



Pittsburgh Office:  
610 Smithfield Street  
Suite 300  
Pittsburgh, PA 15222  
412-456-2001  
FAX: 412-456-2019  
www.flaherty-ohara.com

Gregory A. Szallar  
Direct Dial: 412-535-5114  
E-mail Address: [gregs@flaherty-ohara.com](mailto:gregs@flaherty-ohara.com)

Toll Free: 1-866-4BEVLAW  
Cell: 412-596-6504  
File No: 42124.001

**April 11, 2022**

**Via Email** [kim.clark-baskin@pittsburghpa.gov](mailto:kim.clark-baskin@pittsburghpa.gov)

City of Pittsburgh  
Attn: Kimberly D. Clark-Baskin, City Clerk  
140 Pottstown Pike  
City Clerk's Office  
510 City-County Building  
414 Grant St.  
Pittsburgh, PA 15219

**Re: Request by Kura Sushi USA, Inc. for Approval of Inter-Municipal Transfer of Restaurant Liquor License No. R-12176**

Dear Ms. Clark-Baskin:

I represent and am writing on behalf of Kura Sushi USