual reconciliation in the manner set forth above. Payment shall be made by Tenant together with Tenant's payment of its pro-rata share of Operating Expenses, unless Landlord elects to bill Tenant separately, in which event, payment shall be made within thirty (30) days after delivery to Tenant of a written statement from Landlord setting forth the cost of such insurance and showing in reasonable detail the manner in which it has been computed. In the event the cost to Landlord of the insurance Landlord is required to maintain under the Lease is not separately charged to Landlord by Landlord's insurance carrier, the portion applicable to the Additional Premises of the cost of such insurance (the "pro rata share") shall be that proportion of such cost which the floor area of the Additional Premises bears to the floor area of all the areas available for exclusive use and occupancy by tenants of the Project (other than the Excluded Components) which are occupied and open for business and covered by such insurance.
- (e) **Estimated Insurance Expenses.** Landlord estimates that Tenant's share of insurance premiums for calendar year 2020 shall be seventeen cents (17¢) per square foot of the floor area of the Additional Premises. Subject to the terms of the Lease and this Amendment, Tenant shall be liable for Tenant's actual share of insurance premiums regardless of whether Landlord's estimate is greater or less than Tenant's actual obligation.
- (f) **Taxes.** Tenant shall pay to Landlord, commencing on the Additional Premises Rent Commencement Date, and for the balance of the Lease Term, on the first day of each calendar month, as a component of Operating Expenses, one-twelfth (1/12th) of the estimated amount of Tax Expenses levied and assessed upon the Additional Premises and the underlying realty for each calendar year, subject to reconciliation in accordance with the provisions of **Paragraph 7(b)** above. Should any levy and/or assessment relate to or be payable over a period of time which encompasses all or a portion of the Lease Term and either precedes or succeeds the Lease Term, Tenant shall pay a pro rata share thereof based upon the portion of such Tax Expenses falling due during the Lease Term.
- (g) **Estimated Taxes.** Landlord estimates that Tenant's share of Tax Expenses for the first year of the Lease Term shall be One and 27/100 Dollars (\$1.27) per square foot of the floor area of the Additional Premises. Subject to the terms of the Lease and this Amendment, Tenant shall be liable for Tenant's actual share of Tax Expenses regardless of whether Landlord's estimate is greater or less than Tenant's actual obligation.

8. **Delivery of Additional Premises.** Landlord shall tender possession of the Additional Premises to Tenant as of the date the work to be performed by Landlord to repair the sewer pipes, lines and related facilities within or adjacent to the Additional Premises (such work being the "**Sewer Work**") is completed, such Sewer Work to be at Landlord's sole cost and expense. As of the Amendment Effective Date, Landlord represents that the Sewer Work is substantially complete but for repairs to (or replacement of) a few feet of cracked pipe, that Tenant may not use depending on Tenant's plumbing plans for the Additional Premises. If Tenant's plumbing plans for the Additional Premises reflect an abandonment of



the portion of such pipes that are cracked, no further Sewer Work shall be required. If, however, Tenant's plumbing plans for Additional Premises reflect the use of some or all of such cracked pipes, the remaining Sewer Work shall be completed at Landlord's sole cost and expense within ten (10) days following approval by Landlord of Tenant's plumbing plans for the Additional Premises; provided, however, if Landlord's completion of such remaining Sewer Work causes a delay in Tenant's commencement of the Additional Tenant Improvements (and Tenant has obtained all necessary building permits for the Additional Tenant Improvements), the Additional Premises Rent Commencement Date shall be extended day-for-day until such remaining Sewer Work is completed. Tenant shall utilize such early access to ready the Additional Premises for business. Such early access shall not modify the Additional Premises Rent Commencement Date. No representations, inducements, understanding or anything of any nature whatsoever, made, stated or represented by Landlord or anyone acting for or on Landlord's behalf, either orally or in writing, have induced Tenant to enter into this Amendment, and Tenant acknowledges, represents and warrants that Tenant has entered into this Amendment under and by virtue of Tenant's own independent investigation. Except for the Sewer Work and Landlord's representations and warranties in this Amendment, Tenant hereby shall accept the Additional Premises in its current "as is" and "where is" condition without warranty of any kind, express or implied, including, without limitation, any warranty as to title, physical condition or the presence or absence of Hazardous Materials. Subject to Landlord's obligation to complete the Sewer Work at its sole cost and expense, if the Additional Premises are not in all respects entirely suitable for the use or uses to which the Additional Premises or any part thereof will be put, then it is the sole responsibility and obligation of Tenant to take such action as may be necessary to place the Additional Premises in a condition entirely suitable for such use or uses. The work to be performed and improvements made by Tenant at the Additional Premises (which may include fencing and security measures reasonably acceptable to Landlord and Tenant) shall substantially conform to the conceptual plans attached as Exhibit "C-1" to this Amendment (the "Additional Tenant Improvements") and shall be performed in accordance with the terms of the Lease. The Additional Premises will be delivered to Tenant in a gray-shell condition described in attached Exhibit "C-2" to this Amendment. **IN CONNECTION WITH THE ABOVE, TENANT HEREBY ACKNOWLEDGES AND REPRESENTS TO LANDLORD, AND THE GROUND LESSOR THAT TENANT HAS HAD AMPLE OPPORTUNITY TO INSPECT AND EVALUATE THE ADDITIONAL PREMISES AND THE FEASIBILITY OF THE USES AND ACTIVITIES TENANT IS ENTITLED TO CONDUCT THEREON; THAT TENANT IS EXPERIENCED; THAT TENANT WILL RELY ENTIRELY ON TENANT'S EXPERIENCE, EXPERTISE AND ITS OWN INSPECTION OF THE ADDITIONAL PREMISES IN ITS CURRENT STATE IN PROCEEDING WITH THIS AMENDMENT SUBJECT TO LANDLORD'S OBLIGATION TO COMPLETE THE SEWER WORK AND LANDLORD'S EXPRESS REPRESENTATIONS AND WARRANTIES IN THIS AMENDMENT); TENANT ACCEPTS THE ADDITIONAL PREMISES IN ITS PRESENT CONDITION (SUBJECT TO LANDLORD'S OBLIGATION TO COMPLETE THE SEWER WORK AND LANDLORD'S EXPRESS REPRESENTATIONS AND WARRANTIES IN THIS AMENDMENT), AND THAT, TO THE EXTENT THAT TENANT'S OWN EXPERIENCE WITH RESPECT TO ANY OF THE FOREGOING IS INSUFFICIENT TO ENABLE TENANT TO REACH AND FORM A CONCLUSION, TENANT HAS ENGAGED THE SERVICES OF PERSONS QUALIFIED TO ADVISE TENANT WITH RESPECT TO SUCH MATTERS. TENANT IS NOT RELYING ON ANY EXPRESS OR IMPLIED, ORAL OR WRITTEN REPRESENTATIONS, OR WARRANTIES MADE BY LANDLORD OR ITS REPRESENTATIVES, OTHER THAN THOSE EXPRESSLY SET FORTH IN THE LEASE OR THIS AMENDMENT.**

9. Allowance. If the Lease is in full force and effect and if Tenant is not in breach or default of any of the terms, conditions, covenants and provisions of this Lease, Tenant shall be entitled to a one-time "Additional Premises Allowance" in the amount of Forty and No/100 Dollars (\$40.00) gross square foot for partial reimbursement of the cost to ready the Additional Premises for occupancy ("Tenant's Work"). Payment of the Additional Premises Allowance shall be made to Tenant by Landlord within thirty (30) days after the later to occur of (i) Tenant requesting, in writing, disbursement of the Additional Premises Allowance, which request may be made only after Tenant has opened at the Additional Premises for business to the general public in accordance with the terms, covenants and provisions of this Amendment, and (ii) delivery to Landlord of the following: (a) a copy of the Certificate of Occupancy or comparable permit issued by the City of Salt Lake and/or the County of Salt Lake, Utah for the Additional Premises, (b) unconditional lien waivers from Tenant's contractor and all subcontractors and suppliers who furnished labor and/or materials in connection with the construction of the Additional Premises in a form substantially similar to the form previously delivered to Landlord with respect to the original Additional Premises Allowance, and (c) a copy of all permits, licenses or other governmental, quasi-governmental or other licensing authority authorizations required as a prerequisite for Tenant (or the third party operator) conducting business operations at the Additional Premises, and (d) execution and delivery by Tenant to Landlord of an estoppel certificate in the form attached to the Lease as an Exhibit, and (e) copies of invoices and work orders demonstrating the cost of Tenant's Work, and (f) a copy of the "as-built" plans (or record drawings marked to show field changes) for the Additional Premises. Tenant shall deliver the request for the Additional Premises Allowance to Landlord no later than three hundred sixty (360) days after the Additional Premises Rent Commencement Date (the "Allowance Cutoff Date"). In the event Tenant does not submit the request for the Additional Premises Allowance within thirty (30)

days after the Allowance Cutoff Date, Landlord shall not be obligated to fund any portion of the Additional Premises Allowance to Tenant and the Additional Premises Allowance shall be forfeited by Tenant without any reduction or adjustment to the Base Rent, Additional Rent (as defined in the Lease) or other charges payable by Tenant to Landlord under this Lease.

10. Exclusive. So long as the originally named Tenant or an assignee or sublessee pursuant to a Permitted Transfer is continuously and without interruption conducting business operations within the entire Additional Premises for the Permitted Use of the Additional Premises and provided that there has not occurred a Default, except for and any lease, license or concession agreement executed prior to the Amendment Effective Date, and any amendment, modification, extension, expansion, renewal or replacement thereof, Landlord shall not, during the Lease Term, lease or rent any other premises within the portions of the Project presently owned by Landlord to a tenant or occupant who will use such for a daycare facility; provided, however, the foregoing restriction shall not apply to: (a) an office tenant/occupant that provides day-care services for the children of its employees, (b) a children's activity center (e.g. "My Gym"), or (c) a strictly after-care (after normal school hours) children's facility. In the event of a breach by Landlord of its obligations contained in this Paragraph 11, which breach is not cured by Landlord pursuant to the terms of the Lease, Tenant shall have the right, as its sole and exclusive remedy, to bring an action for specific performance and/or obtaining a temporary or permanent injunction against Landlord with respect to such uncured breach. In the event of a violation of the exclusive rights set forth in this Paragraph 10 by a third party within the Project, Landlord shall be deemed to have satisfied its obligations hereunder so long as it uses all commercially reasonable efforts to enforce Tenant's exclusive rights. No breach of this Paragraph 10 shall be deemed to have arisen until such time as Landlord has received written notice from Tenant of an alleged violation and Landlord has failed to remedy the violation in accordance with the terms of the Lease and this Amendment. In the event that any third party and/or governmental body, agency, branch, commission, authority, subdivision, bureau or department commences any action or proceeding against Landlord before any court of competent jurisdiction or administrative tribunal (collectively referred to as an "Action") arising from the restriction set forth in this Paragraph 10, and it is finally determined in such Action that the restriction set forth in this Paragraph 10 is in violation of law, then the restriction set forth in this Paragraph 10 shall be automatically cancelled and revoked. Landlord agrees to notify Tenant of any Action commenced as stated above and shall permit Tenant to defend such Action provided (i) Tenant agrees to hold Landlord and any Landlord's lender harmless and indemnify Landlord and any Landlord's lender for all costs, expenses, damages and judgments which they might incur, expend or be liable for in defending the legality and enforceability of the restriction set forth in Paragraph 10, and (ii) Landlord receives adequate reasonable assurance of Tenant's financial willingness and ability to hold Landlord and any Landlord's lender harmless and indemnify Landlord or any Landlord's lender. Within fourteen (14) days of Landlord notifying Tenant of the institution of the Action, Tenant, at its sole option, may elect in writing by notice to Landlord, to either waive the provisions set forth in the restrictions set forth in this Paragraph 10 with respect to the Action, or to defend the Action. Landlord in its reasonable business judgment shall determine if the aforesaid assurances are satisfactory. It is understood and agreed that Landlord's defense may be undertaken by counsel selected by Tenant, but approved by Landlord, which approval shall not be unreasonably withheld or delayed. Landlord shall have no obligation to enforce the rights granted to Tenant under this Paragraph 10 unless and until Landlord receives written notice of an Action. Landlord shall not be deemed in breach of this Paragraph 10 so long as Landlord has commenced and pursues reasonable efforts to protect Tenant's rights hereunder.

11. Signage. Landlord acknowledges that the signage rights and obligations set forth in the Lease (except for specific free-standing signage, if any) shall apply to the operator of the daycare facility as to the Additional Premises. So long as the Lease is free from default, Landlord shall not install, locate or affix any "for lease" or "for rent" signage within or upon the interior and exterior windows or walls of the Additional Premises or the original Premises.

12. Drop-off Area; Parking. Landlord and Tenant agree to reasonably cooperate to locate pick up/drop off areas for the daycare facility such that traffic flow for patrons of Tenants daycare facility shall not materially disrupt the traffic flow in the Common Area of the Project. Tenant may, at Tenant's option, increase the total number of parking passes rented by Tenant under the Lease by up to 16 additional parking passes for use in connection with the Additional Premises (the "Additional Parking Passes"); provided, however, notwithstanding anything in Article 28 of the Lease to the contrary, parking for the holders of the Additional Parking Passes may be located in garages at the Project owned and/or operated by Landlord and its affiliates, as well as the garage below the Building.

13. Estoppel. Tenant hereby affirms by execution of this Amendment that to the best of Tenant's knowledge the Lease is in full force and effect and Tenant does not have any presently existing claims against Landlord or any offsets against any amounts due under the Lease. To the best of Tenant's knowledge, there are no defaults of Landlord under the Lease and there are no existing circumstances which with the passage of time, notice or both, would give rise to a default under the Lease.

14. Broker. Landlord shall pay the commissions due mountain West Retail pursuant to a separate agreement. Each party hereto shall indemnify the other party against claims by any other broker or finders claiming through the indemnifying party.

15. Full Force and Effect. Except as expressly modified by this Amendment, the Lease remains unmodified and in full force and effect. All references in the Lease to "this Lease" shall be deemed references to the Lease as modified by this Amendment.

16. Counterparts; Electronic Signatures. This Amendment may be executed in one or more counterparts and the signature pages combined to constitute one document. Electronic signatures shall have the same force and effect as original signatures.

17. Landlord's Address for Payments of Rent. Landlord's address for payments of rent under the Lease shall be amended to be: Vestar Gateway, LLC, c/o Vestar, P.O. Box 60051, City of Industry, California 91716.

(signatures on next page)

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

**LANDLORD:**

VESTAR GATEWAY, LLC, a Delaware limited liability company

By: SLC Gateway Retail, LLC,  
a Delaware limited liability company,  
its Sole Member

By: VGSLM, LLC,  
a Delaware limited liability company,  
its Managing Member

By:   
Name: David Larcher  
Title: Manager

**TENANT:**

RECURSION PHARMACEUTICALS, INC.,  
a Delaware corporation

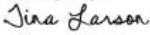
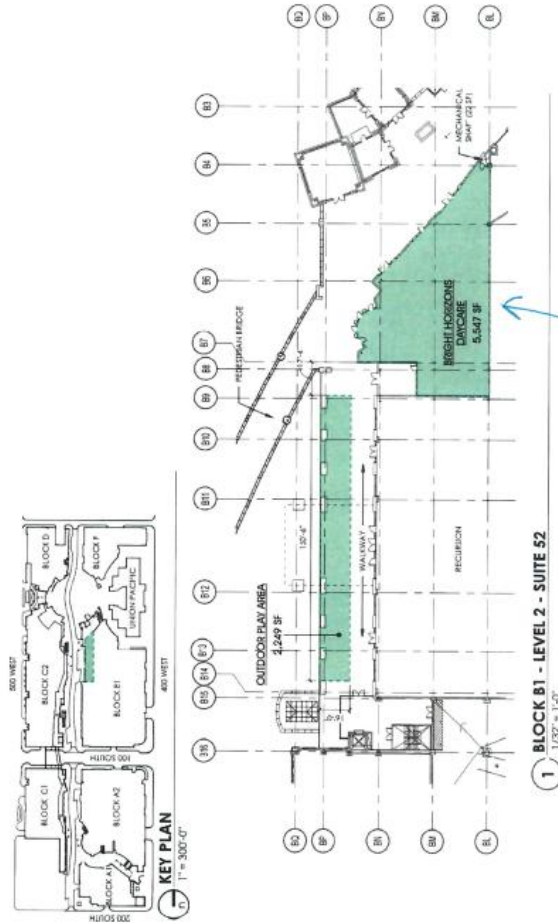
DocuSigned by:  
  
By: Tina Larson  
Name: Tina Larson  
Its: Chief Operating Officer

EXHIBIT "A"  
SITE PLAN



**B1.1**

*Additional Promises*

**1** BLOCK B1 - LEVEL 2 - SUITE 52  
1/32" = 1'-0"

**Vestar**

**e|c architects**

705 E. 1700 S.  
SALT LAKE CITY, UT 84105  
P: 801.466.8818

GATEWAY MALL  
RETAIL LOD

ISSUE DATE: 11/11/19



EXHIBIT A  
Page 2





EXHIBIT A  
Page 3

### EXHIBIT "B" PROJECT SITE PLAN





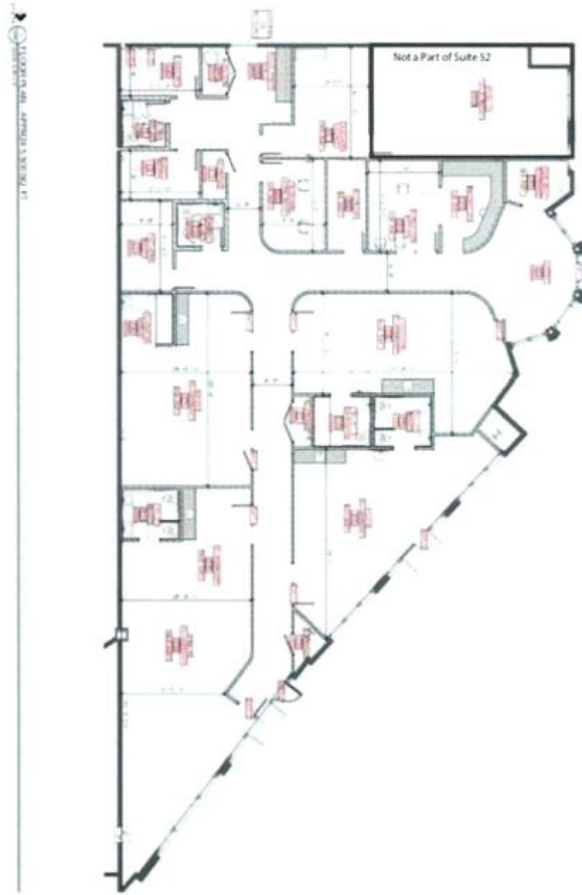
**Vestor**  
Total Site Area  
27 Acres  
5,000,000 sq ft  
Estimated Square Feet

**THE GATEWAY**  
Salt Lake City, Utah

Site of 400 West  
1,000 sq ft  
**brr**

EXHIBIT B  
Page 2

**EXHIBIT "C-1"**  
**TENANT'S CONCEPTUAL PLANS**



PROGRESS SET DATE: 10/12/2011	LAYTON DAVIS ARCHITECTS 1000 SOUTH 2000 WEST, SUITE 200, SALT LAKE CITY, UT 84143 PHONE: 801-468-2424 WWW.LAYTONDAVIS.COM	BRIGHT HORIZONS	
		The Gateway Salt Lake City, UT 84102	
CONTRACT NO.		DATE: 10/12/2011	
PROJECT NO.		DATE: 10/12/2011	
OWNER: BRIGHT HORIZONS		DATE: 10/12/2011	
DESIGNER: LAYTON DAVIS ARCHITECTS		DATE: 10/12/2011	
DATE: 10/12/2011		DATE: 10/12/2011	

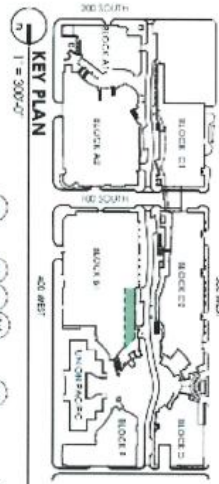
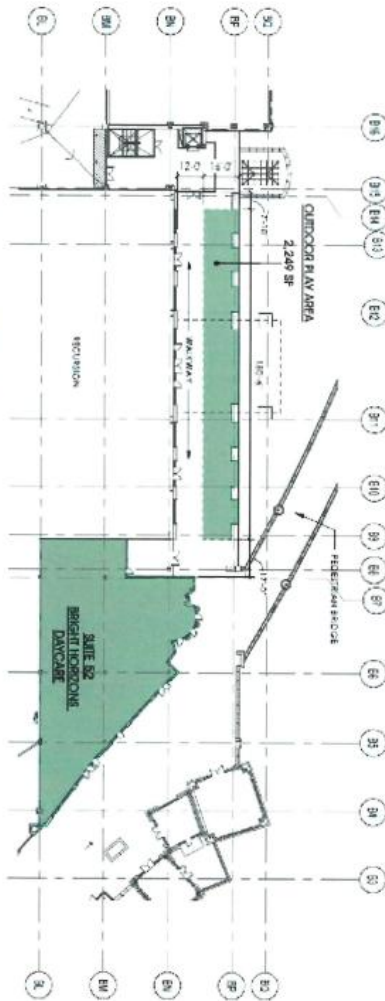


705 E. 1700 S.  
SALT LAKE CITY, UT 84105  
P: 801.464.8918

GATEWAY MALL  
RETAIL/LOD  
ISSUE DATE: 07/20/19

B1.1

**1** BLOCK B1 - LEVEL 2 - SUITE 52  
1/2" = 1'-0"



**EXHIBIT "C-2"**  
**GRAY SHELL SPECIFICATIONS**  
**(ATTACHED)**



## **EXHIBIT "C-2"-GRAY SHELL (RETAIL)**

9-16-19

### **LANDLORD CONSTRUCTION CRITERIA GATEWAY – SALT LAKE CITY**

**LANDLORD SHALL PROVIDE THE FOLLOWING GRAY SHELL IMPROVEMENTS TO THE PREMISES HEREINAFTER REFERRED TO AS "LANDLORD'S WORK":**

#### **A. STRUCTURES:**

1. **Frame:** The building is constructed of steel frame, reinforced concrete, or masonry bearing wall, as provided within the existing Gateway project.
2. **Exterior Walls:** The exterior wall(s) are of masonry, steel framed, or such other material or materials, as provided within the existing Gateway project.
3. **Ceiling Heights:** Tenant's responsibility as to clear height from floor slab.
4. **Roof:** The roof is of single ply material type, or equal, as provided within the existing Gateway project.
5. **Partitions:** Interior partition walls are Tenant's responsibility.
6. **Door(s) and Frame(s):** Exterior service door(s) and frame(s) shall be hollow metal.
7. **Storefront Doors:** See Paragraph F.

#### **B. INTERIOR FINISHES:**

1. **Floors:** Landlord shall furnish a standard four inch (4") thick concrete slab or suspended structural slab throughout the interior of the Premises
2. **Suspended Structural Slab:**—The elevated floor slabs of this building are of post-tension concrete construction. Any attachments for mechanical, electrical, or architectural elements shall be limited to a 1" maximum drilled or driven anchor embedment. If deeper embedment or core drilling is required, the slab shall be scanned to locate PT tendons and location adjusted to provide at least 3" clear from any PT tendon. In the event that PT tendons become damaged or cut, they must be repaired to bring the building back to the original design condition. Cost of these repairs shall be the responsibility of the Contactor.
3. **Walls:** Demising wall(s) shall be unpainted masonry or unpainted drywall finish, taped over stud, Tenant shall be responsible for final preparation and finish. Height shall be determined by Project Architect. Any cross partition(s) shall be Tenant's responsibility. Exterior and rear wall(s) shall be unpainted masonry or concrete finish or such other material(s) as selected by Project Architect.
4. **Ceilings:** None provided, Tenant's responsibility.

#### **C. SANITARY FACILITIES:**

1. **Toilet Room:** None provided, Tenant's responsibility. (Existing toilet rooms can remain if tenant so chooses.)

#### **D. UTILITIES:**

1. **Water and Sewer:** Landlord shall furnish a minimum of one (1), one inch (1") cold water supply and one (1), four inch (4") waste water line to the Premises per Landlord's plans. Tenant is responsible for stubbing access to both the supply and waste lines.
2. **Electricity:** Landlord shall furnish existing electrical cabinets and breakers, located on the rear of the building, capable of accommodating the following minimum service requirements. All downstream conduit from existing panels to be removed except for power to F.C.U.'s and misc. fire alarm devices.
  - (a) Service at gutter shall be a 200A – 120/208V of service, terminated at the gutter.
  - (b) Any electrical requirements (step-down transformer, distribution, wiring, convenience outlets, etc.) beyond said service above shall be Tenant's responsibility.

EXHIBIT C-2

Page 1

3. **Lighting:** None provided, Tenant's responsibility.
  4. **H.V.A.C.:** Landlord shall provide chilled and heating water from the central plant to the space and provide an outside air connection for space ventilation, based on the following:
    - (a) **Distribution System Design:** All air distribution system(s) shall be Tenant's responsibility including providing 4-pipe fan coils, heating and chilled water distribution, outside air distribution and thermostats. Chilled water coils will be designed for 48°F EWT. Heating water coils will be designed for 145°F EWT.
      - (aa) **Central Plant Deliverable:** Hot water and chilled water delivered from the central plant is intended for artificial cooling and heating of the space and for heating domestic hot water. Hot water and chilled water temperature set points change seasonally for efficiencies but are always adequate to maintain 72°F (Cooling Mode) and 70°F (Heating Mode) air temperatures year-round and to maintain 120°F domestic hot water. Tenant is responsible for obtaining Landlord approval for use of the central plant's hot and chilled water which exceed these parameters.
    - (b) **Capacity:** The air conditioning capacity shall not exceed one (1) ton for each three hundred (300) square feet of Floor Area for retail space.
    - (c) **Special Equipment:** In the event that Tenant's use of the Premises requires fresh air and/or exhaust air for special equipment, cooking equipment, additional personnel, stock room areas, or show windows, and the like, Tenant shall provide same at Tenant's sole expense, subject to the prior approval of Landlord. Tenant shall connect to base building systems where available.
  5. **Fire Sprinkler System:** Landlord will provide a main fire line stubbed through the Premises and a layout of upright heads for shell construction as required by code.
- E. **TELEPHONE:**
1. One (1), one inch (1") conduit, with pull string from the building telephone mounting board to Premises will be provided by the Landlord.
- F. **STORE FRONTS:**
1. Design and Installation: A standard minimum of one (1) store front shall be designed by the Project Architect and installed by Landlord consisting of a minimum of one (1) single door with cylinder lock. Landlord may elect to provide a double-entry door, at Landlord's sole discretion, predicated on the square footage of the Premises.

### THIRD AMENDMENT TO OFFICE LEASE

THIS THIRD AMENDMENT TO OFFICE LEASE (this "Amendment") is made and entered into as of the 22nd day of January, 2021 (the "Amendment Effective Date") by and between VESTAR GATEWAY, LLC, a Delaware limited liability company ("Landlord") and RECURSION PHARMACEUTICALS, INC., a Delaware corporation ("Tenant").

#### RECITALS:

A. Landlord and Tenant have previously executed and delivered that certain Office Lease dated November 13, 2017, as amended by that certain First Amendment to Lease dated September 25, 2018, and as amended by that certain Second Amendment to Lease dated November 13, 2019 (collectively, the "Lease") with respect to certain Premises more particularly described therein.

B. Landlord and Tenant have agreed to modify the Lease, subject to and in accordance with the further terms, covenants and provisions of this Amendment.

NOW, THEREFORE, in consideration of the execution and delivery of the Lease, the foregoing Recitals, the mutual agreements, covenants and promises contained in this Amendment and other good and valuable considerations, the receipt, sufficiency and validity of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Definitions. Capitalized terms used in this Amendment without definition shall have the meanings assigned to such terms in the Lease unless the context expressly requires otherwise.

2. Expansion Premises.

(a) In addition to and together with the Premises, from and after the Expansion Premises Rent Commencement Date (as defined in Paragraph 4 below), Landlord leases to Tenant and Tenant leases from Landlord that certain Expansion Premises (herein so called) located, in part, in the building comprising "Block B" (the "Expansion Premises Building") and, in part, in the Building, and consisting of approximately ninety-one thousand seven hundred forty-eight (91,748) rentable square feet (with 37,717 square feet located on the 1<sup>st</sup> floor and 51,856 square feet located on the 2<sup>nd</sup> floor of the Expansion Premises Building and 2,175 square feet located on the 1<sup>st</sup> floor of the Building adjacent to the Premises). The Expansion Premises is identified as the "Expansion Premises" on the Site Plan attached hereto as Exhibit "A-1". From and after the Expansion Premises Rent Commencement Date, references in the Lease to the "Premises" shall be deemed to include the "Expansion Premises" and Tenant's use, lease and occupancy of the Expansion Premises shall be subject to all of the terms, covenants and provisions of the Lease, except as expressly set forth in this Amendment.

(b) Landlord consents to entry by Tenant in the Expansion Premises from and after the date Landlord tenders possession of the Expansion Premises to Tenant as described in Paragraph 8 below (the "Expansion Premises Delivery Date") for the purposes of readying the Expansion Premises for Tenant's business operations and completing the Expansion Premises Work (as defined below). Tenant acknowledges that the (i) indemnification and waiver provisions of Article 10 of the Lease, (ii) the waiver of subrogation provisions of Section 10.5 of the Lease, and the insurance provisions of Article 10 of the Lease, apply to Tenant's early entry in the Expansion Premises.

3. Use. The Expansion Premises shall be used solely for the purposes expressly set forth in Article 5 of the Lease and for no other purpose.

4. Lease Term. The new Lease Term for the Expansion Premises shall be ten (10) years commencing on the Expansion Premises Rent Commencement Date (defined below) (the "Expansion Premises Lease Term"); provided, however, the terms and provisions of this Amendment are effective as of the Amendment Effective Date. The Lease Term for all portions of the Premises and the Additional Premises (except the Expansion Premises) shall not be modified by the terms of this Amendment. References in the Lease to the "Lease Term" shall be deemed to include the Expansion Premises Lease Term to the extent consistent with the terms of this Amendment. Tenant will have the right to extend the Expansion Premises Lease Term for one (1) five (5) year period, provided Tenant gives Landlord written notice of its intent to do so at least twelve (12) months prior to the expiration of the Expansion Premises Lease Term. The Base Rent for the Option Period with respect to the Expansion Premises shall be ninety-five percent (95%) of the then Fair Rental Value (as defined in Article 2 of the Lease) of the Expansion Premises.

5. Base Rent. From and after the date Tenant commences business operation in the Expansion Premises, but no later than March 31, 2022 (the “Expansion Premises Rent Commencement Date”), Base Rent shall be payable with respect to the Expansion Premises in accordance with the schedule of Base Rent set forth below. Notwithstanding the foregoing, if Tenant’s completion of the Expansion Premises Work extends beyond March 31, 2022, then Tenant will not be required to pay any Rent for the Expansion Premises until the Expansion Premises Work is substantially complete; however, the initial Expansion Premises Lease Term shall be extended day-for-day for each additional day beyond March 31, 2022 needed to complete such work (however, the Expansion Premises Rent Commencement Date shall not be extended by more than thirty (30) days), in which case, the last year of the initial Expansion Premises Lease Term may contain more than three hundred sixty-five (365) days. The Rent for the first year of the Expansion Premises Lease Term shall be on a modified gross equivalent basis, inclusive of all Operating Expenses. Following the first year of the Expansion Premises Lease Term, with respect to the Expansion Premises, Tenant shall be responsible for paying its pro-rata share (i.e., 28.99%) of the increases in Operating Expenses and Tax Expenses over a calendar year 2022 (the “Expansion Premises Base Year”) in accordance with Article 4 of the Lease, the terms of which, modified as necessary to conform to the defined terms and purposes of this Amendment, are incorporated herein by this reference. Tenant shall be responsible for the direct costs of electricity, water, and HVAC maintenance, consistent with Tenant’s obligation with respect to the Premises as set forth in the Section 4.7 of the Lease (excluding the Additional Premises).

<u>Year of Lease Term</u>	<u>Monthly Rental</u>	<u>Annual Rental</u>	<u>Annual Rental Rate Per Square Foot</u>
1	\$246,572.75	\$2,958,873.00	\$32.2500
2	\$253,969.93	\$3,047,639.19	\$33.2175
3	\$261,589.03	\$3,139,068.37	\$34.2140
4	\$269,436.70	\$3,233,240.42	\$35.2404
5	\$277,519.80	\$3,330,237.63	\$36.2977
6	\$285,845.40	\$3,430,144.76	\$37.3866
7	\$294,420.76	\$3,533,049.10	\$38.5082
8	\$303,253.38	\$3,639,040.57	\$39.6634
9	\$312,350.98	\$3,748,211.79	\$40.8533
10	\$321,721.51	\$3,860,658.14	\$42.0789

\* Tenant shall be allowed to occupy the Expansion Premises Rent-free until the Expansion Premises Rent Commencement Date. In addition, all Rent shall abate for the first six (6) months following the Expansion Premises Commencement Date (the “Rent Abatement Period”). The “Rent Abatement Amount” refers to the amount of Rent that Tenant is not required to pay for the Expansion Premises during the Rent Abatement Period. The Rent Abatement Amount is subject to the following: The parties agree to work cooperatively and in good faith to apply for and obtain a loan to Landlord and/or a tax increment incentive from the Redevelopment Agency of Salt Lake City in an amount equal to or greater than the Rent Abatement Amount (the “City Incentive”) upon terms that are otherwise reasonably acceptable to Landlord (and Tenant to the extent Tenant is a party to, or has obligations under, any agreement for the City Incentive). If the total amount of the City Incentive is less than the Rent Abatement Amount, the Rent Abatement Amount shall be reduced to match the total amount of the City Incentive. For the avoidance of doubt, the Rent Abatement Amount shall not be increased even if the City Incentive is increased.

6. Termination of Lease for the Expansion Premises. So long as Tenant is not in material default under the Lease beyond any applicable notice and cure periods, Tenant may terminate the Lease, but only with respect to the Expansion Premises, by delivering written notice to Landlord of its intent to do so prior to May 15, 2021, which termination shall be effective as of May 31, 2021, but only if Tenant reasonably determines (and provides written documentation demonstrating) that the cost of the Expansion Premises Work exceeds the estimated construction budget of Eighteen Million and No/100 Dollars (\$18,000,000.00) by more than fifteen percent (15%).

7. Security; Access. During the Expansion Premises Lease Term, Landlord shall continue to operate the Building and the Project in a first-class manner that is consistent with similar buildings in the Salt Lake City downtown area and, at a minimum, consistent with past practices, and shall maintain the level of investment in and expenditures for security services for the Project that were made in calendar year 2020 (the “Minimum Security Investment”). If at any time during the Expansion Premises Lease Term Landlord fails to maintain the Minimum Security Investment, which failure continues for thirty (30) days after written notice thereof by Tenant to Landlord, Tenant may, at its option, separately contract for and/or otherwise engage additional security personnel as Tenant deems necessary to ensure a safe working environment for Tenant’s employees, invitees, and guests, at Landlord’s sole cost. In the event Tenant incurs such expenses at any time during the Expansion Premises Lease Term, Tenant shall submit an invoice to Landlord for reimbursement of the amount of such expenses, together with reasonable documentation of such expenses, and Landlord shall pay Tenant the amount set forth in each such invoice

within thirty (30) days of receipt thereof. Tenant shall have the same access to the Expansion Premises as provided for the Premises in the Lease.

8. **Delivery of Expansion Premises.** Landlord shall tender possession of the Expansion Premises to Tenant promptly following the waiver by Tenant of the contingency set forth above in Paragraph 6 (the "Waiver Date"); provided, however such tender of possession of the Expansion Premises shall not include Suites 32, 81, 82, 83 and 84 (the "Exception Suites") within the Expansion Premises Building. Landlord shall tender possession of the Exception Suites to Tenant in grey shell condition as more fully described in Exhibit "D" hereto on or before the date that is one hundred twenty-five (125) days after the Waiver Date. No representations, inducements, understanding or anything of any nature whatsoever, made, stated or represented by Landlord or anyone acting for or on Landlord's behalf, either orally or in writing, have induced Tenant to enter into this Amendment, and Tenant acknowledges, represents and warrants that Tenant has entered into this Amendment under and by virtue of Tenant's own independent investigation. Except for Landlord's representation and warranties in this Amendment or the Lease, Tenant hereby shall accept the Expansion Premises (except the Exception Suites) in its current "as is" and "where is" condition without warranty of any kind, express or implied, including, without limitation, any warranty as to title, physical condition or the presence or absence of Hazardous Materials, and if the Expansion Premises (except the Exception Suites) are not in all respects entirely suitable for the use or uses to which the Expansion Premises or any part thereof will be put, then it is the sole responsibility and obligation of Tenant to take such action as may be necessary to place the Expansion Premises (except the Exception Suites) in a condition entirely suitable for such use or uses. **IN CONNECTION WITH THE ABOVE, TENANT HEREBY ACKNOWLEDGES AND REPRESENTS TO LANDLORD THAT TENANT HAS HAD AMPLE OPPORTUNITY TO INSPECT AND EVALUATE THE EXPANSION PREMISES AND THE FEASIBILITY OF THE USES AND ACTIVITIES TENANT IS ENTITLED TO CONDUCT THEREON; THAT TENANT IS EXPERIENCED; THAT TENANT WILL RELY ENTIRELY ON TENANT'S EXPERIENCE, EXPERTISE AND ITS OWN INSPECTION OF THE EXPANSION PREMISES IN ITS CURRENT STATE IN PROCEEDING WITH THIS AMENDMENT (SUBJECT TO LANDLORD'S REPRESENTATIONS AND WARRANTIES IN THIS AMENDMENT AND THE LEASE AND LANDLORD'S WORK TO BE PERFORMED WITH RESPECT TO THE EXCEPTION SUITES); TENANT ACCEPTS THE EXPANSION PREMISES IN ITS PRESENT CONDITION (SUBJECT TO LANDLORD'S REPRESENTATIONS AND WARRANTIES IN THIS AMENDMENT AND THE LEASE AND LANDLORD'S WORK TO BE PERFORMED WITH RESPECT TO THE EXCEPTION SUITES), AND THAT, TO THE EXTENT THAT TENANT'S OWN EXPERIENCE WITH RESPECT TO ANY OF THE FOREGOING IS INSUFFICIENT TO ENABLE TENANT TO REACH AND FORM A CONCLUSION, TENANT HAS ENGAGED THE SERVICES OF PERSONS QUALIFIED TO ADVISE TENANT WITH RESPECT TO SUCH MATTERS. TENANT IS NOT RELYING ON ANY EXPRESS OR IMPLIED, ORAL OR WRITTEN REPRESENTATIONS, OR WARRANTIES MADE BY LANDLORD OR ITS REPRESENTATIVES, OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AMENDMENT OR THE LEASE.** In this regard, except as set forth in this Amendment, Tenant shall be responsible, at its sole cost and expense for the Expansion Premises Work in accordance with the provisions of the Lease and this Amendment.

9. **Allowance.** Tenant shall be entitled to a one-time "Expansion Premises Allowance" in an amount not to exceed One Hundred Ten and No/100 Dollars (\$110.00) per rentable square foot of the Expansion Premises for reimbursement of the cost to install certain Tenant Improvements and otherwise ready the Expansion Premises for occupancy (such work is referred to herein as the "Expansion Premises Work"). The terms and conditions relating to the Expansion Premises Work and the payment of the Expansion Premises Allowance are set forth in the Tenant Work Letter (Expansion Premises) attached as Exhibit "B-1" to this Amendment.

10. **Signage.** Subject to all applicable laws and the sign criteria for the Project, Landlord shall allow Tenant the exclusive right to locate exterior crown signage on the Expansion Premises Building in a mutually acceptable location, subject to Landlord's prior review and approval, which shall not be unreasonably withheld, conditioned or delayed. Tenant shall be responsible for the cost of installation, maintenance, and removal of the exterior signage. Tenant may also install additional signage with respect to the Expansion Premises in accordance with the provisions of Article 23 of the Lease.

11. **Letter of Credit.** Tenant shall deliver to Landlord within ninety (90) days of the mutual execution of this Amendment an additional L-C (the "Additional L-C") in the amount of Six Million Four Hundred Thousand and No/100 Dollars (\$6,400,000.00) which represents sixty-five percent (65%) of the Expansion Premises Allowance. So long as a Default by Tenant has not occurred and remains uncured beyond any required notice and applicable cure period, on the expiration of the 30<sup>th</sup> full calendar month of the Expansion Premises Lease Term, the amount of the Additional L-C shall reduce by One Million and No/100 Dollars (\$1,000,000.00) and thereafter, annually by such amount on each anniversary of the 30<sup>th</sup> full calendar month of the Expansion Premises Lease Term for the remainder of such term; provided,

however, in no event shall the Additional L-C amount reduce below One Million and No/100 Dollars (\$1,000,000.00). The Additional L-C shall be in the form set forth in Exhibit "E" to the Lease.

12. Parking. In addition to Tenant's existing parking rights set forth in the Lease, Tenant shall have the additional right, but not the obligation, to utilize up to three (3) parking passes for every one-thousand (1,000) rentable square feet comprising the Expansion Premises for use on a monthly basis throughout the Expansion Premises Lease Term for use in the north and south parking garages owned by Landlord, of which up to twenty (20) of such parking passes shall be for reserved parking spaces located in the Reserved Parking Area and the remaining passes shall be unreserved and on a first-come, first-served basis. The cost for such parking passes described herein for the Expansion Premises Lease Term shall be Eighty-Five and No/100 Dollars (\$85.00) per pass per month; provided, however, that the parking fees for up to one hundred twenty (120) parking passes shall be abated in full during the Expansion Premises Lease Term. All other terms and provisions with respect to parking passes shall be as set forth in Article 28 of the Lease.

13. Power Supply. Tenant may, at its sole cost and expense, at any time during the Expansion Premises Lease Term install an uninterruptible power supply and/or Back-Up Generators for the Expansion Premises sufficient for Tenant's needs at a technically feasible location that is mutually acceptable to Tenant and Landlord.

14. Landlord's Representations. Landlord's representations set forth in Section 29.36 of the Lease with regard to the Premises are incorporated herein by this reference with respect to the Expansion Premises (and modified as necessary to conform to the defined terms and purposes of this Amendment); provided, however, for the purposes of Section 29.36 of the Lease and this Paragraph 14, the term "Master Declaration" shall refer to the instruments identified on Exhibit "C" attached to this Amendment, which have not been amended or modified as of the Amendment Effective Date except to the extent expressly set forth on attached Exhibit "C".

15. Estoppel. Tenant and Landlord each hereby affirms by execution of this Amendment that to the best of such party's knowledge the Lease is in full force and effect and such party does not have any presently existing claims against the other party or any offsets against any amounts due under the Lease. To the best of each party's knowledge, there are no defaults of the other party under the Lease and there are no existing circumstances which with the passage of time, notice or both, would give rise to a default under the Lease.

16. Broker. Landlord shall be solely responsible for and shall pay any and all commissions due to Mountain West Retail with respect to this Amendment pursuant to a separate agreement. In no event shall any commission be paid prior to Tenant waiving its termination right set forth in Paragraph 6 above and any other contingency set forth herein. Each party hereto shall indemnify the other party against claims by any other broker or finders claiming through the indemnifying party.

17. Full Force and Effect. Except as expressly modified by this Amendment, the Lease remains unmodified and in full force and effect. All references in the Lease to "this Lease" shall be deemed references to the Lease as modified by this Amendment.

18. Counterparts; Electronic Signatures. This Amendment may be executed in one or more counterparts and the signature pages combined to constitute one document. Electronic signatures shall have the same force and effect as original signatures.

19. Payments of Rental Obligations. Tenant shall pay all rental obligations under the Lease by ACH or other electronic means in accordance with such written instructions that may be obtained from Landlord from time to time.

(signatures on next page)



IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

**LANDLORD:**

VESTAR GATEWAY, LLC, a Delaware limited liability company

By: SLC Gateway Retail, LLC,  
a Delaware limited liability company,  
its Sole Member

By: VGSLM, LLC,  
a Delaware limited liability company,  
its Managing Member

By:   
Name: David Larcher  
Title: Manager

**TENANT:**

RECURSION PHARMACEUTICALS, INC.,  
a Delaware corporation

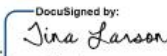
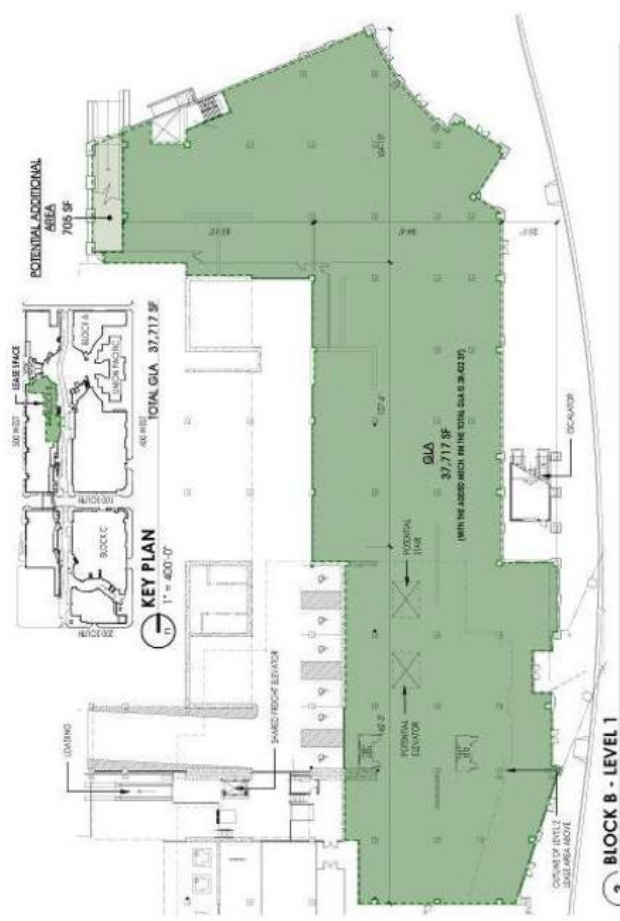
By:   
Name: Tina Larson  
Title: President & COO

EXHIBIT "A-1"

SITE PLAN



EXHIBIT A-1  
Page 1



**3** BLOCK B - LEVEL 1  
1" = 30'-0"

THE GATEWAY  
LIFE SCIENCE LOD  
ISSUE DATE: 1/4/21



**B1.1**



## EXHIBIT "B-1"

### TENANT WORK LETTER (EXPANSION PREMISES)

This Tenant Work Letter shall set forth the terms and conditions relating to the construction of the tenant improvements in the Expansion Premises. This Tenant Work Letter is essentially organized chronologically and addresses the issues of the construction of the Expansion Premises, in sequence, as such issues will arise during the actual construction of the Expansion Premises. All references in this Tenant Work Letter to Articles or Sections of "this Lease" or "this Amendment" shall mean the relevant portion of (a) Articles 1 through 29 of the Office Lease and (b) Paragraphs 1 through 19 of the Third Amendment to Office Lease, to which this Tenant Work Letter is attached as **Exhibit B-1** and of which this Tenant Work Letter forms a part. all references in this Tenant Work Letter to Sections of "this Tenant Work Letter" shall mean the relevant portion of Sections 1 through 6 of this Tenant Work Letter.

#### SECTION 1

##### DELIVERY OF THE PREMISES

Tenant acknowledges that Tenant has thoroughly examined the Expansion Premises. Upon the Expansion Premises Delivery Date, Landlord shall deliver the Expansion Premises to Tenant and Tenant shall accept the Premises from Landlord in their presently existing, "as-is" condition as of the date of this Amendment, except as otherwise expressly provided in the Lease and this Amendment. Notwithstanding the foregoing, Landlord and Tenant hereby acknowledge that the Exception Suites portion of the Expansion Premises shall be delivered to Tenant in "grey shell" condition in accordance with the work set forth in **Exhibit "D"** to this Amendment and not in its presently existing, "as-is" condition as of the date of this Amendment.

#### SECTION 2

##### TENANT IMPROVEMENTS

2.1 **Tenant Improvement Allowance.** Tenant shall be entitled to the one-time Expansion Premises Allowance (as defined in Paragraph 9 of this Amendment) for the costs relating to the initial design and construction of Tenant's improvements, which are permanently affixed to the Expansion Premises (the "**Tenant Improvements**"). In no event shall Landlord be obligated to make disbursements pursuant to this Tenant Work Letter in a total amount which exceeds the Expansion Premises Allowance, except to the extent specifically required by the terms of this Lease and this Tenant Work Letter. All Tenant Improvements for which the Expansion Premises Allowance has been utilized shall be deemed Landlord's property under the terms of the Lease. In the event that Tenant fails to use the entire Expansion Premises Allowance within one (1) year following the Delivery Date, such unused amounts shall be the sole property of Landlord and Tenant shall have no claim to any such unused amounts. Tenant acknowledges that the Expansion Premises Allowance is to be applied to Tenant Improvements covering the entirety of the Expansion Premises such that, following the completion of the Tenant Improvements, the entire Expansion Premises has been built out by Tenant.

2.2 **Disbursement of the Expansion Premises Allowance.**

2.2.1 **Tenant Improvement Allowance Items.** Except as otherwise set forth in this Tenant Work Letter, the Expansion Premises Allowance shall be disbursed by Landlord only for the following items and costs (collectively the "**Tenant Improvement Allowance Items**"):

2.2.1.1 Payment of the fees of the "Architect/Space Planner" and the "Engineers," as those terms are defined in Section 3.1 of this Tenant Work Letter, which payment shall, notwithstanding anything to the contrary contained in this Tenant Work Letter, not exceed an aggregate amount equal to \$3.00 per rentable square foot of the Expansion Premises, and payment of the fees incurred by, and the cost of documents and materials supplied by, Landlord and Landlord's consultants in connection with the preparation and review of the "Construction Documents," as that term is defined in Section 3.1 of this Tenant Work Letter;

2.2.1.2 The payment of plan check, permit and license fees relating to construction of the Tenant Improvements;

2.2.1.3 The cost of construction of the Tenant Improvements, including, without limitation, demolition, testing and inspection costs, trash removal costs, parking fees, after-hours utilities usage and contractors' fees and general conditions;

EXHIBIT B-1

Page 1

2.2.1.4 The cost of any changes anywhere in the base building or the floor of the Building on which the Expansion Premises is located (referred to herein as the "Building"), when such changes are required by the Construction Documents (including if such changes are due to the fact that such work is prepared on an unoccupied basis) or to comply with applicable governmental regulations or building codes (collectively, the "Code"), such cost to include all direct architectural and/or engineering fees and expenses incurred in connection therewith;

2.2.1.5 The cost of any changes to the Construction Documents or Tenant Improvements required by Code;

2.2.1.6 Sales and use taxes; and

2.2.1.8 the "Landlord Coordination Fee," as that term is defined in Section 4.2.6 of this Tenant Work Letter.

**2.2.2 Disbursement of Expansion Premises Tenant Improvement Allowance.**

During the construction of the Tenant Improvements, Landlord shall make monthly disbursements of the Expansion Premises Tenant Improvement Allowance for Tenant Improvement Allowance Items for the benefit of Tenant and shall authorize the release of monies for the benefit of Tenant as follows.

2.2.2.1 **Monthly Disbursements.** On or before the twentieth (20<sup>th</sup>) day of each calendar month during the construction of the Tenant Improvements (the "Submittal Date") (or such other date as Landlord or Tenant may designate), Tenant shall deliver to Landlord: (i) a request for payment of the "Contractor," as that term is defined in Section 4.1 of this Tenant Work Letter, approved by Tenant showing the schedule, by trade, of percentage of completion of the Tenant Improvements in the Premises; (ii) invoices from all of "Tenant's Agents," as that term is defined in Section 4.1.2 of this Tenant Work Letter, for labor rendered and materials delivered to the Premises (if such invoice is for the Contractor, the Contractor will need to provide an application and certificate for payment [AIA form G702-1992 or equivalent] signed by the Architect/Space Planner, and a breakdown sheet [AIA form G703-1992 or equivalent]); (iii) an original letter from the Tenant approving such invoices and requesting payment from the Tenant Improvement Allowance; (iv) executed mechanic's lien releases, which lien releases shall be conditional with respect to the then-requested payment amounts and unconditional with respect to payment amounts previously disbursed by Landlord or Tenant, from all of Tenant's Agents; and (v) all other information reasonably requested by Landlord. Tenant's request for payment shall be deemed Tenant's acceptance and approval of the work furnished and/or the materials supplied as set forth in Tenant's payment request. On or before the date occurring thirty (30) days after the Submittal Date, and assuming Landlord receives all of the information described in items (i) through (v), above, and subject to Tenant first disbursing any portion of the Over-Allowance Amount (as defined below) in accordance with Section 4.2.1, Landlord shall deliver a check to Tenant made to Tenant's Agent (or to Tenant if such invoices were previously paid by the Tenant) in payment of the lesser of: (A) the amounts so requested by Tenant, as set forth in this Section 2.2.2.1, above, less a ten percent (10%) retention (the aggregate amount of such retentions shall be known as the "Final TI Allowance Reimbursement"), and (B) the balance of any remaining available portion of the Expansion Premises Tenant Improvement Allowance (not including the Final TI Allowance Reimbursement), provided that Landlord does not dispute any request for payment based on non-compliance of any work with the "Approved Construction Documents", as that term is defined in Section 3.4 below, or due to any substandard work, or for any other reason as provided in this Lease. Landlord's payment of such amounts shall not be deemed Landlord's approval or acceptance of the work furnished or materials supplied as set forth in Tenant's payment request.

2.2.2.2 **Final TI Allowance Reimbursement.** Subject to the provisions of this Tenant Work Letter, a check for the Final TI Allowance Reimbursement payable to Tenant shall be delivered by Landlord to Tenant following the completion of construction of the Premises, provided that (i) Tenant delivers to Landlord (a) properly executed, unconditional final mechanic's lien releases from all of Tenant's Agents, showing the amounts paid, in compliance with applicable Laws, (b) Contractor's last application and certificate for payment (AIA form G702 1992 or equivalent) signed by the Architect/Space Planner, (c) a breakdown sheet (AIA form G703 1992 or equivalent), (d) original stamped building permit plans, (e) copy of the building permit, (f) original stamped building permit inspection card with all final sign-offs, (g) full size bond copies and a CD R disk containing electronic files of the "as built" drawings of the Tenant Improvements in both "dwg" and "pdf" formats, from the Architect/Space Planner for architectural drawings, and from the Contractor for all other trades, (h) air balance reports, (i) excess energy use calculations, (j) one year warranty letters from Tenant's Agents, (k) manufacturer's warranties and operating instructions, (l) final punch-list completed and signed off by Tenant and the Architect/Space Planner, (m) letters of compliance from the Engineers stating that the Engineers have inspected the Tenant Improvements and that they complies with the Engineers' drawings and specifications, (n) a copy of the recorded Notice of Completion, and (o) a final list of all contractors/vendors/consultants retained by Tenant in connection with the Tenant Improvements and any other improvements in the Premises pursuant to this Tenant Work Letter, including, but not limited to, the



Contractor, other contractors, subcontractors and the remaining Tenant's Agents, the Architect/Space Planner, the Engineers, systems furniture vendors/ installers, data/telephone cabling/equipment vendors/installers, etc., which final list shall set forth the full legal name, address, contact name (with telephone/fax/e mail addresses) and the total price paid by Tenant for goods and services to each of such contractors/vendors/consultants (collectively, the "Final Close Out Package"), and (ii) Landlord has inspected the Expansion Premises and reasonably determined that no substandard work exists which adversely affects the mechanical, electrical, plumbing, heating, ventilating and air conditioning, life-safety or other systems of the Building, the curtain wall of the Building, the structure or exterior appearance of the Building, or any other tenant's use of such other tenant's leased premises in the Building.

2.2.2.3 **Other Terms.** Landlord shall only be obligated to make disbursements from the Tenant Improvement Allowance to the extent costs are incurred by Tenant for Tenant Improvement Allowance Items. All Tenant Improvement Allowance Items for which the Tenant Improvement Allowance has been made available shall be deemed Landlord's property under the terms of Section 8.5 of this Lease. Tenant shall have no claim to any Tenant Improvement Allowance not expended by Tenant on or before the one (1) year anniversary of the Delivery Date and any such sums shall be the sole property of Landlord.

2.2.2.4. **Allowance Disbursement.** Notwithstanding anything to the contrary contained in this Amendment, Landlord shall not be required to disburse any portion of the Expansion Premises Allowance to Tenant until Tenant has provided to Landlord the Additional L - C described in paragraph 9 of this Amendment.

2.3 **Construction Rules, Requirements, Specifications, Design Criteria and Building Standards.** Landlord has established construction rules, regulation, requirements and procedures, and specifications, design criteria and Building standards with which Tenant, the "Architect/Space Planner," as that term is defined below, and all Tenant's Agents must comply in designing and constructing the Tenant Improvements in the Premises (the "Construction Rules, Requirements, Specifications, Design Criteria and Building Standards").

### **SECTION 3**

#### **CONSTRUCTION DOCUMENTS**

3.1 **Selection of Architect/Space Planner/Construction Documents.** Tenant shall retain a licensed, competent, reputable architect/space planner experienced in high-rise office space and Laboratory Use design selected by Tenant and reasonably approved by Landlord (the "Architect/Space Planner") and licensed, competent, reputable engineering consultants selected by Tenant and reasonably approved by Landlord (the "Engineers") to prepare the Construction Documents. The plans and drawings to be prepared by Architect/Space Planner and the Engineers hereunder shall be known collectively as the "Construction Documents." All Construction Documents shall comply with Landlord's drawing format and specifications. Landlord's review of the Construction Documents as set forth in this Section 3, shall be for its sole purpose and shall not imply Landlord's review of the same, or obligate Landlord to review the same, for quality, design, Code compliance or other like matters. Accordingly, notwithstanding that any Construction Documents are reviewed by Landlord or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord's space planner, architect, engineers, and consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Documents, and Tenant's waiver and indemnity set forth in Section 10.1 of this Lease shall specifically apply to the Construction Documents. Furthermore, Tenant and Architect/Space Planner shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the base building plans, and Tenant and Architect/Space Planner shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith.

3.2 **Final Space Plan.** Tenant shall supply Landlord with two (2) copies signed by Tenant of its final space plan for the Premises before any architectural Construction Documents or engineering drawings have been commenced. The final space plan (the "Final Space Plan") shall include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein. Landlord may request clarification or more specific drawings for special use items not included in the Final Space Plan. Landlord shall advise Tenant within five (5) business days after Landlord's receipt of the Final Space Plan for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly cause the Final Space Plan to be revised to correct any deficiencies or other matters Landlord may reasonably require.

3.3 **Final Construction Documents.** After the approval of the Final Space Plan by Landlord and Tenant, Tenant shall promptly cause the Architect/Space Planner and the Engineers to complete the architectural and engineering drawings for the Expansion Premises, and Architect/Space Planner shall

compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing Construction Documents in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the "Final Construction Documents") and shall submit the same to Landlord for Landlord's approval, not to be unreasonably withheld, conditioned, or delayed. Tenant shall supply Landlord with two (2) copies signed by Tenant of such Final Construction Documents. Landlord, acting reasonably and in good faith, shall advise Tenant within ten (10) business days after Landlord's receipt of the Final Construction Documents for the Expansion Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall immediately revise the Final Construction Documents in accordance with such review and any disapproval of Landlord in connection therewith.

3.4 **Approved Construction Documents.** The Final Construction Documents shall be approved by Landlord (the "Approved Construction Documents") prior to the commencement of construction of the Expansion Premises by Tenant; provided, however, Tenant may commence demolition work prior to Landlord's approval of the Final Construction Documents with Landlord's prior written consent, not to be unreasonably withheld, conditioned, or delayed. After approval by Landlord of the Final Construction Documents Tenant shall cause the Architect/Space Planner to submit the Approved Construction Documents to the appropriate municipal authorities for all architectural and structural permits (the "Permits"), provided that (a) the Architect/Space Planner shall provide Landlord with a copy of the package that it intends to submit prior to such submission, and (b) if there are Base Building modifications required to obtain the Permits, then Tenant shall obtain Landlord's prior written consent to any such Base Building modifications. Tenant hereby agrees that neither Landlord nor Landlord's consultants shall be responsible for obtaining any building permit or certificate of occupancy (or other documentation or approval allowing Tenant to legally occupy the Premises) for the Premises and that obtaining the same shall be Tenant's responsibility; provided, however, that Landlord shall cooperate with Tenant in performing ministerial acts reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy (or other documentation or approval allowing Tenant to legally occupy the Expansion Premises). No changes, modifications or alterations in the Approved Construction Documents may be made without the prior written consent of Landlord, which consent may not be unreasonably withheld.

## **SECTION 4**

### **CONSTRUCTION OF THE TENANT IMPROVEMENTS**

#### **4.1 Tenant's Selection of Contractors.**

4.1.1 **The Contractor.** Tenant shall retain a licensed general contractor selected by Tenant and reasonably approved by Landlord (the "Contractor"), as contractor for the construction of the Tenant Improvements, which Contractor shall be a qualified, reputable, general contractor experienced in Comparable Buildings.

4.1.2 **Tenant's Agents.** The Architect/Space Planner, Engineers, consultants, Contractor, other contractors, vendors, subcontractors, laborers, and material suppliers retained and/or used by Tenant shall be known collectively as the "Tenant's Agents." For the following trades, only those contractors, subcontractors, laborers, and material suppliers listed in the Construction Rules, Requirements, Specifications, Design Criteria and Building Standards may be selected by Tenant: Asbestos, Cable Television, Electrical, Elevators, Fire Sprinklers, Fire / Life Safety, HVAC, HVAC Air Balance, Plumbing, Roofing (as listed for each building comprising the Project), and Waste. The Electrical, Fire Sprinklers, Fire / Life Safety, HVAC and Plumbing must be engineered by, and any structural engineering must be conducted by, an engineer or engineers approved by Landlord.

#### **4.2 Construction of Tenant Improvements by Tenant's Agents.**

4.2.1 **Construction Contract; Cost Budget.** Prior to execution of a construction contract, Tenant shall submit a copy of the proposed contract with the Contractor for the construction of the Tenant Improvements, including the general conditions with Contractor (the "Contract") to Landlord for its approval, which approval shall not be unreasonably withheld, conditioned or delayed. Following execution of the Contract and prior to commencement of construction, Tenant shall provide Landlord with a fully executed copy of the Contract for Landlord's records. Prior to the commencement of the construction of the Tenant Improvements, and after Tenant has accepted all bids and proposals for the Tenant Improvements, Tenant shall provide Landlord with a detailed breakdown, by trade, for all of Tenant's Agents, of the final estimated costs to be incurred or which have been incurred in connection with the design and construction of the Tenant Improvements to be performed by or at the direction of Tenant or the Contractor (the "Construction Budget"), which costs shall include, but not be limited to, the costs of the Architect's and Engineers' fees and the Landlord Coordination Fee. The amount, if any, by which the

total costs set forth in the Construction Budget exceed the amount of the Expansion Premises Tenant Improvement Allowance is referred to herein as the "Over Allowance Amount".

In the event that an Over-Allowance Amount exists, then prior to the commencement of construction of the Tenant Improvements, Tenant shall supply Landlord with cash in an amount equal to the Over-Allowance Amount. The Over-Allowance Amount shall be disbursed by Landlord prior to the disbursement of any of the then remaining portion of the Expansion Premises Improvement Allowance, and such disbursement shall be pursuant to the same procedure as the Expansion Premises Improvement Allowance. In the event that, after the total costs set forth in the Construction Budget have been delivered by Tenant to Landlord, the costs relating to the design and construction of the Tenant Improvements change, any additional costs for such design and construction in excess of the total costs set forth in the Construction Budget shall be added to the Over-Allowance Amount and the total costs set forth in the Construction Budget, and such additional costs shall be paid by Tenant to Landlord immediately as an addition to the Over-Allowance Amount or at Landlord's option, Tenant shall make payments for such additional costs out of its own funds, but Tenant shall continue to provide Landlord with the documents described in items (i), (ii), (iii) and (iv) of Section 2.2.2.1 of this Tenant Work Letter, above, for Landlord's approval, prior to Tenant paying such costs. All Tenant Improvements paid for by the Over-Allowance Amount shall be deemed Landlord's property under the terms of the Lease.

#### 4.2.2 Tenant's Agents.

4.2.2.1 Landlord's General Conditions for Tenant's Agents and Tenant Improvement Work. Tenant's and Tenant's Agent's construction of the Tenant Improvements shall comply with the following: (i) the Tenant Improvements shall be constructed in strict accordance with the Approved Construction Documents; (ii) Tenant and Tenant's Agents shall not, in any way, interfere with, obstruct, or delay, the work of Landlord's base building contractor and subcontractors with respect to the Base Building or any other work in the Building; (iii) Tenant's Agents shall submit schedules of all work relating to the Tenant Improvements to Landlord and Landlord shall, within five (5) business days of receipt thereof, inform Tenant's Agents of any changes which are necessary thereto, and Tenant's Agents shall adhere to such corrected schedule; and (iv) Tenant shall abide by all rules made by Landlord with respect to the use of parking, freight, loading dock and service elevators, storage of materials, coordination of work with the contractors of other tenants, and any other matter in connection with this Tenant Work Letter, including, without limitation, the construction of the Tenant Improvements and Tenant shall promptly execute all documents including, but not limited to, Landlord's standard contractor's rules and regulations, as Landlord may deem reasonably necessary to evidence or confirm Tenant's agreement to so abide.

4.2.2.2 Indemnity. Tenant's indemnity of Landlord as set forth in Section 10.1 of this Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act or omission of Tenant or Tenant's Agents, or anyone directly or indirectly employed by any of them, or in connection with Tenant's non-payment of any amount arising out of the Tenant Improvements and/or Tenant's disapproval of all or any portion of any request for payment. Such indemnity by Tenant, as set forth in Section 10.1 of this Lease, shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to Landlord's performance of any ministerial acts reasonably necessary (i) to permit Tenant to complete the Tenant Improvements, and (ii) to enable Tenant to obtain any building permit or certificate of occupancy (or other documentation or approval allowing Tenant to legally occupy the Expansion Premises) for the Expansion Premises.

4.2.2.3 Requirements of Tenant's Agents. Each of Tenant's Agents shall guarantee to Tenant and for the benefit of Landlord that the portion of the Tenant Improvements for which it is responsible shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Each of Tenant's Agents shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after the later to occur of (i) completion of the work performed by such contractor or subcontractors and (ii) the Expansion Premises Rent Commencement Date. The correction of such work shall include, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Tenant Improvements, and/or the Building and/or common areas that may be damaged or disturbed thereby. All such warranties or guarantees as to materials or workmanship of or with respect to the Tenant Improvements shall be contained in the Contract or subcontract and shall be written such that such guarantees or warranties shall inure to the benefit of both Landlord and Tenant, as their respective interests may appear, and can be directly enforced by either. Tenant covenants to give to Landlord any assignment or other assurances which may be necessary to effect such right of direct enforcement.

#### 4.2.2.4 **Insurance Requirements.**

4.2.2.4.1 **General Coverages.** All of Tenant's Agents shall carry worker's compensation insurance covering all of their respective employees, and shall also carry commercial general liability insurance, including property damage, all with limits, in form and with companies as are required to be carried by Tenant as set forth in Article 10 of this Lease, and the policies therefor shall insure Landlord and Tenant, as their interests may appear, as well as the Contractor and subcontractors.

4.2.2.4.2 **Special Coverages.** Tenant or Contractor shall carry "Builder's All Risk" insurance in an amount approved by Landlord, which shall in no event be less than the amount actually carried by Tenant or Contractor, covering the construction of the Tenant Improvements, and such other insurance as Landlord may require, it being understood and agreed that the Tenant Improvements shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof. Such insurance shall be in amounts and shall include such extended coverage endorsements as may be reasonably required by Landlord.

4.2.2.4.3 **General Terms.** Certificates for all insurance carried pursuant to this Section 4.2.2.4 shall be delivered to Landlord before the commencement of construction of the Tenant Improvements and before the Contractor's equipment is moved onto the site. All such policies of insurance must contain a provision that the company writing said policy will give Landlord thirty (30) days prior written notice of any cancellation or lapse of the effective date or any reduction in the amounts of such insurance. In the event that the Tenant Improvements are damaged by any cause during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense. Tenant's Agents shall maintain all of the foregoing insurance coverage in force until the Tenant Improvements are fully completed and accepted by Landlord, except for any Products and Completed Operation Coverage insurance required by Landlord, which is to be maintained for ten (10) years following completion of the work and acceptance by Landlord and Tenant and which shall name Landlord, and any other party that Landlord so specifies, as additional insured as to the full limits required hereunder for such entire ten (10) year period. All insurance, except Workers' Compensation, maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured thereunder. Such insurance shall provide that it is primary insurance as respects the owner and that any other insurance maintained by owner is excess and noncontributing with the insurance required hereunder. The requirements for the foregoing insurance shall not derogate from the provisions for indemnification of Landlord by Tenant under Section 4.2.2.2 of this Tenant Work Letter. Landlord may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of the Tenant Improvements and naming Landlord as a co-obligee.

4.2.3 **Governmental Compliance.** The Tenant Improvements shall comply in all respects with the following: (i) the Code and other state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; and (iii) building material manufacturer's specifications.

4.2.4 **Inspection by Landlord.** Landlord shall have the right to inspect the Tenant Improvements at all times, provided however, that Landlord's failure to inspect the Tenant Improvements shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of the Tenant Improvements constitute Landlord's approval of the same. Should Landlord reasonably disapprove any portion of the Tenant Improvements due to defects or deviations in the completion of such improvements, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. Any defects or deviations noted in Landlord's disapproval shall be rectified by Tenant at no expense to Landlord, provided however, that in the event Landlord determines that a defect or deviation exists, Landlord may, take such action as Landlord deems necessary, at Tenant's expense and without incurring any liability on Landlord's part, to correct any such defect or deviation, including, without limitation, causing the cessation of performance of the construction of the Tenant Improvements until such time as the defect, deviation and/or matter is corrected to Landlord's satisfaction.

4.2.5 **Meetings.** Commencing upon the execution of this Amendment, Tenant shall hold regular meetings with the Architect/Space Planner and the Contractor regarding the progress of the preparation of Construction Documents and the construction of the Tenant Improvements, which meetings shall be held at the office of the Project, at a time mutually agreed upon by Landlord and Tenant, and, upon Landlord's request, certain of Tenant's Agents shall attend such meetings. In addition, minutes shall be taken at all such meetings, a copy of which minutes shall be promptly delivered to Landlord. One such meeting each month shall include the review of Contractor's current request for payment.

4.2.6 **Landlord Coordination Fee.** Tenant shall pay a construction supervision and management fee (the "Landlord Coordination Fee") to Landlord in an amount equal to one percent (1.0%) of the Expansion Improvement Allowance.

4.3 **Notice of Completion.** Within five (5) days after the final completion of construction of the Tenant Improvements, including, without limitation, the completion of any punch list items, Tenant shall cause a Notice of Completion to be recorded in the office of the Recorder of the County in which the Premises is located pursuant to applicable Law, and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and file the same on behalf of Tenant as Tenant's agent for such purpose, at Tenant's sole cost and expense. At the conclusion of construction and prior to Landlord's payment of the Final TI Allowance Reimbursement, (i) Tenant shall cause the Contractor and the Architect/Space Planner (A) to update the Approved Construction Documents through annotated changes, as necessary, to reflect all changes made to the Approved Construction Documents during the course of construction, (B) to certify to the best of the Architect/Space Planner's and Contractor's knowledge that such updated Approved Construction Documents are true and correct, which certification shall survive the expiration or termination of this Lease, as hereby amended, and (ii) Tenant shall deliver to Landlord the Final Close Out Package. Landlord shall, at Tenant's expense, update Landlord's "as-built" master plans, for the floor(s) on which the Premises are located, if any, including updated vellums and electronic CAD files, all of which may be modified by Landlord from time to time, and the current version of which shall be made available to Tenant upon Tenant's request.

## **SECTION 5**

### **MISCELLANEOUS**

5.1 **Tenant's Representative.** Tenant has designated Jason Gordon as its sole representative with respect to the matters set forth in this Tenant Work Letter, who shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

5.2 **Landlord's Representative.** Landlord has designated Jack Van Kleunen as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.

5.3 **Time of the Essence in This Tenant Work Letter.** Unless otherwise indicated, all references in this Tenant Work Letter to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until the document is approved by Landlord.

5.4 **Tenant's Lease Default.** Notwithstanding any provision to the contrary contained in this Lease, if an event of default as described in Section 19.1 of this Lease or a default by Tenant under this Tenant Work Letter has occurred at any time on or before the substantial completion of the Expansion Premises, then (i) in addition to all other rights and remedies granted to Landlord pursuant to this Lease, Landlord shall have the right to withhold payment of all or any portion of the Expansion Premises Tenant Improvement Allowance and/or Landlord may cause Contractor to cease the construction of the Expansion Premises (in which case, Tenant shall be responsible for any delay in the substantial completion of the Expansion Premises caused by such work stoppage), and (ii) all other obligations of Landlord under the terms of this Tenant Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of this Lease (in which case, Tenant shall be responsible for any delay in the substantial completion of the Expansion Premises caused by such inaction by Landlord).



**EXHIBIT "C"**

**MASTER DECLARATION**

- (i) Notice Of Adoption Of Redevelopment plan Entitled "Depot District Redevelopment Project Area Plan", dated October 15, 1998, recorded October 22, 1998 as Entry No. 7127194 in Book 8133 at Page 1835 of the Official Records, as amended and affected by an Amended Notice Of Adoption Of Redevelopment Plan Entitled "Depot District Redevelopment Project Area Plan", dated October 15, 1998, recorded May 6, 1999 as Entry No. 7345726 in Book 8275 at Page 1402 of the Official Records;
- (ii) Easement Agreement (With Boundary Agreement), dated January 3, 2000, recorded January 13, 2000 as Entry No. 7553961, in Book 8336, at Page 1170 of the Official Records, as amended and/or otherwise affected by that certain Omnibus Amendment To City Project Agreements, recorded April 22, 2013 as Entry No. 11622650, in Book 10129, at Page 5755 of the Official Records, as amended and/or otherwise affected by that certain Affidavit, dated February 21, 2001, executed by BRIAN GOCHNOUR, recorded February 26, 2001 as Entry No.7828965, in Book 8427, at Page 4667 of the Official Records;
- (iii) Amended And Restated Participation And Reimbursement Agreement, dated as of May \_\_, 2006, recorded June 8, 2006 as Entry No. 9747342, in Book 9305, at Page 5127 of the Official Records, as amended and/or otherwise affected by that certain First Amendment To Amended And Restated Participation And Reimbursement Agreement, recorded April 22, 2013 as Entry No. 11622649, in Book 10129, at Page 5750 of the Official Records;
- (iv) Rio Grande Street Grant Of Easement, dated January 3, 2000, recorded January 13, 2000 as Entry No. 7553963, in Book 8336, at Page 1217 of the Official Records, as corrected by an Affidavit recorded August 7, 2000 as Entry No. 7693049, in Book 8379 at Page 5484 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To Rio Grande Street Grant Of Easement, recorded May 6, 2005 as Entry No. 9370280, in Book 9128, at Page 481 of the Official Records, and by that certain Second Amendment to Rio Grande Street Grant Of Easement, recorded December 20, 2007 as Entry No. 10305320, in Book 9550, at Page 5547 of the Official Records, and by that certain Joint Omnibus Amendment To Project Agreements, recorded April 22, 2013 as Entry No. 11622651, in Book 10129, at Page 5760 of the Official Records;
- (v) Plaza Pedestrian And Public Use Easement And Programming Agreement, dated December 23, 1999, recorded January 13, 2000 as Entry No. 7553964, in Book 8336, at Page 1240 of the Official Records, as corrected by an Affidavit recorded August 7, 2000 as Entry No. 7693049, in Book 8379 at Page 5484 of the Official Records, and as amended, supplemented and otherwise affected by that certain First Amendment To Plaza Pedestrian And Public Use Easement And Programming Agreement, recorded May 6, 2005 as Entry No. 9370282, in Book 9128, at Page 506 of the Official Records, and by that certain Joint Omnibus Amendment To Project Agreements, recorded April 22, 2013 as Entry No. 11622651, in Book 10129, at Page 5760 of the Official Records;
- (vi) North Temple Frontage Road Grant Of Easement, dated December 23, 1999, recorded January 13, 2000 as Entry No. 7553965, in Book 8336, at Page 1263 of the Official Records, as corrected by an Affidavit recorded August 7, 2000 as Entry No. 7693049, in Book 8379 at Page 5484 of the Official Records, and as amended, supplemented and otherwise affected by that certain First Amendment To North Temple Frontage Road Grant Of Easement, recorded May 6, 2005 as Entry No. 9370279, in Book 9128, at Page 466 of the Official Records, and by that certain Joint Omnibus Amendment To Project Agreements, recorded April 22, 2013 as Entry No. 11622651, in Book 10129, at Page 5760 of the Official Records;
- (vii) Depot Pedestrian And Public Use Easement, dated December 23, 1999, recorded January 13, 2000 as Entry No. 7553966, in Book 8336, at Page 1284 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To Depot Pedestrian And Public Use Easement, recorded May 6, 2005 as Entry No. 9370281, in Book 9128, at Page 497 of the Official Records;
- (viii) Hotel Pedestrian Easement, dated December 23, 1999, recorded January 13, 2000 as Entry No. 7553967, in Book 8336, at Page 1302 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To Hotel Pedestrian Easement Now Known As Walkway Easement, recorded May 6, 2005 as Entry No. 9370283, in Book 9128, at Page 525 of the Official Records;
- (ix) Parks Blocks Agreement, dated as of July 5, 2000, recorded July 7, 2000 as Entry No. 7674967, in Book 8373, at Page 5614 of the Official Records, as amended and/or otherwise affected by that certain Omnibus Amendment To City Project Agreements, recorded April 22, 2013 as Entry No. 11622650, in Book 10129, at Page 5755 of the Official Records;
- (x) Declaration And Establishment Of Protective Covenants, Conditions And Restrictions And Grant Of Easements, dated as of December 15, 2000, recorded December 27, 2000 as Entry No. 7787948, in Book

EXHIBIT C

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8410, at Page 8311 of the Official Records, as amended and/or otherwise affected by that certain First Amendment To Declaration And Establishment Of Protective Covenants, Conditions And Restrictions And Grant Of Easements, recorded March 1, 2001 as Entry No. 7833680, in Book 8430, at Page 1766 of the Official Records, and by that certain Second Amendment To Declaration And Establishment Of Protective Covenants, Conditions And Restrictions And Grant Of Easements, recorded May 6, 2005 as Entry No. 9370284, in Book 9128, at Page 536 of the Official Records;

(xi) Amended and Restated Declaration of Condominium Gateway Block C1 Condominium Project, recorded April 27, 2001 as Entry No. 7881708, in Book 8450, at Page 4761 of the Official Records, as said Amended And Restated Declaration was amended and/or otherwise affected by that certain First Amendment to Amended and Restated Declaration of Condominium Gateway Block C1 Condominium Project, recorded February 15, 2011 as Entry No. 11134756, in Book 9905, at Page 6380 of the Official Records;

(xii) Amended And Restated Declaration Of Condominium Gateway Block C2 Condominium Project, recorded April 27, 2001 as Entry No. 7881709, in Book 8450, at Page 4843 of the Official Records;

(xiii) Declaration Of Condominium Gateway Block A Condominium Project, recorded February 26, 2001 as Entry No. 7828969, in Book 8427, at Page 4676 of the Official Records;

(xiv) Declaration Of Condominium Gateway Block B Condominium Project, recorded February 26, 2001 as Entry No. 7828971, in Book 8427, at Page 4752 of the Official Records, as amended or otherwise affected by that certain First Amendment To Declaration Of Condominium Gateway Block B Condominium Project And Amendment Of Record Of Survey Map, recorded May 16, 2002 as Entry No. 8235748, in Book 8598 at Page 7012, of the Official Records, and by that certain Second Amendment To Declaration Of Condominium Gateway Block B Condominium Project And Amendment Of Record Of Survey Map, recorded July 20, 2004 as Entry No. 9125323, in Book 9016 at Page 2655;

(xv) Declaration Of Covenants, Conditions And Restrictions Re Commercial Shared Maintenance, dated as of February 28, 2001, as evidenced by that certain Memorandum Of Declaration Of Covenants, Conditions And Restrictions Re Commercial Shared Maintenance (Gateway), recorded March 1, 2001 as Entry No. 7833681, in Book 8430, at Page 1770 of the Official Records, and by that certain First Amendment To Memorandum Of Declaration Of Covenants, Conditions And Restrictions Re Commercial Shared Maintenance, recorded May 6, 2005 as Entry No. 9370286, in Book 9128, at Page 563 of the Official Records, and by that certain Consent and Acknowledgment of Inland Western Salt Lake City Gateway, L.L.C., recorded September 25, 2013 as Entry No. 11730200, in Book 10180, at Page 1552 of the Official Records;

(xvi) Declaration Of Easements, dated as of September 1, 2001, recorded April 7, 2003 as Entry No. 8600407, in Book 8772, at Page 5889 of the Official Records;

(xvii) Covenant Agreement, dated as of February 28, 2003, recorded April 7, 2003 as Entry No. 8600408, in Book 8772, at Page 5901 of the Official Records;

(xviii) unrecorded Parking License Agreement dated April 8, 2002, unrecorded First Amendment to Parking License Agreement dated as of July 9, 2002, and unrecorded Central Plant Participation Agreement dated June 1, 2002, each as disclosed by that certain Parking License, Parking Access, Central Plant Participation And Subordination Agreement, dated as of June 16, 2003, recorded June 16, 2003 as Entry No. 8691592, in Book 8818, at Page 5955 of the Official Records;

(xix) Parking License Agreement, dated October 6, 2003, recorded October 10, 2003 as Entry No. 8848851, in Book 8894, at Page 9334 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To Parking License Agreement (Gateway Office 3), dated May 5, 2005, recorded May 6, 2005 as Entry No. 9370289, in Book 9128, at Page 580 of the Official Records;

(xx) Agreement For Construction And Subsequent Acquisition Of Retail Unit 4, Gateway Block A Condominium, For The Purpose Of Operating A Planetarium And Presenting Large Screen Motion Picture Features, dated February 13, 2002, recorded June 8, 2004 as Entry No. 9084123, in Book 8998, at Page 4901 of the Official Records;

(xxi) Parking License Agreement, dated June 30, 2004, recorded July 20, 2004 as Entry No. 9125321, in Book 9016, at Page 2635 of the Official Records, as amended, supplemented and otherwise affected by that certain First Amendment To Parking License Agreement, dated May 5, 2005, recorded May 6, 2005 as Entry No. 9370288, in Book 9128, at Page 573 of the Official Records;

(xxii) Air Space Easement Agreement, dated as of May 5, 2005, recorded May 6, 2005 as Entry No. 9370290, in Book 9128, at Page 586 of the Official Records;

EXHIBIT C

(xxiii) Encroachment Agreement, dated as of May 5, 2005, recorded May 6, 2005 as Entry No. 9370291, in Book 9128, at Page 595 of the Official Records;

(xxiv) Declaration Of Covenants, Restrictions And Easements (The Gateway--Retail Parcels), recorded May 6, 2005 as Entry No. 9370292, in Book 9128, at Page 605 of the Official Records, as amended by that certain Amendment To Declaration Of Covenants, Restrictions And Easements, recorded May 31, 2005 as Entry No. 9390612, in Book 9137, at Page 7862 of the Official Records, as amended by that Second Amendment to Declaration of Covenants, Restrictions and Easements dated June 27, 2019, recorded June 28, 2019, as Entry No. 13019122 in Book 10797, Page 3555;

(xxv) Declaration Of Easement (Emergency Ingress & Egress), dated as of January 6, 2006, recorded January 10, 2006 as Entry No. 9606025, in Book 9241, at Page 9418 of the Official Records;

(xxvi) Parking License Agreement, dated December 15, 2006, recorded December 26, 2006 as Entry No. 9951937, in Book 9399, at Page 9815 of the Official Records;

(xxvii) Easement, recorded December 4, 2007 as Entry No. 10291031, in Book 9544, at Page 1216 of the Official Records;

(xxviii) Declaration Of Bridge Covenants And Easements (The Gateway--Retail Parcels), dated October 3, 2007, recorded January 22, 2008 as Entry No. 10328082, in Book 9561, at Page 1129 of the Official Records;

(xxix) Easement, recorded January 22, 2008 as Entry No. 10328083, in Book 9561, at Page 1144 of the Official Records;

(xxx) Parking License Agreement, dated March 20, 2006, the existence of which is disclosed of record by that certain Memorandum Of Parking License Agreement recorded October 22, 2012 as Entry No. 11496303, in Book 10068, at Page 3312 of the Official Records;

(xxxi) Central Plant Participation Agreement, dated October 6, 2003, recorded October 10, 2003 as Entry No. 8848852, in Book 8894, at Page 9344 of the Official Records;

(xxxii) Central Plant Participation Agreement, dated June 30, 2004, recorded July 20, 2004 as Entry No. 9125322, in Book 9016, at Page 2645 of the Official Records; and

(xxxiii) all amendments, modifications, extensions and renewals and replacements thereof; all of which shall be superior to this Lease, binding upon the Project and run with the land.

**EXHIBIT "D"**

**EXCEPTION SUITES GREY SHELL CRITERIA**

LANDLORD SHALL PROVIDE THE FOLLOWING GRAY SHELL IMPROVEMENTS TO THE PREMISES HEREINAFTER REFERRED TO AS "LANDLORD'S WORK":

**A. STRUCTURES:**

1. **Frame:** The building is constructed of steel frame, reinforced concrete, or masonry bearing wall, as provided within the existing Gateway project.
2. **Exterior Walls:** The exterior wall(s) are of masonry, steel framed, or such other material or materials, as provided within the existing Gateway project.
3. **Ceiling Heights:** Tenant's responsibility as to clear height from floor slab.
4. **Roof:** The roof is of single ply material type, or equal, as provided within the existing Gateway project.
5. **Partitions:** Interior partition walls are Tenant's responsibility.
6. **Door(s) and Frame(s):** Exterior service door(s) and frame(s) shall be hollow metal.
7. **Storefront Doors:** See Paragraph F.

**B. INTERIOR FINISHES:**

1. **Floors:** Landlord shall furnish a standard four inch (4") thick concrete slab or suspended structural slab throughout the interior of the Premises
2. **Suspended Structural Slab:**—The elevated floor slabs of this building are of post-tension concrete construction. Any attachments for mechanical, electrical, or architectural elements shall be limited to a 1" maximum drilled or driven anchor embedment. If deeper embedment or core drilling is required, the slab shall be scanned to locate PT tendons and location adjusted to provide at least 3" clear from any PT tendon. In the event that PT tendons become damaged or cut, they must be repaired to bring the building back to the original design condition. Cost of these repairs shall be the responsibility of the Contactor.
3. **Walls:** Demising wall(s) shall be unpainted masonry or unpainted drywall finish, taped over stud, Tenant shall be responsible for final preparation and finish. Height shall be determined by Project Architect. Any cross partition(s) shall be Tenant's responsibility. Exterior and rear wall(s) shall be unpainted masonry or concrete finish or such other material(s) as selected by Project Architect.
4. **Ceilings:** None provided, Tenant's responsibility.

**C. SANITARY FACILITIES:**

1. **Toilet Room:** None provided, Tenant's responsibility. (Existing toilet rooms can remain if tenant so chooses.)

**D. UTILITIES:**

1. **Water and Sewer:** Landlord shall furnish a minimum of one (1), one inch (1") cold water supply and one (1), four inch (4") waste water line to the Premises per Landlord's plans. Tenant is responsible for stubbing access to both the supply and waste lines.
2. **Electricity:** Landlord shall furnish existing electrical cabinets and breakers, located on the rear of the building, capable of accommodating the following minimum service requirements. All down stream conduit from existing panels to be removed except for power to F.C.U.'s and misc. fire alarm devices.
  - (a) Service at gutter shall be a 200A – 120/208V of service, terminated at the gutter.

- (b) Any electrical requirements (step-down transformer, distribution, wiring, convenience outlets, etc.) beyond said service above shall be Tenant's responsibility.
3. **Lighting:** None provided, Tenant's responsibility.
4. **H.V.A.C.:** Landlord shall provide chilled and heating water from the central plant to the space and provide an outside air connection for space ventilation, based on the following:
- (a) **Distribution System Design:** All air distribution system(s) shall be Tenant's responsibility including providing 4-pipe fan coils, heating and chilled water distribution, outside air distribution and thermostats. Chilled water coils will be designed for 48°F EWT. Heating water coils will be designed for 145°F EWT.
- (aa) **Central Plant Deliverable:** Hot water and chilled water delivered from the central plant is intended for artificial cooling and heating of the space and for heating domestic hot water. Hot water and chilled water temperature set points change seasonally for efficiencies but are always adequate to maintain 72°F (Cooling Mode) and 70°F (Heating Mode) air temperatures year-round and to maintain 120°F domestic hot water. Tenant is responsible for obtaining Landlord approval for use of the central plant's hot and chilled water which exceed these parameters.
- (b) **Capacity:** The air conditioning capacity shall not exceed one (1) ton for each three hundred (300) square feet of Floor Area for retail space.
- (c) **Special Equipment:** In the event that Tenant's use of the Premises requires fresh air and/or exhaust air for special equipment, cooking equipment, additional personnel, stock room areas, or show windows, and the like, Tenant shall provide same at Tenant's sole expense, subject to the prior approval of Landlord. Tenant shall connect to base building systems where available.
5. **Fire Sprinkler System:** Landlord will provide a main fire line stubbed through the Premises and a layout of upright heads for shell construction as required by code.

**E. TELEPHONE:**

1. One (1), one inch (1") conduit, with pull string from the building telephone mounting board to Premises will be provided by the Landlord.

**F. STORE FRONTS:**

1. Design and Installation: A standard minimum of one (1) store front shall be designed by the Project Architect and installed by Landlord consisting of a minimum of one (1) single door with cylinder lock. Landlord may elect to provide a double-entry door, at Landlord's sole discretion, predicated on the square footage of the Premises.

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FOURTH AMENDMENT TO OFFICE LEASE

THIS FOURTH AMENDMENT TO OFFICE LEASE (this "Amendment") is made and entered into as of the 25th day of February, 2021 (the "Amendment Effective Date") by and between VESTAR GATEWAY, LLC, a Delaware limited liability company ("Landlord") and RECURSION PHARMACEUTICALS, INC., a Delaware corporation ("Tenant").

RECITALS:

A. Landlord and Tenant have previously executed and delivered that certain Office Lease dated November 13, 2017, as amended by that certain First Amendment to Lease dated September 25, 2018, as amended by that certain Second Amendment to Lease dated November 13, 2019, as amended by that certain Third Amendment to Lease dated January 22, 2021 (collectively, the "Lease") with respect to certain Premises more particularly described therein.

B. Landlord and Tenant have agreed to modify the Lease, subject to and in accordance with the further terms, covenants and provisions of this Amendment.

NOW, THEREFORE, in consideration of the execution and delivery of the Lease, the foregoing Recitals, the mutual agreements, covenants and promises contained in this Amendment and other good and valuable considerations, the receipt, sufficiency and validity of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Definitions. Capitalized terms used in this Amendment without definition shall have the meanings assigned to such terms in the Lease unless the context expressly requires otherwise.

2. Additional Premises Rent Commencement Date. Landlord and Tenant hereby agree that the Additional Premises Rent Commencement Date (as defined in the Second Amendment) is hereby amended to be March 1, 2021. The expiration date of the Lease Term (only with respect to the Additional Premises) shall be extended by six (6) months and twenty-two (22) days and shall expire on December 22, 2028.

3. Estoppel. Tenant and Landlord each hereby affirms by execution of this Amendment that to the best of such party's knowledge the Lease is in full force and effect and such party does not have any presently existing claims against the other party or any offsets against any amounts due under the Lease. To the best of each party's knowledge, there are no defaults of the other party under the Lease and there are no existing circumstances which with the passage of time, notice or both, would give rise to a default under the Lease.

4. Full Force and Effect. Except as expressly modified by this Amendment, the Lease remains unmodified and in full force and effect. All references in the Lease to "this Lease" shall be deemed references to the Lease as modified by this Amendment.

5. Counterparts; Electronic Signatures. This Amendment may be executed in one or more counterparts and the signature pages combined to constitute one document. Electronic signatures shall have the same force and effect as original signatures.

(signatures on next page)

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

LANDLORD:

VESTAR GATEWAY, LLC, a Delaware limited liability company

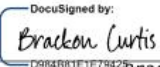
By: SLC Gateway Retail, LLC,  
a Delaware limited liability company,  
its Sole Member

By: VGSLM, LLC,  
a Delaware limited liability company,  
its Managing Member

By:   
Name: R. Patrick McGinley  
Title: Manager

TENANT:

RECURSION PHARMACEUTICALS, INC.,  
a Delaware corporation

By:   
Name: Brackon Curtis  
Its: Senior Director of People Operations



FIFTH AMENDMENT TO OFFICE LEASE

THIS FIFTH AMENDMENT TO OFFICE LEASE (this "Amendment") is made and entered into as of the 15th day of May, 2021 (the "Amendment Effective Date") by and between VESTAR GATEWAY, LLC, a Delaware limited liability company ("Landlord") and RECURSION PHARMACEUTICALS, INC., a Delaware corporation ("Tenant").

RECITALS:

A. Landlord and Tenant have previously executed and delivered that certain Office Lease dated November 13, 2017, as amended by that certain First Amendment to Lease dated September 25, 2018, as amended by that certain Second Amendment to Lease dated November 13, 2019, as amended by that certain Third Amendment to Lease dated January 22, 2021, and as amended by that certain Fourth Amendment to Lease dated February 25, 2021 (collectively, the "Lease") with respect to certain Premises more particularly described therein.

B. Landlord and Tenant have agreed to modify the Lease, subject to and in accordance with the further terms, covenants and provisions of this Amendment.

NOW, THEREFORE, in consideration of the execution and delivery of the Lease, the foregoing Recitals, the mutual agreements, covenants and promises contained in this Amendment and other good and valuable considerations, the receipt, sufficiency and validity of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Definitions. Capitalized terms used in this Amendment without definition shall have the meanings assigned to such terms in the Lease unless the context expressly requires otherwise.

2. Expansion Premises Termination. Tenant's right to terminate the Lease as set forth in Paragraph 6 of the Third Amendment to Lease is hereby deleted.

3. Access to Adjoining Suites. If Tenant determines during the Expansion Premises Work that Tenant requires access to any one or more of the following three (3) suites that are adjacent to the Expansion Premises: (i.e., the "Sprint" premises (containing 612 square feet), the "Head Gate Studios" premises (containing 654 square feet), or the "Urban Homes" premises (containing 1,115 square feet)), each as depicted on Exhibit "A" to this Amendment (collectively, the "Adjoining Suites"), Tenant may provide to Landlord written notice of the need for such access. Within ninety (90) days following receipt of such written notice with respect to the "Urban Homes" premises and the "Head Gate Studios" premises and within one hundred twenty (120) days following receipt of such written notice for the "Sprint" premises, Landlord shall tender to Tenant possession of the Adjoining Suites designated by Tenant free and clear of all occupants thereof and their personal property. In accordance with the terms of the Lease, Tenant shall have the right to install an exhaust system and discharge stack that may include vertical and horizontal ducting, fans, motors, and related facilities and improvements (the "Exhaust System") within the Adjoining Suites in accordance with plans and specifications prepared by Tenant and approved by Landlord, which approval shall not be unreasonably withheld. Landlord acknowledges that the installation of the Exhaust System will require modifications to the roof deck and steel roof structure and agrees not to withhold its consent to such plans and specifications for such reasons. Upon completion of Tenant's Expansion Premises Work in the Adjoining Suites, but in no event later than the Expansion Premises Rent Commencement Date, Tenant shall return to Landlord possession of the Adjoining Suites in broom clean condition. Landlord shall have forty-five (45) days following Tenant returning to Landlord possession of the Adjoining Suites to determine whether the installation of the Exhaust System has rendered the Adjoining Suites unleaseable due to lowered ceiling heights, column spacing or other physical limitations within the Adjoining Suites directly attributable to the Exhaust System. If the Adjoining Suites are not in leaseable condition solely for the reasons set forth in the preceding sentence, then Landlord shall provide to Tenant notice and the Adjoining Suites will become a portion of the Premises and the rentable square footage of the Premises will be increased by the square footage of the Adjoining Suites retroactive to the Expansion Premises Rent Commencement Date. If, however, the Adjoining Suites are in leaseable condition, Tenant's obligation with respect to the Adjoining Suites shall terminate; provided, however, Tenant shall have the right to use and maintain the Exhaust System for the remainder of the Expansion Premises Lease Term for no additional rent.

4. Occupancy of Adjoining Suites. Terminating the existing leases for the Adjoining Suites and relocating the tenants currently occupying the Adjoining Suites shall be at Landlord's sole cost and expense and will not be charged to Tenant. Furthermore, Tenant's right to access the Adjoining Suites or require Landlord to tender possession of the Accessed Suites to Tenant terminates once Tenant completes the Expansion Premises Work. As such, if Tenant does not request that Landlord tender possession of the Accessed Suites, and Tenant then performs the Expansion Premises Work and opens for business within the Expansion Premises, Tenant has no right at a later date to request possession of the Adjoining Suites.

5. Estoppel. Tenant and Landlord each hereby affirms by execution of this Amendment that to the best of such party's knowledge the Lease is in full force and effect and such party does not have any presently existing claims against the other party or any offsets against any amounts due under the Lease. To the best of each party's knowledge, there are no defaults of the other party under the Lease and there are no existing circumstances which with the passage of time, notice or both, would give rise to a default under the Lease.

6. Full Force and Effect. Except as expressly modified by this Amendment, the Lease remains unmodified and in full force and effect. All references in the Lease to "this Lease" shall be deemed references to the Lease as modified by this Amendment.

7. Counterparts; Electronic Signatures. This Amendment may be executed in one or more counterparts and the signature pages combined to constitute one document. Electronic signatures shall have the same force and effect as original signatures.

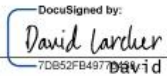
IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

**LANDLORD:**

VESTAR GATEWAY, LLC, a Delaware limited liability company

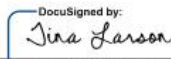
By: SLC Gateway Retail, LLC,  
a Delaware limited liability company,  
its Sole Member

By: VGSLM, LLC,  
a Delaware limited liability company,  
its Managing Member

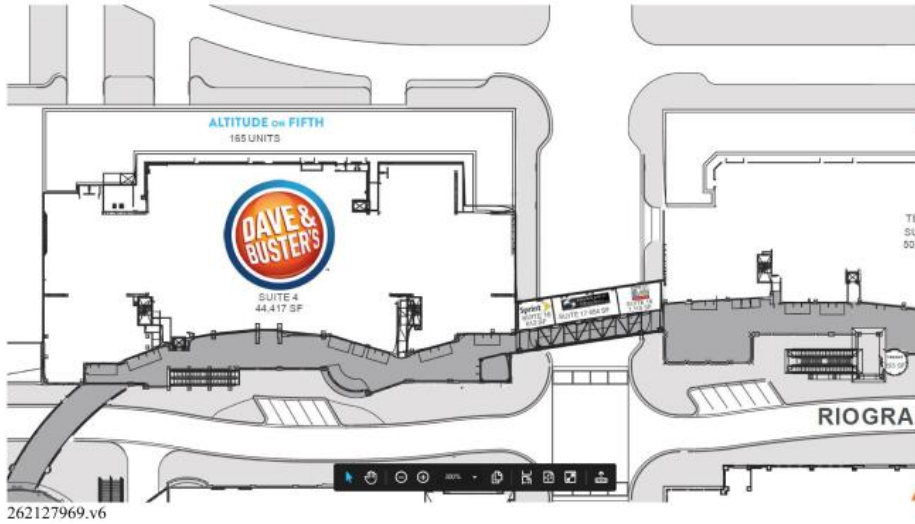
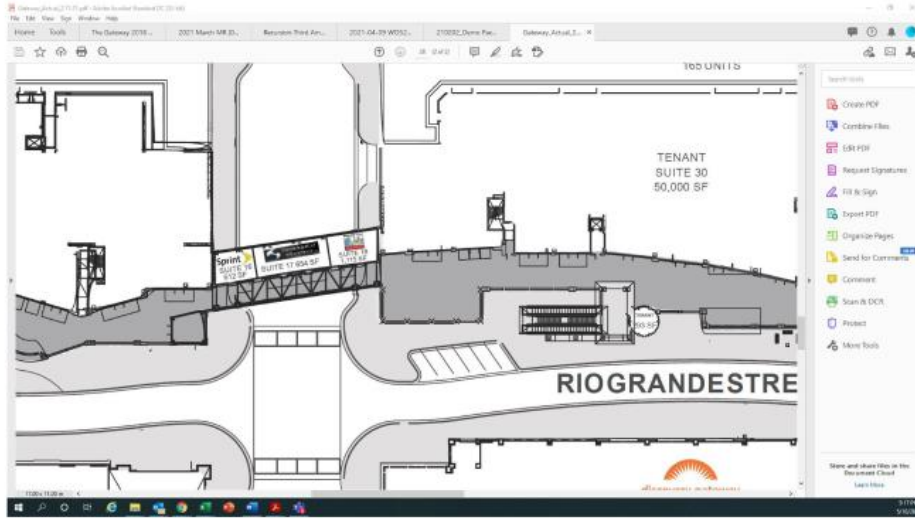
By:   
Name: David Larcher  
Title: Manager

**TENANT:**

RECURSION PHARMACEUTICALS, INC.,  
a Delaware corporation

By:   
Name: Tina Larson  
Its: President & COO

**EXHIBIT "A"**  
**100 S. BRIDGE AREA ACCESSIBLE TO TENANT**



## SIXTH AMENDMENT TO OFFICE LEASE

THIS SIXTH AMENDMENT TO OFFICE LEASE (this "Amendment") is made and entered into as of the 18<sup>th</sup> day of October, 2021 (the "Amendment Effective Date") by and between VESTAR GATEWAY, LLC, a Delaware limited liability company ("Landlord") and RECURSION PHARMACEUTICALS, INC., a Delaware corporation ("Tenant").

## RECITALS:

A. Landlord and Tenant have previously executed and delivered that certain Office Lease dated November 13, 2017 ("Original Lease"), as amended by that certain First Amendment to Lease dated September 25, 2018, as amended by that certain Second Amendment to Office Lease dated November 13, 2019, as amended by that certain Third Amendment to Office Lease dated January 22, 2021 (the "Third Amendment"), as amended by that certain Fourth Amendment to Office Lease dated February 25, 2021, and as amended by that certain Fifth Amendment to Office Lease dated May 15, 2021 (collectively, with the Original Lease, the "Lease") with respect to certain Premises more particularly described therein.

B. Landlord and Tenant have agreed to modify the Lease, subject to and in accordance with the further terms, covenants and provisions of this Amendment.

NOW, THEREFORE, in consideration of the execution and delivery of the Lease, the foregoing Recitals, the mutual agreements, covenants and promises contained in this Amendment and other good and valuable considerations, the receipt, sufficiency and validity of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Definitions. Capitalized terms used in this Amendment without definition shall have the meanings assigned to such terms in the Lease unless the context expressly requires otherwise.

2. Supplementary Premises. In addition to and together with the Premises, from and after the Expansion Premises Rent Commencement Date (as defined in the Third Amendment), Landlord leases to Tenant and Tenant leases from Landlord that certain Supplementary Premises (herein so called) consisting of approximately twelve thousand one hundred forty (12,140) square feet of Floor Area within the Expansion Premises Building and adjacent to the Expansion Premises (as each is defined in the Third Amendment) and identified as the "Supplementary Premises" on the Site Plan attached hereto as Exhibit "A". Additionally, Tenant shall have exclusive use and control of the existing elevators that are accessible from the ground level of the Expansion Premises Building and the Supplementary Premises. From and after the Supplementary Premises Rent Commencement Date, references in the Lease to the "Premises" shall be deemed to include the "Supplementary Premises" and Tenant's use, lease and occupancy of the Supplementary Premises shall be subject to all of the terms, covenants and provisions of the Lease. Tenant acknowledges that the provisions of Article 10 of the Lease apply to Tenant's entry in the Supplementary Premises.

3. Term. The Term of the Lease with respect to the Supplementary Premises shall be coterminous with the Expansion Premises Lease Term (as defined in the Third Amendment).

4. Use. The Supplementary Premises shall be used solely for general office purposes (no laboratory work); provided, however, the Supplementary Premises may be used for the purposes expressly set forth in Article 5 of the Lease upon Tenant providing advance written notice to Landlord of such change, and for no other purpose.

5. Base Rent. From and after the Expansion Premises Rent Commencement Date, Base Rent shall be payable with respect to the Supplementary Premises in accordance with the schedule of Base Rent set forth below.

<u>Month of Lease Term</u>	<u>Monthly Rental</u>	<u>Annual Rental</u>	<u>Annual Rental Rate Per Square Foot</u>
Expansion Premises Rent Commencement Date – 12	\$25,291.67	\$303,500.00	\$25.0000
13-24	\$26,050.42	\$312,605.00	\$25.7500
25-36	\$26,831.93	\$321,983.15	\$26.5225
37-48	\$27,636.89	\$331,642.64	\$27.3182
49-60	\$28,465.99	\$341,591.92	\$28.1377
61-72	\$29,319.97	\$351,839.68	\$28.9819
73-84	\$30,199.57	\$362,394.87	\$29.8513
85-96	\$31,105.56	\$373,266.72	\$30.7468
97-108	\$32,038.73	\$384,464.72	\$31.6693
109-120	\$32,999.89	\$395,998.66	\$32.6193

6. **Operating Expenses, Taxes – Supplementary Premises.** Tenant acknowledges that its obligation for payments for Direct Expenses, Operating Expenses and Tax Expenses with respect to the Supplementary Premises shall be calculated in the same manner as the original Premises (as is set forth in Article 4 of the Original Lease; provided, however, with respect to the Supplementary Premises, the Base Year shall be calendar year 2021).

7. **Delivery of Supplementary Premises.** Landlord shall tender possession of the Supplementary Premises to Tenant promptly following the Amendment Effective Date; provided, however such tender of possession of the Supplementary Premises shall not include Suites 78, 79 and 80 (the "Exception Suites") within the Supplementary Premises. Landlord shall tender possession of the Exception Suites to Tenant in grey shell condition as more fully described in Exhibit "B" hereto on or before the date that is sixty-three (63) days after the Amendment Effective Date. Except for Landlord's representations and warranties contained in this Amendment and in the Lease, (a) no representations, inducements, understanding or anything of any nature whatsoever, made, stated or represented by Landlord or anyone acting for or on Landlord's behalf, either orally or in writing, have induced Tenant to enter into this Amendment, and (b) Tenant acknowledges, represents and warrants that Tenant has entered into this Amendment under and by virtue of Tenant's own independent investigation. Except for Landlord's representation and warranties contained in this Amendment and in the Lease, Tenant hereby shall accept the Supplementary Premises (except the Exception Suites) in its current "as is" and "where is" condition without warranty of any kind, express or implied, including, without limitation, any warranty as to title, physical condition or the presence or absence of Hazardous Materials, and if the Supplementary Premises (except the Exception Suites) are not in all respects entirely suitable for the use or uses to which the Supplementary Premises or any part thereof will be put, then it is the sole responsibility and obligation of Tenant, subject to and in accordance with the provisions of the Lease, to take such action as may be necessary to place the Supplementary Premises (except the Exception Suites) in a condition entirely suitable for such use or uses. **IN CONNECTION WITH THE ABOVE, TENANT HEREBY ACKNOWLEDGES AND REPRESENTS TO LANDLORD THAT TENANT HAS HAD AMPLE OPPORTUNITY TO INSPECT AND EVALUATE THE SUPPLEMENTARY PREMISES AND THE FEASIBILITY OF THE USES AND ACTIVITIES TENANT IS ENTITLED TO CONDUCT THEREON; THAT TENANT IS EXPERIENCED; THAT TENANT WILL RELY ENTIRELY ON TENANT'S EXPERIENCE, EXPERTISE AND ITS OWN INSPECTION OF THE SUPPLEMENTARY PREMISES IN ITS CURRENT STATE IN PROCEEDING WITH THIS AMENDMENT (SUBJECT TO LANDLORD'S REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AMENDMENT AND THE LEASE AND LANDLORD'S WORK TO BE PERFORMED WITH RESPECT TO THE EXCEPTION SUITES); TENANT ACCEPTS THE SUPPLEMENTARY PREMISES IN ITS PRESENT CONDITION (SUBJECT TO LANDLORD'S REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AMENDMENT AND THE LEASE AND LANDLORD'S WORK TO BE PERFORMED WITH RESPECT TO THE EXCEPTION SUITES), AND THAT, TO THE EXTENT THAT TENANT'S OWN EXPERIENCE WITH RESPECT TO ANY OF THE FOREGOING IS INSUFFICIENT TO ENABLE TENANT TO REACH AND FORM A CONCLUSION, TENANT HAS ENGAGED THE SERVICES OF PERSONS QUALIFIED TO ADVISE TENANT WITH RESPECT TO SUCH MATTERS. TENANT IS NOT RELYING ON ANY EXPRESS OR IMPLIED, ORAL OR WRITTEN REPRESENTATIONS, OR WARRANTIES MADE BY LANDLORD OR ITS REPRESENTATIVES, OTHER THAN THOSE SET FORTH IN THIS AMENDMENT AND IN THE LEASE.** In this regard, except as set forth in this Amendment, Tenant shall be responsible, at its sole cost and expense, for the work within the Supplementary Premises in accordance with the provisions of the Lease and this Amendment.

8. **Allowance.** If the Lease is in full force and effect and if Tenant is not in breach or default of any of the terms, conditions, covenants and provisions of this Lease, Tenant shall be entitled to a one-time "Supplementary Premises Allowance" in the amount of Seventy and No/100 Dollars (\$70.00) gross square foot for partial reimbursement of the cost to ready the Supplementary Premises for occupancy ("Tenant's Work"). Payment of the Supplementary Premises Allowance shall be made to Tenant by Landlord within thirty (30) days after the later to occur of (i) Tenant requesting, in writing, disbursement of the Supplementary Premises Allowance, which request may be made only after Tenant has opened at the Supplementary Premises for business to the general public in accordance with the terms, covenants and provisions of this Amendment, and (ii) delivery to Landlord of the following: (a) a copy of the Certificate of Occupancy or comparable permit issued by the City of Salt Lake and/or the County of Salt Lake, Utah for the Supplementary Premises, (b) unconditional lien waivers from Tenant's contractor and all subcontractors and suppliers who furnished labor and/or materials in connection with the construction of the Supplementary Premises in a form substantially similar to the form previously delivered to Landlord with respect to the original Supplementary Premises Allowance, and (c) a copy of all permits, licenses or other governmental, quasi-governmental or other licensing authority authorizations required as a prerequisite for Tenant (or the third party operator) conducting business operations at the Supplementary Premises, and (d) execution and delivery by Tenant to Landlord of an estoppel certificate in the form attached to the Lease as an Exhibit, and (e) copies of invoices and work orders demonstrating the cost of Tenant's Work, and (f) a copy of the "as-built" plans (or record drawings marked to show field changes) for the Supplementary



Premises. Tenant shall deliver the request for the Supplementary Premises Allowance to Landlord no later than three hundred sixty (360) days after the Expansion Premises Rent Commencement Date (the "Allowance Cutoff Date"). In the event Tenant does not submit the request for the Supplementary Premises Allowance within thirty (30) days after the Allowance Cutoff Date, Landlord shall not be obligated to fund any portion of the Supplementary Premises Allowance to Tenant and the Supplementary Premises Allowance shall be forfeited by Tenant without any reduction or adjustment to the Base Rent, Additional Rent (as defined in the Lease) or other charges payable by Tenant to Landlord under this Lease. Tenant's Work shall be performed in accordance with the applicable provisions of the Lease, including the payment to Landlord of a construction supervision and management fee in an amount equal to one percent (1%) of the Supplementary Premises Allowance.

9. **Existing Bathrooms; Fire Egress.** The Supplementary Premises incorporates an existing hallway that runs along the northern boundary (the "Existing Hallway"). The Existing Hallway provides access to public restrooms located to the west of the Supplementary Premises (the "Public Bathrooms") and also serves as a fire egress route for the Expansion Premises Building. In order to allow Tenant to fully integrate the Supplementary Premises with the Expansion Premises, the parties hereby agree as follows: (a) Tenant shall not alter or remove the Public Bathrooms; (b) the Public Bathrooms shall not be accessible to, or used as restrooms by, other tenants or the general public for the duration of the Expansion Premises Lease Term; and (c) Tenant shall incorporate, at part of Tenant's Work, a replacement fire egress hallway within the Supplementary Premises and/or Expansion Premises that meets fire code requirements for the Expansion Premises Building.

10. **Expansion Premises.** The size of the Expansion Premises as more fully described in the Third Amendment shall be reduced from 91,748 rentable square feet to 91,494 rentable square feet, a reduction needed of 254 square feet so as to avoid relocating the south HVAC unit as shown on Exhibit A. Tenant will be responsible for adding the needed demising wall as shown on Exhibit A.

11. **Base Rent – Expansion Premises.** The rental chart set forth in Paragraph 6 of the Third Amendment is amended and restated in its entirety as follows:

<u>Year of Lease Term</u>	<u>Monthly Rental</u>	<u>Annual Rental</u>	<u>Annual Rental Rate Per Square Foot</u>
1	\$245,890.13	\$2,950,681.50	\$32.2500
2	\$253,266.83	\$3,039,201.95	\$33.2175
3	\$260,864.64	\$3,130,375.72	\$34.2140
4	\$268,690.43	\$3,224,285.16	\$35.2404
5	\$276,751.81	\$3,321,021.76	\$36.2977
6	\$285,054.13	\$3,420,649.58	\$37.3866
7	\$293,605.77	\$3,523,269.25	\$38.5082
8	\$302,413.59	\$3,628,963.12	\$39.6634
9	\$311,485.99	\$3,737,831.83	\$40.8533
10	\$320,830.57	\$3,849,966.88	\$42.0789

The Expansion Premises Allowance granted to Tenant (which has been stated as One Hundred Ten and No/100 Dollars (\$110.00) per rentable square foot of the Expansion Premises) shall be adjusted based upon the reduced square footage of the Expansion Premises.

12. **Parking.** In addition to Tenant's existing parking rights set forth in the Lease, Tenant shall have the additional right, but not the obligation, to utilize up to three (3) parking passes for every one-thousand (1,000) rentable square feet comprising the Expansion Premises and the Supplementary Premises for use on a monthly basis throughout the Expansion Premises Lease Term for use in the north and south parking garages owned by Landlord, which passes shall be unreserved and on a first-come, first-served basis. The cost for such parking passes described herein for the Expansion Premises Lease Term shall be Eighty-Five and No/100 Dollars (\$85.00) per pass per month. All other terms and provisions with respect to parking passes shall be as set forth in Article 28 of the Lease.

13. **Estoppel.** Tenant and Landlord each hereby affirms by execution of this Amendment that to the best of such party's knowledge the Lease is in full force and effect and such party does not have any presently existing claims against the other party or any offsets against any amounts due under the Lease. To the best of each party's knowledge, there are no defaults of the other party under the Lease and there are no existing circumstances which with the passage of time, notice or both, would give rise to a default under the Lease.

14. **Full Force and Effect.** Except as expressly modified by this Amendment, the Lease remains unmodified and in full force and effect. All references in the Lease to "this Lease" shall be deemed



references to the Lease as modified by this Amendment. However, the provisions of Section 2.4 of the Original Lease shall not be applicable to this Amendment or to the Supplementary Premises.

15. Counterparts; Electronic Signatures. This Amendment may be executed in one or more counterparts and the signature pages combined to constitute one document. Electronic signatures shall have the same force and effect as original signatures.

[Signatures on following page]


IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

**LANDLORD:**

VESTAR GATEWAY, LLC, a Delaware limited liability company

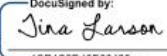
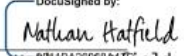
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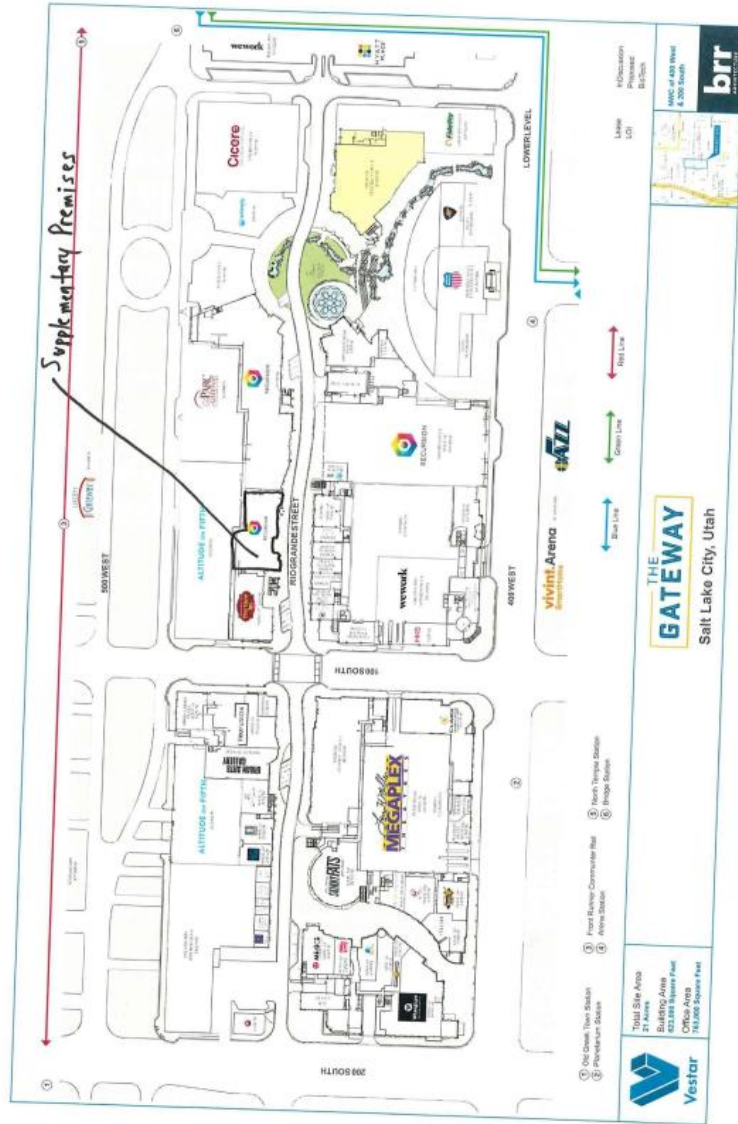
By:   
Name: David Carcher  
Title: Manager

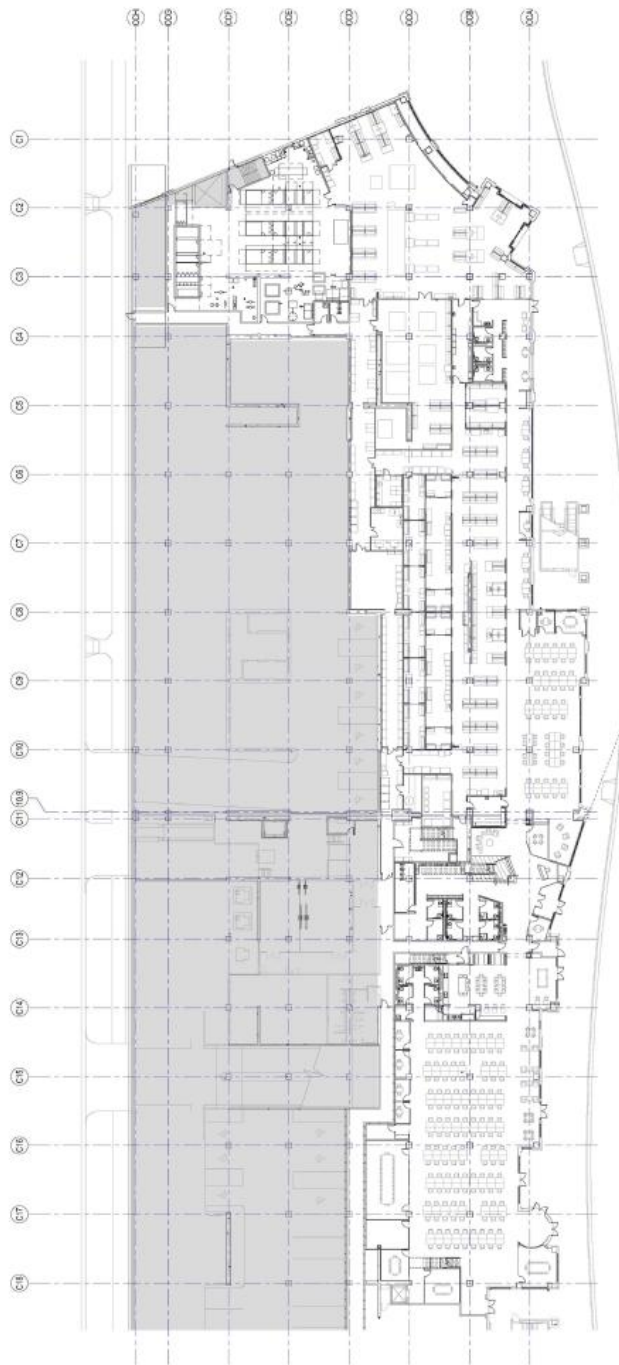
**TENANT:**

RECURSION PHARMACEUTICALS, INC.,  
a Delaware corporation

By:    
Name: Tina Larson Nathan Hatfield  
Its: President & COO V.P. Legal and Associate General Counsel

### EXHIBIT "A" SITE PLAN





## EXHIBIT "B"

### EXCEPTION SUITES GREY SHELL CRITERIA

LANDLORD SHALL PROVIDE THE FOLLOWING GRAY SHELL IMPROVEMENTS TO THE PREMISES HEREINAFTER REFERRED TO AS "LANDLORD'S WORK":

#### A. STRUCTURES:

1. **Frame:** The building is constructed of steel frame, reinforced concrete, or masonry bearing wall, as provided within the existing Gateway project.
2. **Exterior Walls:** The exterior wall(s) are of masonry, steel framed, or such other material or materials, as provided within the existing Gateway project.
3. **Ceiling Heights:** Tenant's responsibility as to clear height from floor slab.
4. **Roof:** The roof is of single ply material type, or equal, as provided within the existing Gateway project.
5. **Partitions:** Interior partition walls are Tenant's responsibility.
6. **Door(s) and Frame(s):** Exterior service door(s) and frame(s) shall be hollow metal.
7. **Storefront Doors:** See Paragraph F.

#### B. INTERIOR FINISHES:

1. **Floors:** Landlord shall furnish a standard four inch (4") thick concrete slab or suspended structural slab throughout the interior of the Premises.
2. **Suspended Structural Slab:** The elevated floor slabs of this building are of post-tension concrete construction. Any attachments for mechanical, electrical, or architectural elements shall be limited to a 1" maximum drilled or driven anchor embedment. If deeper embedment or core drilling is required, the slab shall be scanned to locate PT tendons and location adjusted to provide at least 3" clear from any PT tendon. In the event that PT tendons become damaged or cut, they must be repaired to bring the building back to the original design condition. Cost of these repairs shall be the responsibility of the Contactor.
3. **Walls:** Demising wall(s) shall be unpainted masonry or unpainted drywall finish, taped over stud, Tenant shall be responsible for final preparation and finish. Height shall be determined by Project Architect. Any cross partition(s) shall be Tenant's responsibility. Exterior and rear wall(s) shall be unpainted masonry or concrete finish or such other material(s) as selected by Project Architect.
4. **Ceilings:** None provided, Tenant's responsibility.

#### C. SANITARY FACILITIES:

1. **Toilet Room:** None provided, Tenant's responsibility. (Existing toilet rooms can remain if tenant so chooses.)

#### D. UTILITIES:

1. **Water and Sewer:** Landlord shall furnish a minimum of one (1), one inch (1") cold water supply and one (1), four inch (4") waste water line to the Premises per Landlord's plans. Tenant is responsible for stubbing access to both the supply and waste lines.
2. **Electricity:** Landlord shall furnish existing electrical cabinets and breakers, located on the rear of the building, capable of accommodating the following minimum service requirements. All down stream conduit from existing panels to be removed except for power to F.C.U.'s and misc. fire alarm devices.
  - (a) Service at gutter shall be a 200A – 120/208V of service, terminated at the gutter.

- (b) Any electrical requirements (step-down transformer, distribution, wiring, convenience outlets, etc.) beyond said service above shall be Tenant's responsibility.
3. **Lighting:** None provided, Tenant's responsibility.
4. **H.V.A.C.:** Landlord shall provide chilled and heating water from the central plant to the space and provide an outside air connection for space ventilation, based on the following:
- (a) **Distribution System Design:** All air distribution system(s) shall be Tenant's responsibility including providing 4-pipe fan coils, heating and chilled water distribution, outside air distribution and thermostats. Chilled water coils will be designed for 48°F EWT. Heating water coils will be designed for 145°F EWT.
- (aa) **Central Plant Deliverable:** Hot water and chilled water delivered from the central plant is intended for artificial cooling and heating of the space and for heating domestic hot water. Hot water and chilled water temperature set points change seasonally for efficiencies but are always adequate to maintain 72°F (Cooling Mode) and 70°F (Heating Mode) air temperatures year-round and to maintain 120°F domestic hot water. Tenant is responsible for obtaining Landlord approval for use of the central plant's hot and chilled water which exceed these parameters.
- (b) **Capacity:** The air conditioning capacity shall not exceed one (1) ton for each three hundred (300) square feet of Floor Area for retail space.
- (c) **Special Equipment:** In the event that Tenant's use of the Premises requires fresh air and/or exhaust air for special equipment, cooking equipment, additional personnel, stock room areas, or show windows, and the like, Tenant shall provide same at Tenant's sole expense, subject to the prior approval of Landlord. Tenant shall connect to base building systems where available.
5. **Fire Sprinkler System:** Landlord will provide a main fire line stubbed through the Premises and a layout of upright heads for shell construction as required by code.

**E. TELEPHONE:**

One (1), one inch (1") conduit, with pull string from the building telephone mounting board to Premises will be provided by the Landlord.

**F. STORE FRONTS:**

1. **Design and Installation:** A standard minimum of one (1) store front shall be designed by the Project Architect and installed by Landlord consisting of a minimum of one (1) single door with cylinder lock. Landlord may elect to provide a double-entry door, at Landlord's sole discretion, predicated on the square footage of the Premises.



## SEVENTH AMENDMENT TO OFFICE LEASE

THIS SEVENTH AMENDMENT TO OFFICE LEASE (this "Amendment") is made and entered into as of the 12 day of April, 2022 (the "Amendment Effective Date") by and between VESTAR GATEWAY, LLC, a Delaware limited liability company ("Landlord") and RECURSION PHARMACEUTICALS, INC., a Delaware corporation ("Tenant").

## RECITALS:

A. Landlord and Tenant have previously executed and delivered that certain Office Lease dated November 13, 2017, as amended by that certain First Amendment to Lease dated September 25, 2018, as amended by that certain Second Amendment to Office Lease dated November 13, 2019, as amended by that certain Third Amendment to Office Lease dated January 22, 2021, as amended by that certain Fourth Amendment to Office Lease dated February 25, 2021, as amended by that certain Fifth Amendment to Office Lease dated May 15, 2021, and as amended by that certain Sixth Amendment to Office Lease dated October 18, 2021 (collectively, the "Lease") with respect to certain Premises more particularly described therein.

B. Landlord and Tenant have agreed to modify the Lease, subject to and in accordance with the further terms, covenants and provisions of this Amendment.

NOW, THEREFORE, in consideration of the execution and delivery of the Lease, the foregoing Recitals, the mutual agreements, covenants and promises contained in this Amendment and other good and valuable considerations, the receipt, sufficiency and validity of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Definitions. Capitalized terms used in this Amendment without definition shall have the meanings assigned to such terms in the Lease unless the context expressly requires otherwise.

2. Loading Dock and Storage. Subject to compliance by Tenant with the codes and ordinances of governmental authorities having jurisdiction, for a term co-terminus with Tenant's lease of the Supplementary Premises (a) Landlord grants Tenant the non-exclusive right to use "Loading Dock #5" in connection with Tenant's use of the Supplementary Premises for deliveries; and (b) Landlord grants to Tenant a license to utilize a portion of the loading dock adjacent to the Supplementary Premises and depicted on Exhibit "A" attached hereto (the "Storage Area") for the placement of Tenant's Co2 bulk tanks and for the installation of Tenant's Ln2 Fill Boxes and related Fill Lines. Tenant shall coordinate with Landlord prior to installation of its Fill Boxes and Fill Lines to ensure that both the exact locations and the method of installation are approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed; provided that Landlord's review and approval of the locations and method of installation of the Fill Boxes and Fill Lines shall not interfere, in any material respect, with Tenant's ability to conduct its business. All of Tenant's indemnification and insurance obligations contained in the Lease with respect to the Supplementary Premises shall be applicable to Tenant's use of Loading Dock #5 and the Storage Area. There shall be no separate rental or other charge to Tenant for the rights granted in this Paragraph 2.

3. Supplementary Premises. Two hundred thirty seven (237) square feet of the Supplementary Premises on the first floor of the Building shall be removed from the Premises, as shown on Exhibit "B" (the "Deleted Area") and the Supplementary Premises shall be amended to be eleven thousand nine hundred three (11,903) rentable square feet. The Deleted Area was included as square footage within the Supplementary Premises but is part of a retail limited common area that is not part of Landlord's retail unit to lease. With Landlord's consent, such consent not to be unreasonably withheld, Tenant shall have reasonable access to the Deleted Area; provided, however, in the case of emergency in which the panic door has opened and the drop down curtains have been engaged, then Tenant in that situation only, will not have such access. Tenant further acknowledges that the terms of Paragraph 9 of the Sixth Amendment to Lease dated October 18, 2021 (the "Sixth Amendment") (existing bathrooms and fire egress) remain in full force and effect. The Supplementary Premises Allowance with respect to Tenant's Work shall be reduced proportionately based upon Seventy and No/100 Dollars (\$70.00) gross square foot to reflect the removal of the Deleted Premises from the Supplementary Premises.

4. The rental chart set forth in in Paragraph 5 of the Sixth Amendment is amended and restated in its entirety as follows:

<u>Month of Lease Term</u>	<u>Monthly Rental</u>	<u>Annual Rental</u>	<u>Annual Rental Rate Per Square Foot</u>
Expansion Premises Rent Commencement Date – 12	\$24,797.92	\$297,575.00	\$25.00
13-24	\$25,541.85	\$306,502.25	\$25.75
25-36	\$26,308.11	\$315,697.32	\$26.52
37-48	\$27,097.35	\$325,168.24	\$27.32

49-60	\$27,910.27	\$334,923.28	\$28.14
61-72	\$28,747.58	\$344,970.98	\$28.98
73-84	\$29,610.01	\$355,320.11	\$29.85
85-96	\$30,498.31	\$365,979.72	\$30.75
97-108	\$31,413.26	\$376,959.11	\$31.67
109-120	\$32,355.66	\$388,267.88	\$32.62

5. Estoppel. Tenant and Landlord each hereby affirms by execution of this Amendment that to the best of such party's knowledge the Lease is in full force and effect and such party does not have any presently existing claims against the other party or any offsets against any amounts due under the Lease. To the best of each party's knowledge, there are no defaults of the other party under the Lease and there are no existing circumstances which with the passage of time, notice or both, would give rise to a default under the Lease.

6. Full Force and Effect. Except as expressly modified by this Amendment, the Lease remains unmodified and in full force and effect. All references in the Lease to "this Lease" shall be deemed references to the Lease as modified by this Amendment. However, the provisions of Section 2.4 of the Original Lease shall not be applicable to this Amendment or to the Supplementary Premises.

7. Counterparts; Electronic Signatures. This Amendment may be executed in one or more counterparts and the signature pages combined to constitute one document. Electronic signatures shall have the same force and effect as original signatures.

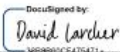
IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

LANDLORD:

VESTAR GATEWAY, LLC, a Delaware limited liability company

By: SLC Gateway Retail, LLC,  
a Delaware limited liability company,  
its Sole Member

By: VGSLM, LLC,  
a Delaware limited liability company,  
its Managing Member

By:   
Name: David Larcher  
Title: Manager

TENANT:

RECURSION PHARMACEUTICALS, INC.,  
a Delaware corporation

By:   
Name: Tina Larson  
Its: Chief Operating Officer



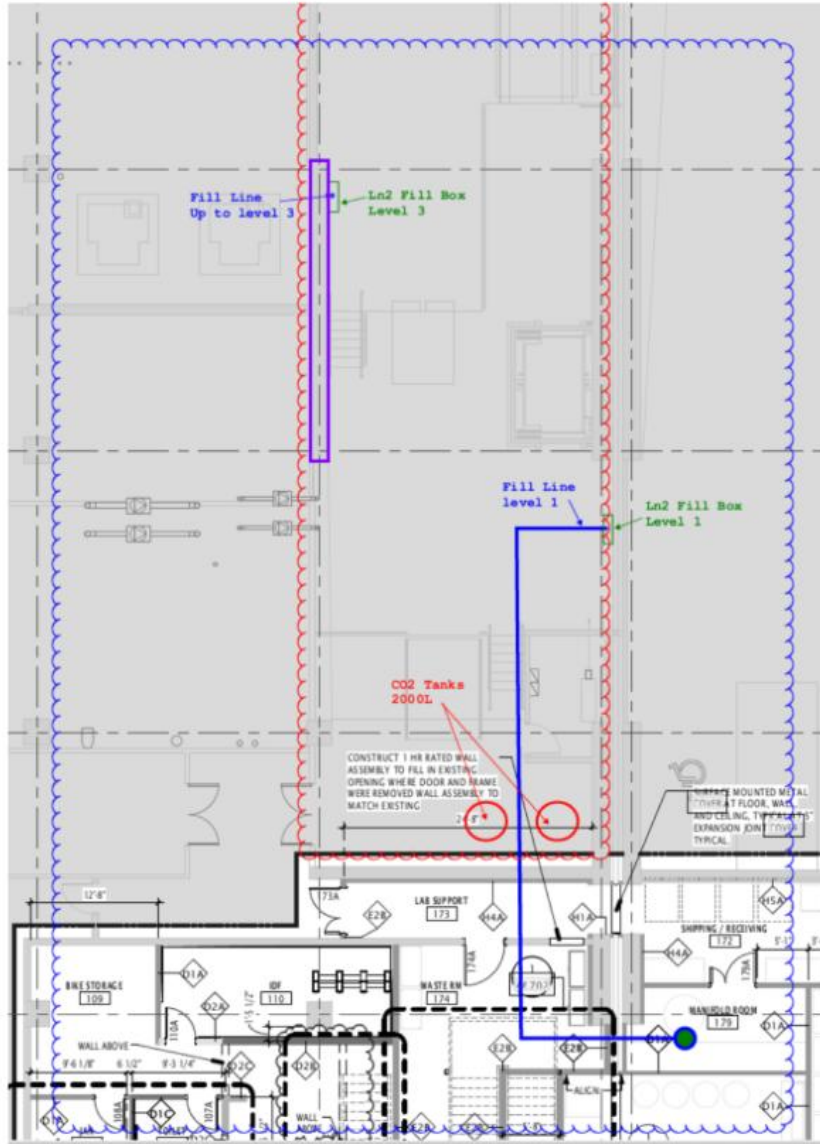
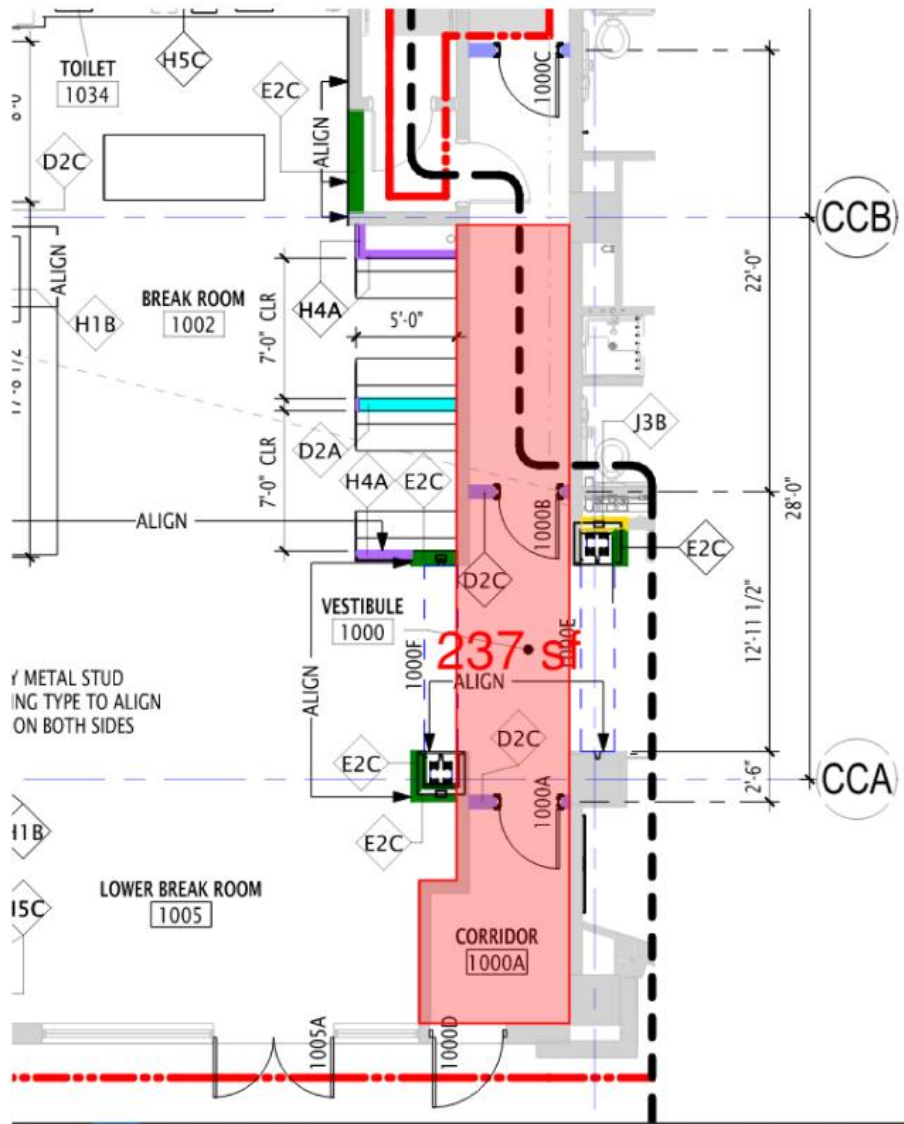




EXHIBIT "B"  
DELETED AREA





EIGHTH AMENDMENT TO OFFICE LEASE

THIS EIGHTH AMENDMENT TO OFFICE LEASE (this "Amendment") is made and entered into as of the 1<sup>st</sup> day of May, 2022 (the "Amendment Effective Date") by and between VESTAR GATEWAY, LLC, a Delaware limited liability company ("Landlord") and RECURSION PHARMACEUTICALS, INC., a Delaware corporation ("Tenant").

RECITALS:

A. Landlord and Tenant have previously executed and delivered that certain Office Lease dated November 13, 2017 (the "Original Lease"), as amended by that certain First Amendment to Lease dated September 25, 2018 (the "First Amendment"), as amended by that certain Second Amendment to Office Lease dated November 13, 2019 (the "Second Amendment"), as amended by that certain Third Amendment to Office Lease dated January 22, 2021 (the "Third Amendment"), as amended by that certain Fourth Amendment to Office Lease dated February 25, 2021 (the "Fourth Amendment"), as amended by that certain Fifth Amendment to Office Lease dated May 15, 2021 (the "Fifth Amendment"), as amended by that certain Sixth Amendment to Office Lease dated October 18, 2021 (the "Sixth Amendment"), and as amended by that certain Seventh Amendment to Office Lease dated April 12, 2022 (the "Seventh Amendment" and together with the Original Lease, First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, and Sixth Amendment, the "Lease") with respect to certain Premises more particularly described therein.

B. Landlord and Tenant have agreed to modify the Lease, subject to and in accordance with the further terms, covenants and provisions of this Amendment.

NOW, THEREFORE, in consideration of the execution and delivery of the Lease, the foregoing Recitals, the mutual agreements, covenants and promises contained in this Amendment and other good and valuable considerations, the receipt, sufficiency and validity of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Definitions. Capitalized terms used in this Amendment without definition shall have the meanings assigned to such terms in the Lease unless the context expressly requires otherwise.
2. Deletion of Contractual Termination Option. The Lease is hereby amended by deleting Section 2.4 of the Original Lease. For the avoidance of doubt, Landlord and Tenant confirm that any contractual right that Tenant may have under the Lease (or any amendment thereto) to terminate the Lease prior to the scheduled expiration of the Lease Term is hereby deleted.
3. Subletting. Article 14 of the Lease is hereby amended and restated in its entirety as follows:

14.1 Transfers. Tenant shall not, without the prior written consent of Landlord, assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment, or other transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or enter into any license or concession agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than Tenant and its employees and contractors (all of the foregoing are hereinafter sometimes referred to collectively as "Transfers" and any person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "Transferee"). If Tenant desires Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "Transfer Notice") shall include (i) the proposed effective date of the Transfer, which shall not be less than thirty (30) days nor more than one hundred eighty (180) days after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to be transferred (the "Subject Space"), (iii) all of the terms of the proposed Transfer and the consideration therefor, including calculation of the "Transfer Premium", as that term is defined in Section 14.3 below, in connection with such Transfer, the name and address of the proposed Transferee, and an executed copy of all documentation effectuating the proposed Transfer, including all operative documents to evidence such Transfer and all agreements incidental or related to such Transfer, provided that Landlord shall have the right to require Tenant to utilize Landlord's standard Transfer documents in connection with the documentation of such Transfer, and provided further that the terms of the proposed Transfer shall provide that such proposed Transferee shall not be permitted to further assign or sublease its interest in the Subject Space and/or Lease, (iv) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, business credit and personal references and history of the proposed Transferee and any other information required by Landlord which will enable Landlord to determine the financial responsibility, character, and reputation of the proposed Transferee,

nature of such Transferee's business and proposed use of the Subject Space and (v) an executed estoppel certificate from Tenant stating the information set forth in items (a) through (d) in Article 17 below. Any Transfer made without Landlord's prior written consent shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under this Lease. Whether or not Landlord consents to any proposed Transfer, Tenant shall pay Landlord's (or Landlord's property manager's) review and processing fees (which currently equal \$1,500.00 for each proposed Transfer), as well as any reasonable professional fees (including, without limitation, attorneys', accountants', architects', engineers' and consultants' fees) incurred by Landlord (or Landlord's property manager), within thirty (30) days after written request by Landlord; provided that Tenant's reimbursement for Landlord's fees pursuant to this sentence shall not exceed \$5,000.00 in connection with any one Transfer.

14.2 Landlord's Consent. Notwithstanding anything to the contrary herein, Landlord shall not unreasonably withhold, condition or delay its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply:

14.2.1 The Transferee is engaged in a business which is not consistent with Landlord's development plan for the Project;

14.2.2 The Transferee intends to use the Subject Space for purposes which are not permitted under this Lease;

14.2.3 The Transferee is either a governmental agency or instrumentality thereof;

14.2.4 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested;

14.2.5 The proposed Transfer would cause a violation of another lease for space in the Project, or would give an occupant of the Project a right to cancel its lease;

14.2.6 Intentionally Omitted.

14.2.7 Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, (i) occupies space in the Project at the time of the request for consent, or (ii) is negotiating with Landlord (which for purposes of this item (ii) and (iii), below, shall be evidenced by the transmittal of one or more letters of intent, draft proposals or lease documents by such Transferee to Landlord or Landlord to such Transferee) to lease space in the Project at such time, or (iii) has actively negotiated with Landlord to lease space within the Project during the six (6)-month period immediately preceding the Transfer Notice (with "actively negotiated" meaning, at least, written correspondence and negotiation for the lease of space within the Project, but excluding, without more, the mere delivery of leasing or property information relating to the Project); provided, however, that Landlord shall not unreasonably withhold, condition or delay its consent to an assignment of this Lease or a sublease of the Premises to a proposed assignee or subtenant under the foregoing portion of this subsection (iii) if Landlord is not willing and able to accommodate the space needs of such assignee or subtenant within the Project, and Tenant is able to do so by such assignment or sublease;

14.2.8 The Transferee does not intend to occupy the portion of the Premises assigned or sublet and conduct its business therefrom for a substantial portion of the term of the Transfer; or

14.2.9 The portion of the Premises to be sublet or assigned is irregular in shape with inadequate means of ingress and/or egress.

Notwithstanding anything to the contrary contained herein, in no event shall Tenant enter into any Transfer for the possession, use, occupancy or utilization (collectively, "use") of the part of the Premises which (i) provides for a rental or other payment for such

use based in whole or in part on the income or profits derived by any person from the Premises (other than an amount based on a fixed percentage or percentages of gross receipts or sales), and Tenant agrees that all Transfers of any part of the Premises shall provide that the person having an interest in the use of the Premises shall not enter into any lease or sublease which provides for a rental or other payment for such use based in whole or in part on the income or profits derived by any person from the Premises (other than an amount based on a fixed percentage or percentages of gross receipts of sales), or (ii) would cause any portion of the amounts payable to Landlord hereunder to not constitute "rents from real property" within the meaning of Section 512(b)(3) of the Internal Revenue Code of 1986, and any such purported Transfer shall be absolutely void and ineffective as a conveyance of any right or interest in the possession, use, occupancy or utilization of any part of the Premises.

If Landlord consents to any Transfer pursuant to the terms of this Section 14.2 (and does not exercise any recapture rights Landlord may have under Section 14.4 of this Lease), Tenant may enter into such Transfer of the Subject Space, upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 14.1 of this Lease, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice (i) such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, or (ii) which would cause the proposed Transfer to be more favorable to the Transferee than the terms set forth in Tenant's original Transfer Notice, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14 (including Landlord's right of recapture, if any, under Section 14.4 of this Lease).

**14.3 Transfer Premium.** If Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any "Transfer Premium," as that term is defined in this Section 14.3, received by Tenant from such Transferee in any particular calendar month, which amount shall be paid to Landlord immediately following Tenant's receipt of the same. "Transfer Premium" shall mean all rent, additional rent or other consideration (including, without limitation, key money, bonus money or other cash consideration but excluding any payment for assets, inventory, equipment or furniture transferred by Tenant to Transferee in connection with such Transfer) payable by such Transferee in connection with the Transfer in excess of the Rent and Additional Rent payable by Tenant under this Lease during the term of the Transfer on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the reasonable expenses incurred by Tenant for (i) any changes, alterations and improvements to the Premises in connection with the Transfer, and (ii) any market rate, third party brokerage commissions incurred in connection with the Transfer (collectively, the "Subleasing Costs"); provided, however, that if, at the time of any such sublease or assignment, Landlord determines that the foregoing "Transfer Premium" formula may result in the receipt by Landlord of amounts that the Landlord may not be permitted to receive pursuant to any requirements, obligation or understanding applicable to Landlord, the parties agree to enter into an amendment to this Lease which revises the "Transfer Premium" formula in a manner that (x) is mutually agreed to by the parties and (y) does not result in any material increase in the expected costs or benefits to either party under this Section 14.3.

**14.4 Landlord's Option as to Subject Space.** Notwithstanding anything to the contrary contained in this Article 14, Landlord shall have the option, by giving written notice to Tenant within thirty (30) days after receipt of any Transfer Notice, to recapture the Subject Space for the remainder of the Lease Term. Such recapture notice shall cancel and terminate this Lease with respect to the Subject Space as of the date stated in the Transfer Notice as the effective date of the proposed Transfer (or at Landlord's option, shall cause the Transfer to be made to Landlord or its agent, in which case the parties shall execute the Transfer documentation promptly thereafter); provided, however, Tenant may, within ten (10) business days after receipt of Landlord's notice of intent to recapture the Subject Space, withdraw its request for consent to the Transfer if the Subject Space is less than all or substantially all of the Premises. In that event, Landlord's election to terminate this Lease as to the Subject Space shall be null and void and of no force and effect. In the event of a recapture by Landlord, if this Lease shall be canceled with respect to less than the entire Premises, the Base Rent and Tenant's Share of increases in Direct Expenses reserved herein shall be prorated on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same. If Landlord declines, or fails to elect in a timely manner to

recapture the Subject Space under this [Section 14.4](#), then, provided Landlord has consented to the proposed Transfer, Tenant shall be entitled to proceed to transfer the Subject Space to the proposed Transferee, subject to provisions of this [Article 14](#).

**14.5 Effect of Transfer.** If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, (iv) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant, or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer, and (v) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of this Lease from any liability under this Lease, including, without limitation, in connection with the Subject Space; provided, however, if Tenant provides to Landlord reasonably satisfactory evidence that the Transferee satisfies the Release Criteria (as defined in [Section 14.8](#)), then Landlord shall release Tenant from any liability first arising under this Lease after the effective date of the Transfer. In no event shall any Transferee assign, sublease or otherwise encumber its interest in this Lease or further sublet any portion of the Subject Space, or otherwise suffer or permit any portion of the Subject Space to be used or occupied by others, except in accordance with this [Section 14](#). Landlord or its authorized representatives shall have the right at all reasonable times during normal business hours, but not more than once for each Transfer, to audit the books, records and papers of Tenant relating to any Transfer. Landlord agrees to and shall keep and maintain the books, records, and papers of Tenant strictly confidential and shall not disclose such confidential information to any person or entity other than Landlord's financial or legal consultants or Landlord's mortgagee. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency, and if understated by more than five percent (5%), Tenant shall pay Landlord's reasonable costs of such audit.

**14.7 Non-Transfers.** Notwithstanding anything to the contrary contained in this [Article 14](#) and so long as any such Permitted Non-Transfer (as defined herein) is not a subterfuge by Tenant to avoid its obligations under this Lease, any of the following transfers shall not be deemed a Transfer under this [Article 14](#) (each of which are hereinafter referred to as a "Permitted Non-Transfer" and any such assignee or sublessee pursuant to a Permitted Non-Transfer hereinafter referred to as a "Permitted Non-Transferee"): (i) an assignment of Tenant's interest in this Lease, or a subletting of all or a portion of the Premises, to an affiliate of Tenant (i.e., an entity which is controlled by, controls, or is under common control with, Tenant) or any parent of Tenant, (ii) an assignment of Tenant's interest in this Lease to an entity which acquires all or substantially all of the assets of Tenant, (iii) an assignment of Tenant's interest in this Lease to an entity which is the resulting entity of a stock acquisition, merger or consolidation of Tenant during the Lease Term; (iv) any sale of stock for capital raising purposes in which Tenant is the surviving corporation, or the sale of stock or other equity interests in Tenant on a public stock exchange (e.g., NYSE or NASDAQ), whether in connection with an initial public offering or thereafter; (v) any merger effected exclusively to change the domicile of Tenant; or (vi) any assignment of Tenants' interest in the Lease in connection with any financing or refinancing of Tenant's business, whether such financing or refinancing takes the form of debt or equity investments through publicly or privately traded equity or any other form, including, without limitation, any transaction whereby an equity investor directly or indirectly provides financing or refinancing for Tenant and/or purchases ownership interests of Tenant, its parent or any affiliate of Tenant. Each Permitted Non-Transferee shall have a valuation immediately following such transaction that is (A) not materially less than the valuation of Tenant immediately prior to each Permitted Non-Transfer, and (B) is otherwise reasonably sufficient to satisfy the financial obligations under this Lease or sublease, as the case may be. For each Permitted Non-Transfer, Tenant shall notify Landlord of the same and promptly supply Landlord with any commercially reasonable documents or information reasonably requested by Landlord regarding such Permitted Non-Transfer or such Permitted Non-Transferee. No Permitted Non-Transfer shall relieve Tenant and any Guarantor of this Lease from any liability under this Lease including, without limitation, in connection with the Subject Space; provided, however, if Tenant provides to Landlord reasonably satisfactory evidence that the Permitted Non-Transferee satisfies the Release Criteria, then Landlord shall release Tenant from any liability first arising under this Lease after the effective date of the Transfer. An assignee of Original Tenant's entire interest in this Lease which assignee is a Permitted Non-Transferee may also be referred to herein as a "Non-

Transferee Assignee." As used in this Section 14.7, "control" shall mean the ownership, directly or indirectly, of at least fifty- one percent (51%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its percent (51%) of the voting interest in, any person or entity.

14.8 Release Criteria. For the purposes of this Article 14, a Transferee or Permitted Non-Transferee shall be deemed to satisfy the Release Criteria if Tenant provides to Landlord reasonably satisfactory evidence that (i) the Transferee or Permitted Non-Transferee has at least five (5) years life science experience; and (ii) the Transferee or Permitted Non-Transferee has not less than One Hundred Fifty Million and No/100 Dollars (\$150,000,000.00) of liquid assets; and (iii) the Transferee or Permitted Non-Transferee has a debt to equity ratio of less than 2.5 (including lease liabilities); and (iv) the Transferee or Permitted Non-Transferee has Market Cap (as defined below) of not less than One Billion and No/000 Dollars (\$1,000,000,000.00). The criteria set forth in clauses (i), (ii), (iii) and (iv) of this Section 14.8 constitute the "Release Criteria". For purposes hereof, "Market Cap" means, for a publicly traded company, its market capitalization (i.e., the total dollar value of its outstanding shares multiplied by current share price); and for a privately held company, its market capitalization where the share price is derived from a bona fide capital raising transaction or a third-party valuation performed by an independent third-party valuation firm in compliance with the standards required by Internal Revenue Code 409A.

5. Rental Abatement. Although Base Rent shall continue at all times to accrue at the amounts set forth in the Lease, for the period commencing May 1, 2022 and continuing through May 31, 2022 (the "Rental Abatement Period"), so long as Tenant is not in default under the Lease (any required notice having been given and any applicable cure period having expired), Tenant may abate one hundred percent (100%) of its monthly installment of Base Rent payable under the Lease, but only the Base Rent that relates to the eleven thousand nine hundred three (11,903) square feet of Floor Area identified as the "Supplementary Premises" in the Sixth Amendment as such Floor Area was modified by the Seventh Amendment and the ninety-one thousand four hundred ninety four (91,494) square feet of Floor Area identified as the "Expansion Premises Building" in the Sixth Amendment. The difference between monthly installments of Base Rent payable under the Lease and the amounts payable by Tenant as set forth in this Paragraph 5 shall be "Abated Rental". The provisions of this Paragraph 5 do not amend Tenant's other obligations under the Lease including, but not limited to, the payment of Base Rent for other portions of the Premises and any and all Additional Rent or any other charges Tenant is obligated to pay to Landlord, in advance on or before the first day of each calendar month (collectively "Tenant's Other Obligations"). Nothing contained in this Amendment shall be construed to relieve Tenant of Tenant's obligation to pay Tenant's Other Obligations.

6. Extension of Term. The Lease Term is hereby extended for an additional one (1) month commencing on March 1, 2032 and expiring on March 31, 2032 (the "Extension Period"). The Base Rent during the Extension Period shall be at the same rate as the calendar month immediately preceding the Extension Period.

7. Estoppel. Tenant and Landlord each hereby affirms by execution of this Amendment that to the best of such party's knowledge the Lease is in full force and effect and such party does not have any presently existing claims against the other party or any offsets against any amounts due under the Lease. To the best of each party's knowledge, there are no defaults of the other party under the Lease and there are no existing circumstances which with the passage of time, notice or both, would give rise to a default under the Lease.

8. Full Force and Effect. Except as expressly modified by this Amendment, the Lease remains unmodified and in full force and effect. All references in the Lease to "this Lease" shall be deemed references to the Lease as modified by this Amendment.

9. Counterparts; Electronic Signatures. This Amendment may be executed in one or more counterparts and the signature pages combined to constitute one document. Electronic signatures shall have the same force and effect as original signatures.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

LANDLORD:

VESTAR GATEWAY, LLC, a Delaware limited liability company

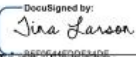
By: SLC Gateway Retail, LLC,  
a Delaware limited liability company,  
its Sole Member

By: VGSLM, LLC,  
a Delaware limited liability company,  
its Managing Member

By:   
Name: David Carcher  
Title: Manager

TENANT:

RECURSION PHARMACEUTICALS, INC.,  
a Delaware corporation

By:   
Name: Tina Larson  
Title: President & COO





**CONSTANTINE ENTERPRISES INC.**

LANDLORD

-and-

**RECURSION CANADA INC.**

TENANT

-and-

**RECURSION PHARMACEUTICALS INC.**

INDEMNIFIER

**NET LEASE**

**336 QUEEN STREET WEST, TORONTO, ONTARIO**

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**NET LEASE**

THIS LEASE, dated April 28, 2022 is made by the Landlord, the Tenant and the Indemnifier named in it who, in consideration of the rents, covenants and agreements contained in this Lease, covenant and agree as follows:

**ARTICLE 1  
BASIC TERMS****1.1 Basic Terms**

The following are certain basic lease provisions which are part of, and are referred to in, subsequent provisions of this Lease.

- (a) Landlord: Constantine Enterprises Inc.
- (b) Tenant: Recursion Canada Inc.
- (c) Building: 336 Queen Street West, Toronto, Ontario
- (d) Premises: The 2nd, 3rd, and 4th floors of the Building
- (e) Rentable Area of Premises: Approximately 26,320 square feet of rentable area subject to area measurement per section 5.3.
- (f)
- (i) Term: Ten (10) years
- (ii) Commencement Date: December 1, 2022
- (iii) Rent Commencement Date: December 1, 2022
- (iv) Expiry Date: November 30, 2032
- (g) Fixturing Period: May 1, 2022 – November 30, 2022  
(subject to Section 3(c) of Schedule “D”)
- (h) Minimum Rent Free Period: None
- (i) Minimum Rent

<b>Period</b>	<b>Per Square Foot of Rentable Area/Yr</b>	<b>Annual Amount</b>	<b>Monthly Amount</b>
Year 1 (December 1, 2022 – November 30, 2023)	\$48.50	\$1,276,520.00	\$106,376.67
Year 2 (December 1, 2023 – November 30, 2024)	\$49.50	\$1,302,840.00	\$108,570.00

Year 3 (December 1, 2024 – November 30, 2025)	\$50.50	\$1,329,160.00	\$110,763.33
Year 4 (December 1, 2025 – November 30, 2026)	\$51.50	\$1,355,480.00	\$112,956.67
Year 5 (December 1, 2026 – November 30, 2027)	\$52.50	\$1,381,800.00	\$115,150.00
Year 6 (December 1, 2027 – November 30, 2028)	\$53.50	\$1,408,120.00	\$117,343.33
Year 7 (December 1, 2028 – November 30, 2029)	\$54.50	\$1,434,440.00	\$119,536.67
Year 8 (December 1, 2029 – November 30, 2030)	\$55.50	\$1,460,760.00	\$121,730.00
Year 9 (December 1, 2030 – November 30, 2031)	\$56.50	\$1,487,080.00	\$123,923.33
Year 10 (December 1, 2031 – November 30, 2032)	\$57.50	\$1,513,400.00	\$126,116.67

- (j) Rent Deposit: \$156,823.33 plus HST, subject to any adjustment pursuant to Section 5.3
- (k) Security Deposit: \$353,126.67 plus HST, subject to any adjustment pursuant to Section 5.3
- (l) Indemnifier: Recursion Pharmaceuticals Inc.

## ARTICLE 2 SPECIAL PROVISIONS

### 2.1 See Schedule “D”.

## ARTICLE 3 DEFINITIONS AND INTERPRETATION

### 3.1 Definitions

- (a) “**Additional Rent**” means all amounts in addition to Minimum Rent payable by the Tenant to the Landlord or any other Person pursuant to this Lease, other than Rental Taxes.
- (b) “**Additional Services**” has the meaning set out in Section 8.6.
- (c) “**Alterations**” has the meaning ascribed to it in Section 10.2.
- (d) “**Applicable Laws**” means all statutes, laws, by-laws, regulations, ordinances, orders and requirements of governmental or other public authorities having jurisdiction in force from time to time and including but not limited to the Environmental Laws.
- (e) “**Authority**” has the meaning set out in Section 3.1(u).

- (f) **“Building”** means the Lands, the building identified in Section 1.1(c), and all other structures, improvements, facilities and appurtenances that have been or will be constructed on the Lands (above, at or below grade), including the Building Systems and the Common Areas and Facilities, all as may be altered, expanded, reduced or reconstructed from time to time.
- (g) **“Building Access Hours”** means the hours during which the Building is open to the public, as determined from time to time by the Landlord.
- (h) **“Building Systems”** means at any time: (i) all heating, ventilating and air-conditioning and other climate control systems and other systems, services, installations and facilities installed in or servicing the Building (or any portion thereof), including, without limitation, the following systems, services, installations and facilities: elevators and escalators, mechanical (including HVAC), plumbing, sprinkler, drainage and sewage, electrical and other utilities, lighting, life safety (including fire prevention, communications, security and surveillance), computer (including environmental, security and lighting control), ice and snow melting, refuse removal, window washing and music; (ii) all machinery, appliances, equipment, apparatus, components, computer software and appurtenances forming part of or used for or in connection with any of such systems, services, installations and facilities including, but not limited to, boilers, motors, generators, fans, pumps, pipes, conduits, ducts, valves, wiring, meters and controls, and the structures and shafts housing and enclosing any of them; and (iii) all Landlord owned or controlled telecommunications facilities, pathways, installations and equipment.
- (i) **“Business Day”** means any day which is not a Saturday, Sunday or a day observed as a holiday under the Applicable Laws in the province in which the Building is situated.
- (j) **“Business Hours”** means the normal business hours determined from time to time by the Landlord, for the Building, but not less than the current Business Hours hereinafter described. Current Business Hours are Monday - Friday 8:00 AM – 6:00 PM subject to the Landlord’s adjustment.
- (k) **“Business Taxes”** means all taxes, rates, duties, levies, assessments, licence fees and other charges in respect of the use or occupancy of, or any business carried on by, tenants or other occupants of the Building.
- (l) **“Capital Tax”** means the amount determined by multiplying each of the “Applicable Rates” by the “Capital” and totaling the products. “Capital” is the amount of capital which the Landlord determines, without duplication, is invested from time to time by the Landlord or any company related to the Landlord within the meaning of the *Income Tax Act* (Canada), or all of them, in doing all or any of: acquiring, developing, expanding, redeveloping and improving the Building. Capital will not be increased by any financing or re-financing except to the extent that the proceeds are invested in doing all or any of the foregoing. “Applicable Rate” is the capital tax rate, if any, specified from time to time under any law which imposes a tax in respect of the capital of corporations and for greater certainty includes Large Corporations Tax, if any, levied under the *Income Tax Act* (Canada) as amended from time to time. Each Applicable Rate will be considered to be the rate that would apply if each of the Landlord and the related companies referred to above were taxable corporations that employed no capital outside the province in which the Building is located.
- (m) **“Carbon Offset Costs”** means and refers to the cost of purchasing tradeable units, denominated in tonnes of carbon dioxide (“CO<sub>2</sub>”), or the CO<sub>2</sub> equivalent using the global

warming potential of other Greenhouse Gases, where the purchase of such tradeable units is necessary to ensure compliance of the Building with any required target Greenhouse Gases emission level or energy consumption level as prescribed by Applicable Laws.

- (n) **“Carbon Tax”** means and refers to the aggregate of all taxes, rates, duties, levies, fees, charges and assessments whatsoever, imposed, assessed, levied, confirmed, rated or charged against or in respect of the consumption by the Landlord in or at the Building of electricity, natural gas, propane or any other fossil fuel used to produce energy, such as heat, light or electricity, for the Building or any part of it or levied in lieu thereof, and levied against the Landlord or the Building by any local, provincial or federal government or any agency thereof having jurisdiction.
- (o) **“Change of Control”** means, in the case of any corporation or partnership, the transfer or issue by sale, assignment, subscription, transmission on death, mortgage, charge, security interest, operation of law or otherwise, of any shares, voting rights or interest which would result in any change in the effective control or beneficial ownership of such corporation or partnership, unless such change occurs as a result of trading in the shares of a public corporation listed on a recognized stock exchange in Canada or the United States, or, if so determined by the Landlord, on a recognized stock exchange in any other country.
- (p) **“Commencement Date”** means the date set out in or determined pursuant to Section 1.1(f)(ii).
- (q) **“Common Areas and Facilities”** means those areas, facilities, improvements, installations and equipment in or around the Building existing from time to time that: (i) are neither rented nor designated nor intended by the Landlord to be rented; and (ii) are provided or designated from time to time by the Landlord for use in common by the Landlord, the Tenant, other tenants of the Building or their sublessees, agents, employees, customers, invitees or licensees, whether or not those areas are open to the general public or to all tenants of the Building including, without limitation, the Building Systems, entrances, lobbies, access and service corridors, stairways, indoor and outdoor walkways (both open and enclosed), malls, courts and arcades (both open and enclosed), public seating areas and facilities, public washrooms, indoor and outdoor landscaping and landscaped areas, passageways, bridges or tunnels leading to any public walkway or other facilities or to other buildings or concourses, mailrooms, electrical, telecommunications, cable, meter, valve, mechanical, storage and janitor rooms, telecommunication and electrical risers, shipping and receiving areas and loading docks, package or passenger pick-up areas, waste disposal or recycling facilities, parking facilities, driveways, laneways and ramps and sidewalks, parks and other municipal facilities for which the Landlord, directly or indirectly is subject to obligations in its capacity as owner of the Building or an interest in it, all as may be altered, expanded, reduced, reconstructed or relocated from time to time.
- (r) **“Damage”** shall have the meaning as set out in Section 15.1.
- (s) **“Default Rate”** means the lesser of: (i) the Prime Rate plus three percent (3%) per annum, calculated and compounded monthly, not in advance.
- (t) **“Early Termination”** has the meaning set out in Section 13.3.
- (u) **“Environmental Laws”** shall mean all statutes, laws, by-laws, regulations, codes, orders, environmental penalties, tickets, notices, standards, guidelines, criteria, policies and directives, approvals, licences and permits now or at any time hereafter in effect, made or issued by any municipal, provincial or federal government, or by any department, agency,

tribunal, board or office thereof, or any other agency or source whatsoever, (collectively, an "Authority"), regulating, relating to or imposing liability or standard of conduct concerning the natural or human environment (including air, land, surface water, groundwater, waste, real and personal property, moveable and immovable property, sustainability, building operations, recycling or resource consumption), public or occupational health and safety and the manufacture, importation, handling, use, reuse, recycling, transportation, storage, disposal, elimination and treatment of a substance, hazardous or otherwise.

- (v) **"Environmental Objectives"** has the meaning set out in paragraph 2 of Schedule "D".
- (w) **"Event of Default"** has the meaning set out in Section 16.1.
- (x) **"Expert"** means any architect, engineer, land surveyor, environmental consultant, energy auditor, accountant, insurance consultant or other professional consultant appointed by the Landlord who, is qualified to perform the function for which he or she is retained.
- (y) **"Expiry Date"** means the date set out in or determined pursuant to Section 1.1(f)(iv).
- (z) **"Fiscal Year"** means the fiscal period(s) as designated by the Landlord from time to time. The Landlord may have different Fiscal Years for any one or more of the components of Additional Rent.
- (aa) **"Fixturing Period"** means the period, if any, specified in Section 1.1(g) provided to the Tenant to perform its fixturing of the Premises.
- (bb) **"Greenhouse Gases"** has the meaning set out in paragraph 2(a) of Schedule "D".
- (cc) **"Hazardous Substance"** means (a) any solid, liquid, gaseous or radioactive substance (including radiation) which, when it enters into the Building, exists in the Building or is present in the water supplied to the Building, or when it is released into the environment from the Building or any part thereof or is entrained from one building to another building, or into the water or the natural environment, is likely to cause, at any time, material harm or degradation to any other property or any part thereof, or to the natural environmental or material risk to human health, and includes, without limitation, any flammables, explosives, radioactive materials, asbestos, lead paint, polychlorinated biphenyls ("PCBs"), fungal contaminants (including, without limitation, and by way of example, stachybotrys chartarum and other moulds), mercury and its compounds, dioxans and furans, chlordane ("DDT"), polychlorinated biphenyls, chlorofluorocarbons ("CFCs"), hydro-chlorofluorocarbons ("HCFCs"), volatile organic compounds ("VOCs"), urea formaldehyde foam insulation, radon gas, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic or noxious substances or related materials, petroleum and petroleum products, or (b) any substance declared to be hazardous or toxic under any Environmental Laws or that does not meet any prescribed standard or criteria made under any Environmental Laws now or hereafter enacted or promulgated by any Authority, or (c) both (a) and (b).
- (dd) **"Health Emergency"** means a situation in which based on advice from a medical professional, or a directive, bulletin, notice or other form of communication from a public health authority, that occupants, tenants, invitees or contractors working in the Building are or may be exposed to imminent danger from a disease, virus or other biological or physical agents that may be detrimental to human health.
- (ee) **"HVAC"** shall mean heating, ventilation and air conditioning equipment.

- (ff) "**Indemnifier**" means the party named in Section 1.1(l).
- (gg) "**Landlord**" means the party named in Section 1.1(a).
- (hh) "**Lands**" means the lands described in Schedule "A" (or such portion thereof as may be designated by the Landlord from time to time), as altered, expanded or reduced from time to time.
- (ii) "**Lease**" means this lease, including all Schedules, as it may be amended.
- (jj) "**Lease Year**" means: (i) in the case of the first Lease Year, the period beginning on the Rent Commencement Date and ending on the last day of the twelfth (12th) consecutive full month after the expiry of the calendar month in which the Rent Commencement Date occurs (except that if the Rent Commencement Date occurs on the first day of a calendar month, the first Lease Year shall end on the day prior to the first anniversary of the Rent Commencement Date) and; (ii) in the case of each subsequent Lease Year, consecutive twelve (12) month periods, provided that the final Lease Year shall end on the Expiry Date.
- (kk) "**Leasehold Improvements**" means all items generally considered to be leasehold improvements, including, without limitation, all fixtures, equipment, alterations, decoration and additions from time to time made, erected or installed in the Premises, for the purpose of preparing the Premises for the conduct of the Tenant's business, except for furniture, , and readily removable trade fixtures and equipment which are not hard wired or plumbed; Leasehold Improvements may include (without limitation):
  - (i) the walls constructed within the Premises;
  - (ii) all electrical wiring, plumbing and ventilation distribution constructed within the Premises;
  - (iii) finishes such as paint or wallpaper on demising walls and on walls constructed within the Premises;
  - (iv) floor coverings including but not limited to carpet, tile, marble, granite, and terrazzo within the Premises;
  - (v) ceilings including but not limited to suspended and drywall ceilings within the Premises; and
  - (vi) all other improvements permanently attached to the Premises.
- (ll) "**Measurement Standard**" means the Office Buildings: Standard Methods of Measurement and Calculating Rentable Area (2010), Method B, published by the Building Owners and Managers Association (BOMA) International, provided that notwithstanding the foregoing or anything else contained in this Lease, the Landlord may, at its option from time to time, choose to measure the area of any space included in the Building (but not the Premises) in accordance with the BOMA standard method of measurement then in effect from time to time
- (mm) "**Minimum Rent**" means the rent payable pursuant to Section 6.1.
- (nn) "**Mortgage**" means any mortgage, charge or security instrument (including a deed of trust or mortgage securing bonds) and all extensions, renewals, modifications, consolidations and replacements of any such item which may now or hereafter affect the Building, or any part of it.



- (oo) **“Mortgagee”** means the mortgagee, chargee or other secured party (including a trustee for bondholders), as the case may be, who from time to time holds a Mortgage.
- (pp) **“Notice”** has the meaning set out in Section 18.7.
- (qq) **“Operating Costs”** has the meaning set out in Section 7.5.
- (rr) **“Patio Area”** has the meaning set out in the Patio Licence Agreement.
- (ss) **“Patio Licence Agreement”** has the meaning set out in Section 7 of Schedule “G”.
- (tt) **“Permitted Transfer”** has the meaning set out in Section 13.4.
- (uu) **“Permitted Transferee”** has the meaning set out in Section 13.4.
- (vv) **“Permitted Use”** has the meaning set out in Section 11.1.
- (ww) **“Person”** means any individual, partnership, corporation, trust, trustee or other entity or any combination of them, and **“Persons”** means more than one Person.
- (xx) **“Premises”** means that part of the Building identified in Section 1.1(d) and approximately shown hatched on Schedule “B”. Any Building Systems located in the Premises do not form part of the Premises.
- (yy) **“Prime Rate”** means the annual rate of interest announced from time to time by the Canadian chartered bank chosen by the Landlord as the daily rate of interest used by such bank as a reference rate in setting rates of interest for Canadian dollar commercial loans and commonly referred to by such bank as its Canadian “prime rate”.
- (zz) **“Proportionate Share”** means a fraction which has: (i) as its numerator, the Rentable Area of the Premises, and (ii) as its denominator, the Rentable Area of the Building; this fraction may vary, in the event of an increase or a decrease in the Rentable Area of the Premises or the Rentable Area of the Building..
- (aaa) **“Realty Taxes”** means the aggregate of all taxes, rates, duties, levies, fees, charges (including local improvement charges) and assessments whatsoever, imposed, assessed, levied, confirmed, rated or charged against or in respect of the Building or any part thereof or any fixtures, equipment or improvements thereto from time to time by any lawful taxing or assessing authority, whether school, municipal, regional, provincial, federal, parking, utilities or otherwise, including extraordinary and special assessments, and any taxes or other amounts which are imposed in lieu of, or in addition to, any of the foregoing whether or not in existence on the Commencement Date and whether of the foregoing character or not, or against the Landlord in respect of any of the same or in respect of any rental or other compensation receivable by the Landlord in respect of the same, and any Taxes on real property rents or receipts of such (as opposed to a tax on such rents as part of the income of the Landlord or the Buildings Owners), any Taxes based, in whole or in part, upon the value of the Building or any part or parts thereof, any commercial concentration or similar levy in respect of the Building excluding taxes on the income or profits of the Landlord except to the extent that they are levied in lieu of the foregoing. For clarification, Realty Taxes shall not include any taxes personal to the Landlord such as income tax, inheritance tax, gift tax or estate tax.
- (bbb) **“Rent”** means all Minimum Rent and Additional Rent.

- (ccc) **“Rent Commencement Date”** means the date set out in, or determined pursuant to, Section 1.1(f)(iii).
- (ddd) **“Rent Deposit”** means the amount specified in Section 1.1(j).
- (eee) **“Rentable Area”** means: (i) in the case of the Premises and any other premises included in the Rentable Area of the Building, the area of all floors of such premises determined in accordance with the Measurement Standard; and (ii) in the case of the Building the aggregate of the area of all premises in the Building that are rented, or designated or intended by the Landlord to be rented (whether actually rented or not) but excluding storage and parking areas, determined in accordance with the Measurement Standard. The Rentable Area of the Building may be adjusted from time to time to reflect any alteration, expansion, reduction, recalculation or other change.
- (fff) **“Rental Taxes”** means all goods and services, business transfer, multi-stage sales, sales, use, consumption, value-added or other similar taxes imposed by any federal, provincial or municipal government upon the Landlord or the Tenant in respect of the Lease which is measured by or based in whole or in part directly upon the Rent payable under this Lease or in respect of the rental or rental value of premises under this Lease or the payments made by the Tenant hereunder or the goods and services provided by the Landlord hereunder including without limitation, the rental of the Premises and the provision of administrative services to Tenant hereunder, whether existing at the date of this Lease or hereafter imposed by any governmental authority including, without limitation, goods and services tax, harmonized sales tax, value added tax, business transfer tax, sales tax, federal sales tax, excise taxes or duties or any tax similar to the foregoing.
- (ggg) **“Repair Standard”** shall have the meaning as set out in Section 9.4.
- (hhh) **“Rules and Regulations”** means the Rules and Regulations annexed hereto as Schedule “C” together with any amendments, deletions and additions made by the Landlord from time to time pursuant to Section 11.4(b), all of which shall form part of this Lease.
- (iii) **“Security Deposit”** means the amount specified in Section 1.1(k).
- (jjj) **“Tenant”** means the party named in Section 1.1(b).
- (kkk) **“Term”** means the period of time specified in Section 1.1(f)(i) which commences on the Commencement Date and expires on the Expiry Date, including extensions or renewals thereof, if any, unless terminated earlier pursuant to the provisions of this Lease.
- (lll) **“Transfer”** means all or any of the following, whether by conveyance, written agreement or otherwise: (i) an assignment of this Lease in whole or in part; (ii) a sublease of all or any part of the Premises; (iii) the sharing or transfer of any right of use or occupancy of all or any part of the Premises; (iv) any mortgage, charge or encumbrance of this Lease or the Premises or any part of the Premises or other arrangement under which either this Lease or the Premises become security for any indebtedness or other obligation; and (v) a Change of Control, and includes any transaction or occurrence whatsoever (including, but not limited to, expropriation, receivership proceedings, seizure by legal process and transfer by operation of law), which has changed or might change the identity of the Person having use or occupancy of any part of the Premises. **“Transferee”** means the Person to whom a Transfer is or is to be made.
- (mmm) **“TSP”** has the meaning set out in Section 8.8(b).

(nnn) “**Unavoidable Delay**” has the meaning set out in Section 18.5.

### **3.2 Entire Agreement and Waiver**

This Lease contains the entire agreement between the parties with respect to the subject matter of this Lease and there are no other agreements, promises or understandings, oral or written, between the parties in respect of this subject matter. This Lease may be amended only by written agreement between the Landlord and the Tenant. No electronic communications between the parties will have the effect of amending this Lease. No provisions of this Lease shall be deemed to have been waived by the Landlord or the Tenant unless such waiver is in writing and signed by such party. If either the Landlord or the Tenant excuses or condones any default by the other of any obligation under this Lease, no waiver of such obligation shall be implied in respect of any continuing or subsequent default. The Landlord’s receipt of Rent with knowledge of a breach shall not be deemed a waiver of any breach.

### **3.3 No Representation by the Landlord**

The Tenant expressly acknowledges and agrees that the Landlord has not made and is not making, and the Tenant, in executing and delivering this Lease, is not relying upon, any warranties, representations, promises or statements, except to the extent that the same are expressly set forth in this Lease or in any other written agreement that may be made between the parties concurrently with the execution and delivery of this Lease and shall expressly refer to this Lease. The Landlord makes no representation or warranty with respect to whether or not the Tenant’s use of the Premises is permitted by all Applicable Laws.

### **3.4 General Rules of Interpretation**

- (a) Obligations as Covenants: Each obligation of the Landlord and the Tenant in this Lease shall be considered a covenant for all purposes. If the Tenant has failed to perform any of its obligations under this Lease, such obligations shall survive the expiration or other termination of this Lease.
- (b) Time: Time is of the essence of this Lease.
- (c) Number, Gender: The grammatical changes required to make the provisions of this Lease apply in the plural sense where the Tenant comprises more than one Person and to individuals (male or female), partnerships, corporations, trusts or trustees will be assumed as though in each case fully expressed.
- (d) Liability of Tenant: If the Tenant consists of more than one Person, the covenants of the Tenant shall be joint and several covenants of each such Person. If the Tenant is a partnership and not a limited liability partnership, each Person who is presently a partner of the partnership and each Person who becomes a member of any successor partnership shall be and continue to be bound jointly and severally for the performance of and shall be and continue to be subject to all of the terms, obligations and conditions of this Lease, whether or not such Person ceases to be a member of such partnership or successor partnership and whether or not such partnership continues to exist. If the Tenant is a limited liability partnership, each Person who is presently a partner of the limited liability partnership and each Person who becomes a member of any successor limited liability partnership shall be and continue to be bound jointly and severally for the performance of and shall be and continue to be subject to all of the terms, obligations and conditions of this Lease, whether or not such Person ceases to be a member of such limited liability partnership or successor limited liability partnership and whether or not such limited liability partnership continues to exist, to the full extent permitted by Applicable Law.

- (e) Governing Law: This Lease shall be governed by and construed under the Applicable Laws of the jurisdiction in which the Building is located and the parties attorn and submit to the jurisdiction of the courts of such jurisdiction.
- (f) Headings: The headings of the Articles and Sections are included for convenience only, and shall have no effect upon the construction or interpretation of this Lease.
- (g) Landlord as Trustee: Any and all exculpatory provisions, releases and indemnities included in this Lease for the benefit of the Landlord are intended also to benefit the Mortgagees, any owner or lessor with an interest in the Building superior to the interest of the Landlord, any property managers of the Landlord and the officers, directors, shareholders, employees, agents of each one of them and, for the purposes of such provisions, the Landlord is acting as agent or trustee on behalf of and for the benefit of the Persons mentioned above.
- (h) Severability: Should any provision of this Lease be or become invalid, void, illegal or not enforceable, such provision shall be considered separate and severable from this Lease and the remaining provisions shall remain in force and be binding upon the parties hereto as though such provision had not been included.
- (i) Acknowledgements: The Landlord and the Tenant agree that, notwithstanding any rule of law or equity, presumption, principle of construction, law or statutory enactment to the contrary:
  - (i) in any controversy, dispute, contest, arbitration, mediation or legal proceeding of any kind including an action, lawsuit, motion, application, reference or appeal, regarding the interpretation, validity, or enforcement of this Lease or any of its provisions, there shall be no inference, presumption or conclusion drawn whatsoever against either the Landlord or the Tenant by virtue of that party having drafted this Lease or any portion thereof or by virtue of this Lease being drawn using the Landlord's standard form;
  - (ii) any deletion of language or wording from this Lease prior to execution by the Landlord and the Tenant shall not be construed to have any particular meaning or to raise any presumption, construction or implication including, without limitation, any implication that by the deletion of certain language or wording the Landlord and the Tenant intended to state the opposite of the deleted language or wording; and
  - (iii) the selection or use of any bold, italicized, underlined or coloured print in this Lease shall not be construed to have any particular meaning or to raise any presumption, construction or implication;

### **3.5 Successors**

This Lease and everything herein contained shall extend to and bind the successors and assigns of the Landlord and the legal representatives, heirs, executors, administrators, successors and permitted assigns of the Tenant (as the case may be), except as may be specifically excepted herein.

### **3.6 Amendments**

This Lease shall not be modified or amended except by an instrument in writing of equal formality herewith and signed by the parties hereto or by their successors or permitted assigns.

## **ARTICLE 4 GRANT AND TERM**

### **4.1 Term, Demise**

The Landlord hereby demises and leases the Premises to the Tenant for the Term (unless terminated earlier pursuant to this Lease), to have and to hold during the Term, subject to the terms and conditions of this Lease. The Landlord grants to the Tenant a non-exclusive and non-transferable licence throughout the Term to the benefit or use (as may be appropriate) of those Common Areas and Facilities which provide access to the Premises or which are generally made available to all tenants in the Building, in common with other tenants of the Building and with all others entitled thereto, subject to the terms and conditions of this Lease. The Building shall be open to the public during the Building Access Hours, except as otherwise provided in this Lease. However, except as otherwise provided in this Lease, the Tenant and its authorized employees shall be permitted to have access to the Premises, the Building, the stairwells and elevators within the Common Areas and Facilities and loading dock on a twenty-four (24) hours per day, seven (7) days per week, basis, subject to Applicable Laws and subject to compliance with the Landlord's security requirements which may, without limitation, require the use of an electronic fob, access card or other similar device. For clarity, the Tenant is not to use any parts of the Common Areas and Facilities for the Tenant's exclusive purpose including but not limited to food handling and storage. The Tenant to keep the Common Areas and Facilities as well as the hallway of the basement portion of the Tenant's Premises free from debris, garbage and the Tenant's belongings in compliance with the Fire & Safety Regulations. The Tenant to keep to the electrical panel(s) on the Tenant's Premises easily accessible and unobstructed.

### **4.2 Acceptance**

The Tenant hereby leases and accepts the Premises from the Landlord and covenants to pay the Rent and to observe and perform all the covenants and obligations to be observed and performed by the Tenant pursuant to this Lease. The Tenant agrees that, except as may be specifically set out herein, the Premises are accepted on an "as is" basis, subject to the completion of the Landlord's Work, and there is no promise, representation or undertaking binding upon the Landlord with respect to any alteration, remodeling or decoration of the Premises or with respect to the installation of equipment or fixtures in the Premises.

### **4.3 Quiet Enjoyment**

If the Tenant pays the Rent, fully performs all its obligations under this Lease and there is no existing Event of Default beyond any applicable notice and cure period, then the Tenant shall be entitled, subject to the provisions of this Lease (including, without limitation, the provisions of Section 18.5) and to Applicable Laws, to peaceful and quiet enjoyment of the Premises for the Term.

## **ARTICLE 5 GENERAL RENTAL PROVISIONS**

### **5.1 Net Lease**

The Tenant acknowledges and agrees that it is intended that this Lease shall be a completely carefree net lease for the Landlord and that the Landlord shall not be responsible for any costs, charges, expenses and outlays of any nature whatsoever arising from or relating to the Premises or the Building during the Term, whether foreseen or unforeseen and whether or not within the contemplation of the parties at the commencement of the Term, except as shall be otherwise expressly provided in this Lease.

### **5.2 Covenant to Pay**

The Tenant shall pay Rent plus all applicable Rental Taxes thereon as herein provided which obligation shall survive the expiration or earlier termination of this Lease.



### 5.3 Adjustment Due to Measurement

The Landlord may, from time to time, at its option, cause the Rentable Area of the Premises or the Building to be measured by an Expert in accordance with the Measurement Standard and shall deliver a certificate of measurement to the Tenant, and, if necessary as a result of such measurement, the annual Minimum Rent and the calculation of Additional Rent shall be adjusted by the Landlord. The effective date of any such adjustment shall be:

- (a) in the case of any measurement made prior to or within six (6) months of the Commencement Date, the date the Tenant is allowed possession of the Premises under this Lease; and
- (b) in all other cases, the date of the determination of the measurement.

Any such measurement by an Expert shall be final and binding on the Landlord and the Tenant, absent manifest error. Neither the Landlord nor the Tenant may claim any adjustment to the annual Minimum Rent or to the calculation of Additional Rent based on the Rentable Area of the Premises except in accordance with a measurement by an Expert made pursuant to this Section and, for greater certainty, neither the Landlord nor the Tenant may claim any adjustment to the annual Minimum Rent or to the calculation of Additional Rent based on such measurement for the period prior to the effective date of such adjustment as set out above. Notwithstanding the foregoing or anything to the contrary herein, (i) prior to the Commencement Date, the Landlord shall at its own expense, provide to the Tenant a certificate of measurement from an Expert verifying the Rentable Area of the Premises or from an area measurement company verifying the Rentable Area of the Premises, and (ii) the Rentable Area of the Premises shall not be re-measured during the Term.

### 5.4 Rent Payment

- (a) All Rent and other amounts required to be paid by the Tenant pursuant to this Lease shall be paid to the Landlord, or its payment recipient agent, when due, at the address provided for herein or otherwise directed by the Landlord without prior demand and without any deduction, abatement, set-off, compensation or claim whatsoever and the Tenant hereby waives the benefit of any statutory or other right in respect of abatement or set-off in its favour at the time hereof or at any future time.
- (b) Unless and until otherwise directed by the Landlord, the Tenant is hereby directed to make all Rent and other payments required under this Lease payable to the Landlord at the address provided herein.
- (c) All payments required to be made by the Tenant pursuant to this Lease, except for Rental Taxes, shall be deemed to be Rent and shall be payable and recoverable as Rent, and the Landlord shall have all rights against the Tenant for default in any such payment as in the case of arrears of Rent.
- (d) The Tenant shall pay to the Landlord all Rental Taxes applicable from time to time, calculated and payable in accordance with Applicable Laws and the Tenant shall pay such amount at the earlier of: (i) the time provided for by Applicable Laws; and (ii) the time such Rent is required to be paid under this Lease. The amount payable by the Tenant on account of Rental Taxes shall be deemed not to be Rent for the purpose of such calculation but in the event of a failure by the Tenant to pay any amount, the Landlord shall have the same rights and remedies as it has in the event of a failure by the Tenant to pay Rent.
- (e) If the Rent Commencement Date is other than the first day of a full period in respect of which any item of Rent is calculated, or the Expiry Date is other than the last day of a full



period, then unless otherwise provided in this Lease, the amount of such item of Rent payable in respect of the broken period shall be prorated based on a three hundred and sixty-five (365) day year.

### **5.5 Rent Past Due**

If the Tenant fails to duly pay any Rent or any other amount payable by the Tenant under this Lease, such unpaid amounts shall bear interest at the Default Rate (payable as Additional Rent) from the due date thereof to the date of payment.

### **5.6 Method of Rent Payment**

- (a) The Tenant undertakes to make its monthly payments of Rent as provided in the Lease, together with Rental Taxes and any other applicable taxes by way of electronic funds transfer ("EFT") with all such payments due in the Landlord's account on the due date thereof. Tenant shall execute all documents reasonably required in order to effect payment by way of EFT.
- (b) Intentionally Deleted .
- (c) Any invoice sent by the Landlord to the Tenant pursuant to the provisions of this Lease, other than monthly Rent payments, shall be paid for by way of EFT to the Landlord (and/or its banking institution).

## **ARTICLE 6 MINIMUM RENT AND DEPOSITS**

### **6.1 Minimum Rent**

Commencing on the Rent Commencement Date, the Tenant shall pay to the Landlord the Minimum Rent, subject to any adjustment pursuant to Section 5.3. The Minimum Rent shall be payable in equal, consecutive monthly instalments in advance on the first day of each calendar month during the Term.

### **6.2 Rent Deposit**

The Landlord acknowledges the receipt of a Rent Deposit in the amount of \$156,823.33 plus Rental Taxes. The Rent Deposit amount shall be equal to the first monthly instalment of Minimum Rent and estimated Additional Rent and shall be adjusted accordingly (and the Tenant shall provide any additional funds required to increase the Rent Deposit forthwith) following any adjustment to Minimum Rent and Additional Rent amounts pursuant to Section 5.3. The Rent Deposit will be held by the Landlord without any interest accruing for the Tenant, which shall be applied to the Rent as it first becomes due.

### **6.3 Security Deposit**

The Landlord acknowledges the receipt of a Security Deposit in the amount of \$353,126.67 plus Rental Taxes from the Tenant to be held by the Landlord without any interest accruing for the Tenant as security for the observance and performance of the Tenant's obligations under this Lease, without prejudice to the Landlord's other rights and remedies. The Security Deposit amount shall be equal to the last two monthly instalment of Minimum Rent and estimated Additional Rent during the Term and shall be adjusted accordingly (and the Tenant shall provide any additional funds required to increase the Security Deposit forthwith) following any adjustment to Minimum Rent and Additional Rent amounts pursuant to Section 5.3. If at any time any Rent or any Rental Taxes or other tax payable by the Tenant hereunder is overdue, the Landlord may, at its option, appropriate and apply all or any portion of the Security Deposit to the payment of such Rent, Rental Taxes or other tax. In addition, if the Tenant defaults in the observance or

performance of any of the terms, covenants, conditions or provisions of this Lease, then the Landlord may, at its option, appropriate and apply all or any part of the Security Deposit on account of any losses or damages sustained by the Landlord as a result of such default. If all or any part of the Security Deposit is appropriated and applied by the Landlord, then the Tenant shall, within seven (7) Business Days after receipt of notice from the Landlord of any shortfall in the Security Deposit, remit to the Landlord a sufficient amount to restore the Security Deposit to the original sum deposited. If the Tenant complies with all the terms, covenants, conditions and provisions of this Lease and promptly pays all Rent and other amounts and remits all Rental Taxes and other tax as herein provided when due, and provided the Tenant is not then overholding, the Security Deposit shall be applied against the last monthly instalment of Rent payable by the Tenant under this Lease and the remaining portion shall be returned to the Tenant within 15 Business Days after the expiry of the Term, save and except any amounts owing under the Lease to the Landlord by the Tenant. The Landlord shall deliver a statement detailing any reconciliation of Rent together with the return of the Security Deposit. The Landlord may deliver the Security Deposit, or such portion thereof remaining on hand to the credit of the Tenant, to any purchaser, Mortgagee or assignee of the Landlord's interest in the Premises or this Lease and thereupon the Landlord shall be and is hereby discharged from any further liability with respect to the Security Deposit. In the event of bankruptcy or similar proceedings involving the Tenant as debtor, the Security Deposit shall be applied first to the payment of Rent, Rental Taxes and other sums due to the Landlord under the terms of this Lease and will be deemed to have been applied no later than the day prior to the bankruptcy or the institution of similar proceedings.

Nothing herein contained relieves the Tenant from making due payment to the Landlord of all Rent, Rental Taxes and other taxes payable under this Lease.

#### **6.4 Minimum Rent Free Period**

Intentionally deleted.

### **ARTICLE 7 REALTY TAXES AND OPERATING COSTS**

#### **7.1 Realty Taxes Payable by Landlord**

The Landlord shall pay all Realty Taxes, but it may defer such payments or compliance to the fullest extent permitted by law so long as it pursues in good faith any contest or appeal of any such Realty Taxes with reasonable diligence.

#### **7.2 Realty Taxes Payable by Tenant**

- (a) From and after the Rent Commencement Date, the Tenant shall pay as Additional Rent directly to the Landlord in each Fiscal Year the Tenant's share of Realty Taxes as determined pursuant to this Section 7.2.
- (b) The Tenant's share of Realty Taxes shall be the portion of the Realty Taxes that are attributable to the Premises, as determined by the Landlord, acting reasonably. Without limiting the foregoing:
  - (i) the Landlord may, if it so elects, determine that the Tenant's share of Realty Taxes attributable to the Premises shall be the Proportionate Share of the Realty Taxes;
  - (ii) if there are separate assessments (or, in lieu of separate assessments, calculations made by authorities having jurisdiction from which separate assessments may, in the Landlord's opinion, be readily determined) for the Premises for Realty Taxes, the Landlord may have regard thereto;

- (iii) nothing herein shall compel or require the Landlord to adjust, continue to adjust or to make the same determination or allocation of Realty Taxes from year to year or in any Fiscal Year; and
  - (iv) for the purposes of determining the share of Realty Taxes payable by the Tenant pursuant to this Lease, Realty Taxes shall include such additional amounts as would have formed part of Realty Taxes had the Building been fully assessed during the whole of the relevant Fiscal Year as fully completed and fully occupied by tenants, with no special exemptions or reductions, and without taking into account any actual or potential reduction of Realty Taxes or change of assessment category or class for premises within the Building which are vacant or underutilized.
- (c) Intentionally deleted.
- (d) The Tenant shall promptly provide the Landlord with a copy of any separate tax bill or separate assessment notice that it receives for the Premises or any part thereof. If, as a result of changes in existing Applicable Laws, in any Fiscal Year the Tenant is prohibited by law from making payments of Realty Taxes directly to the Landlord, then it shall pay to the appropriate taxing authorities all Realty Taxes payable in respect of the Premises and promptly deliver to the Landlord receipts evidencing such payment. In such event, the Landlord and the Tenant will make an adjustment within thirty (30) days after the final tax bills are issued for such Fiscal Year and the Tenant will pay to the Landlord the amount by which the Tenant's share of Realty Taxes for such Fiscal Year exceeds the amount of Realty Taxes actually paid by the Tenant or the Landlord will pay to the Tenant the amount by which the Realty Taxes actually paid exceed the Tenant's share, as the case may be.

### **7.3 Business Taxes and Other Taxes of Tenant**

The Tenant shall promptly pay before delinquency to the taxing authorities or to the Landlord, if it so directs, as Additional Rent, any taxes, rates, duties, levies and assessments whatsoever, whether municipal, provincial, federal or otherwise, separately levied, imposed or assessed against or in respect of the operations at, occupancy of, or conduct of business in or from the Premises by the Tenant or any other permitted occupant, including the Tenant's Business Taxes. Whenever requested by the Landlord, the Tenant shall deliver to the Landlord copies of receipts for payment of all such taxes.

### **7.4 Assessment Appeals**

The Tenant shall be permitted, upon prior written notice to the Landlord, to appeal any governmental assessment or determination of the value of the Building, or any portion of the Building, if the assessment or determination affects the amount of Realty Taxes or other taxes, rates, duties, levies or assessments to be paid by the Tenant.

### **7.5 Operating Costs**

From and after the Rent Commencement Date, the Tenant shall pay its Proportionate Share of Operating Costs to the Landlord. Subject to the exclusions and deductions stipulated in Section 7.6, "**Operating Costs**" means the total, without duplication or profit, of the costs, expenses, fees, rentals, disbursements and outlays (in Sections 7.5, 7.6 and 7.7 referred to collectively as "costs") of every kind, whether direct or indirect, paid, payable or incurred by or on behalf of the Landlord on an accrual basis (or on a cash basis to the extent that the Landlord determines is reasonable) in the ownership, maintenance, repair (including replacement of Building components), operation, administration, supervision and management of the Building, together with an administrative fee of fifteen percent (15%) (the "**Administration Fee**") on all

such costs except for the costs in Sections 7.5(i), 7.6 and 7.7, and without limiting the generality of the foregoing Operating Costs shall include:

- (a) costs of providing security, fire alarm and protection, supervision, traffic control, janitorial, landscaping, window cleaning, waste collection, disposal and recycling and snow removal and elevator services and the costs of machinery, supplies, tools, equipment and materials used in connection with the Building (including rental costs of such items);
- (b) reasonable costs of telecommunications and broadband services and facilities (including riser, rooftop, telephone room and wireless management), information technology, telecopier, stationery, office equipment, supplies, signs and directory boards and other services and materials required for management, maintenance and operation (whether on or off-site and whether incurred by the Landlord or a management company, provided such costs are specifically related to the Building only);
- (c) costs of providing electricity, fuel, heat, HVAC, water, telephone, gas, sewage disposal and other utilities and services (including all energy management and administration costs) and, if applicable, costs of replacing Building standard electric light fixtures, ballasts, tubes, starters, lamps, light bulbs and controls (to the extent such item is charged separately to the Tenant pursuant to this Lease then the costs of any such item attributable to other leaseable premises shall be excluded);
- (d) costs of:
  - (i) operating, maintaining, modifying and repairing the Building (including replacement of Building components), including without limitation such costs where incurred by the Landlord in order to comply with Applicable Laws or required by the Landlord's insurance carrier or resulting from normal wear and tear to the Building;
  - (ii) providing, installing, modifying and upgrading energy and water conservation equipment and systems, life safety and emergency response systems, materials and procedures and telecommunication and broadband systems and equipment if any;
  - (iii) making alterations, replacements or additions to the Building intended to reduce Operating Costs, utility consumption, and/or Greenhouse Gases emissions, improve the operation of the Building and the systems, facilities and equipment serving the Building, or maintain their operation;
  - (iv) replacing machinery or equipment which by its nature requires periodic replacement; and
  - (v) developing, and/or modifying and operating the Building to achieve the Environmental Objectives, including, without limitation, the costs of data collection, reporting, commissioning and re-commissioning the Building or any part of it;

all to the extent that such costs are fully chargeable in the Fiscal Year in which they are incurred in accordance with sound accounting principles or practices as applied by the Landlord;

- (e) depreciation or amortization of the costs over the useful life of such repair, replacement, modification, upgrade alteration, addition, or installation referred to in Section 7.5(d) above as determined in accordance with accounting standards for private enterprises (ASPE) and

interest on the undepreciated or unamortized balance of such costs, calculated monthly, at an annual rate equal to three percent (3%) above the Prime Rate in effect on the first day of each Fiscal Year;

- (f) amounts paid to, or reasonably attributable to the remuneration of, all personnel (whether on or off-site and whether employed by the Landlord or a management company) involved in the maintenance, repair, replacement, operation, administration, supervision and management of the Building, including, without limitation, fringe benefits, severance pay, termination payments and other employment costs;
- (g) reasonable auditing, accounting, legal and other professional and consulting fees and disbursements incurred in connection with the maintenance, repair, replacement, operation, administration, supervision and management of the Building, including those incurred in connection with the Environmental Objectives, those incurred with respect to the preparation of the statements required under the provisions of this Lease, and those incurred in administering, minimizing, contesting or appealing assessments of Realty Taxes (whether or not successful);
- (h) costs of all insurance which the Landlord is obligated or permitted to obtain under this Lease and the amounts of losses incurred or claims paid either below the insurance deductible amounts or as the co-insurance portion of an insured claim;
- (i) with respect to Realty Taxes:
  - (i) that portion of Realty Taxes which is attributable to space in the Building which would otherwise be rentable if it were not utilized and reasonably needed by the Landlord in connection with the management, operation, maintenance, repair, insurance or supervision of the Building;
  - (ii) that portion of Realty Taxes which is attributable to the Building, and/or the Common Areas and Facilities to the extent that such portion is separately assessed and not included as part of the assessed value of premises occupied or to be occupied by tenants (including the Tenant) of the Building (but only if and to the extent that such portion of Realty Taxes has not been taken into account by the Landlord in making any attribution or calculation for the purpose of determining the Tenant's share of Realty Taxes pursuant to Section 7.2); and
  - (iii) any Realty Taxes not otherwise charged directly to the Tenant or to other tenants pursuant to clauses similar to Section 7.2;
- (j) Capital Tax, Carbon Tax and Carbon Offset Costs. The parties acknowledge and agree that Carbon Tax and Capital Taxes are not currently payable ;
- (k) the fair market rental value (having regard to rent being charged for similar space including additional rent for operating costs and realty taxes) of space used by the Landlord and/or its property manager, acting reasonably, in connection with the maintenance, repair, operation, administration and management of the Building and such fair market rental value of any building amenities (such as conference and daycare facilities provided primarily for tenants of the Building), together with the reasonable costs relating to such building amenities;
- (l) the costs of preparing a pandemic risk assessment and/or a Health Emergency plan, as well as actual costs in dealing with a Health Emergency; and



- (m) sales tax and excise or other taxes on goods and services provided by or on behalf of the Landlord in connection with the maintenance, repair, operation, administration or management of the Building less any input tax credits, refunds, rebates or other similar reduction of such taxes to the extent such input tax credits, refunds, rebates or other reductions may be claimed by the Landlord under the applicable federal, provincial or local legislation.

#### **7.6 Limitations on Operating Costs**

In determining Operating Costs, the cost (if any) of the following shall be excluded or deducted, as the case may be, except to the extent specifically included pursuant to Section 7.5:

- (a) repairs and replacements to structural components that are required as a result of defective design or construction of such structural components;
- (b) interest on, and the capital retirement of debt, except as specifically provided in Section 7.5(e), and ground rent payable to the lessor under any ground or other lease pursuant to which the Landlord has an interest in the Building;
- (c) other than those expenses incurred in furtherance of the Environmental Objectives, expenses relating to decorating or redecorating or renovating rentable space for tenants or occupants of the Building and costs relating to tenant inducements, allowances or similar expenses;
- (d) all leasing expenses, real estate brokers' fees, leasing commissions, advertising and space planners' fees;
- (e) repairs or maintenance done for the direct account of other tenants;
- (f) net recoveries by the Landlord in respect of warranties or guarantees and insurance claims to the extent (but only to the extent) that the repair costs in respect of the work covered by such warranties or guarantees or insurance claims have been charged as Operating Costs;
- (g) amounts recovered from TSPs and tenants as contributions to the cost of telecommunications and broadband related services (including riser, rooftop, telephone room and wireless management) to the extent (but only to the extent) that those costs have been included in Operating Costs;
- (h) the net recoveries from the operator, if any, of any underground parking garage forming part of the Building in respect of and to the extent (but only to the extent) of costs which have been charged as Operating Costs or, if there is no such operator, the net recoveries that the Landlord determines, acting reasonably, would normally be recovered from such an operator, such as the cost of sweeping and providing attendants and such operator's standard equipment;
- (i) net recoveries to the Landlord from the sale of Carbon Offset Credits to the extent (but only to the extent) that the costs attributable to the generation of such Carbon Offset Credits have been included in Operating Costs.
- (j) Additional Services costs incurred to benefit a specific tenant other than the Tenant;
- (k) Landlord's charitable or political contributions;
- (l) overhead and profit increment paid to subsidiaries or affiliates of Landlord for services on or to the Building, but only to the extent that the costs of such services, exceed competitive



costs for such services rendered by unaffiliated persons or entities with respect to comparable first class buildings in the immediate vicinity of the Building;

- (m) the costs of the purchase, ownership, leasing, repair and/or maintenance of any works of fine art (as distinguished from decorative items);
- (n) expenses resulting directly from the wilful misconduct of Landlord or its employees or costs incurred due to Landlord's or any other tenant's violation of a lease;
- (o) costs of improvements in connection with any major change in the Building not relating to its operation and management, such as, by way of example, adding or deleting floors;
- (p) interest, penalties or other costs arising out of the Landlord's failure to make timely payment of its obligations under this Lease except where incurred by the Landlord in good faith and in accordance with sound industry practices;
- (q) any bad debt loss, rent loss, or reserves for bad debt or rent loss;
- (r) costs and expenses incurred to remediate, remove, and or abate any Hazardous Substances within the Rentable Areas of the Building that have not been caused by Tenant or those for whom Tenant is at law responsible; and
- (s) any management fee in addition to or in excess of the Administration Fee.

#### **7.7 Payment of Realty Taxes and Operating Costs**

- (a) Prior to the Rent Commencement Date and at or prior to the beginning of each Fiscal Year thereafter, the Landlord shall compute and deliver to the Tenant a bona fide estimate in respect of such Fiscal Year of the Tenant's share of Realty Taxes, the Tenant's Proportionate Share of Operating Costs and such other items of Additional Rent as the Landlord may estimate in advance and the Tenant shall pay to the Landlord in monthly installments one-twelfth of such estimate simultaneously with the Tenant's payments of Minimum Rent. The Landlord may from time to time re-estimate any items of Additional Rent and may fix monthly instalments for the then remaining balance of the Fiscal Year so that such items will be entirely paid during such Fiscal Year. Notwithstanding the foregoing, as soon as bills for all or any portion of the Realty Taxes and Operating Costs are received, the Landlord may bill the Tenant for the Tenant's share thereof and the Tenant shall pay the Landlord such amounts so billed (less all amounts previously paid by the Tenant on the basis of the Landlord's estimate as aforesaid) as Additional Rent within thirty (30) days of receipt of an invoice. Provided that in the event that the Landlord does not provide a new estimate, notwithstanding that the Fiscal Year for which such previous estimate has been given to the Tenant has expired, the Tenant shall continue to pay its Proportionate Share, or other share thereof, based on the most recent estimate provided by the Landlord until such time as a new estimate is rendered by the Landlord therefor.

The Additional Rent for 2021 is estimated at \$23.00 per square foot.

- (b) Within one hundred and eighty (180) days after the end of each Fiscal Year, or any shorter as determined by the Landlord, acting reasonably, the Landlord shall deliver to the Tenant a written statement or statements (the "Statement") setting out in reasonable detail the amount of Realty Taxes, Operating Costs and such other items of Additional Rent as the Landlord estimated in advance for such Fiscal Year. If the Tenant's share of Realty Taxes, the Tenant's Proportionate Share of Operating Costs and any other items of Additional Rent actually paid by the Tenant to the Landlord during such Fiscal Year differs from the

amount of the Tenant's share of Realty Taxes, the Tenant's Proportionate Share of Operating Costs and other items of Additional Rent payable for such Fiscal Year, an adjustment shall be made between the parties in the following manner: (i) if the Tenant has paid in excess of the amounts due, the excess shall be credited against Rent then or in the future owing by the Tenant under this Lease; and (ii) if the amount the Tenant has paid is less than the amounts due, the Tenant shall pay such additional amounts due with the next monthly payment of Minimum Rent.

Notwithstanding any questioning or review by the Tenant of amounts charged to the Tenant under this Lease, the Tenant shall promptly make all payments as charged, and the Tenant may not, in any circumstance and notwithstanding any provision of this Lease or at law to the contrary, withhold any payment, nor make any deduction or effect any compensation or set-off as pertains to Rent. Failure of the Landlord to render any Statement shall not prejudice the Landlord's right to render such Statement thereafter or with respect to any other Fiscal Year, provided such Statement is not rendered more than two (2) years after the costs contained in such Statement occurred. The Landlord may render amended or corrected Statements.

- (c) The Tenant shall not retain any party (except an accountant or solicitor, both being duly licensed to practice by their respective professional or other governing bodies having jurisdiction in the province where the Building is located) to advise it in contesting any calculation of Additional Rent pursuant to such Statement and the Tenant (as well as its aforementioned accountant and solicitor) shall keep the Lease, the Additional Rent review documents and reports, and all related material and exchanges (whether written or verbal) strictly confidential with no disclosure to any other party.. Moreover, in no event shall the accountant or solicitor retained by the Tenant be compensated based on a percentage of recoveries or other contingency-based fee.
- (d) The Tenant shall not claim a re-adjustment in respect of Operating Costs or Realty Taxes or other items of Additional Rent estimated by the Landlord or the share payable by the Tenant on account thereof for any Fiscal Year except by Notice given to the Landlord within ninety (90) days after delivery of the relevant Statement, stating the particulars of the error in computation.
- (e) If the Tenant disputes the accuracy of any Statement within the period permitted under Section 7.7(d) above and the Landlord and the Tenant fail to settle the matter within a reasonable period, the matter shall be referred by the Landlord to an Expert for decision. The Tenant shall pay in accordance with the Statement until such decision is rendered. The Expert's signed determination shall be final and binding on both the Landlord and the Tenant, absent manifest error. Any adjustment required to any previous payment made by the Tenant or the Landlord by reason of any such determination shall be made within fourteen (14) days thereof, and the party required to pay such adjustment shall bear all costs of the Expert, except that if the amount to be paid is five percent (5%) or less of the amount in dispute, the Tenant shall pay all such costs.

## **7.8 Adjustments of Operating Costs**

In computing Operating Costs:

- (a) if there is less than full occupancy of the Building during any period for which a computation is being made, the amount of those Operating Costs which vary as a consequence of the level of occupancy of the Building will be increased (as estimated by the Landlord) to reflect the additional costs that would have been incurred had full

occupancy of the Building occurred during that period, provided that the foregoing shall not result in the amount the Tenant pays as its share of Operating Costs being greater than it would be if the Building was fully occupied.

- (b) where the Landlord determines, acting reasonably but in its sole discretion, that any item(s) of Operating Costs are provided only to or for the benefit of a portion of the Building, then the Landlord shall be entitled, but not obligated, to allocate the cost of those item(s) over such portion of the Building and adjust the Tenant's Operating Costs payment based on such allocation;
- (c) if the Building is comprised of different categories of leaseable premises, the Landlord shall be entitled, but not obligated, to allocate Operating Costs among the various categories on the basis of such factors as the Landlord determines to be relevant and to adjust the Tenant's Operating Costs payment based on such allocation;
- (d) if any facilities, services or utilities:
  - (i) for the operation, administration, management, repair and maintenance of the Building are provided from another building or other buildings owned or operated by the Landlord or its manager;
  - (ii) for the operation, administration, management, repair and maintenance of another building or other buildings owned or operated by the Landlord or its manager are provided from the Building; or
  - (iii) are otherwise shared between the Building and another building or other buildings, the costs, charges and expenses of such items shall be allocated by the Landlord, between the Building and other building or buildings on a reasonable basis; and
- (e) if by reason of the conduct of business on the Premises outside of Business Hours or by reason of the particular use or occupancy of the Premises or any of the Common Areas and Facilities by the Tenant or its employees, agents or Persons having business with the Tenant, additional costs in the nature of Operating Costs are incurred by the Landlord, such excess costs may be charged to the Tenant as Additional Rent.

#### **7.9 Reduction or Control of Operating Costs and Utility Consumption**

The Tenant shall comply with any reasonable practices or procedures that the Landlord, acting reasonably, may from time to time introduce to reduce or control Operating Costs and utility consumption, provided that such practices and procedures are in accordance with standards from time to time prevailing for similar buildings in the area in which the Building is located, and provided such procedures do not materially adversely affect Tenant's operations.

### **ARTICLE 8 HVAC, UTILITIES AND OTHER LANDLORD SERVICES**

#### **8.1 HVAC Supply**

- (a) The Landlord shall provide HVAC in quantities and at temperatures required to maintain conditions within a reasonable temperature range for normal office use in the Premises during Business Hours.
- (b) Any rebalancing of the climate control system necessitated by the installation of partitions, equipment or fixtures by the Tenant or by any use of the Premises not in accordance with

the design standards of such system shall be performed by the Landlord at the Tenant's expense. The Landlord shall not be responsible for inadequate performance of the Building Systems if attributable to: (A) any arrangement of partitioning in the Premises or changes therein; (B) the failure to shade windows which are exposed to the sun; (C) the production by the Tenant of smoke, odours or contaminated air which the Building Systems are not designed to accommodate; (D) any use of electrical power by the Tenant which exceeds the standard of normal use as determined by the Landlord, acting reasonably; (E) any use of water by the Tenant which exceeds the normal use as determined by the Landlord, acting reasonably; (F) any material deterioration in air quality as a result of any furniture, equipment, materials or improvements located in the Premises or the management practices of the Tenant or any other occupant or Person on the Premises; or (G) the Tenant does not keep the HVAC vents or air returns free and clear of all obstructions.

## **8.2 Utilities**

- (a) The Landlord will provide and permit the Tenant to use the electricity, domestic water, sewage disposal and other utility services serving the Building in such quantities as is reasonably required for the Tenant's business operations. The Tenant shall not overload the capacity of any such service. The Tenant shall not bring onto the Premises any installations, appliances or business machines which are likely to consume significant amounts of electricity or other utilities or which require special venting without the prior written consent of the Landlord. The Tenant shall not engage any Person to provide any utility service to the Premises.
- (b) Separate and multiple water, electricity and natural gas (if applicable) meters or other measuring devices shall have been installed by the Landlord prior to the start of the Fixturing Period throughout the Premises or elsewhere to measure the Tenant's consumption of each such utility and the Landlord may use an Expert to assist it in determining such consumption. All costs and charges for such utilities as so measured or determined shall be paid by the Tenant as part of Operating Costs to the Landlord in accordance with the terms of this Lease, except as provided in Section 8.2(c) below.
- (c) If electricity, propane, natural gas, water or any other utility is separately billed to the Premises or the Tenant, then the Tenant shall pay directly to the supplier all charges for such utilities and provide to the Landlord copies of all such electricity, propane, natural gas, water or other utility bills and evidence of payment thereof within ten (10) Business Days after request.

## **8.3 Special HVAC and Utilities and Excess Quantities**

- (a) The Landlord shall have no obligation to provide the Tenant with HVAC or utility services of a type or in quantities that exceed normal use by tenants in the Building (as such normal use is determined by the Landlord), unless the Landlord determines, in its sole discretion, that the provision of such services: (a) is within the capacity of the Building Systems; (b) would not affect the operation, aesthetics or structure of the Building; (c) would not reduce the efficiency of the existing services supplied to other tenants or parts of the Building; and (d) is otherwise feasible. The Tenant will pay to the Landlord all costs, both non-recurring and recurring, of providing all such services. Such costs shall be determined by the Landlord in a reasonable manner, which may include installation, at the Tenant's expense, of separate check meters or other measuring devices in the Premises or elsewhere to measure consumption of water, electricity, natural gas (if applicable) and any other utility and the Landlord may use an Expert to assist it in determining such consumption.

- (b) Intentionally deleted.

#### **8.4 Computer/Server Room**

Intentionally deleted.

#### **8.5 Other Landlord Services**

- (a) The Landlord shall provide janitorial services to the Premises in accordance with standards from time to time prevailing for similar office buildings in the area in which the Building is located, at the Tenant's cost, such cost to be included within Operating Costs. The Tenant shall grant access necessary for the performance of the janitorial services and shall leave the Premises in a condition that facilitates the performance of such services. Other than as included in janitorial services, all curtains, carpets, rugs and drapes of any kind in the Premises shall be cleaned and maintained by the Tenant. The Tenant shall not engage any Person to provide cleaning or janitorial services to the Premises without the Landlord's written consent, such consent not to be unreasonably withheld, conditioned or delayed.
- (b) If applicable, the Landlord shall provide elevator service during Business Hours and additional hours for use by the Tenant in common with others, except when prevented by maintenance or repairs.
- (c) If applicable, the Landlord shall provide necessary supplies in public washrooms sufficient for normal use by tenants in the Building.

#### **8.6 Additional Services Provided by Landlord**

Wherever this Lease provides that the Tenant is to pay a cost or expense to the Landlord as an item of Additional Rent (except for Operating Costs or Realty Taxes), the Tenant shall pay, in addition to such cost or expense, the Landlord's administration charge of fifteen percent (15%) of such cost or expense, which cost shall also be an item of Additional Rent. The Tenant shall pay to the Landlord the costs of all such services provided at the Tenant's request or otherwise provided for herein and which are not included in Operating Costs ("**Additional Services**") including, without limitation: [(a) the provision of HVAC and lighting, electricity, water, steam and/or chilled water and other utilities and services outside of Business Hours or of a special nature or in excess quantities]; (b) if applicable, replacement of non-standard electric light fixtures, ballasts, tubes, starters, lamps, light bulbs and controls; (c) operating freight elevators used or reserved for the sole benefit of the Tenant outside Business Hours and supervising the movement of furniture, equipment, freight and supplies for the Tenant; (d) construction of any Leasehold Improvements, and (e) repairs to the Premises or other work performed at the request of the Tenant. The costs of such Additional Services shall be paid by the Tenant within thirty (30) days of receipt of an invoice from the Landlord to that effect.

Notwithstanding anything to the contrary in this Lease, the Landlord confirms that the existing HVAC, and all other Building Systems serving the Premises are, or will, be in good, clean working order and condition upon delivery of the Premises to the Tenant.

#### **8.7 Signs and Premises Identification**

- (a) Subject to Section 8.7(b) herein, the Tenant shall not install any signs, banners, lettering, identification or any promotional or other written materials (collectively, "signs") in, on and/or about the Premises without the Landlord's prior written approval, such approval not to be unreasonably withheld, conditioned or delayed.



- (b) Notwithstanding anything to the contrary herein, the Tenant shall have the right, at its expense, to affix one (1) exterior sign at the top of the Building and one (1) exterior sign at the street main entrance, both as shown in Schedule "B-1" (the "**Permitted Exterior Signage**"), containing the name or trade name of the Tenant. Subject to Landlord's approval, acting reasonably, the Tenant shall have the right to move the Permitted Exterior Signage to locations other than those set out in the renderings contained in Schedule "B-1" and subject to obtaining such approval by the Landlord, the Tenant shall not be limited to the Permitted Exterior Signage placement as shown in such renderings. If the Permitted Exterior Signage has already been installed at such time such signage is moved, the Tenant shall promptly repair any damages caused by the removal of the Permitted Exterior Signage and return the area on the Building where the Permitted Exterior Signage was located to its original condition, reasonable wear and tear excepted. Initial size, design and location of the Tenant's signage and any changes thereof are subject to the Landlord's approval, such approval not to be unreasonably withheld, conditioned or delayed.
- (c) There shall be no rent payable by the Tenant for the Permitted Exterior Signage throughout the Term.
- (d) The Landlord shall, at its expense, supply and install: (a) on the entrance door of the Premises or on the wall adjacent to the entrance to the Premises, a sign bearing the name of the Tenant; and (b) identification in any directional signage in the Building (including the main lobby directory, and the floor directory (if any) on which the Premises are located) in accordance with the Landlord's uniform scheme for such directory board, however, the cost for any changes made thereafter shall be at the Tenant's expense.
- (e) The Landlord agrees that the Tenant shall have the exclusive right to exterior signage above the existing proposed signage band which sits between the 1st and 2nd floors of the Building, and the Landlord shall not place any other exterior signage of any other tenant in the Building on the exterior of the Building above the signage band on the Building.
- (f) All of the Tenant's signs (including the Permitted Exterior Signage) shall be professionally prepared, comply with the Landlord's sign criteria for the Building and Applicable Laws, and the issuance of permits requested by the Tenant, copies of which will be provided to the Landlord before the installation of any such signs.
- (g) The Tenant shall be responsible for all costs associated with its signs (including the Permitted Exterior Signage), including design, permitting, installation, maintenance, removal and restoration thereof. For clarity, notwithstanding any other provision of this Lease, upon the expiry or earlier termination of the Term, the Tenant shall be required to remove all its signs (including Permitted Exterior Signage) and repair any damage to the Building caused by the installation or removal thereof, reasonable wear and tear excepted.

## **8.8 Telecommunications**

- (a) The Landlord shall incur no expense or liability whatsoever with respect to any aspect of the provision of telecommunication services, including, without limitation, the cost of installation, service, materials, repairs, maintenance, interruption or loss of telecommunication service.
- (b) The Landlord's designated base building telecommunications service provider is Rogers. If the Tenant decides to utilize a telecommunication service provider (a "**TSP**") other than Rogers, the Tenant shall obtain the Landlord's prior written consent, and the following shall apply:



- (i) if the TSP is required to provide or install facilities in the Building in order to enable it to provide service to the Tenant, the Landlord must first determine that there is sufficient space in, or on the Building for the installation of the TSP's facilities and that the TSP is acceptable to the Landlord;
  - (ii) if the TSP intends to install, or has installed or purchased facilities situated in the Building for the purpose of providing telecommunication services to tenants in the Building, the Landlord may require the TSP to execute and deliver the Landlord's standard form of TSP licence agreement;
  - (iii) the Tenant shall be responsible for all costs incurred by the Landlord in enabling usage by the Tenant of its choice of TSP not otherwise paid by such TSP; and
  - (iv) the Tenant shall be responsible for the removal of all cabling and wiring serving the Premises by such TSP (other than Rogers) at the expiry of the Term, if required by the Landlord.
- (c) The Landlord may deem it desirable to provide a central telecommunications cable distribution system ("CDS") in the Building for use by TSPs and tenants. If the Landlord provides a CDS, the Tenant's TSP or the Tenant, as the case may be, may be required by the Landlord to use the CDS for its telecommunication cabling needs on terms and conditions to be set by the Landlord. These terms and conditions will include obligations for the TSP, or the Tenant, as the case may be, to pay costs and to contribute to Operating Costs associated with the CDS and a complete release of the Landlord and indemnity from the TSP or the Tenant, as the case may be, in respect of the use of the CDS. The Landlord acknowledges that a CDS does not currently exist in the Building as of the date of this Lease.
- (d) If the Tenant's approved TSP does not have a point of connection in the Premises, the Tenant may be required to install its own cable and facilities or to purchase cable and facilities from the Landlord for installation in the communication pathways and risers of the Building for connection to the Tenant's TSP's facilities in the main terminal room, at the main distribution frame or at other points of connection designated by the Landlord. In such case: (i) the Tenant may be required to pay all costs incurred by the Landlord; (ii) the Tenant may be required to remove such cable and facilities and restore any damage caused by the removal at the Landlord's option, or to pay the cost of removal and restoration at the end of the service term of that TSP; (iii) the Tenant may be required to contribute to the costs of riser management incurred by the Landlord; and (iv) the Tenant may be required to abide by any policies, directions or requirements of any riser manager retained by the Landlord and to pay, in addition, any direct costs invoiced to the Tenant by such riser manager in respect of plan review charges, inspection charges and other services provided by such riser manager to the Tenant.
- (e) If required by the Landlord, the Tenant shall change its TSP if the licence agreement referred to above in Section 8.8(b) is terminated or expires and is not renewed. The Tenant acknowledges that the Landlord has no obligation to ensure continuation of services by the Tenant's TSP or any other TSP in the Building.
- (f) The Landlord may require, upon thirty (30) days prior written Notice, that the Tenant relocate all or any portion of the cables or facilities installed by it or its TSP.

**ARTICLE 9  
OPERATION, CONTROL AND MAINTENANCE BY LANDLORD**

**9.1 Operation of the Building by Landlord**

The Landlord shall operate the Building in accordance with all Applicable Laws and with standards from time to time prevailing for similar office buildings in the area in which the Building is located, subject, however, to the limitations occasioned by the design and age of the Building and the capacity of the Building Systems, and the provisions of this Lease. The Landlord's costs of compliance with this Section 9.1 shall be included in Operating Costs, to the extent provided therein.

**9.2 Control of the Building by Landlord**

The Landlord has at all times exclusive control of the Building and its management and operation, but not so as to deny the Tenant access to the Premises except in an emergency. Without limiting the generality of the foregoing, at any time and from time to time, the Landlord may:

- (a) make repairs, replacements, changes or additions to the structure, systems, facilities and equipment in the Building (including the Premises) where necessary to serve the Premises or other parts of the Building;
- (b) make changes or additions to any part of the Building not in or forming part of the Premises including, without limitation, dedicating or conveying portions of the Lands, granting easements, rights-of-way, restrictive covenants or other interests in the Lands and constructing additional improvements in or adjoining the Lands;
- (c) amend the Tenant's right of use of any of the Common Areas and Facilities, change the location and size of any of the Common Areas and Facilities or use parts of the Common Areas and Facilities for promotional or other activities, provided the Tenant maintains reasonable access to the Premises subject to and in accordance with the terms of this Lease;
- (d) retain contractors and employ all personnel, including supervisory personnel and managers, that the Landlord considers necessary for the effective maintenance, repair, operation, management and control of the Building; and
- (e) do and perform such other acts in and to the Building or any of its component parts as the Landlord considers reasonable for the proper and efficient maintenance, repair, operation, management and control of the Building,

provided that in the course of the Landlord's exercise of its rights hereunder, the Landlord shall be deemed not to have re-entered the Premises nor to have breached any obligation of this Lease. If, as a result of the exercise by the Landlord of such rights, the Common Areas and Facilities are diminished or altered in any manner whatsoever, the Landlord is not subject to any liability, nor is the Tenant entitled to any compensation or diminution or abatement of Rent, nor is any alteration or diminution of the Common Areas and Facilities deemed constructive or actual eviction or a breach of any covenant for quiet enjoyment contained in this Lease. In undertaking all such work, the Landlord shall use reasonable commercial efforts to minimize the disruption to the Tenant and shall attempt to schedule such work during non-Business Hours. If any such proposed work will materially and adversely affect the Tenant's business conducted from the Premises, the Landlord shall first provide reasonable details of the proposed work to the Tenant except in an emergency.

### **9.3 Name of Building**

The Landlord may from time to time designate a name or other identification for the Building. The Neither party shall be responsible for any costs incurred by the other party as a result of any changes in the name or identification (such as changes to its stationery and other material). The Tenant shall have no rights in any such names or identification.

### **9.4 Maintenance and Repairs by Landlord**

The Landlord shall keep or cause to be kept the following in good repair to the standards from time to time prevailing for similar office buildings in the area in which the Building is located subject, however, to the limitations occasioned by the design and age of the Building and the capacity of the Building Systems and to reasonable wear and tear not inconsistent with such standard (the “**Repair Standard**”):

- (a) the footings, foundations, structural columns and beams, structural subfloors, bearing walls, exterior walls, windows and roofs of the Building;
- (b) the Building Systems; and
- (c) the Common Areas and Facilities,

provided that:

- (d) if all or part of the Building Systems require repair, replacement, maintenance or inspections in order to comply with the Repair Standard, the Landlord shall have a reasonable time in which to complete such work, and during such time shall only be required to maintain such services as are reasonably possible in the circumstances;
- (e) no reduction or discontinuance of such services or loss of use of the Premises shall be construed as an eviction of the Tenant or (except as specifically provided in this Lease) release the Tenant from any obligation under this Lease; and
- (f) the Repair Standard may be suspended from time to time due to a Health Emergency or Unavoidable Delay.

### **9.5 Access By Landlord**

- (a) The Landlord and its agents have the right to enter the Premises on two (2) Business Days prior Notice (except in the case of emergencies where no such notice or required time shall be applicable) to examine the same and to make such repairs, alterations, changes, adjustments, improvements or additions to the Premises or the Building or any part thereof or any adjacent property as the Landlord considers necessary or desirable, or for any other purpose necessary to enable the Landlord to perform its obligations or exercise its rights under this Lease, without this constituting a re-entry or breach of any covenant for quiet enjoyment contained in this Lease or implied by law. The Rent shall not abate or be reduced while any such repairs, alterations, changes, adjustments, improvements or additions are being made due to loss or interruption of business of the Tenant, inconvenience or otherwise, and the Landlord shall not be liable to the Tenant for any injury or death caused to any Person or for any loss or damage to the property of the Tenant or of others located on the Premises as a result of such entry.
- (b) The Landlord and its agents have the right to enter the Premises on two (2) Business Days prior Notice, to show the Premises to prospective purchasers, insurers, prospective insurers, Mortgagees or prospective Mortgagees. During the twelve (12) months prior to the

expiration of the Term the Landlord may show the Premises to prospective tenants and may place upon the Premises the usual "For Rent" notices. The Tenant shall permit all such notices to remain thereon without molestation or complaint.

- (c) If the Tenant is not personally present to open and permit an entry into the Premises by the Landlord in accordance with the provisions hereof, the Landlord or its agents may enter the same using reasonable force in the circumstances without rendering the Landlord or such agents liable therefor and without in any manner affecting the obligations and covenants of this Lease. The Tenant agrees that no entry into the Premises or anything done in, to or for the Premises by the Landlord pursuant to a right granted by this Lease shall constitute a breach of any covenant for quiet enjoyment or (except where expressed by the Landlord in writing) shall constitute a re-entry or forfeiture or an actual or constructive eviction, and the Landlord shall not be liable to the Tenant for any injury or death to any Person or for any loss or damage to any property of the Tenant or of others as a result of any such entry or thing done.

#### **9.6 Relocation**

Intentionally deleted.

#### **9.7 Demolition**

Intentionally deleted.

#### **9.8 Health Emergency**

If a Health Emergency exists, the Landlord may amend, supplement or otherwise enforce any existing Health Emergency rules or regulations in existence, may impose additional rules and regulations, and may impose restrictions to mitigate or minimize the effects of the Health Emergency. Without limiting the generality of the foregoing:

- (a) during a Health Emergency, the Landlord shall be entitled to restrict or limit access to the Building to employees of the Tenant only, and/or to prohibit entry by visitors or invitees for a reasonable period of time during such event;
- (b) the Landlord shall have the right during a Health Emergency to require the Tenant to decontaminate all or any part of the Premises, failing which the Landlord shall be entitled to enter the Premises and do so at the Tenant's expense. Any steps that the Landlord may choose to take are in its sole and unfettered discretion and nothing herein shall obligate the Landlord to effect any such decontamination; and
- (c) the Landlord shall be entitled during a Health Emergency to close all or any part of the Building if it determines that it is not safe to continue to operate the Building or certain parts of the Building.

Notwithstanding the aforesaid or anything to the contrary herein, if any governmental authority offers economic relief to tenants and businesses during, or as a result of, a Health Emergency ("Relief Programs"), and the Relief Programs require Landlord participation in any application that may be required in order for Tenant to obtain benefits of the Relief Programs, then the Landlord shall participate by any means as may be required by the Tenant and/or the applicable governmental authority for the Tenant to access economic relief from the Relief Programs.

**ARTICLE 10  
MAINTENANCE AND ALTERATIONS BY TENANT**

**10.1 Maintenance and Repair by Tenant**

- (a) The Tenant shall at its sole cost, and with due diligence and dispatch, manage, maintain, operate and repair the Premises and all Leasehold Improvements, and all facilities and equipment exclusively serving the Premises (no matter where such facilities and equipment may be located), in good order and condition to the standards from time to time prevailing for similar office buildings in the area in which the Building is located subject to reasonable wear and tear not inconsistent with such standard and with the exception only of those repairs which are the obligation of the Landlord under this Lease, and subject to Section 10.2 and Article 15. Supplementary HVAC units installed by or on behalf of the Tenant to exclusively service the Premises shall be the sole cost and responsibility of the Tenant to maintain, operate, repair and replace. The Landlord shall have the right to request and the Tenant shall deliver within ten (10) Business Days upon receipt of such request evidence of maintenance of any such supplementary HVAC units installed on or behalf of the Tenant.
- (b) The Tenant shall not allow any undue accumulation of any debris, garbage, trash or refuse in the Premises and shall remove same from the Building on a timely basis at its expense. The Tenant acknowledges that there may be no onsite garbage storage or collection facilities for the Building.
- (c) The Tenant shall engage at its expense a pest extermination contractor for the Premises to maintain satisfactory pest control.

**10.2 Alterations by Tenant**

The Tenant may from time to time at its own expense install Leasehold Improvements, and repair, alter and replace existing Leasehold Improvements (such installation, repairs, replacements and alterations and any repairs by the Tenant of the Premises being referred to herein as "**Alterations**") provided that:

- (a) all Alterations shall require the prior review and written approval of the Landlord, such approval not to be unreasonably withheld, conditioned or delayed;
- (b) the Tenant shall furnish the Landlord with two complete sets of professionally prepared working drawings (which shall include any architectural, structural, electrical, mechanical, computer system wiring and telecommunication plans) of the proposed Alterations. The Landlord's approval of any such proposed Alterations will not be unreasonably withheld and the Landlord agrees to provide its response to any such request for approval within five (5) Business Days of receipt of said plans and specifications. If the Tenant uses other consultants other than the Landlord's consultants for the preparation of the Tenant's working drawings, then the Landlord may elect to retain architects, environmental consultants and engineers to review such working drawings for the purpose of approving the proposed Alterations (it being understood that notwithstanding such approval, the Landlord shall have no responsibility with respect to the adequacy of such working drawings). The Tenant shall pay to the Landlord, on demand, the reasonable costs of the examination of such drawings by either the Landlord or an outside consultant, plus an administration fee equal to (i) one and one-half percent (1.5%) of such costs in respect of any Alterations made prior to the Commencement Date; and (ii) fifteen percent (15%) of such costs in respect of any Alterations made on or after the Commencement Date.



- (c) the Alterations shall be subject to the reasonable regulations, supervision, control and inspection by the Landlord and, in addition to any other payment contained in this Article 9, the Tenant shall pay to the Landlord, on demand, the reasonable costs and expenses of the Landlord in connection with the foregoing, to the extent not otherwise included in Operating Costs, which costs and expenses shall not exceed: (i) one and one-half percent (1.5%) of the total construction cost of the Alterations in respect of any Alterations made prior to the Commencement Date; and (ii) fifteen percent (15%) of the total construction cost of the Alterations in respect of any Alterations made on or after the Commencement Date;
- (d) the Tenant shall provide, prior to the commencement of Alterations, evidence of required workers' compensation coverage and proof of owner and contractors protective liability insurance coverage, with the Landlord, any property manager and any Mortgagee as required by the Landlord, named as additional insureds, in amounts, with insurers, and in a form reasonably satisfactory to the Landlord, which shall remain in effect during the entire period in which the Alterations will be carried out.
- (e) upon Landlord's request, the Tenant will deliver a list identifying every contractor and subcontractor, accompanied by an up-to-date valid clearance certificate for each of them issued by the appropriate workers' compensation, safety and insurance authority and the Landlord shall have approved, prior to commencement of the Alterations, such contractors and subcontractors and their respective labour affiliations. The Tenant will not use any contractor or permit the use of any sub-contractor that is not identified on the list. Prior to the commencement of any Alterations, the Tenant will provide an undertaking to the Landlord to deliver the documentation described in Section 10.2(m) below from the applicable contractor(s) and subcontractor(s).
- (f) if any proposed Alterations could affect the structure or the exterior walls or the Building Systems, the Landlord may require that any such Alterations be performed by either the Landlord or its contractors in which case the Tenant shall pay the Landlord's cost plus an administration fee of fifteen percent (15%);
- (g) the Tenant shall have provided to the Landlord a copy of the contract for the Alterations and evidence satisfactory to the Landlord as to the existence of all necessary permits;
- (h) the Tenant shall perform the Alterations or cause the Alterations to be performed: (i) in accordance with any construction methods and procedures manual for the Building; (ii) in accordance with the plans and specifications submitted to and approved by the Landlord; (iii) in accordance with any conditions, regulations, procedures or rules imposed by the Landlord; (iv) in compliance with all Applicable Laws; and (v) in a good and workmanlike and expeditious manner;
- (i) the Tenant specifically undertakes not to paint, coat, cover or deface in any way the exposed brick or wood surfaces in the Premises, including the hardwood floors located therein. If the Tenant elects to apply carpet to the floors in the Premises it shall obtain the written consent of the Landlord, not to be unreasonably withheld or delayed and shall specify the application process to be employed. The Tenant shall be responsible for removing the carpet and fully restoring the hardwood floor at the end of the Term or earlier termination thereof, at its sole cost and expense;
- (j) the Tenant shall ensure that all cabling installed in the Building in connection with Tenant's business in or use of the Premises is appropriately labelled. For greater certainty, installation of flammable cabling shall be strictly prohibited;



- (k) the Landlord may inspect construction as it proceeds;
- (l) upon substantial completion of the Alterations, the Tenant shall provide the Landlord with a complete set of "as built" CAD drawings for the Alterations, and a satisfactory air balancing report;
- (m) within five (5) Business Days following the date on which the contract under which the Alterations have been performed (the "**Alterations Contract**") is (or is deemed to be) completed, abandoned or terminated within the meaning given to those terms under the *Construction Act* (Ontario) (the "**Construction Act**"), the Tenant shall deliver to the Landlord: (i) a statutory declaration of an officer of the contractor that has performed the Alterations that the Alterations Contract has been so completed, abandoned or terminated, and (ii) one of: (A) if applicable, a certificate of substantial performance of the Alterations Contract in the form prescribed in the Construction Act, together with evidence of the date of publication of such certificate as provided by the Construction Act; (B) declarations of last supply in the form described in the Construction Act, if applicable, given by officers of all the subcontractors employed by the contractor in the performance of the Alterations; or (C) if applicable, a certificate of completion in the form prescribed in the Construction Act in respect of the subcontract of each subcontractor employed by the contractor that has performed the Alterations, together with evidence of delivery of a copy of such certificates of completion to each respective subcontractor.
- (n) if the Tenant fails to observe any of the requirements of this Section 10.2, the Landlord may require that construction stop until such time as the failure is remedied by the Tenant, and Tenant shall thereafter cease all construction activities and use its commercially reasonable efforts to remedy such failure within an appropriate period of time from receipt of notice of its failure; and
- (o) The Tenant shall comply with Schedule "F" in respect of all proposed Tenant Alterations.

The Tenant acknowledges, agrees and accepts that any review or approval by the Landlord of the Tenant's repairs or of any plans and/or specifications with respect thereto in the Premises or any review or approval of any work performed in connection therewith is solely for the Landlord's benefit, and without any representation or warranty whatsoever to the Tenant with respect to the adequacy, compliance, correctness or efficiency thereof or otherwise all of which are the Tenant's sole responsibility.

Notwithstanding anything to the contrary herein, the Tenant shall be permitted to carry out cosmetic non-structural alterations to the Premises without the Landlord's consent, provide such alterations do not exceed \$50,000.00 per occurrence, and do not affect the Building Systems or require a building permit.

At the expiration or earlier termination of the Term (as may be extended) all of the Tenant's trade fixtures and equipment, furniture and chattels may be removed by the Tenant (but the Tenant shall remove its trade fixtures and equipment, furniture and chattels if the Landlord requests the Tenant to remove same) from the Premises, and the Tenant shall repair any damage caused as a result thereof, reasonable wear and tear excepted.

### **10.3 Removal of Improvements and Fixtures**

All Leasehold Improvements shall immediately upon their placement become the Landlord's property without compensation to the Tenant. Except as otherwise agreed by the Landlord in writing, no Leasehold Improvements or trade fixtures shall be removed from the Premises by the Tenant either during or at the expiry or earlier termination of the Term except that the Tenant may, during the Term, in the usual course of its business, remove its trade fixtures, provided that the Tenant is not in default under this Lease.

Notwithstanding anything to the contrary in this Lease, the Tenant shall not be responsible for the removal of any Leasehold Improvements, including without limitation any cabling and wiring, provided such Leasehold Improvements were approved by the Landlord prior to installation, and the Tenant shall not have any obligation to restore the Premises and shall vacate the Premises in clean and broom swept condition.

Notwithstanding the aforesaid, the Landlord may, acting reasonably, require the restoration of any Non-Standard Leasehold Improvements existing within the Premises at the expiry or earlier termination of the Term. For the purposes of this paragraph, "Non-Standard Leasehold Improvements" shall include but shall not be limited to the following; non-standard ceiling treatments, non-standard flooring treatments including raised flooring, and additional HVAC services.

The Tenant shall at its own expense repair any damage caused to the Building by the Leasehold Improvements, or trade fixtures and/or such installation, removal and restoration. If the Tenant does not remove its trade fixtures (including, without limitation, all telecommunication wiring, cables and related devices) prior to the expiry or earlier termination of the Term, such trade fixtures shall, at the option of the Landlord, be deemed abandoned and become the property of the Landlord and may be removed from the Premises and sold or disposed of by the Landlord in such manner as it deems advisable, and the Tenant shall pay to the Landlord on demand all costs incurred by the Landlord in connection therewith, plus an administration fee of fifteen percent (15%) of the costs

#### **10.4 Liens**

The Tenant shall pay before delinquency for all materials supplied and work done in respect of the Premises so as to ensure that no lien or claim of lien is registered against any portion of the Lands in respect of materials supplied to or work done for the Tenant in respect of the Premises or against the Landlord's or Tenant's interest in the Lands. If a lien or claim of lien is registered or filed, the Tenant shall discharge or vacate it at its expense within five (5) Business Days after Notice from the Landlord (or sooner if such lien or claim is delaying a financing or sale of all or any part of the Lands), failing which the Landlord may at its option, as Additional Services, discharge the lien or claim of lien by paying the amount claimed to be due into court and the amount so paid and all expenses of the Landlord including reasonable legal fees (on a substantial indemnity basis, solicitor and its own client costs or other terminology as may be determined by the courts from time to time) shall be paid by the Tenant to the Landlord. The Tenant shall not mortgage, charge, grant a security interest in or otherwise encumber any Leasehold Improvements.

#### **10.5 Notice by Tenant**

The Tenant shall promptly notify the Landlord of any accident, defect, damage or deficiency which occurs or exists in any part of the Premises, the Building Systems within the Premises or the Common Areas and Facilities and which comes to the attention of the Tenant.

#### **10.6 Repair Where Tenant at Fault**

Notwithstanding any other provisions of this Lease, if any part of the Building or Building Systems is damaged or destroyed or requires repair, replacement or alteration as a result of the act or omission of the Tenant, its employees, agents, contractors, invitees, licensees or other Person for whom it is in law responsible, the resulting repairs or alterations shall constitute Additional Services and the cost thereof, together with an administration charge of fifteen percent (15%) of such cost, shall be paid by the Tenant to the Landlord, as Additional Rent.

## **ARTICLE 11 USE OF PREMISES**

### **11.1 Permitted Use**

The Tenant shall use the whole of the Premises only for the purpose of carrying on the Tenant's business including for the purpose of general offices and uses which are ancillary to the Tenant's business, provided same are permitted by law (the "**Permitted Use**"), which the Tenant shall operate in a reputable manner befitting the reputation and image of the Building, and for no other purpose. The Tenant shall not use the Premises, or any part thereof, in a manner which does or could result in excessive demands being placed on the Building Systems or other Common Areas and Facilities.

### **11.2 Continuous Operation**

Intentionally deleted.

### **11.3 Compliance with Laws**

The Tenant shall use and occupy and shall cause the Premises to be used and occupied in compliance with all Applicable Laws and in a safe, careful and proper manner. It is the Tenant's responsibility to ensure that its use from time to time is permitted by all Applicable Laws, and the Landlord makes no representation or warranty to the Tenant in this regard, the Tenant hereby acknowledging that it has satisfied itself that such use is permitted. At the Landlord's request the Tenant shall comply with any directive, policy or request of any governmental or quasi-governmental authority or any other reasonable request of the Landlord, in respect of any energy conservation, water conservation, waste management, health, safety, security or other matter relating to the operation of the Building (provided that in the case of any such other request of the Landlord which is not pursuant to a directive, policy or request of a governmental or quasi-governmental authority shall be in accordance with reasonable standards from time to time prevailing for similar buildings in the area in which the Building is located). If due to the Tenant's use or occupancy of the Premises, improvements or changes are necessary to comply with any Applicable Laws or with any such directive, policy or request or with the requirements of insurance carriers, the Landlord may at its option either do the necessary work, at the expense of the Tenant as Additional Services, or forthwith give Notice to the Tenant to do such work within the requisite period of time and the Tenant shall then do such work within the requisite period of time. The Tenant shall pay to the Landlord the costs of any such work done by the Landlord, together with an administrative charge of fifteen percent (15%).

### **11.4 Nuisance, Interference, Waste, Overloading**

- (a) The Tenant shall not bring into the Premises any Hazardous Substance or other contaminant without the written consent of the Landlord, which may be arbitrarily withheld. Notwithstanding the foregoing to the contrary, the Tenant shall be entitled to use Hazardous Substances in quantities, and for purposes, that are typical in a general office, provided that same are used, handled, stored, transported and disposed of in strict compliance with all Environmental Laws.
- (b) The Tenant shall not cause or allow any act or thing which constitutes waste, damage or any nuisance or other act or thing which, in the Landlord's reasonable opinion, is dangerous or offensive to, or which constitutes a health hazard to, or which disturbs the quiet enjoyment of the Landlord or other tenants or occupants of the Building, or which interferes with the operation of any Building Systems or with the computer equipment, telecommunication equipment or other technological equipment of the Landlord, any service providers or other occupants of the Building. The Tenant shall keep the Premises free of debris and other items that might attract rodents or vermin and free of anything of

a dangerous, noxious or offensive nature or which could create a fire, environmental, health or other hazard (including any electromagnetic fields or other forms of radiation) or undue vibration, heat or noise. The Tenant shall not cause or allow any overloading of the floors of the Building or the bringing into any part of the Building, including the Premises, of any articles or fixtures that by reason of their weight, use, energy consumption, water consumption or size might damage or endanger the structure or any of the Building Systems. The Tenant shall use and maintain all equipment and services reasonably necessary to ensure: (a) that other tenants or occupants of the Building do not suffer any pests, noise, smoke, and/or odour from the Premises; and (b) minimal transmission of electromagnetic radiation from the Premises in respect of any particular equipment located within the Premises or elsewhere within, upon or beside the Building but used solely by the Tenant including, without limitation, any rooftop antenna(e).

### **11.5 Rules and Regulations**

The Tenant shall comply and use reasonable commercial efforts to cause every Person over whom it has control to comply with the Rules and Regulations. The Landlord shall have the right from time to time to make reasonable amendments, deletions and additions to such Rules and Regulations, provided it delivers Notice of such amendments, deletions and additions to the Tenant. If the Rules and Regulations conflict with any other provisions of this Lease, the other provisions of this Lease shall govern. The Landlord shall not be obligated to enforce the Rules and Regulations and shall not be responsible to the Tenant for failure of any Person to comply with the Rules and Regulations. The Rules and Regulations may differentiate between different types of tenants, different parts of the Building or otherwise. The Landlord agrees that it will not enforce the Rules and Regulations in a manner that is discriminatory to the Tenant.

### **11.6 Surrender of Premises**

At the expiration or earlier termination of this Lease the Tenant shall, at its expense: (a) peaceably surrender and yield up vacant possession of the Premises to the Landlord in a clean, broom-swept and tidy state, and (except where this Lease is terminated as a consequence of Damage to the Premises in accordance with Article 15) in as good condition and repair as the Tenant is required to maintain the Premises throughout the Term; (b) surrender all keys for the Premises; (c) comply with the provisions of Section 10.3 hereof, and (d) in the event that the Tenant has filed or registered against title of the Building lands or any part thereof a caveat, notice, caution or other document or instrument giving notice of this Lease, promptly cause the same to be discharged.

## **ARTICLE 12 INSURANCE AND INDEMNITY**

### **12.1 Tenant's Insurance**

The Tenant shall effect and maintain during the Term at its sole cost and expense:

- (a) "all risks" insurance, (including flood, earthquake and sewer back-up) upon all property owned by the Tenant or by others and for which property the Tenant is responsible located in the Building including equipment, furniture, fixtures and Leasehold Improvements in amounts sufficient to fully cover, on a replacement cost basis without deduction for depreciation;
- (b) comprehensive form boiler and machinery insurance or equipment breakdown insurance on a blanket repair and replacement basis with limits for each accident in an amount not less than the full replacement cost of all Leasehold Improvements and all property in the Premises not owned by the Landlord;

- (c) “all risks” insurance and commercial general liability insurance on an occurrence basis against claims for bodily injury, personal injury, economic loss, property damage and environmental damage including soil and groundwater contamination arising from occurrences in or about the Building or arising from or in any way relating to the Tenant’s use or occupancy of the Premises or the Building, contractual liability (including coverage of the indemnities provided for in this Lease), non-owned automobile liability and owner and contractors’ protective liability, in amounts which are from time to time acceptable to a prudent tenant in the community in which the Building is located (as determined by the Landlord), but not less than Ten Million Dollars (\$10,000,000.00) in respect of each occurrence;
- (d) Tenant’s legal liability insurance for the full replacement cost of the Premises including loss of the use of the Premises; and
- (e) business interruption insurance for a minimum period of twenty-four (24) months in an amount that will reimburse the Tenant for direct or indirect loss of earnings attributable to all perils insured against in Sections 12.1(a) and (b) or attributable to prevention of access to the Premises or the Building as a result of any such perils, including extra expense insurance if applicable; and
- (f) any other form of insurance that the Landlord or any Mortgagee may reasonably require from time to time in form, amounts and for insurance risks acceptable to the Landlord and any Mortgagee, acting reasonably, provided such other form of insurance would be reasonably required by landlords or mortgagees of similar buildings in the vicinity of the Building at that point in time, as demonstrated by evidence provided by the Landlord’s Expert.

Should the Tenant fail to maintain any of the insurance required pursuant to this Section 12.1 and should such default continue for two (2) Business Days after Notice to the Tenant, then in addition to any other rights and remedies, the Landlord may, but shall have no obligation to, elect to obtain the required insurance and the Tenant shall upon demand pay to the Landlord, as Additional Rent, the Landlord’s cost of obtaining such insurance.

## **12.2 Form of Tenant Policies**

Each policy required pursuant to Section 12.1 shall be in a form and with insurers acceptable to the Landlord, acting reasonably, having reasonable deductibles, and: (a) shall include, as Loss Payee (as their respective interests may appear) and as additional insureds, the Landlord and any property manager or facilities manager retained by the Landlord in respect of the Building, any Mortgagee and other Persons with an interest in the Building from time to time designated in writing by the Landlord (collectively, the “**Released Persons**”) provided in each such case there is an insurable interest, (b) all liability insurance shall contain provisions for cross-liability and severability of interests among the Released Persons and the other insureds and the Tenant; and (c) shall contain a provision that the Tenant’s insurance shall be primary and shall not call into contribution any other insurance available to the Landlord.

## **12.3 Certified Copies and Notice to Landlord**

The Tenant shall provide to the Landlord, prior to the Commencement Date, certificates of insurance in a form satisfactory to the Landlord acting reasonably, evidencing that the Tenant has obtained all insurance policies required by this Lease and shall provide written evidence of the continuation of such policies not less than ten (10) days prior to their respective expiry dates. Each policy required pursuant to Section 12.1 shall provide that: (a) the insurer must notify the Landlord and any Mortgagee in writing at least thirty (30) days prior to any cancellation of any such policy; (b) the policy shall not be invalidated in respect of the



interests of the Released Persons by reason of any breach or violation of any warranties, representations, declarations or conditions contained in such policy; and (c) the policy shall be non-contributing with, and shall apply only as primary and not excess to any other insurance available to all and any of the Released Persons.

#### **12.4 Landlord's Insurance**

The Landlord will maintain such policies of insurance in such amount and on such terms as would a reasonable prudent landlord of a similar building as the Building. The Tenant agrees that notwithstanding the Tenant contributes to the cost of the Landlord's insurance with respect to the Building, the Tenant shall not have any insurable interest in, or any right to recover any proceeds under any of the Landlord's insurance policies.

#### **12.5 Insurance Risk**

The Tenant shall not do, omit to do, or permit to be done or omitted to be done upon the Premises or any other portion of the Building (including without limitation the Patio Area) anything that may contravene or be prohibited by any of the Landlord's insurance policies in force from time to time covering or relevant to any part of the Building or which would prevent the Landlord from procuring such policies with companies acceptable to them. If the occupancy of the Premises, the conduct of business in the Premises or any acts or omissions of the Tenant in the Premises or any other portion of the Building (including without limitation the Patio Area) causes or results in any increase in premiums for any of the Landlord's insurance policies, then, without limiting any other rights or remedies of the Landlord, the Tenant shall pay any such increase as Additional Rent forthwith upon receipt of the invoices of the Landlord for such additional premiums. A written report by an Expert concerning the cause of any increase in premiums will be accepted as conclusive evidence, absent manifest error, of the cause for the purposes of determining the Tenant's liability to pay for increases as Additional Rent.

#### **12.6 Intentionally deleted**

#### **12.7 Indemnity By Tenant**

The Tenant shall defend, indemnify and save harmless the Released Persons from and against any and all claims, actions, causes of action, damages, demands for damages, losses and other liabilities and expenses (including, without limitation, those in connection with bodily injury (including death), personal injury, illness or discomfort or damage to property including environmental injury, harm and contamination and legal fees on a substantial indemnity basis, solicitor and its own client costs or other terminology as may be determined by the courts from time to time) by or on behalf of any Person or governmental authority due to or arising from or out of any occurrence in, on or at the Premises or the occupancy or use by the Tenant of the Premises or any other part of the Building or occasioned wholly or in part by any act or omission of the Tenant, its officers, employees, agents, contractors, invitees, licensees or by any Person (excluding the Released Persons and those for whom the Released Persons are at law responsible) permitted by the Tenant to be on the Premises or the Building or due to or arising out of any breach by the Tenant of this Lease. This indemnity shall survive the expiry or termination of this Lease.

#### **12.8 Indemnity by Landlord**

The Landlord shall defend, indemnify and save harmless the Tenant from and against any and all claims, actions, causes of action, damages, demands for damages, losses and other liabilities and expenses (including, without limitation, those in connection with bodily injury (including death), personal injury, illness or discomfort or damage to property including environmental injury, harm and contamination and legal fees on a substantial indemnity basis, solicitor and its own client costs or other terminology as may be determined by the courts from time to time) by or on behalf of any Person or governmental authority



due to or arising from or out of any occurrence in, on or at the Premises or the Building or occasioned wholly or in part by any act or omission of the Landlord, its officers, employees, agents, contractors, invitees, licensees or by any Person and those for whom the Landlord is at law responsible, permitted by the Landlord to be on the Premises or the Building or due to or arising out of any breach by the Landlord of this Lease. This indemnity shall survive the expiry or termination of this Lease.

## **ARTICLE 13 TRANSFERS**

### **13.1 Transfers Requiring Consent**

The Tenant shall not enter into, effect, consent to, or permit any Transfer without the prior written consent of the Landlord, which consent shall not be unreasonably withheld but shall be subject to the Landlord's rights under Section 13.2 and the Landlord agrees to provide its response to any request for consent hereunder within ten (10) Business Days after receipt of the Tenant's request for consent together with all documentation reasonably required by the Landlord to consider such a request. The Tenant shall pay to the Landlord its then current reasonable charge and all costs incurred (including legal fees and disbursements) in respect of the proposed Transfer. Notwithstanding any statutory provision to the contrary, it shall not be considered unreasonable for the Landlord to withhold its consent if, without limiting any other factors or circumstances which the Landlord may reasonably take into account:

- (a) an Event of Default on the part of the Tenant hereunder has occurred and is continuing beyond applicable notice and cure periods;
- (b) the proposed Transfer would be or could result in violation or breach of any covenants or restrictions made or granted to other tenants or occupants, or prospective tenants or occupants, of the Building or other Persons, regardless of when made or granted;
- (c) in the Landlord's reasonable opinion:
  - (i) either the financial background or the business history and capability of the proposed Transferee is not satisfactory;
  - (ii) the nature or character of the proposed business of the proposed Transferee is such that it might harm the Landlord's business or reputation or reflect unfavourably on the Building, the Landlord, or other tenants of the Building, or the image of any of them, or is unethical, immoral or illegal;
  - (iii) the use of the Premises by the proposed Transferee could be incompatible with the other businesses or activities being carried on in the Building or could result in excessive demands being placed on the Building Systems or the Common Areas and Facilities; or
  - (iv) if the proposed Transfer affects less than all of the Premises, the portion affected and/or the portion remaining does not have adequate size, access or configuration, provided that this paragraph (iv) shall not apply in the case of a proposed sublease of one or two whole floors of the Premises or further demise of each of the two (2) whole floors, provided that each floor shall not be demised into more than two (2) units per floor, in accordance with Section 13.6.
- (d) the proposed Transferee or any principal of the proposed Transferee or any principal shareholder of the proposed Transferee has a history of defaults under other commercial leases or does not have a satisfactory history of compliance with laws;

- (e) the Landlord at the time has, or will have in the next ensuing three (3) month period, other premises in the Building suitable for leasing to the proposed Transferee;
- (f) the proposed Transfer is to: (i) a consulate, embassy, trade commission or other representative of a foreign government; or (ii) a government, quasi-government or public agency, service or office; or
- (g) the Landlord does not receive sufficient financial, business or other information from the Tenant or the Transferee to enable the Landlord to make a determination as to whether or not it should give its consent.

Any consent by the Landlord to a Transfer shall not constitute a waiver of the necessity for such consent to any subsequent Transfer.

### **13.2 Tenant's Notice, Landlord's Rights**

If the Tenant intends to effect a Transfer, the Tenant shall give prior Notice to the Landlord of such intent specifying the identity of the Transferee, the type of Transfer contemplated, the part of the Premises affected and the financial and other terms of the Transfer, and shall provide such financial, business or other information relating to the proposed Transferee and its principals as the Landlord or any Mortgagee reasonably requires, together with copies of all reasonable documents which record the particulars of the proposed Transfer. The Landlord shall, within ten (10) days after having received such Notice and all requested information, notify the Tenant either that:

- (a) it consents or does not consent to the Transfer in accordance with the provisions of this Lease; or
- (b) it elects to take a Transfer from the Tenant upon the terms and conditions of the proposed Transfer for which the Tenant requests the Landlord's consent, it being understood that the Landlord shall at all times under such Transfer have the rights and option to make a further Transfer of the interest so acquired by the Landlord or any part thereof without obtaining the Tenant's consent and without sharing any of the economic consideration received by the Landlord thereunder.

### **13.3 Conditions of Transfer**

The following terms and conditions apply in respect of a Transfer (but this shall not imply consent by the Landlord to any Transfer):

- (a) the Tenant and the Transferee shall execute, prior to the Transfer being made, an agreement with the Landlord on a form reasonably acceptable to the Landlord, the Tenant and the Transferee, which shall include the Transferee's covenant to be bound by all of the terms of this Lease as if the Transferee had originally executed this Lease as the Tenant, and amending this Lease to incorporate any conditions imposed by the Landlord in its consent;
- (b) notwithstanding any Transfer, the Tenant shall remain secondarily liable under this Lease and shall not be released from performing the monetary terms of this Lease, and the liability of the Tenant and the Transferee with respect to monetary obligations shall be joint and several. The Tenant's liability shall continue notwithstanding any amendment of this Lease throughout the Term, regardless of whether or when an amendment, extension or renewal of this Lease is made (however the original Tenant's liability will not be increased by any amendment that it is not a party to) and notwithstanding that the Landlord may collect Rent from the Transferee;

- (c) if the Minimum Rent and Additional Rent (net of reasonable out of pocket costs for commissions, for cash allowances and for Alterations required by and made for the Transferee by the Tenant, amortized on a straight line basis over the term of the Transfer) to be paid by the Transferee under such Transfer exceeds the Minimum Rent and Additional Rent payable by the Tenant hereunder, 50% of the amount of such excess shall be paid by the Tenant to the Landlord. If the Tenant receives from any Transferee, either directly or indirectly, any consideration other than goodwill, than Minimum Rent or Additional Rent for such Transfer, either in the form of cash, goods or services, the Tenant shall immediately pay to the Landlord an amount equivalent to 50% of such consideration;
- (d) if the Transfer is a sublease, the Transferee will agree to waive any statutory or other right to apply to a court or to otherwise elect to: (i) retain the unexpired term of the Lease or the unexpired term of the sublease; (ii) obtain any right to enter into any lease or other agreement directly with the Landlord; or (iii) otherwise remain in possession of any portion of the Premises, in any case where the Lease is terminated, surrendered or otherwise cancelled, including, without limitation, any disclaimer, repudiation, surrender or other termination (each of these transactions being referred to as an “**Early Termination**”) by any trustee in bankruptcy of the Tenant or a Transferee, by any court appointed officer, or by the Tenant or a Transferee in connection with any insolvency proceedings;
- (e) if there is an Early Termination, the Tenant and any Transferee (except the bankrupt or insolvent Tenant or Transferee) to whom the Landlord gives Notice within sixty (60) days after the Early Termination, shall be considered to have entered into a lease with the Landlord on the same terms and conditions as are contained in this Lease except that the term of the lease shall commence on the date of the Early Termination and shall expire on the date this Lease would have expired but for the Early Termination;
- (f) notwithstanding the effective date of any permitted Transfer as between the Tenant and the Transferee, all Rent for the month in which such effective date occurs shall be paid in advance by the Tenant so that the Landlord will not be required to accept partial payments of Rent for such month from either the Tenant or the Transferee;
- (g) unless the Transferee is a sub-tenant of the Tenant, the Transferor shall retain no rights under this Lease in respect of obligations to be performed by the Landlord or in respect of the use or occupation of the Premises after the Transfer; and
- (h) any documents relating to a Transfer or relating to the Landlord’s consent will, at the Landlord’s option, be prepared by the Landlord or its solicitors and all of the reasonable legal costs of the Landlord with respect thereto shall be paid by the Tenant to the Landlord on demand as Additional Rent.

#### **13.4 Corporate Records**

Upon the Landlord’s reasonable request, the Tenant shall provide or make available to the Landlord or its representatives such of its corporate or partnership records, as the case may be, for inspection at all reasonable times, as are reasonably required by the Landlord in order to ascertain whether any Change of Control has occurred. Notwithstanding the foregoing, so long as the Tenant is a public corporation listed on a recognized stock exchange in North America (or the wholly owned subsidiary of a public corporation listed on a recognized stock exchange in North America), the Tenant shall only be required to provide publicly available records for such purpose.

### **13.5 Permitted Transfers**

Notwithstanding Section 13.1 and provided that there is not then an Event of Default existing beyond any applicable notice and cure period, the Tenant shall have the right on prior Notice to the Landlord, but without being required to obtain the Landlord's consent, to effect a Transfer in compliance with Section 13.3 to:

- (a) any corporation into which or with which the Tenant has amalgamated, merged or consolidated;
- (b) any person or entity that acquires directly or indirectly all or substantially all of the operations and/or assets of the Tenant in Canada or a majority of the Tenant's shares; and
- (c) any direct or indirect change in the voting control of the Tenant which occurs as a result of a going-public or private transaction, or the trading in the shares of a public corporation listed on a recognized stock exchange in Canada, the United States of America or Europe.

(each Transfer a "Permitted Transfer" and each Transferee a "Permitted Transferee")

### **13.6 Permitted Subleasing**

Notwithstanding anything to the contrary in this Lease, the Landlord acknowledges and agrees that the Tenant shall be permitted to sublease two (2) whole floors of the Premises, together and/or separately, and shall be permitted to further demise each of the two (2) whole floors, provided that each floor shall not be demised into more than two (2) units per floor. Any subleasing pursuant to this Section 13.6, shall be subject to the Landlord's consent in accordance with Section 13.1 above. As of the date of this Lease, the Tenant shall be permitted to market and advertise the Premises for subleasing, in accordance with Section 13.7 below.

### **13.7 Advertising**

The Tenant shall be permitted to advertise for assignment and sublet (including for the subletting of one or more floors of the Premises as term space, subject to Section 13.6) on the condition that the format of such advertisement is approved in writing by the Landlord. No such advertisement shall contain any reference to the rental rate of the Premises.

### **13.8 Sales or Dispositions by Landlord**

The Landlord shall have the unrestricted right to sell, transfer, lease, license, charge or otherwise dispose of all or any part of its interest in the Building, or any interest of the Landlord in this Lease. In the event of any sale, transfer, lease or other disposition the Landlord shall thereupon, and without further agreement, be released of all liability under this Lease arising from and after such disposition. If required by the Landlord in connection with any sale, transfer, charge or other disposition the Tenant shall, within five (5) Business Days of request, provide to the Landlord, prospective purchasers and Mortgagees and their respective agents and consultants, access to the current financial statements of the Tenant. If the Tenant is listed on a recognized stock exchange in Canada or the United States, the Tenant agrees to provide instead copies of the Tenant's annual reports, quarterly reports and all other publicly distributed reporting materials.

## **ARTICLE 14**

### **LANDLORD FINANCING AND STATUS CERTIFICATES**

#### **14.1 Subordination and Postponement**

- (a) Provided the Tenant obtains an agreement described in Section 14.1(b) below, his Lease and the rights of the Tenant in this Lease are, and shall at all times be, subject and

subordinate to any and all Mortgages and to all advances made at any time upon the security thereof, and the Tenant, on request by and without cost to the Landlord, shall, within five (5) Business Days after such request, execute and deliver any and all instruments required by the Landlord to evidence such subordination.

- (b) The Landlord shall use its commercially reasonable efforts to obtain and deliver to the Tenant, upon the Tenant's request, an agreement from each Mortgagee which provides that so long as the Tenant is not in default under this Lease, the Tenant's rights under this Lease will be undisturbed.
- (c) Provided the Tenant obtains an agreement described in Section 14.1(b) above, the Landlord, as to any Mortgage, and a Mortgagee, as to any Mortgage held by it, may, by Notice to the Tenant, elect that this Lease and the rights of the Tenant hereunder shall be prior to such Mortgage(s) and the Tenant, on request by and without cost to the Landlord, shall, within five (5) Business Days after such request, execute and deliver any and all instruments required by the Landlord or the Mortgagee, as the case may be, to confirm priority to this Lease over the Mortgage(s).

#### **14.2 Attornment**

At any time after any of the following has occurred:

- (a) if a Mortgagee delivers a Notice of attornment;
- (b) if a Mortgagee shall take possession of the Building or the Premises; or
- (c) if the interest of the Landlord is transferred to any Person (in this Article 13 referred to as a "**Purchaser**") by reason of foreclosure or other proceedings for enforcement of any Mortgage, or by delivery of a conveyance,

the Tenant shall, at the option of the Mortgagee or the Purchaser, as the case may be, exercisable by Notice in writing to the Tenant, be deemed to have attorned to the Mortgagee or the Purchaser, as the case may be, upon receipt of such Notice. The Landlord, the Mortgagee or the Purchaser, as the case may be, may require the Tenant to enter into all instruments required by the Landlord, the Mortgagee or the Purchaser, as the case may be, to confirm such attornment. Upon such attornment the obligations of the Tenant under this Lease shall continue in full force and effect upon all the same terms, conditions and covenants in this Lease.

#### **14.3 Status Certificates**

The Tenant shall at any time and from time to time execute and deliver to the Landlord, or as the Landlord, a Mortgagee or a Purchaser may direct, within ten (10) Business Days after it is requested, a certificate of the Tenant, in the form supplied, addressed to the Landlord, the Mortgagee or the Purchaser, as the case may be, and/or any prospective purchaser, lessor or Mortgagee, certifying such particulars, information and other matters in respect of the Tenant, the Premises and this Lease that the Landlord, the Mortgagee or the Purchaser, as the case may be, may request, including without limitation:

- (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and identifying the modification agreements), or if this Lease is not in full force and effect, the certificate shall so state;
- (b) the Commencement Date;
- (c) the date to which Rent has been paid under this Lease;



- (d) whether or not there is any existing default by the Tenant in the payment of any Rent or other sum of money under this Lease, and whether or not there is any other existing or alleged default by either party under this Lease and, if there is any such default, specifying the nature and extent thereof;
- (e) whether there are any set-offs, defences or counter claims against enforcement of the obligations to be performed by the Tenant under this Lease;
- (f) with reasonable particularity, details respecting the Tenant's financial standing and corporate organization; and
- (g) such other information as the Landlord reasonably requires.

#### **14.4 Reliance**

Notwithstanding that a Mortgagee or a Purchaser is not a party to this Lease, it shall be entitled to rely upon and enforce the provisions of this Lease which are stated to be for its benefit and, without limitation, the Mortgagee shall be entitled to act as agent for the Landlord to the extent necessary to enforce any such provisions.

### **ARTICLE 15 DAMAGE, DESTRUCTION AND EXPROPRIATION**

#### **15.1 Damage to Premises**

If there is damage, destruction or contamination by the presence of a Hazardous Substance or otherwise (collectively "**Damage**") to all or any material part of the Premises such that the Premises are rendered untenable or inaccessible, then:

- (a) if in the reasonable opinion of an Expert, the Damage can be substantially repaired under Applicable Laws within one hundred and eighty (180) days from the date of such Damage (employing normal construction methods without overtime or other premium), the Landlord shall forthwith repair such Damage other than Damage to Leasehold Improvements and any other property that is not the responsibility of or is not owned by the Landlord; and
- (b) if in the reasonable opinion of an Expert, the Damage cannot be substantially repaired under Applicable Laws within two hundred and seventy (270) days from the date of such Damage (employing normal construction methods without overtime or other premium), then the Landlord or the Tenant may elect to terminate this Lease as of the date of such casualty by Notice delivered to the other not more than sixty (60) days after receipt of the Expert's opinion failing which the Landlord shall forthwith repair such Damage other than Damage to Leasehold Improvements or property that is not the responsibility of or is not owned by the Landlord.

#### **15.2 Abatement**

If the Landlord is required to repair Damage to the Premises under Section 15.1 the Minimum Rent payable by the Tenant shall be proportionately reduced to the extent that the Premises are rendered untenable or inaccessible, from the date of the Damage until thirty (30) days after substantial completion by the Landlord of the repairs to the Premises or until the Tenant again uses the Premises (or the part thereof rendered untenable), whichever first occurs. The Tenant shall effect its own repairs and replacements and fully restore the Premises (including without limitation all Leasehold Improvements) for business fully stocked, fixtured and staffed as soon as possible after completion of the Landlord's repairs in accordance with its



obligations under this Lease and, in the event that the Premises have been closed for business, shall reopen for business within thirty (30) days after substantial completion by the Landlord of its repairs to the Premises. Notwithstanding the foregoing, there shall be no abatement or reduction of Minimum Rent where the Landlord's repairs to the Premises take less than ten (10) days to complete after the Damage occurs.

### **15.3 Termination Rights**

Notwithstanding anything else contained in this Lease, if: (a) there is Damage within or to the Building so as to affect twenty-five percent (25%) or more of the Rentable Area of the office portion of the Building, or to any part or parts of the Building Systems or the Common Areas and Facilities required for the proper operation of the office portion of the Building, whether or not the Premises are affected by such Damage; or (b) in the reasonable opinion of an Expert the Building is unsafe or access or services are affected and, in either case, cannot be substantially repaired under Applicable Laws within two hundred and ten (210) days from the date of such Damage (employing normal construction methods without overtime or other premium); or (c) the proceeds of insurance are substantially insufficient to pay for the costs of repair or rebuilding or are not payable to or received by the Landlord (so long as the Landlord has complied with its obligations under this Lease with respect to the Landlord's require to maintain insurance); or (d) Damage is caused by an occurrence against which the Landlord is beyond the extent to which the Landlord is required to insure under this Lease; or (e) any Mortgagee(s) or other Person entitled to the insurance proceeds shall not consent to the repair and rebuilding, then the Landlord may terminate this Lease by giving to the Tenant Notice of such termination within sixty (60) days of the Damage, in which event the Term shall cease and be at an end as of the date of such Damage and the Rent and all other payments for which the Tenant is liable under the terms of this Lease shall be apportioned and paid in full to the date of termination (subject to any abatement under Section 15.2).

In the case of election to terminate this Lease being made by the Landlord pursuant to either of Section 15.1(b) or this Section 15.3, the Term and the tenancy hereby created shall expire on the thirtieth (30th) day after such Notice of termination is given, without indemnity or penalty payable or any other recourse by one party to or against the other. Within such thirty (30) day period, the Tenant shall vacate the Premises and surrender them to the Landlord with the Landlord having the right to re-enter and repossess the Premises discharged of this Lease and to expel all persons and remove all property therefrom.

### **15.4 Landlord's Rights on Rebuilding**

In the event of Damage to the Building and if this Lease is not terminated in accordance with Sections 15.1 or 15.3, the Landlord shall forthwith repair such Damage, but only to the extent of the Landlord's obligations under the terms of the various leases for premises in the Building (including this Lease) and exclusive of any tenant's responsibilities with respect to such repair. In repairing or rebuilding the Building or the Premises the Landlord may use drawings, designs, plans and specifications other than those used in the original construction and may alter or relocate the Building on the Lands, the Common Areas and Facilities, or any part thereof, and may alter the Premises, provided that the Building as repaired or rebuilt is in compliance with all Applicable Laws and is of at least a similar standard, and the Premises as altered shall be of approximately the same size as the original Premises.

### **15.5 Expropriation**

Both the Landlord and the Tenant agree to cooperate with each other in respect of any expropriation of all or any part of the Premises or any other part of the Building so that each may receive the maximum award in the case of any expropriation to which they are respectively entitled at law. If and to the extent that any portion of the Building other than the Premises is expropriated, then the full proceeds accruing therefrom or awarded as a result thereof shall belong solely to the Landlord and the Tenant shall abandon or assign to the Landlord any rights which the Tenant may have or acquire by operation of law to such proceeds or

award and promptly execute such documents as in the opinion of the Landlord are or may be necessary to give effect to this intention.

**ARTICLE 16  
DEFAULT AND LANDLORD'S REMEDIES**

**16.1 Default**

Any of the following constitutes an Event of Default under this Lease:

- (a) any Rent or Rental Taxes is in arrears and is not paid when due;
- (b) the Tenant has breached any of its obligations in this Lease and, if such breach is capable of being remedied and is not otherwise listed in this Section 16.1, after Notice from the Landlord:
  - (i) the Tenant fails to remedy such breach within fifteen (15) days (or such shorter period as may be provided in this Lease); or
  - (ii) if such breach cannot reasonably be remedied within fifteen (15) days or such shorter period, the Tenant fails to commence to remedy such breach within such fifteen (15) days or shorter period or thereafter fails to proceed diligently and continuously to remedy such breach;
- (c) the Lease or any goods, chattels or equipment of the Tenant is seized, taken or eligible in execution or in attachment or under any chattel mortgage, charge, debenture or other security instrument, or if a writ of execution or enforcement is issued against the Tenant and such writ is not stayed or vacated within ten (10) days after the date of such issue;
- (d) the Tenant, the Indemnifier, or any Person occupying the Premises or any part thereof becomes insolvent or commits an act of bankruptcy or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, assignment, compromise or arrangement with its creditors, or if a trustee, receiver, receiver/manager, agent for a secured creditor, or a Person acting in a similar capacity is appointed for all or part of the business, property, affairs or revenues of the Tenant or any such Person;
- (e) any steps are taken or any action or proceedings are instituted by the Tenant or by any other party, including, without limitation, any court or governmental body of competent jurisdiction for the dissolution, winding-up or liquidation of either of the Tenant or the Indemnifier or its assets, other than pursuant to a corporate reorganization;
- (f) the Tenant makes a bulk sale of any of its assets, wherever situated (other than in conjunction with a Transfer approved by the Landlord) or moves or commences, attempts or threatens to move any of its goods, chattels and equipment out of the Premises (other than in the normal course of its business);
- (g) the Tenant abandons the Premises; or
- (h) the Tenant effects or purports to effect a Transfer other than in compliance with the provisions of this Lease.

**16.2 Remedies**

If and whenever an Event of Default occurs, the Landlord shall have the following rights and remedies, exercisable immediately and without further Notice and at any time:

- (a) to terminate this Lease and re-enter the Premises. The Landlord may remove all Persons and property from the Premises and store such property at the expense and risk of the Tenant or sell or dispose of such property in such manner as the Landlord sees fit without notice to the Tenant. Notwithstanding any termination of this Lease, the Landlord shall be entitled to receive Rent and all Rental Taxes up to the time of termination as provided in this Lease and damages including, without limitation: (i) damages for the loss of Rent suffered by reason of this Lease having been prematurely terminated; (ii) costs of reclaiming, repairing and re-leasing the Premises; and (iii) legal fees and disbursements on a substantial indemnity basis, solicitor and its own client costs or other terminology as may be determined by the courts from time to time;
- (b) to enter the Premises without terminating this Lease and as agent of the Tenant and to relet the Premises for whatever length of time and on such terms as the Landlord in its discretion may determine including, without limitation the right to: (i) take possession of any property of the Tenant on the Premises; (ii) store such property at the expense and risk of the Tenant; (iii) sell or otherwise dispose of such property in such manner as the Landlord sees fit; and (iv) make alterations to the Premises to facilitate the reletting. The Landlord shall receive the rent and proceeds of sale as agent of the Tenant and shall apply the proceeds of any such sale or reletting first, to the payment of any expenses incurred by the Landlord with respect to any such reletting or sale, second, to the payment of any indebtedness of the Tenant to the Landlord other than Rent and third, to the payment of Rent and Rental Taxes in arrears, with the residue to be held by the Landlord and applied to payment of future Rent and Rental Taxes as it becomes due and payable. The Tenant shall remain liable for any deficiency to the Landlord. Notwithstanding any such reletting without termination the Landlord may at any time thereafter elect to terminate this Lease for such previous breach;
- (c) to remedy or attempt to remedy the Event of Default for the account of the Tenant and to enter upon the Premises for such purposes. The Landlord shall not be liable to the Tenant for any loss, injury or damages caused by acts of the Landlord in remedying or attempting to remedy the Event of Default. The Tenant shall pay to the Landlord, on demand, all expenses incurred by the Landlord in remedying the Event of Default, together with an administration fee of fifteen percent (15%) and interest at the Default Rate from the date such expense was incurred by the Landlord;
- (d) to recover from the Tenant all damages, costs and expenses incurred by the Landlord as a result of the Event of Default including any deficiency between those amounts which would have been payable by the Tenant for the portion of the Term following such termination and the net amounts actually received by the Landlord during such period of time with respect to the Premises;
- (e) to recover from the Tenant the full amount of the current month's Rent together with, in the case of the events described in Section 16.1(d) or (e) only, the next three (3) months' instalments of Rent, which shall immediately become due and payable as accelerated rent, together with Rental Taxes on such Rent; and
- (f) suspend or cease to supply any utilities, services, heating, ventilation, air conditioning and humidity control to the Premises, all without liability of Landlord for any damages, including indirect or consequential damages, caused thereby.

### **16.3 Distress**

The Tenant hereby waives and renounces the benefit of any present or future laws purporting to limit or qualify the Landlord's right to distress. Notwithstanding any provision of this Lease or any provision of any present or future Applicable Laws, none of the goods, chattels or trade fixtures on the Premises at any time during the Term shall be exempt from levy by distress for arrears of Rent or other sums provided in this Lease to be paid by the Tenant, and the Tenant waives any such exemption. If the Landlord makes any claim against the goods and chattels of the Tenant by way of distress this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

Notwithstanding the foregoing, the Landlord shall not be entitled to effect a distress against computer software, computer discs, computer programs and tapes, client and customer property (including, without limitation, computer hardware and software), personnel or employee information, and any data in the hard drives of any computers on the Premises, nor against the books, records, accounts, files, correspondences and documents found upon the Premises or any part thereof including, without limitation, all proprietary and confidential information and the Landlord hereby waives any right, statutory or otherwise, to levy a distress in that regard.

### **16.4 Interest and Costs**

- (a) The Tenant shall pay to the Landlord upon demand: (a) interest at the Default Rate on all Rent and all other amounts required to be paid by the Tenant hereunder from the due date for payment until fully paid and satisfied.
- (b) The Tenant shall pay and indemnify the Landlord against damages, costs and expenses (including, without limitation, all legal fees on a substantial indemnity basis, solicitor and its own client costs or other terminology as may be determined by the courts from time to time) incurred in enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Tenant under this Lease, or in respect of which the Tenant has agreed to insure or to indemnify the Landlord.

### **16.5 Expenses**

In the event that legal action is brought for recovery of possession of the Premises, for the recovery of Rent or any other amount due under this Lease, or because of the breach of any other terms, covenants or conditions herein contained on the part of the Tenant to be kept or performed, and a breach is established, the Tenant shall pay to the Landlord as Additional Rent upon demand all costs and expenses incurred therefor, including, without limitation, any professional, consultant and legal fees (on a substantial indemnity basis, solicitor and its own client costs or other terminology as may be determined by the courts from time to time), unless a court shall otherwise award.

### **16.6 Removal of Chattels**

In case of removal by the Tenant of the goods and chattels of the Tenant from the Premises, the Landlord may follow same for thirty (30) days in the same manner as is provided for in the *Commercial Tenancies Act* (Ontario) or any like legislation in any other province in Canada.

### **16.7 No Early Vacating**

Intentionally deleted.

### **16.8 Remedies Cumulative**

No reference to or exercise of any specific right or remedy by the Landlord or the Tenant shall prejudice or preclude the Landlord or the Tenant from exercising or invoking any other remedy, whether allowed under this Lease or generally at law or in equity, and the express provisions of this Lease as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to them generally at law or in equity.

### **16.9 Payment Default**

Upon the occurrence of any Event of Default described in Section 16.1(a), the Landlord shall not exercise any remedy under this Article 16 unless the Tenant shall have failed to make the payment of Rent or Realty Taxes within the period of five (5) Business Days following the date on which Notice is given to the Tenant of its failure to make such payment.

## **ARTICLE 17 ENVIRONMENTAL OBLIGATIONS**

### **17.1 Environmental Compliance**

- (a) The Tenant shall conduct all of its operations on the Premises in strict compliance with all Environmental Laws and shall not cause or permit to be caused by any act, practice or omission or by negligence or otherwise any adverse effect, as such terms may be defined or applied under Environmental Laws from time to time. Without limiting the generality of the foregoing, the Tenant shall obtain all licences, permits, registrations, certificates of approvals and approvals required under all Environmental Laws for its operations on the Premises.
- (b) The Tenant shall not cause or allow any Hazardous Substances to be present, used, generated, stored or disposed of, in, on, under or about or transported from the Premises, except in strict compliance with all Environmental Laws, and only in such amounts as are reasonably necessary in connection with the Permitted Use and using all necessary and appropriate precautions with respect to such Hazardous Substances. The Tenant shall obtain all licences, permits, certificates of approval, approvals and generator registrations required under Environmental Laws with respect to all such Hazardous Substances.
- (c) The Tenant shall provide copies to the Landlord of all licences, permits, certificates of approval, approvals and generator registrations required hereunder within ten (10) days of demand therefor by the Landlord, provided that receipt or review of same by the Landlord shall not obligate the Landlord to take any action hereunder with respect to any conditions on the Premises.
- (d) The Tenant shall notify the Landlord promptly of any event or occurrence that has given, or is likely to give, rise to a report, order, inquiry investigation under Environmental Laws or a violation of Environmental Laws, including any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of a Hazardous Substance into, on, under, from or about the Premises or the Building.
- (e) The Tenant shall not permit any waste to accumulate at the Premises and shall ensure all such waste is removed by a licenced hauler in compliance with all Environmental Laws.



## **17.2 Remediation**

The Tenant shall, on thirty (30) days' notice but only during the last year of the Term, if required by the Landlord, at the Tenant's expense, cause an environmental, industrial hygiene or human health site assessment (the "ESA") of the Premises to be conducted by an environmental or human health consultant, as the case may be (the "Consultant") selected by the Landlord which may include, as required by the Landlord, acting reasonably, inspection of the Premises and the operations of the Tenant, drilling bore holes, and testing samples therefrom, reviewing records maintained by the Ministry of the Environment, the Technical Standards and Safety Authority or Ministry of Labour, reviewing records maintained by the Tenant and interviewing the Tenant's employees. If contamination is found in the Premises beyond allowable limits pursuant to Environmental Laws, the Tenant shall forthwith perform all remediation and decommissioning recommended by the ESA to restore the Premises to the condition that existed on the first day of the Fixturing Period. The decision of the Consultant as to whether any environmental damage or condition arose on the site during the Term whether it was caused by the operations of the Tenant shall be conclusive, absent manifest error. The ESA shall be addressed to both the Landlord and the Tenant.

## **17.3 Environmental Indemnity**

The Tenant shall indemnify and save harmless the Landlord from and against any and all losses, claims, actions, damages, liabilities, penalties and expenses (including consultants' fees and legal fees on a substantial indemnity basis, solicitor and its own client costs or other terminology as may be determined by the courts from time to time) in connection with loss of life, personal injury, damage to property, remediation required, compliance with government orders or Environmental Laws, or any other loss or injury arising from a breach of the Tenant of its obligations under this Article 17 or upon the presence, release or discharge of Hazardous Substances into, under, upon, from or about the Premises caused by the Tenant or those for whom it is in law responsible. This indemnity shall survive the expiry or termination of this Lease.

The Landlord shall indemnify and save harmless the Tenant from and against any and all losses, claims, actions, damages, liabilities, penalties and expenses (including consultants' fees and legal fees on a substantial indemnity basis, solicitor and its own client costs or other terminology as may be determined by the courts from time to time) in connection with loss of life, personal injury, damage to property, remediation required, compliance with government orders or Environmental Laws, or any other loss or injury arising from a breach of the Landlord of its obligations under this Article 17 or upon the presence, release or discharge of Hazardous Substances into, under, upon, from or about the Premises or the Building caused by the Landlord or those for whom it is in law responsible. This indemnity shall survive the expiry or termination of this Lease.

## **ARTICLE 18 MISCELLANEOUS**

### **18.1 Relationship of Parties**

Nothing contained in this Lease shall create any relationship between the parties other than that of landlord and tenant, and, without limitation, nothing in this Lease shall be construed to constitute the Landlord and the Tenant as partners, joint venturers or members of a joint or common enterprise.

### **18.2 Consent Not to be Unreasonably Withheld**

Except as otherwise specifically provided in this Lease, the Landlord and the Tenant, and each Person acting for them, in granting a consent or approval or making a determination, designation, calculation, estimate, conversion or allocation under this Lease, will act reasonably and in good faith and each Expert or other professional Person employed or retained by the Landlord will act in accordance with the applicable



principles and standards of such Person's profession. The Tenant's sole remedy against the Landlord in respect of any breach or alleged breach of this Section 18.2 shall be an action for specific performance and, without limitation, the Landlord shall not be liable for damages and the Tenant shall not be entitled to any other rights or remedies. If either party withholds any consent or approval where it is required to act reasonably, such party shall, on written request, deliver to the other party a written statement giving the reasons for withholding the consent or approval.

### **18.3 Overholding**

The Tenant has no right to remain in possession of the Premises after the end of the Term. If the Tenant remains in possession of the Premises after the end of the Term with or without the consent of the Landlord but has not executed and delivered a new lease, there shall be no tacit renewal of this Lease or the Term, notwithstanding any statutory provisions or legal presumption to the contrary. If the Tenant remains in possession of the Premises after the end of the Term without the written consent of the Landlord, the Tenant's continued occupancy will be deemed a monthly tenancy which the Landlord may terminate at any time on thirty (30) days' written notice. If the Tenant remains in possession of the Premises after the end of the Term with the Landlord's written consent but without entering into a new lease or other agreement, the Tenant shall be deemed to be occupying the Premises as a tenant from month to month. In either event, the Tenant shall pay to the Landlord, in advance on the first day of each month, a monthly Minimum Rent equal to one hundred and fifty percent (150%) of the monthly amount of Minimum Rent payable during the last month of the Term and shall otherwise occupy the Premises upon the same terms, covenants and conditions as are set forth in this Lease, mutatis mutandis, including, for greater certainty, liability for all Additional Rent.

### **18.4 Registration**

Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant (including any Transferee) shall register this Lease or any Transfer against the Lands. The Tenant may register a caveat, notice in short form of this Lease which does not include any reference to this Lease, or such other form of documentation as may be required or permitted under the applicable legislation for the purposes of evidencing the Tenant's interest in this Lease for the Premises (the "**Notice of Lease**") provided that: (a) a copy of this Lease is not attached; (b) no financial terms are disclosed; (c) the Landlord gives its prior written approval to the Notice of Lease; and (d) the Tenant pays the Landlord's reasonable costs on account of the matter. The Landlord may limit such registration to one or more parts of the Lands. Upon the expiration or other termination of the Term the Tenant shall immediately discharge or otherwise vacate any such Notice of Lease and, if it fails to do so, the Landlord may on behalf of the Tenant and at the Tenant's expense as its attorney, proceed to remove, discharge or otherwise vacate all such registrations, and the Tenant hereby expressly appoints the Landlord its lawful attorney in this regard. If any part of the Lands which in the opinion of the Landlord are surplus to the Building is transferred, the Tenant shall forthwith at the request of the Landlord discharge or otherwise vacate any such Notice of Lease as it relates to such part. If any part of the Lands are made subject to any easement, right-of-way or similar right, the Tenant shall immediately at the request of the Landlord postpone its registered interest to such easement, right-of-way or similar right.

### **18.5 Unavoidable Delay**

If any party is bona fide delayed, or hindered in or prevented from the performance of any term, covenant or act required by this Lease by reason of any cause beyond the control of the party affected including, without limitation, strikes, lockouts or other labour disputes, the enactment, amendment or repeal of any Applicable Laws, the failure of any existing tenant or occupant to vacate the Premises, shortages or unavailability of labour or materials, riots, insurrection, sabotage, rebellion, war, acts of terrorism, act of God, Health Emergency or any other similar reason ("**Unavoidable Delay**"), then performance of such

term, covenant or act is excused for the period of the delay and the party so delayed, hindered or prevented shall be entitled to perform such term, covenant or act within the appropriate time period after the expiration of the period of such delay. However, the provisions of this Section 18.5 do not operate to excuse the Tenant from the prompt payment of Rent and any other payments required by this Lease and Unavoidable Delay shall not include any delay caused by the parties' default or act or omission, any delay avoidable by the exercise of reasonable care by such party or any delay caused by lack of funds of such party. The Landlord shall also be excused from the performance of any term, covenant or act required hereunder if the performance of such item would be in conflict with any directive or policy of any governmental or quasi-governmental authority having jurisdiction over the Building in respect of any energy, conservation, health, safety or security matter.

#### **18.6 Decisions of Experts**

The decision of any Expert whenever provided for under this Lease and any certificate of an Expert in each case addressed to both parties shall be final and binding on the parties and there shall be no further right of dispute or appeal, absent manifest error.

#### **18.7 Notices**

Any notice, demand, statement or request ("**Notice**") required or permitted to be given under this Lease shall be in writing and shall be deemed to have been duly given if personally delivered, delivered by courier, mailed by registered prepaid post or electronic mail and shall be addressed:

- (a) if to the Landlord:

1235 Bay Street, 7th Floor,  
Toronto, Ontario, M5R 3K4,  
Attention: Sr. Manager, Property & Lease Administration  
e-mail: [tetyana.popova@constantineinc.com](mailto:tetyana.popova@constantineinc.com)

with a copy to such other Person or at such other address as the Landlord designates by written notice; and

- (b) if to the Tenant:

336 Queen Street West,  
Toronto, ON  
M5V 2A2  
email: [legal@recursionpharma.com](mailto:legal@recursionpharma.com)

with a copy to:

41 S. Rio Grande Street  
Salt Lake City, UT,  
U.S.A. 84101  
email: [legal@recursionpharma.com](mailto:legal@recursionpharma.com)

- (c) if to the Indemnifier:

41 S. Rio Grande Street  
Salt Lake City, UT,  
U.S.A. 84101  
email: [legal@recursionpharma.com](mailto:legal@recursionpharma.com)

with a copy to:

336 Queen Street West,  
Toronto, ON  
M5V 2A2  
email: [legal@recursionpharma.com](mailto:legal@recursionpharma.com)

Any such notice, demand, request or other instrument will be conclusively deemed to have been given or made on the day upon which it is delivered or, if mailed, then seventy-two (72) hours following the date of mailing, as the case may be, and the time period referred to in the notice commences to run from the time of delivery or seventy-two (72) hours following the date of mailing, or, if given electronically, on the same day if it is sent by 5:00 PM or the following day otherwise. Any party may at any time give notice in writing to the others of any change of address of the party giving such notice, and from and after the giving of such notice, the address therein specified is deemed to be the address of such party for the giving of notices hereunder. If the postal service is interrupted or is substantially delayed, any notice, demand, request or other instrument shall only be delivered in person or by courier or by electronic mail.

#### **18.8 Confidentiality, Personal Information**

Each of the Tenant and the Indemnifier shall keep confidential all financial information in respect of this Lease, provided that it may disclose such information to its solicitors, accountants, auditors, consultants and other professional advisors so long as they have first agreed to respect such confidentiality. Any Tenant that is an individual person consents to the collection and use of their personal information, as provided directly or collected from third parties, for the purposes of the Landlord considering the Tenant's offer to lease (preceding this Lease), any right under this Lease, any renewal, extension or early surrender of this Lease, and determining the suitability of the Tenant (both initially and on an on-going basis), including the disclosure of such information to existing and potential lenders, investors and purchasers.

#### **18.9 Power, Capacity and Authority**

The Landlord and the Tenant covenant, represent and warrant to each other that they have the power, capacity and authority to enter into this Lease and to perform its obligations hereunder and that there are no covenants, restrictions or commitments given by it which would prevent or inhibit it from entering into this Lease.

#### **18.10 Liability of Landlord**

Any liability of the Landlord under this Lease shall be limited to its interest in the Building from time to time. If the Landlord consists of more than one Person, the liability of each such Person shall be several and be limited to its percentage interest in the Building. If the Landlord is a partnership, joint venture or co-tenancy, the Tenant shall look solely to the assets of such partnership or joint venture or the co-tenants' interest in the Building, whichever shall be the case, for the collection or satisfaction of any money or judgment which the Tenant may recover against the Landlord, and the Tenant shall not look for the collection or satisfaction of any such money or judgment to the personal assets or any Person who shall at any time be a partner joint venturer or co-tenant in or under such partnership, joint venture or co-tenancy.

#### **18.11 Planning Act**

This Lease is expressly conditional upon compliance with the Planning Act (Ontario) and any amendments thereto. If any consent is required under such legislation, then until the necessary consent to the Lease is obtained by the Tenant, at its sole cost and expense, the Term (including an option terms) and the Tenant's rights and entitlement granted by this Lease are deemed to extend for a period not exceeding the period referenced in such legislation (i.e., when consent is required), less one (1) day.



**18.12 Indemnity**

In consideration of the Landlord's execution of this Lease, the Indemnifier hereby agrees to indemnify the Landlord with respect to the Tenant's observance and performance of all of the monetary terms, covenants and conditions contained in this Lease and the Patio Licence Agreement. The Indemnifier further agrees to sign, concurrently with this Lease, the indemnity agreement in the form attached hereto as Schedule "H".

**18.13 Counterpart Execution**

This Lease may be executed in several counterparts, each of which, once executed, shall be deemed to be an original and such counterpart together with the other counterparts shall constitute one and the same instrument. The parties hereto consent to the use of electronic signatures and agree that this Lease and all agreements and documents required or desirable to give effect to this Lease may be executed either in original or by electronic means, and may be transmitted by PDF and the parties adopt any such electronic execution or signatures received by PDF as original signatures of the parties.

**18.14 Schedules**


The following Schedules form a part of this Lease:

- Schedule "A" - Legal Description of the Lands
- Schedule "B" - Sketch Showing Location of Premises
- Schedule "B-1" - Sketch Showing Exterior Signage
- Schedule "C" - Rules and Regulations
- Schedule "D" - Special Provisions
- Schedule "E" - Landlord's Work
- Schedule "F" - Landlord's Conditional Approval of Tenant Drawing Submission Package
- Schedule "G" - Patio Licence Agreement
- Schedule "H" - Indemnity Agreement

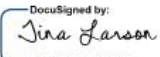
[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the parties have executed this Lease as of the date hereof.

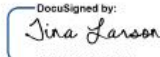
**CONSTANTINE ENTERPRISES INC.**

By:   
Name:  
Title: Robert Hiscox CEO  
I have authority to bind the Corporation

**RECURSION CANADA INC.**

By:   
Name: Tina M. Larson  
Title: President and COO  
I have authority to bind the Corporation

**RECURSION PHARMACEUTICALS INC.**

By:   
Name: Tina M. Larson  
Title: President and COO  
I have authority to bind the Corporation

**SCHEDULE "A"**  
**LEGAL DESCRIPTION OF THE LANDS**

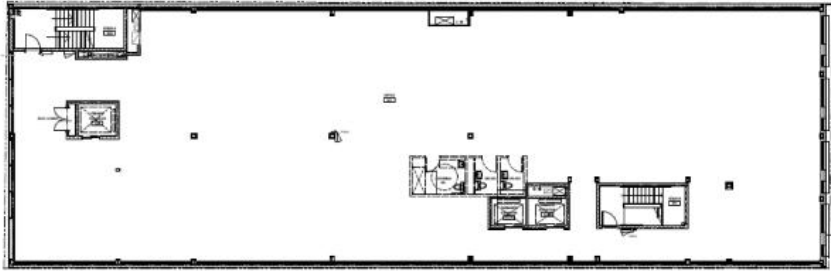
**ADDRESS: 336 Queen Street West, Toronto**

**DESCRIPTION: Lot 7, North Side of Queen Street (formerly Peterfield Row), Plan D-10, City of Toronto**

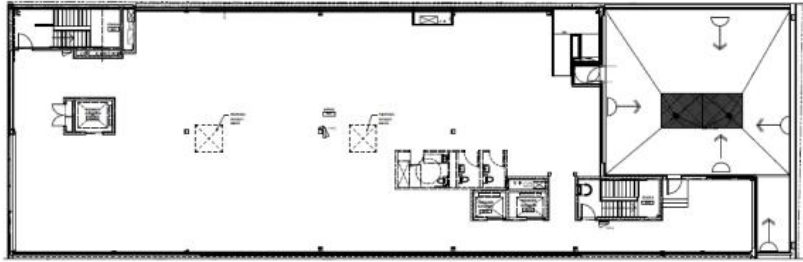




**FLEISCHER**  
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SUITE 100  
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734.769.1234  
WWW.FLEISCHERARCHITECTS.COM



**CONSTANTINE**  
ARCHITECTS  
P.C.  
1000 RIVERVIEW AVENUE  
SUITE 100  
ANN ARBOR, MI 48106  
734.769.1234  
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**LIVNER  
FLBSCHER**

CONSTANTINE

PROJEKTANT

PROJEKT

PROJEKTION

A105

**SCHEDULE "B-1"  
SKETCH SHOWING EXTERIOR SIGNAGE**



**SCHEDULE "C"**  
**RULES AND REGULATIONS**

1. Security and Safety
  - (a) The Landlord may from time to time adopt appropriate systems and procedures for the security and safety of the Building and the tenants and occupants and contents thereof, and the Tenant shall comply with the Landlord's reasonable requirements in respect of such systems and procedures.
  - (b) The Tenant shall participate in fire drills and evacuations of the Building as directed by the Landlord. In the event of an emergency, the Tenant shall vacate the Building if the Landlord or any public authority so directs in the manner prescribed by the Landlord or such public authority.
  - (c) The Tenant shall not keep any inflammable oils or other inflammable, dangerous, corrosive or explosive materials in the Premises or the Building, save and except for incidental amounts used in the Tenant's business operations and kept and used in accordance with all Applicable Laws.
  - (d) The Tenant shall not bring any weapons, including firearms, knives (except normal kitchen utensils and office equipment such as scissors), fireworks or other similar implements, into the Premises or the Building at any time.
  - (e) The Tenant shall use and encourage the use of alcohol based waterless hand sanitizers in all washroom and food preparation facilities within the Premises.
  - (f) For safety and security purposes, the number of occupants of the Premises shall, at all times, not exceed the population density permitted by the National Building Code of Canada, as determined by the Tenant's architect.
2. Use of Premises
  - (a) The Tenant shall not use or permit the Premises to be used for residential, lodging or sleeping purposes, or for the storage of personal effects or articles not required for business purposes.
  - (b) The Tenant shall not cook or heat any foods or liquids (other than the heating of food in microwave ovens or the heating of water or coffee in coffee makers or kettles) in the Premises without the written consent of the Landlord and shall not permit on the Premises the use of equipment for dispensing food or beverages or for the preparation, solicitation of orders for, sale, serving or distribution of food or beverages.
  - (c) Only Persons approved from time to time by the Landlord may solicit orders for, sell, serve or distribute foods or beverages in the Building or use the entrances, elevators or corridors for any such purpose.
3. Operation of Premises
  - (a) The Tenant shall place all refuse and recyclables in the receptacles provided by the Tenant in the Premises or in the receptacles (if any) provided by the Landlord for the Building, and shall otherwise keep the Lands and the Building and the sidewalks and driveways outside the Building free of all refuse.

- (b) The Tenant shall participate in all Building recycling, energy reduction and water conservation programs as may be determined by the Landlord from time to time, in accordance with the terms of the Lease.
- (c) The Tenant shall neither obstruct nor use the entrances, passages, escalators, elevators and staircases of the Building or the sidewalks and driveways outside the Building for any purpose other than ingress to and egress from the Premises and the Building.
- (d) The Landlord shall be entitled to refuse to collect refuse and recyclables if not properly sorted into the appropriate recyclable container, and the Landlord shall be entitled to charge the Tenant for any costs it incurs as a result of the Tenant's failure to comply with the Building recycling program.

4. Repair, Maintenance, Alterations and Improvements

The Tenant shall carry out the Tenant's repairs, maintenance, Alterations and improvements in the Premises consistent with the Lease only during times agreed to in advance by the Landlord and in a manner which will not interfere with the rights of other tenants in the Building.

5. Deliveries

The Tenant shall not make or receive any deliveries from or to the Premises except through the entrances, elevators and corridors and at the times designated by the Landlord.

6. Articles

- (a) Any furniture or equipment being moved in or out of the Premises by the Tenant shall be moved through the entrances, elevators and corridors after Business Hours and at the times designated by the Landlord. All appliances used to move articles in or out of the Premises shall be equipped with rubber tires, slide guards and any other safeguards required by the Landlord.
- (b) The Tenant shall not place in or move about the Premises any heavy machinery or equipment or anything liable to injure or destroy any part of the Premises or the Building without the prior written consent of the Landlord.
- (c) The Tenant may be required to report to the Building manager as to whether items of equipment purchased by the Tenant for use within the Premises are Energy Star, EcoLogo<sup>M</sup>, Green Seal<sup>TM</sup> or otherwise approved by a credible authority (as determined by the Landlord acting reasonably) as environmentally friendly.
- (d) The Tenant shall not permit the use of, within its Premises, any stand alone energy intensive equipment designed to modify indoor air temperature or humidity, such as portable air conditioners, space heaters, humidifiers or dehumidifiers.

7. Windows

The Tenant shall not install curtains, blinds or other window coverings without the prior written consent of the Landlord. Window coverings that are installed by the Tenant shall comply with any uniform scheme of the Building. If the Building has operable windows, the Tenant will keep such windows closed during any smog alert days.



8. Washrooms and Water Fixtures

The Tenant shall be permitted to use those washrooms on the floor of the Building on which the Premises are situated or, in lieu thereof, those washrooms designated by the Landlord from time to time. The Tenant shall not use the washrooms or other water fixtures for any purposes other than those for which they were intended, and no sweepings, rubbish, rags, ashes or other substances shall be thrown into them.

9. Locks and Security Systems

The Landlord may from time to time install and change locks and/or security systems on entrances to the Premises and the Building. The Tenant shall be supplied with a reasonable number of keys or other entry devices for each installation. Any additional keys or entry devices required by the Tenant must be obtained from the Landlord at the Tenant's expense. The Tenant shall not place or cause to be placed any additional locks or security systems on entrances to the Premises without the prior written consent of the Landlord, such consent not to be unreasonably withheld, conditioned or delayed. At the end of the Term, the Tenant shall return to the Landlord all keys and other entry devices for the Premises and the Building which are in the possession of the Tenant. If without Landlord's consent, Tenant installs lock(s) incompatible with the Building master locking system:

- (a) Landlord, without abatement of Rent, shall be relieved of any obligation under the Lease to provide any service to the affected areas which require access thereto;
- (b) Tenant shall indemnify Landlord against any expense as a result of forced entry thereto which may be required in an emergency; and
- (c) Landlord may at any time remove such lock(s) at Tenant's expense.

10. Bicycles and Vehicles

The Tenant shall not bring any bicycles or other vehicles within any part of the Lands or Building except in such area or areas designated by the Landlord from time to time.

11. Living Creatures

The Tenant shall not bring any living creatures, including animals (except dogs assisting the disabled), reptiles, insects, birds or fish within any part of the Lands or Building without the consent of the Landlord.

12. Indoor Plants and Vegetation, and Pest Control

The Tenant shall ensure that no pesticides or herbicides are used within the Premises. The Tenant shall maintain any indoor plants and vegetation within the Premises in a healthy state, provided that any fertilizers used shall meet EcoLogo<sup>M</sup>, Green Seal<sup>TM</sup> or equivalent standards.

13. Antennae, Satellite Dish

The Tenant shall not install any radio or television antenna or satellite dish on any part of the Lands or Building without the prior written consent of the Landlord.

14. Smoking

The Tenant shall not permit smoking in any part of the Building, including the Premises.

15. Canvassing, Soliciting and Peddling

Canvassing, soliciting and peddling in or about the Lands and Building are prohibited.

16. Employees, Agents and Invitees

In these Rules and Regulations, "Tenant" includes the employees, agents, invitees and licensees of the Tenant and others permitted by the Tenant to use or occupy the Premises.

17. Health Screening

The Landlord shall be entitled, during such time as there is a Health Emergency or a Health Emergency Plan is in effect, to require all occupants to comply with reasonable measures imposed in respect thereof by the Landlord, including health screening, the use of hand washing and other sanitation products directly related to the management of the health threat, attendance at mandatory training sessions, and the use of additional protective clothing by all occupants, invitees and tenants such as protective barriers, gloves and masks.

18. Access During Health Emergency

During a Health Emergency, the Landlord shall also be entitled to specify specific modes of ingress and egress from and to the Building for tenants generally, or for specific tenants, occupants or invitees who may have a heightened risk of either exposure to a health threat or a heightened risk of transfer of unhealthy condition to other tenants, invitees or visitors in the Building.

19. Disclosure by Tenant

The Tenant shall, immediately upon becoming aware of same, inform the Landlord of any outbreak of an infectious disease amongst its employees where such outbreak may impact the health and/or safety of other tenants in the Building or lead to a Health Emergency.

20. Health Emergency Drills

The Tenant shall participate in any Health Emergency drill that the Landlord shall choose to implement acting reasonably, in preparation for a Health Emergency.

**SCHEDULE “D”  
SPECIAL PROVISIONS**

**1. General to all Clauses**

Where any provision of any paragraph contained in this Schedule “D” is inconsistent with any provision or provisions of this Lease, the provision of the paragraph in this Schedule “D” shall govern and the inconsistent provision or provisions of this Lease shall be of no effect.

**2. Environmental Objectives**

- (a) “Greenhouse Gases” shall mean any or all of CO<sub>2</sub>, methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), Sulphur Hexafluoride (SF<sub>6</sub>), Perfluoromethane (CF<sub>4</sub>), Perfluoroethane (C<sub>2</sub>F<sub>6</sub>), Hydrofluorocarbons (HFC’s), any substance designated as a greenhouse gas by Applicable Laws or any other substance that is the subject of reporting obligations under the Government of Canada’s notice with respect to reporting of greenhouse gases released under the *Canadian Environmental Protection Act*, 1999 on February 16, 2008 in the Canada Gazette, vol. 142, no. 7, as updated from time to time, or a successor obligation or any equivalent notice published by any provincial government, and “Greenhouse Gas” means any one of them.
- (b) The Tenant acknowledges the Landlord’s intention to operate the Building so as to provide for:
  - (i) a comfortable, productive and healthy indoor environment;
  - (ii) reduced energy use and reduced production, both direct and indirect, of Greenhouse Gases;
  - (iii) reduced use of potable water and the use of recycled water where appropriate;
  - (iv) the effective diversion of construction, demolition, and land-clearing waste from landfill and incineration disposal, and the recycling of tenant waste streams;
  - (v) the use of cleaning products certified in accordance with EcoLogo<sup>M</sup> (Canada), Green Seal<sup>TM</sup> (United States) or equivalent standards;
  - (vi) the facilitation of alternate transportation options for individuals attending at the Building;
  - (vii) and the avoidance of high-VOC emitting materials, furniture and improvements within the Building and individual tenant premises;(collectively, the “**Environmental Objectives**”).

**3. Completion of the Premises**

- (a) The Tenant acknowledges that it shall accept the Premises in “as is, where is” condition, subject only to the completion of the Landlord’s Work.
- (b) The Landlord agrees that it shall complete the following work (the “**Landlord’s Work**”) at the Premises on or before the Commencement Date, at its sole expense, in accordance with Applicable Laws and in a good workmanlike manner, as follows:

- (i) The work shown to be the Landlord's responsibility in Schedule "E" annexed hereto which work shall be completed in a good and workmanlike manner using first-class materials and in accordance with all Applicable Laws; and
- (ii) The Landlord will build washrooms on each floor to a base building standard with the Tenant's input, acting reasonably.

Upon completion of the Landlord's Work, Tenant shall have fourteen (14) days to inspect and review Landlord's Work for any deficiencies and shall report any deficiencies to the Landlord within the aforementioned fourteen (14) days. If any deficiencies are reported, the Landlord covenants and agrees to promptly rectify the deficiencies following the receipt of such report.

- (c) If the Landlord is unable to complete the Landlord's Work by July 1, 2022, for any reason, then this Lease shall not be void or voidable, the Landlord shall not be responsible for any liabilities whatsoever to the Tenant and all dates referenced in this Lease shall be delayed one (1) day for each day of delay, including but not limited to, the Commencement Date and the Fixturing Period, and the Term shall be postponed by the number of days past July 1, 2022, that it takes the Landlord to complete the Landlord's Work. Notwithstanding the foregoing, the Commencement Date and the Tenant's obligation to pay Rent shall not be delayed for any reason caused by the Tenant, such as, by way of example, failure by the Tenant to provide or approve plans, specifications or materials for the Landlord to perform the Landlord's Work, or the Tenant's failure to promptly respond to enquiries or requests made by the Landlord in connection with the performance of the Landlord's Work.
- (d) The Tenant agrees that it shall, at its own expense, make all necessary Alterations and Leasehold Improvements to the Premises necessary for the conduct of its business (the "**Tenant's Work**") during the Fixturing Period, and the Tenant shall provide to the Landlord all detailed working drawings, plans and specifications for the Tenant's Work prior to commencing any such Tenant's Work. All plans, drawings and specifications for the Tenant's Work, and the Tenant's choice of contractors shall be subject to the prior approval of the Landlord, such approval not be unreasonably withheld or delayed and the Landlord will provide its response within ten (10) Business Days of any such request. The Tenant shall pay to the Landlord upon demand, any reasonable out-of-pocket costs incurred by the Landlord in connection with its review of Tenant's Work including any request for approval of drawings, plans and specifications provided by the Tenant, provided that such costs do not exceed \$2,500.00 per occurrence. The Tenant agrees that the Tenant's Work shall be completed in accordance with the terms and conditions of this Lease and the approved plans and specifications and shall conform with all Applicable Laws, including without limitation, the City of Toronto by-laws and regulations, the Ontario Building Code and any and all building permits. The Tenant agrees to indemnify and save the Landlord harmless from any and all claims, damages, actions or liens arising from its Alterations, Leasehold Improvements and Tenant's Work.

#### **4. Fixturing Period**

Provided the Tenant given the Landlord proof of the Tenant's insurance in accordance to the terms of the Lease, paid the Deposit and is not then in the default of the Lease beyond any applicable notice and cure period, the Tenant shall have non-exclusive access to and occupancy of the Premises during the Fixturing Period for the purpose of constructing the Tenant's Leasehold Improvements and installing furniture and other business fixtures. During the Fixturing Period, all of the terms and conditions of the Lease, except for payment of Minimum Rent, Operating Costs and Realty Taxes, shall be in full force. For clarity, all

Premises Utilities are to be a responsibility of the Tenant during the Fixturing Period, and paid by the Tenant directly to the utility provider directly in accordance with Section 8.2(c) of this Lease, or if the Tenant is not billed by the utility provider, such costs shall be paid by the Tenant to the Landlord in accordance with Section 8.2(b) of this Lease.

The Tenant acknowledges that during the first two months of the Fixturing Period (from May 1, 2022 to June 30, 2022) the Landlord and the Tenant shall each have access to the Premises for the purposes of carrying out Landlord's Work and Tenant's Work, respectively.

In the event the Tenant's Work in the Premises is completed by the Tenant prior to the expiry of the Fixturing Period, the Tenant may commence carrying out its business from the Premises free from Minimum Rent up to the end of the Fixturing Period. For clarity, any Additional Rent will be payable by the Tenant from the day the Tenant commences its business.

## 5. Option to Extend

Provided that the Tenant is not in default of the Lease beyond any applicable notice and cure period, the Tenant shall have the option to extend the Term for one (1) additional period of five (5) years (the "Extension Period") on the same terms and conditions except for Minimum Rent rate, any free rent periods, fixturing periods, rent rebates and tenant allowances. The Minimum Rent rate for the Extension Period shall be determined by the then current Fair Market Rent rate, for comparable space in the same geographical area for a building of similar size and condition. The Tenant will provide the Landlord with a written notice exercising the option no later than six (6) months and no earlier than twelve (12) months prior to the expiry of the then current Term. If the Minimum Rent is not determined within ninety (90) days of Landlord's receipt of the Tenant's written notice, then the Minimum Rent shall be determined by a single arbitrator, appointed and proceeding under the *Arbitration Act*, 1991 (Ontario) or any replacement or successor legislation. If the parties cannot agree on the arbitrator within fifteen (15) days after the matter is to be submitted to arbitration, then the parties shall submit the matter to the Arbitration and Mediation Institute of Ontario Inc., which shall choose the arbitrator. The decision of the arbitrator shall be final and binding without appeal on questions of law or fact for any reason whatsoever. Costs of the arbitration shall be shared equally.

For the purposes of this Section 5 of Schedule "D", "Fair Market Rent" shall mean the annual net rental rate for comparable space in the Building or comparable buildings in the area of the Building as of the date upon which the Tenant provides the foregoing notice to the Landlord, having regard to rents then, or as near as possible thereto, being contracted to be paid, under leases of similar premises to the Premises in the area, by tenants with a covenant similar to that of the Tenant for terms similar to the Extension Period.

## 6. Leasehold Improvement Allowance

The Landlord shall provide the Tenant with an allowance in the amount of up to a maximum of Seventy Five Dollars (\$75.00) per square foot of Rentable Area of the Premises (the "**Allowance**") for the purpose of constructing the Leasehold Improvements, which shall be payable by the Landlord upon the Commencement Date, provided the following conditions (the "**Allowance Conditions**") have been satisfied:

- (a) The Tenant has provided to the Landlord: (i) receipted invoices, totaling not less than the Allowance, verifying the actual cost of installing the Leasehold Improvements in the Premises; (ii) a statutory declaration of an officer of the contractor that has performed the installation of the Leasehold Improvements or alteration of existing Leasehold Improvements that the contract under which the Alterations was performed (the "**Tenant Work Contract**") has been "completed" or "abandoned", as those terms are defined under the *Construction Act* (Ontario) (the "**Act**"); and (iii) one of: (A) if applicable, a certificate



of substantial performance of the Tenant Work Contract in the form prescribed in the Act, together with evidence of the date of publication of such certificate as provided by the Act; (B) declarations of last supply in the form described in the Act, if applicable, given by officers of all the subcontractors employed by the contractor in the performance of the Alterations; or (C) if applicable, a certificate of completion in the form prescribed in the Act, in respect of the subcontract of each subcontractor employed by the contractor that has performed the Alterations, together with evidence of delivery of a copy of such certificates of completion to each respective subcontractor;

- (b) the expiry of the periods pursuant to the Act within which a person who supplied services or materials in connection with the performance of the Alterations may file a claim for lien for work or service performed or material supplied, provided no claim for lien for work or service performed or material supplied has been filed, or if such liens have been filed, then only upon such liens being discharged or vacated. In connection therewith, Landlord may require the Tenant to provide evidence by way of a solicitor's report that no liens in connection with the Alterations are registered against the freehold or leasehold interest in the Land or Building, such report to be dated the date the Leasehold Improvement Allowance is paid to the Tenant; and
- (c) the Tenant has delivered to the Landlord proof of payment of worker's compensation assessments for all the Tenant's contractors and subcontractors.

The Landlord shall have five (5) Business Days from the date it receives the Tenant's request for payment of the Allowance (the "**Allowance Request Review Period**") to review Tenant's request and notify the Tenant if the Landlord believes that such request does not satisfy the applicable requirements set forth above. If the Landlord does not notify Tenant of the specific requirements that have not been met during the Allowance Request Review Period, the Landlord shall make payment of the Allowance to the Tenant within two (2) Business Days after the expiration of the Allowance Request Review Period (the "**Allowance Payment Date**"). In the event that the Landlord timely raises an issue regarding the completeness of the Allowance Request that cannot be resolved by the Allowance Payment Date, the Landlord shall make payment of an installment of the Allowance on the Allowance Payment Date for the portions of the Allowance that are complete pursuant to the Tenant's request, and the Tenant shall satisfy and submit to the Landlord the missing conditions (the "**Supplemental Submission**"), and within five (5) Business Days after the Landlord's receipt of the Supplemental Submission (the "**Supplemental Review Period**"), the Landlord shall either disburse the remaining portion of the Allowance or notify the Tenant of the remaining unsatisfied conditions. In the event the Landlord fails to notify the Tenant prior to the expiration of the Allowance Request Review Period or the Supplemental Review Period, as applicable, the Tenant shall be deemed to have satisfied such conditions and the full Allowance will be paid immediately to the Tenant.

If this Lease is terminated pursuant to an Event of Default which occurs after payment of the Allowance, then at the Landlord's sole option, and in addition to any other remedies of the Landlord, the unamortized amount of the Allowance, based on a ten (10) year amortization period commencing on the Commencement Date, shall become immediately due and payable as a debt due to Landlord on the day immediately preceding the occurrence of the Event of Default and such amount shall be collectible in the same manner as Rent due under this Lease.

## **7. Patio Licence Agreement**

Concurrent with the execution and delivery of this Lease, the Landlord and the Tenant shall execute and deliver the Patio Licence Agreement in form and substance as in Schedule "G" attached hereto (the "**Patio Licence Agreement**") with respect to the use by the Tenant of the patio area adjacent to the Premises, as described therein.



**SCHEDULE "E"**  
**LANDLORD'S WORK**

**Office Space Finishes:**

**Floor:**

Unfinished concrete ready to receive tenant finish.

**Walls:**

Exterior windows at perimeter walls are clear insulated vision glass/ low-E glazing with clear anodized aluminum frames. Tempered glass is used at doors and sidelights. Interior side at perimeter walls are GWB primed for tenant finish.

**Interior Walls:**

GWB primed for Tenant Finish

**Ceilings:**

Exposed concrete structure, HVAC, Plumbing & Services with ceiling mounted linear luminaire.

**Columns:**

Furred out, primed GWB

**Office Ceiling Height:**

Basement - 14' - 6" to u/s slab +/-

Ground Floor - 14' - 6" to u/s slab +/-

2<sup>nd</sup> Floor - 10' - 9" to u/s slab +/- and 8' - 0" +/- at raised section at rear.

3<sup>rd</sup> Floor - 10' - 9" to u/s slab +/-

4<sup>th</sup> Floor — 10' — 6 1/4" to u/s OWSJ +/-

**Building Cladding:**

**North Elevation:**

Aluminum composite panels facade in dark grey colour and warm grey concrete block base. Exterior windows are clear insulated vision glass/ low-E glazing with clear anodized aluminum frames. Tempered glass is used at doors and sidelights. Walls have 2 hr fire-rating.

**South Elevation:**

Brick facade in red smooth colour with warm grey concrete block base. Aluminum composite panels in dark grey colour at fascia strips and soffits. Exterior windows are clear insulated vision glass/ low-E glazing with clear anodized aluminum frames. Tempered glass is used at doors and sidelights.

**Window Shading:**

Interior manually operated roller blinds

**Elevators:**

2 passenger elevators

Elevator #1: 1787mm x 1532mm platform

Load plate: 2000 lb

Weight 907 kg

12 persons

Call buttons at each floor: standard flush, amber illumination.

Control buttons: door open button, door close button, alarm button, stop switch button.

Elevator #2: 2091mm x 1532mm platform

Load plate: 2500 lb

Weight 1134 kg

15 persons

Call buttons at each floor: standard flush, amber illumination.

Control buttons: door open button, door close button, alarm button, stop switch button.

**1 Freight elevator** — 1883mm x 2008 platform.

Load plate: 3000 lb

Weight 1361 kg

18 persons

Call buttons at each floor: standard flush, amber illumination.

Control buttons: door open button, door close button, rear door open button, rear door close button.

**Ground Floor:**

Finished entrance with common lobby

**Lobby Finishes:**

Floor Finish:

12"x24" porcelain tile in medium grey (matte) finish (Hamilton-medium grey) and grey grout (North Sea Grey)

Wall Finish;

primed and painted with beige colour (Ice Mist 2123-70)

Ceiling Finished:

GWB ceiling with cove light and ceiling mounted luminaire

Floor Finish: tiles

Wall Finish: Paint

Ceiling Finished: GWB ceiling with lighting

**Washrooms:**

Basement - 4 showers + 2 change rooms

Ground Floor - One barrier free on ground floor and One Unisex Washroom

2nd Floor - Designated Space allocated for 2 future washrooms + 1 future universal washroom

3rd Floor - Designated Space allocated for 2 future washrooms + 1 future universal washroom

4th Floor - Designated Space allocated for 2 future washrooms + 1 future universal washroom

All existing washrooms are finished with floor tiles, wall tiles + GWB paint finish with toilet and vanity.

**Column Spacing:**

Generally, the interior columns in the office areas are 10" x 10 at 30' - 0" spacing

**Total Live Load and Dead Floor Loading:**

BELOW LOADING IS FOR INTERIOR SPACES, EXCLUDING STAIR WELLS, UNLESS NOTED OTHERWISE. REFER TO STRUCTURAL DRAWINGS FOR FULL LOADING BREAKDOWN.

1. GROUND FLOOR: S.I. DL = 2.96 kPa, LL = 4.8 kPa

2. SECOND FLOOR: (S.I. DL = 2.96 kPa, LL = 2.4 kPa FOR OFFICE SPACE), (S.I.DL = 2.76 kPa, LL = 4.8 kPa FOR STORAGE AREA)

3. THIRD FLOOR: S.I.DL = 2.96 kPa, LL = 2.4 kPa

4. FOURTH FLOOR: (S.I. DL = 2.96 kPa, LL = 4.8 kPa FOR INTERIOR), (S.I.DL = 3.64 kPa, LL = 4.8 kPa FOR EXTERIOR TERRACE)

**HVAC Cooling:**

The HVAC system is a Variable Refrigerant Flow (VRF) system with chilled water. Each level has a dedicated loop with a distribution manifold. Each fan coil unit is 371 cfm.

Ventilation based on ASHRAE 62.1 provided by make-up air unit to each level.

**HVAC Additional Cooling:**

Chilled water system for additional cooling.

**HVAC Heating:**

Heating provided through the VRF system.

**HVAC Ventilation:**

Capped fresh air connections provided each floor at 2500 cfm.

**HVAC Exhaust:**

Exhaust connection shown at each floor at 1500 cfm.

Capped connection for washroom exhaust.

Kitchen exhaust ecology unit installed at ground floor.

**Additional Plumbing:**

Capped 1-1/2" domestic cold water lines provided for each space.

Sanitary capped connections provide two locations for each level.

**Electrical Power:**

Electrical Panels at each floor for tenant use with a capacity of 4.5W SF for general power and lighting combined

**Emergency Power:**

150 kW Natural Gas Generator on the rooftop for life safety equipment such as fire alarm, emergency lighting and elevators.

**Lighting / Lighting Control:**

Base Building Light fixtures consist of 4' and 8' LED strip lights.

LED pot lights are utilized in common areas such as corridors and exterior canopies.

Lighting controls are provided by individual light switches, low voltage switches and occupancy sensors

**Fire Alarm:**

Fire alarm system includes horns and horn strobes for notification and pull stations and smoke & heat detectors for detection.

**Fire Protection:**

Spaces will be sprinklered and zoned based on NFPA-13.

Fire hose cabinets provide fire hose coverage for floor areas.

**Telecommunications:**

Empty conduits are provided from the main telecom room in the basement level to each floor for service providers.

**Security:**

Card readers are provided at access points to each floor and at building entrances.

CCTV cameras are provided at access points to each floor including stairs, elevator lobbies and building entrances.

**Access:**

The building incorporate barrier free design except at service and Mechanical rooms.

**Loading Dock:**

Class B Shipping and Receiving dock at rear of building.

**SCHEDULE "F"**  
**LANDLORD CONDITIONAL APPROVAL OF TENANT DRAWING SUBMISSION PACKAGE**

**1.0 PRE-CONSTRUCTION**

The Tenant will obtain all required permits, approvals or inspections from all governing bodies having jurisdiction. Tenant construction must in always be in full compliance with any and all existing and subsequent government regulations, codes and bylaws.

Prior to the commencement of Tenant construction, the Tenant General Contractor shall submit the following:

- Evidence of a minimum (5) five million dollars of General Liability Insurance, which names Constantine Enterprises Inc. as an additional named insured.
- Current WSIB Certificate
- Copy of the City Building Permit and applicable plumbing and mechanical permits
- Copy of the Issued for Permit drawings
- Ministry of Labour Notice of Project as applicable for projects over \$50,000
- List of subcontractors for review and approval, if applicable.
- Project directory indicating key project personnel, all subcontractors and site foremen complete with emergency contact information
- Detailed Tenant Construction Schedule
- Copy of Tenant Contractor safety policy
- Signed 'Contractor Safety Requirements Acknowledgment' form
- Signed 'Contractor Asbestos Awareness' form
- \$5,000 refundable deposit, to be returned upon submission of complete close out documentation.

**2.0 CONSTRUCTION**

- Co-ordinate a kick off meeting prior to the commencement of the tenant scope of work.
- Provide all documentation to the Landlord pertaining to all changes to the scope of work.
- Schedule site meetings as agreed per all parties.
- Perform all work per the Tenant manual, if applicable and all tenant specifications and requirements.
- Schedule all building shut downs with Landlord with sufficient notice to properly advise other parties and schedule work. Refer to the tenant manual, if applicable for forms and costs associated with drain downs etc.
- All tenant coring must be scheduled with the Landlord's general contractor and all locations must be approved by the Landlord's base building structural consultant prior to any work starting.

- Schedule all noisy and odorous work to be performed after standard building hours of operation. Noise complaints from adjacent neighbours pertaining to tenant work will require all work to be rescheduled for afterhours execution at the sole cost of the Tenant.
- A security escort is required for all work within other tenants' premises. Work must be coordinated with Property Management with sufficient notice to advise other parties and schedule work. Costs associated with this work are the sole cost of the Tenant, plus a 15% administration fee.
- The Landlord is committed to diverting at least 75% of all construction, demolition waste from landfill and incineration disposal. Copies of all waste weigh bills and information on the waste receiving facilities are to be provided to the Landlord to confirm diversion rates. Weigh bills and a waste summary are required as part of the Tenant close-out package.
- All Tenant construction must be performed using precautionary measures outlined per the Ministry of Labour and the Occupational Health and Safety Act. If applicable, review Landlord AMP, sign asbestos awareness form and advise subcontractors pertaining to construction protocol. Landlord recommends obtaining a Designated Substance Report prior to Tenant construction at tenant's sole cost, if applicable.
- Return all redundant base building light fixtures and troffers to the Landlord, if applicable
- If a finishes plan is not included in the tenant drawing submittal package refer to the lease document for the removal of any non-standard finishes at the end of the lease term.
- All ceiling tiles must conform to base building dimensions.
- Existing perimeter heating covers cannot be electrostatically painted on site. All painting of the units must be completed with the covers open, if applicable.

### **3.0 FINAL FIELD REVIEW**

All Tenant consultants will provide a letter confirming the completed work conforms to current regulations and is in general conformance to the submitted plans and specifications.

A final walk through with the Landlord is required at the completion of Tenant construction.

### **4.0 FINAL DOCUMENTS**

The Tenant general contractor will complete and execute an approved form of Statutory Declaration protecting the Landlord against any and all liens, charges or claims on the account of any work performed or material furnished in addition to the following documentation:

- Provide as-built plans (reviewed by Tenant consultant) in both pdf and dwg format as required.
- Provide letters of warranty and maintenance manuals.
- Provide certificate of hydro authority's inspection and approval.
- Ensure that the municipal permit inspections are completed and closed. Provide a copy of the Building Permit Status letter verifying all permits are closed.
- All Fire Alarm and Life Safety verification certificates must be submitted as applicable.
- Air Balancing Report from approved balancer. Provide written confirmation that all identified deficiencies have been rectified.

- Publication of the Certificate of Substantial Completion (Form 6).
- Statutory Declaration as submitted for release of hold back.
- Two complete sets of close out documents per the enclosed close out document check list

The Landlord assumes no responsibility for any work carried out by the Tenant's Contractor under agreement with the Tenant. Tenant shall hold the Landlord harmless against any damage, or injury suffered by any employee, invitee, or licensee, howsoever caused.

## **5.0 LANDLORD COMMENTS ON SUBMITTED DRAWINGS:**

### **5.1 Tenant Design Drawings**

Co-ordinate with the Landlord base building consultants for all scope of tenant design to conform with base building systems, components and assemblies as well as all Authorities having jurisdiction. Where scope of Tenant work is not compatible or interferes with the base building or is not in compliance with local codes and Authorities having jurisdiction, the Tenant is solely responsible for all cost for compliance.

The Landlord has requested the base building architect to review and provide their comments on impact to base building design and any impact to Tenant design is at the sole cost of the tenant for compliance.

This information will be sent by separate email notice by the Landlord base building architect to the Tenant design consultant as part of the co-ordination process.

### **5.2 Tenant Mechanical Drawings**

The Landlord has requested the base building electrical consultant to review and provide their comments on impact to base building design and any impact to Tenant design is at the sole cost of the tenant for compliance.

### **5.3 Tenant Electrical Drawings**

The Landlord has requested the base building mechanical consultant to review and provide their comments on impact to base building design and any impact to Tenant design is at the sole cost of the tenant for compliance.

### **5.4 Tenant Structural Drawings**

The Landlord will request the base building structural consultant to review and provide their comments on impact to base building design and any impact to Tenant design is at the sole cost of the tenant for compliance.

### **5.5 Tenant Signage**

The Landlord will request the appropriate base building consultant to review and provide their comments on impact to base building design and any impact to Tenant design is at the sole cost of the tenant for compliance.

The Tenant must comply with the Base Building Signage requirements for both interior and exterior signage applications and parameters within the overall signage programme or standard set for the base building.

The Tenant is responsible for compliance to all By Laws and Authorities Having Jurisdiction over signage and is solely responsible for all costs associated with their signage permits and fees.



## **6.0 GENERAL NOTES ON DRAWINGS AND SPECIFICATIONS**

The submitted drawings have been reviewed solely for compliance with the Landlord's base building and general design standards. The review does not relieve the Tenant, its Architect, Engineers, Contractors or other representatives from ensuring that the proposed design and construction complies with all applicable laws, regulations, directives, latest Building Codes, or the specific requirements of the lease and any rules, regulations, and construction and/or manuals for the Base Building. Any tenant scope of work of the permit or issued for construction set that is not part of the Landlord Schedules for scope of work is the sole responsibility and the sole cost of the Tenant.

As this is a base building still under construction by Landlord forces, unknown site conditions may be encountered with impact to Tenant scope of work. It is the sole responsibility and the sole cost of the Tenant to adjust the scope of Tenant fit up work to mitigate these impacts within the tenant premises.

The cost of the Landlord's base building consultant's review will be charged back to the Tenant and all subsequent reviews by the Landlord's consultants for compliance.

**SCHEDULE "G"**  
**PATIO LICENCE AGREEMENT**

This Agreement made as of April 28, 2022.

B E T W E N:

CONSTANTINE ENTERPRISES INC.

(hereinafter called the "**Licensor**")

-and-

RECURSION CANADA INC.

(hereinafter called the "**Licensee**")

RECITALS

This Licence is entered into with reference to the following facts and circumstances:

1. The Licensor and Licensee entered into a lease dated as of the date herof (the "**Lease**") wherein the Licensee, as tenant, leased from the Licensor, as landlord certain premises as more particularly described in the Lease (the "**Leased Premises**"), located in the building municipally known as 336 Queen Street West, Toronto, Ontario (the "**Building**").
2. In connection with the use and occupation by the Licensee of the Leased Premises, the Licensee has requested a licence to utilize the Patio Area (as that term is defined in Section 3 of this Licence) and, for this purpose, the parties have agreed to enter into this Licence.

NOW THEREFORE, in consideration of the sum of ten dollars (\$10.00) and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto covenant and agree as follows:

**1. Recitals**

The parties hereby confirm and agree that the recitals contained herein are true and accurate in every respect and may be relied upon by the parties as statements of fact and form an integral part of this Licence. The parties shall not assert facts contrary to those set out above in the recitals.

**2. Term**

Subject to the provisions of the Lease, the term of this Patio Licence shall be coterminous with the Term of the Lease (the "**Patio Area Term**").

**3. Right to Use of Patio Area**

The Licensee, throughout the Patio Area Term, unless sooner terminated pursuant to the terms hereof, or unless otherwise prohibited by any governmental authority having jurisdiction thereover, shall have the right (subject to the rights of the Landlord) to use the area in the approximate location outlined in red and shown as "Patio" on the plan attached as Schedule "A" hereto, for an external patio area (the "**Patio Area**") to be used only in conjunction with the uses permitted and carried on by the Licensee in the Leased Premises and uses ancillary to the permitted use in the lease, including without limitation, as an outdoor venue for (i) beverages, meals and rest area for the employees of the Tenant working at the Leased Premises, and (ii) parties, events or other similar gatherings related to the Tenant's business, subject however, to the Licensee complying with the terms and conditions of this Licence.

**4. Terms of Licence/Licensee's Covenants**

- (a) The Licensee's right to the use of the Patio Area is subject to the condition that the Licensee, at its expense, maintains in full force and effect and in good standing all approvals, permits and authorizations (including all conditions thereto) granted by all governmental authorities having jurisdiction thereover, including, without limitation, the City of Toronto. The Licensee shall be permitted to serve (but not sell) alcoholic beverages in the Patio Area, provided that the Licensee obtains and complies with all required permits and governmental approvals in connection therewith and the terms and conditions of this Licence. The Patio Area shall not be used for the sale of alcoholic beverages.
- (b) The Licensee will use the Patio Area in a dignified and reputable manner and in accordance with the Lease and the Rules and Regulations. In no event shall the Licensee cause, suffer or permit the smoking of any tobacco or cannabis or other products lit with open flame or any vapour or e-cigarettes or any similar type of smoking product in the Patio Area. The Patio Area shall not be used for the sale of any tobacco, cannabis, vapour or e-cigarettes or any similar product.
- (c) Subject to applying for and receiving the approval of the Landlord pursuant to Section 4(j) below, the Licensee will own, install and keep in good order and condition, free from liens or rights of third parties, furniture. The Licensee shall not make any additions, Alterations, modifications or improvements of any kind whatsoever to the Patio Area, except with the written consent of the Landlord, and subject to Section 10.2 the Lease. Notwithstanding anything to the contrary herein, Licensor shall approve the installation of a structure to shade the sun, provided it has reviewed the Licensee's plans prior to installation.
- (d) The Licensee will keep the Patio Area at all times in a safe, sanitary, neat, clean, attractive and inviting condition, to the reasonable satisfaction of the Licensor, including, without limitation, sweeping and washing of the Patio Area as necessary. If the Licensee does not maintain a standard of cleanliness and repair within the Patio Area satisfactory to the Licensor, acting reasonably, the Licensor shall have the right, three (3) business days prior written notice to the Licensee, to clean or repair or cause to be cleaned or repaired the Patio Area and the cost of such work of cleaning or repairing the Patio Area shall be paid by the Licensee to the Licensor, together with an administrative fee equal to fifteen percent (15%) of the costs incurred by the Licensor, within thirty (30) days of demand as Additional Rent.
- (e) If the Licensor, acting reasonably, determines that the security by the Licensee within the Leased Premises or the Patio Area as a result of the operation within the Patio Area of the Licensee's business is insufficient to exercise proper control and jurisdiction over the Patio Area, and the condition giving rise to such determination has not been remedied by the Licensee after five (5) days prior written notice from the Licensor, then the Licensor shall have the right, acting reasonably, after twenty-four (24) hours prior written notice, to employ, at the Licensee's expense, its own security personnel to exercise proper control and jurisdiction, and such expense shall be paid by the Licensee to the Licensor forthwith upon demand as Additional Rent.
- (f) Except for mobile electronic devices, the Licensee will not install or allow on the Patio Area, without the prior written consent of the Licensor (such consent not to be unreasonably withheld, conditioned or delayed), any fixtures or improvements, whether permanent or moveable, any transmitting or receiving device, antenna, music or sound equipment. Any installation, without the Licensor's consent, shall be subject to removal, by the Licensor, without notice at any time and such removal shall be done, and all damage

as a result thereof shall be made good, in each case, at the cost of the Licensee, payable as Additional Rent forthwith on demand. The Licensee will not place or install or use or suffer or cause or permit the use thereof in any portion of the Patio Area any barbeque or other cooking device, whether or not with an open flame, without the consent of the Licensor, such consent not to be unreasonably withheld, conditioned or delayed. The Licensee will not use the Patio Area for any storage purposes including without limitation the storage of any furniture, files or other materials.

- (g) The Licensee will not install, place or use in the Patio Area any travelling or flashing lights or signs or any loudspeakers, television, phonographs, radio or other audio visual or mechanical devices in a manner so that they can be heard or seen outside of the Patio Area.
- (h) The Licensee will not offer or permit live entertainment in the Patio Area, unless consented to by the Licensor, acting reasonably.
- (i) The Licensee will not permit, within the Patio Area, the use, display or sale of (A) any illegal substances, (B) any paraphernalia commonly used in the use or ingestion of illicit drugs, or (C) any item, thing or conduct which, in the Licensor's reasonable opinion, is pornographic, offensive, lewd, vulgar, obscene or immoral, criminal or quasi-criminal.
- (j) The Licensee shall provide and install, at its expense, in the Patio Area, tables, seating facilities and other moveable fixtures (the "**Facilities**"), so long as such Facilities have been approved in advance by the Licensor, such approval not to be unreasonably withheld, and upon such terms and conditions as may be reasonably determined by the Licensor. The Licensee acknowledges and agrees that any destruction, damage, theft or vandalism of or to the Facilities shall be the sole responsibility of the Licensee, unless caused by Licensor or those for whom the Licensor is at law responsible. The Licensee shall keep the Patio Area and the Facilities clean and in good repair at all times throughout its possession thereof. Ingress and egress to the Patio Area shall be through the Leased Premises only.

The Licensee shall, at its expense, immediately repair or replace, as the case may be, all or any Facilities that have been damaged, destroyed, stolen, vandalized or detrimentally affected by the weather. The Licensee shall keep the Patio Area, the Facilities and the roof area on which the Patio Area is situate neat, clean, tidy and in good repair at all times throughout its possession thereof. In addition thereto, should any roof deterioration or damage to the Building, or common use areas, HVAC equipment and other systems and facilities servicing the Building or obstruction of roof drains occur as a direct result of the Licensee's use or occupancy of the Patio Area, save and except for reasonable wear and tear (for which Licensee shall not bear any additional costs), the Licensee shall reimburse the Licensor for the cost of any repairs effected thereto by the Licensor which shall be paid to the Licensor by the Licensee, together with an administration fee equal to 15% of such costs, on demand as Additional Rent, together with all applicable Sales Taxes. If the Licensee does not maintain a standard of neatness, cleanliness, tidiness within the Patio Area satisfactory to the Licensor, acting reasonably, the Licensor shall have the right, after five (5) days prior written notice to the Licensee, to clean, tidy or repair or cause to be cleaned, tidied or repaired the Patio Area and the cost of such work of cleaning, tidying or repairing the Patio Area shall be paid by the Licensee to the Licensor, together with an administration fee equal to 15% of such costs, within thirty (30) days of demand as Additional Rent. The Licensee, at the Licensee's expense, shall neatly store the Facilities used in the Patio Area during any period when the Patio Area is not being used by the Licensee.

- (k) The Licensee acknowledges and agrees that the insurance requirements of the Licensee as set out in the Lease shall also include the use of the Licensee of the Patio Area.
- (l) The Patio Area does not form part of the Leased Premises, but the Patio Area and the Licensee's use of the Patio Area during the Patio Area Term are subject to all of the terms, covenants and conditions which are to be performed, observed or complied with as the use may be, on the part of the Licensee set out in this Licence and in the Lease, insofar as they are applicable to the Patio Area. The Licensee shall be obliged to pay to the Licensor, at the office of the Licensor, or such other place designated by the Licensor, in lawful money of Canada, without prior demand therefor and without any deduction, set-off, abatement or compensation whatsoever:
  - (i) Intentionally deleted;
  - (ii) Intentionally deleted; and
  - (iii) Any increase of Operating Costs or other expenses, costs or outlays which the Licensor may be subject to as a result of or in any related to the use of the Patio Area by the Licensee or its invitees such as, but not limited to, cleaning, refuse removal, installation of security and safety devices or barriers, repairs, maintenance and replacement shall be borne and payable by the Licensee as Tenant under the Lease and all of which shall constitute Additional Rent payable forthwith upon receipt of an invoice from the Licensor together with and subject to all applicable Sales Taxes which shall be payable by the Licensee concurrent with the payment of such Additional Rent.
- (m) Intentionally deleted.
- (n) In no event or case will the Licensee cause, suffer or permit the serving of alcoholic beverages in or about the Patio Area unless and except if the Licensee has received both of 1) all required permits, licenses and authorizations required pursuant to Applicable Laws and has provided such evidence thereof to the Licensor, as it may request; and 2) the prior written consent of the Licensor, not to be unreasonably withheld or delayed, in which case such consent may be subject to conditions as to security, health and safety matters and other conditions as the Licensor, acting reasonably, may determine necessary or desirable for, amongst other purposes the health, safety and security of the tenants, licensees and occupants of the Building.
- (o) The Licensee's use of the Patio Area may be terminated by the Licensor upon fifteen (15) days prior written notice to the Licensee in the event that the Licensee is in breach or default under the provisions of the Lease beyond any applicable cure period, or in breach or default under any of the terms of this Licence and the Licensee has not cured such default within the aforementioned fifteen (15) day cure period following written notice provided to it by the Licensor. Any direct costs incurred as a result of any termination shall be determined by the Licensor, acting reasonably, and paid by the Licensee within thirty (30) days of demand as Additional Rent together with and at the same time with all applicable Sales Taxes.
- (p) The Licensee agrees that it shall not install, within, fronting or facing onto or projecting out from the Patio Area any signs, posters, boards, insignia, banners, or any other form of written or printed material or any drawings, logos, illustrations or other form of artwork whatsoever, other than the signage contemplated in the Lease.

- (q) Upon receipt by the Licensor of any reasonable verbal or written complaint by other tenants or neighbours of the Building (i) that the music, sound or noise level in or from the Patio Area is too loud or objectionable, the Licensee shall immediately reduce and thereafter keep continuously modulated the music, sound or noise level, or all of them, as the case may be, so as not to exceed a level satisfactory to the Licensor, acting reasonably, and the Licensee's failure to immediately do so or the Licensee's failure to comply with the Licensor's directives to keep continuously modulated music, sound or noise levels at a level not exceeding the level acceptable to the Licensor shall constitute a default under this Licence, following which the Licensor shall be entitled to give notice to the Licensee in accordance with Section 7(c) hereof; or (ii) that all or any part of the Patio Area is obstructed in any manner whatsoever by persons attempting to gain access to the Patio Area, then the Licensee shall immediately arrange for the removal of such obstructions, and the Licensee's failure to do so shall constitute a default under this Licence, following which the Licensor shall be entitled to give notice to the Licensee in accordance with Section 7(c) hereof.

The Licensee expressly acknowledges and agrees that there are tenants, occupants and licensees in the Building below the Patio Area, and if, in the opinion of the Licensor, acting reasonably, the music, sound or noise level in or from the Patio Area is too loud or objectionable to any of the tenants, occupants or licensees of the Building, the Licensee shall, upon request, immediately reduce the music, sound or noise level, or all of them, as the case may be, to a level satisfactory to the Licensor, acting reasonably, and the Licensee's failure to immediately remedy the music, sound or noise level shall constitute a default under this Licence, following which the Licensor shall be entitled to give notice to the Licensee in accordance with Section 7(c) hereof.

- (r) In the use of the Patio Area, the Licensee shall:
- (i) at its sole expense and responsibility, keep, repair, and maintain and keep in good condition the Patio Area all appurtenances to the satisfaction of the Licensor, acting reasonably, and upon request of the Licensor to provide evidence of the payment of all costs, expenses and outlays incurred or which in the opinion of the Licensor, acting reasonably, ought to be incurred with respect to the repair, and maintenance of the Patio Area and all appurtenances thereto;
  - (ii) keep the Patio Area, at all times, in a safe, sanitary, neat, clean, attractive, and inviting condition to the satisfaction of the Licensor, acting reasonably;
  - (iii) at all times use or permit the use of the Patio Area in compliance with this License and Article 11 of the Lease;
  - (iv) not commit or suffer or permit to be committed any waste upon, or damage to, the Patio Area or any nuisance or other act or thing which disturbs the quiet enjoyment of any other tenant, occupant or licensee in the Building or which unreasonably disturbs or interferes with any person in the Building;
  - (v) not perform any acts or carry on any practise which may in any way damage the Building or damage its reputation and/or public image; and
  - (vi) not use the Patio Area or any portion thereof to solicit or advertise or promote, nor display any sign or other things outside the Leased Premises or on, or adjacent to the Patio Area at any time, except as otherwise provided for in the Lease.



- (s) The Licensee expressly acknowledges and agrees that:
  - (i) the Patio Area may contain heating, ventilation and cooling (“HVAC”) equipment and other systems and equipment servicing other parts of the Building and, accordingly, the Licensee covenants that it will not cause, suffer or permit any interference, obstruction or blockage to unreasonably interfere with the normal operating function of such equipment and that, upon notice by the Licensor, the Licensee will, at the Licensee’s expense, immediately remove any such interference, obstruction or blockage, as the case may be, so that such equipment can function properly;
  - (ii) the Licensee will allow the Licensor, its employees, agents and contractors clear and unimpeded access to the Patio Area upon not less than twenty-four (24) hours’ prior notice (and with no notice if the Landlord, in its reasonable bona fide opinion believes there is an emergency) to the Licensee for the purposes of inspecting, maintaining and repairing the Building and/or the Patio Area or any part thereof including all HVAC equipment and other systems and facilities servicing the Building and/or the Patio Area; and
  - (iii) no signage whatsoever shall be placed or installed in or about the Patio Area, except as otherwise provided for in the Lease.
- (t) The Licensee shall not make any installation, alteration, addition, or place any object or thing on, about, under or above the Patio Area which may or which does cause damage or may, in the reasonable opinion of the Licensor, or may result in any condition which could lead to damage, or cause any damage to any of the following:
  - (i) the Building; or
  - (ii) the HVAC or other systems serving the Building or the roof, brick or stucco exterior (such as, but not limited to, spalling of the brick or deterioration of any stucco or other finish on the exterior of the Building) and, in such event, the Licensee shall, upon written notice of the Licensor, immediately rectify, repair and cure, in a good and workmanship manner, any such damage or condition and shall, upon the demand of the Licensor, reimburse the Licensor for any cost of repairs or other actions undertaken by the Licensor plus a fifteen percent (15%) administration fee, all of which will be paid to the Licensor by the Licensee within thirty (30) days of demand as Additional Rent.
- (u) The use of the Patio Area by the Licensee shall in no event impede the visibility of and the exterior view through the windows of the tenants, occupants and licensees of the Building.
- (v) The Patio Area shall not be enclosed, covered, or fenced in in any manner whatsoever, unless agreed to by the Licensor, acting reasonably, or is otherwise required by Applicable Laws.
- (w) Subject to compliance with the provisions of Section 4(u) above, patio tables and umbrellas in a quantity and size first approved of in writing by the Licensor, such approval not to be unreasonably withheld, condition or delayed, may be allowed in conjunction with the use of the Patio Area provided that the Licensee agrees to promptly and completely retract the umbrellas to a closed position when patio tables are not in use by anyone permitted on the Patio Area by the Licensee.

- (x) The Licensee consents and agrees that it shall not and cannot assign or transfer its right and interest in and to this Licence Agreement or sublet or sublicense the Patio Area or any portion of the Patio Area to any third party, except in connection with an assignment, transfer or sublease that is permitted under the Lease and in any such case, only to the assignee, transferee or sublessee thereunder.

## **5. Insurance**

The Licensee shall also cause its insurance policy for the Leased Premises (which shall also be indicated on such insurance certificate) to:

- (a) contain provisions whereby the Licensee's insurance on the Leased Premises will extend to and cover the use of the Patio Area by the Licensee, its agents, employees, invitees, those persons doing business with the Licensee, and those for whom the Licensee is responsible at law, including without limitation the use of the Patio Area for the serving of alcoholic beverages in accordance with Section 4(a)); and
- (b) not be cancelled except on thirty (30) days' prior written notice to the Licensor.

Such insurance shall be continuously maintained by the Licensee during the Patio Area Term and, upon request of the Licensor, the Licensee shall immediately provide evidence thereof to the Licensor.

## **6. Interruption of Use by Licensee**

The Licensor shall have the right, at its option, to suspend the Licensee's use of the Patio Area in cases where the Licensor reasonably requires to undertake repairs, maintenance, alterations, additions or renovations to the Building and/or the Patio Area, as landlord, and where in the reasonable opinion of the Licensor, the Licensor requires access and/or use of the Patio Area for such purpose.

## **7. Default**

Upon the occurrence of an Event of Default under this Licence by the Licensee, the Licensor may terminate this Licence by giving the Licensee fifteen (15) days written notice of termination, which shall be deemed to have been received when delivered to the Licensee at the Leased Premises without prejudice to and without waiving any other remedy or claim of the Licensor.

For the purposes of the foregoing, the term of an "Event of Default" shall mean the following:

- (a) any breach or default by the Licensee of any of the terms of this Licence, and the Licensee in any such case shall have failed to remedy such breach or default within fifteen (15) days following notice by the by the Licensor to the Licensee of such default, or if such default is not (with the application of all due diligence and speed) capable of being remedied within fifteen (15) days, such longer period as is reasonable in the circumstances provided that the Licensee shall have commenced remedying such default within such fifteen (15) day period and is diligently proceeding with such remedial actions, but in any event such breach or default shall be remedied within forty-five (45) days from the date of notice from the Licensor of such default; or
- (b) any breach or default by the Licensee under the Lease, which has not been remedied within the applicable cure period set out therein.

## **8. No Right or Interest in Licensee**

The Licensee agrees that in any part of the Patio Area, (i) no tenancy, easement or other rights accrue to the Licensee under this Licence, and (ii) it has no right whatsoever to and shall not assign or transfer this

Licence or create any licence, sub-licence or other form of right or interest based hereon, without the consent of the Licensor, which shall not be unreasonably withheld or delayed.

#### **9. Indemnity**

The Licensee hereby covenants and agrees to promptly indemnify and hold harmless the Licensor from and against any and all claims, losses, action, suits, proceedings, causes of action, demands, damages (direct, indirect, consequential or otherwise), judgments, executions, liabilities, responsibilities, fines, costs, charges, payments and expenses including, without limitation, any professional, consultant and legal fees (on a solicitor and his own client basis) in connection with loss of life, personal injury, damage to property or any other expense, damage, loss or injury whatsoever arising directly or indirectly from or out of the use of the Patio Area by the Licensee including, without limitation, any occurrence or claim relating to the use of Patio Area by the Licensee, its agents, employees or those for whom the Licensee is in law responsible or by any patron, customer or invitee of the Licensee, or by reason of any act, omission, neglect, default or wilful act or omission by the Licensee, its agents, employees or those for whom the Licensee is in law responsible or otherwise, arising directly or indirectly out of this Licence.

The Licensor hereby covenants and agrees to promptly indemnify and hold harmless the Licensee from and against any and all claims, losses, action, suits, proceedings, causes of action, demands, damages (direct, indirect, consequential or otherwise), judgments, executions, liabilities, responsibilities, fines, costs, charges, payments and expenses including, without limitation, any professional, consultant and legal fees (on a solicitor and his own client basis) in connection with loss of life, personal injury, damage to property or any other expense, damage, loss or injury whatsoever arising directly or indirectly from or out of any act or omission of the Licensor with respect to the Patio Area including, without limitation, any occurrence or claim relating to the use of the Patio Area by the Licensor, its agents, employees or those for whom the Licensor is in law responsible.

#### **10. Release of Licensor**

The Licensor shall not be liable for any death or injury arising from or out of any occurrence in, upon, at, or relating to the Patio Area, or damage to property of the Licensee or of others located on the Patio Area, nor shall the Licensor be responsible for any loss of or damage to any property of the Licensee or others from any cause whatsoever, except to the extent that such death, injury, loss or damage results from the negligence of the Licensor or the Owners of the Building or its or their agents, servants or employees or other persons for whom they may, in law, be responsible. Without limiting the generality of the foregoing, subject to the foregoing exception, neither all nor any of the Licensor or the Owners shall be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster or other items or materials of any type or kind whatsoever, steam, gas, electricity, water, rain, earthquake, flood, snow or leaks from or onto any part of the Patio Area or from the pipes, appliances, plumbing works, roof, or subsurface of any floor or ceiling, or emanating from above, below or otherwise outside of the Patio Area or any other place, or by dampness or by any other cause whatsoever. Subject to the exceptions herein, neither all nor any of the Licensor shall be liable for any such damage caused by other tenants or persons in the Building or by occupants of adjacent property thereto, or the public, or caused by construction or by any private, public or quasi-public work. All property of the Licensee kept or stored on the Patio Area shall be so kept or stored at the risk of the Licensee only and the Licensee shall indemnify, subject to the exceptions set out herein, all and any of the Licensor, and the Owners and save them harmless from any claims arising out of any damages to the same including, without limitation, any subrogation claims by the Licensee's insurers.

#### **11. Upon Termination**

At the expiration or sooner termination of the Patio Area Term, the Licensee shall, at its expense, leave the Patio Area in the condition in which it is required to maintain the Patio Area during the Patio Area Term of

this Licence and shall remove its Facilities and any barrier from the Patio Area and store them off the Leased Premises, provided that at the time Licensor approved such installations, it advised Licensee that such Facilities and barriers would be required to be removed at the expiration or earlier termination of the Patio Area Term. The Licensee shall not, in such removal, damage the Patio Area and shall promptly repair in a good and workmanlike manner to the satisfaction of the Licensor, acting reasonably, any damage which may occur as a result of such removal and shall promptly repair, seal and fill in, in a good and workmanlike manner to the satisfaction of the Licensor, acting reasonably, all cracks, penetrations, all other damage which may have resulted as a consequence of the use of the Patio Area by the Licensee and its invitees and the installation, placing and removal of the Facilities on the Patio Area, all with the exception of reasonable wear and tear.

**12. Lease**

It is understood and agreed that all agreements, covenants and obligations of the Tenant which are to be performed, observed or complied with, as the case may be, by the Tenant pursuant to the Lease shall apply to the Licensee, the Patio Area and the Licensee's use of the Patio Area, subject however, to the specific provisions set out in this Licence.

**13. Capitalized Terms**

Any terms capitalized herein shall, unless they are defined herein, shall have the same meanings and definitions.


**14. Counterpart Execution**

This Agreement may be executed in several counterparts, each of which, once executed, shall be deemed to be an original and such counterpart together with the other counterparts shall constitute one and the same instrument. The parties hereto consent to the use of electronic signatures and agree that this Agreement may be executed either in original or by electronic means, and may be transmitted by PDF and the parties adopt any such electronic execution or signatures received by PDF as original signatures of the parties.

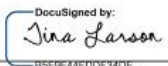
**[signature page follows]**

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date hereof.

**CONSTANTINE ENTERPRISES INC.**

By:   
Name: \_\_\_\_\_  
Title: Robert Hiscox, CEO  
I have authority to bind the Corporation

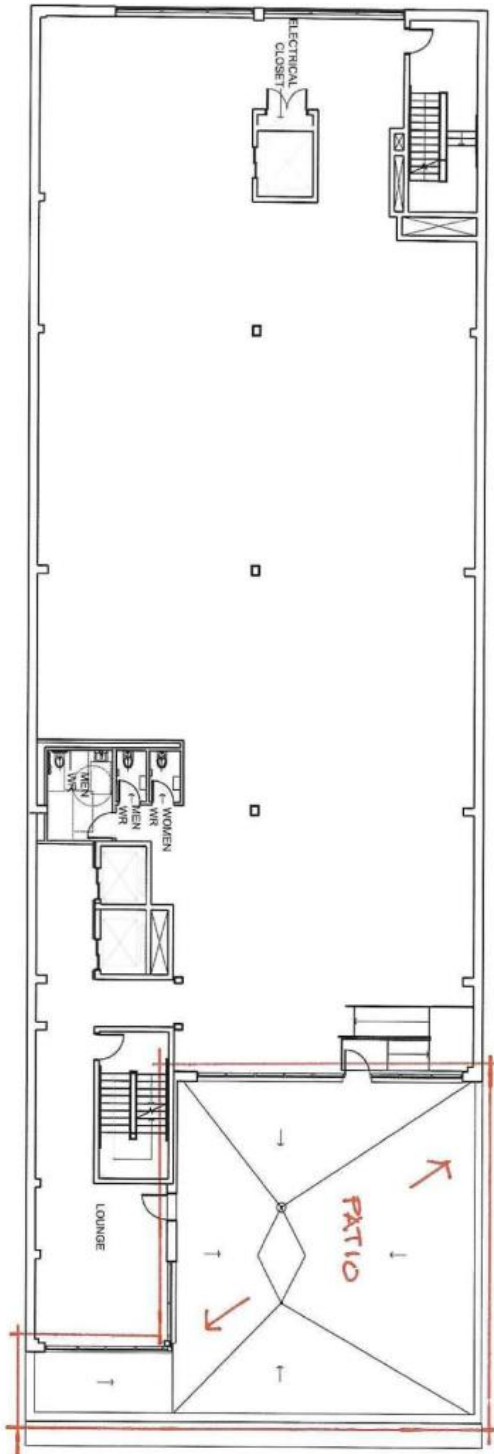
**RECURSION CANADA INC.**

By:   
Name: Tina M. Larson  
Title: President and COO  
I have authority to bind the Corporation

**Schedule "A" to Patio Licence Agreement  
(Plan showing Patio)**



# FLOOR PLAN



4th FLOOR 336 QUEEN ST. WEST



Baldwin & Franklin Architects

04 January 2022

LEGAL\*55402532.8

**SCHEDULE "H"**  
**INDEMNITY AGREEMENT**

THIS INDEMNITY AGREEMENT is dated April 28, 2022  
BETWEEN:

**CONSTANTINE ENTERPRISES INC.**  
**(the "Landlord"),**  
**- and -**  
**RECURSION PHARMACEUTICALS INC.**  
**(the "Indemnifier")**

In order to induce the Landlord to enter into (i) the lease dated April 28, 2022 (the "**Lease**") among the Landlord, as landlord, Recursion Canada Inc. (the "**Tenant**"), as tenant, and the Indemnifier, as indemnifier, and (ii) the patio licence agreement dated April 28, 2022 (the "**Licence**") between the Landlord, as licensor and the Tenant, as licensee, and for other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, the Indemnifier hereby makes the following indemnity and agreement ("**Indemnity**") with and in favour of Landlord:

1. The Indemnifier hereby agrees with the Landlord that at all times during (i) the Fixturing Period, (ii) the Term, and (iii) any extension or renewal thereof in accordance with Section 5 of Schedule "D" to the Lease, the Indemnifier shall be bound to the Landlord for the performance of all the monetary obligations of the Tenant under the Lease and the Licence (collectively referred to herein as the "**Agreements**"), and the Indemnifier's liability shall be that of a direct and primary obligor, and, in this regard, the Indemnifier shall: (a) make due and punctual payment in full of all Rent, loan repayments, moneys, charges and other amounts of any kind whatsoever due and payable under the Lease or the Licence by the Tenant, whether to the Landlord or to any other Person and whether the Lease or the Licence has been disaffirmed, disclaimed, terminated or surrendered; and (b) promptly indemnify and save the Landlord harmless from and against any and all Claims (as hereinafter defined) arising out of any failure by the Tenant to pay all Rent, loan repayments, moneys, charges or other amounts of any kind whatsoever due and payable under the Agreements or resulting from any failure by the Tenant to observe or perform any of the terms, covenants and conditions contained in the Agreements on the part of the Tenant to be kept, observed and performed. For the purposes hereof, the term "**Claims**" means claims, losses, actions, suits, proceedings, causes of action, demands, damages (incidental, direct, indirect, special, consequential or otherwise), fines, duties, interest, penalties, judgements, executions, liabilities, responsibilities, costs, charges, compensation, payments and expenses including, without limitation, any professional, consultant and legal fees on a complete indemnity basis. For certainty, the Indemnifier shall have no obligation to perform any covenants and obligations under the Agreements, other than monetary covenants and obligations.
2. The Indemnifier hereby expressly acknowledges and agrees that this Indemnity is absolute and unconditional and the obligations of the Indemnifier shall not be released, discharged, mitigated, impaired or affected (whether or not the Indemnifier has notice thereof or is a party thereto) by: (a) any extension of time, indulgences or modifications which the Landlord extends to or makes with the Tenant in respect of the performance of any of the obligations of the Tenant under the Agreements; (b) any failure of the Landlord to enforce any of the terms, covenants, agreements, stipulations, provisos, conditions and Rules and Regulations contained in the Lease; (c) any Transfer of the Lease or the Licence or of all or any part of the Premises by the Tenant or by any

- Transferee, or by any trustee, receiver, receiver-manager or liquidator; (d) any Change of Control of the Tenant or of any Transferee; (e) any relocation, expansion or reduction of the Premises and any changes to the Lease or the Licence resulting therefrom, provided the Indemnifier is given notice of such aforementioned changes to the Lease or the Licence; (f) any amendment, modification or variation (whether minor, trivial, substantive or otherwise) to the Lease or the Licence (whether such amendment, modification or variation is made between the Landlord and the Tenant, or between the Landlord and any Transferee), provided the Indemnifier is given notice of any such aforementioned amendments, modifications or variations to the Lease or the Licence; (g) any waiver by the Tenant or any Transferee of any of its rights under the Lease or the Licence; (h) any changes, additions, or alterations in, to or for the Premises or any part thereof; (i) any overholding by the Tenant of the Premises or any part thereof; (j) any renewal or extension of the Lease or the Licence pursuant to any option or right of the Tenant or otherwise; it being understood and agreed that this Indemnity shall extend throughout the Term, as renewed or extended; (k) any loss of, or any loss in respect of, any security received or intended to have been received by the Landlord from the Tenant; (l) any present or future statute or any existing or future common law under which (i) the Tenant (or any one or more Persons comprising the Tenant) or (ii) the Indemnifier (or any one or more Persons comprising the Indemnifier) is released or has its (or their) obligations under the Lease or the Licence or this Indemnity, as the case may be, discharged, mitigated, impaired or affected in any way whatsoever; (m) the addition of any Person or Persons comprising the Tenant or the Indemnifier, or both; (n) any unilateral action of either the Landlord or the Tenant; or (o) the expiration of the Term or termination of the Lease or the Licence. Nothing but payment and satisfaction in full of all Rent and the due performance and observance of all terms, covenants and conditions on the part of the Tenant to be paid under the Agreements shall release the Indemnifier from its obligations under the Agreements or this Indemnity, as the case may be.
3. The Indemnifier hereby expressly waives notice of the acceptance of this Indemnity and any notice of non-performance, non-payment or non-observance on the part of the Tenant of any of the terms, covenants and conditions contained in the Agreements, provided, however, the Landlord shall notify the Indemnifier of any enforcement proceedings commenced by the Landlord in the event of a default by the Tenant of its obligations under the Lease or the Licence. Without limiting the generality of the foregoing, any notice which the Landlord desires to give to the Indemnifier shall be sufficiently given if personally delivered, delivered by courier, mailed by registered prepaid post or electronic mail and addressed to the Indemnifier at 41 S. Rio Grande Street Salt Lake City, UT, U.S.A. 84101, email: [legal@recursionpharma.com](mailto:legal@recursionpharma.com), with a copy to 336 Queen Street West, Toronto, ON, M5V 2A2, email: [legal@recursionpharma.com](mailto:legal@recursionpharma.com). Any such notice, demand, request or other instrument will be conclusively deemed to have been given or made on the day upon which it is delivered or, if mailed, then seventy-two (72) hours following the date of mailing, as the case may be, and the time period referred to in the notice commences to run from the time of delivery or seventy-two (72) hours following the date of mailing, or, if given electronically, on the same day if it is sent by 5:00 PM or the following day otherwise. The Indemnifier may designate by notice in writing a substitute address for that set forth above and thereafter notices shall be directed to such substitute address. If two or more Persons are named as the Indemnifier, any notice given hereunder or under the Agreements shall be sufficiently given if delivered or mailed in the foregoing manner to any one of such Persons. If the postal service is interrupted or is substantially delayed, any notice hereunder shall only be delivered in person or by courier or by electronic mail.
  4. Upon commencement by the Landlord of enforcement proceedings against the Tenant by reason of a default by Tenant under the Lease or the Licence, the Landlord will give to the Indemnifier notice in writing of such default specifying the nature of the default. The Landlord agrees that the Indemnifier shall have the right within five (5) business days following the aforesaid deemed receipt




- of the notice, to cure the default in the name of the Tenant and bring the Lease or the Licence into good standing.
5. In the event of a default by the Tenant under the Lease or the Licence, the Indemnifier expressly acknowledges and agrees that the Landlord may proceed directly against the Indemnifier, and in this regard the Indemnifier waives any right to require the Landlord first to (a) proceed first against the Tenant or any other Indemnifier, guarantor or Person or pursue any rights or remedies against the Tenant or any other Indemnifier, guarantor or Person with respect to the Lease or the Licence, (b) proceed against or exhaust any security of the Tenant held by the Landlord, or any other credit in favour of the Tenant, or (c) pursue any other remedy available to the Landlord under the Lease or the Licence, in equity or at law.
  6. Without limiting any other provision contained in this Indemnity, the liability of the Indemnifier under this Indemnity shall continue in full force and effect and shall not be, or be deemed to have been, waived, released, discharged, impaired or affected by reason of the release or discharge of the Tenant in any receivership, bankruptcy, winding-up or other creditors' proceedings, or the rejection, disaffirmance, disclaimer, termination or surrender (whether or not accepted by the Landlord) of the Lease or the Licence pursuant to any statute or otherwise, and shall continue with respect to the periods prior thereto and thereafter, for and with respect to the Term as if the Lease or the Licence had not been rejected, disaffirmed, disclaimed, terminated or surrendered (except for a surrender duly accepted by the Landlord).
  7. No action or proceedings brought or instituted under this Indemnity and no recovery in pursuance thereof shall be a bar or defence to any further action or proceeding which may be brought under this Indemnity by reason of any further default hereunder or in the performance and observance of any of the monetary terms, covenants and conditions contained in the Agreements. Indemnifier hereby waives the right to trial by jury in any action or proceeding that may hereafter be instituted by the Landlord against the Indemnifier in respect of this Indemnity. The Indemnifier shall pay to the Landlord, on demand, all of the reasonable Landlord's costs and expenses, including, without limitation, all reasonable professional and legal fees on a complete indemnity basis, in enforcing this Indemnity.
  8. No modification of this Indemnity shall be effective unless such modification is in writing and is executed by both the Indemnifier and the Landlord.
  9. If more than one individual, corporation, partnership or other business association (or any combination of them) executes this Indemnity as the Indemnifier, the liability of each such individual, corporation, partnership or other business association hereunder is joint and several. In like manner, if the Indemnifier named in this Indemnity is a partnership or other business association, the members of which are by virtue of statutory or common law subject to personal liability, the liability of each such member is joint and several. If two or more Persons are named as an Indemnifier in this Indemnity, the release of one or more of such Persons does not release any remaining Person named as an Indemnifier in this Indemnity.
  10. The Indemnifier shall be bound by any account settled between the Landlord and the Tenant.
  11. All the terms, covenants and conditions of this Indemnity extend to and are binding on the Indemnifier and its successors and assigns, and enure to the benefit of and may be enforced by the Landlord and its successors and assigns, and by any Mortgagee or other encumbrancer of all or any part of the Lands.
  12. The words "Mortgagee", "Person", "Premises", "Rent" and "Term" and all other words and phrases used in this Indemnity that are defined in the Lease are used in this Indemnity as so defined, unless otherwise defined in this Indemnity, or the context otherwise requires.

13. The Indemnifier shall, without limiting the generality of the foregoing, be bound by this Indemnity in the same manner as if Indemnifier were Tenant named in the Lease or the Licensee named in the Licence. The Indemnifier acknowledges and agrees that it has received a true copy of the Lease and a true copy of the Licence and is familiar with the terms, covenants and conditions contained therein.
14. Wherever in this Indemnity reference is made to either Landlord or Tenant, the reference is deemed to apply also to the respective heirs, executors, administrators, successors and assigns of Landlord or of Tenant, as the case may be. Any assignment by Landlord of any of its interest in the Lease or the Licence operates automatically as an assignment to such assignee of the benefit of this Indemnity.
15. This Indemnity shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
16. This Indemnity may be executed in several counterparts, each of which, once executed, shall be deemed to be an original and such counterpart together with the other counterparts shall constitute one and the same instrument. The parties hereto consent to the use of electronic signatures and agree that this Indemnity may be executed either in original or by electronic means, and may be transmitted by PDF and the parties adopt any such electronic execution or signatures received by PDF as original signatures of the parties

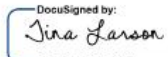
[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the Landlord and the Indemnifier have executed this Indemnity as of the date hereof.

**CONSTANTINE ENTERPRISES INC.**

By:   
Name:  
Title: Robert Hiscox, CEO  
I have authority to bind the Corporation

**RECURSION PHARMACEUTICALS INC.**

By:   
Name: Tina M. Larson  
Title: President and COO  
I have authority to bind the Corporation






# 336 Queen Recursion LEASE RXRX Executed APRIL 28-22 .PDF RH SIGNED

Final Audit Report

2022-05-01

Created:	2022-05-01
By:	robert hiscox (robert@hiscox.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAA-NEDKrZZwZMcIGmG1UH3jwURy90tuzo

## "336 Queen Recursion LEASE RXRX Executed APRIL 28-22 .PDF RH SIGNED" History

-  Document digitally presigned by DocuSign\, Inc. (enterprisesupport@docusign.com)  
2022-04-29 - 9:11:40 PM GMT- IP address: 24.244.177.215
-  Document created by robert hiscox (robert@hiscox.org)  
2022-05-01 - 6:48:39 PM GMT- IP address: 24.244.177.215
-  Document emailed to Robert HISCOX (robert.hiscox@constantineinc.com) for signature  
2022-05-01 - 6:54:07 PM GMT
-  Email viewed by Robert HISCOX (robert.hiscox@constantineinc.com)  
2022-05-01 - 6:54:32 PM GMT- IP address: 74.125.210.43
-  Document e-signed by Robert HISCOX (robert.hiscox@constantineinc.com)  
Signature Date: 2022-05-01 - 10:48:29 PM GMT - Time Source: server- IP address: 24.244.177.215
-  Agreement completed.  
2022-05-01 - 10:48:29 PM GMT



**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the 2021 Equity Incentive Plan, 2021 Employee Stock Purchase Plan, and 2016 Equity Incentive Plan of Recursion Pharmaceuticals, Inc. of our report dated March 23, 2022, with respect to the consolidated financial statements of Recursion Pharmaceuticals, Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 2021, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Salt Lake City, Utah  
May 10, 2022

**Consent of Independent Registered Public Accounting Firm**

We consent to the reference to our firm under the caption “Experts” in the Registration Statement (Form S-3) and related Prospectus of Recursion Pharmaceuticals, Inc. for the registration of shares of its class A common stock, preferred stock, debt securities, depositary shares, warrants, subscription rights, purchase contracts, and units and to the incorporation by reference therein of our report dated March 23, 2022 with respect to the consolidated financial statements of Recursion Pharmaceuticals, Inc., included in its Annual Report (Form 10-K) for the year ended December 31, 2021, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Salt Lake City, Utah  
May 10, 2022

**Certification of Principal Executive Officer  
Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended**

I, Christopher Gibson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Recursion Pharmaceuticals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Christopher Gibson

Christopher Gibson, Chief Executive Officer (principal executive officer)

Date: May 10, 2022

**Certification of Principal Financial Officer  
Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended**

I, Michael Secora, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Recursion Pharmaceuticals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael Secora

Michael Secora, Chief Financial Officer (principal financial officer)

Date: May 10, 2022



**Certifications of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with Quarterly Report of Recursion Pharmaceuticals, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), The undersigned certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher Gibson

Christopher Gibson, Chief Executive Officer (principal executive officer)

/s/ Michael Secora

Michael Secora, Chief Financial Officer (principal financial officer)

Date: May 10, 2022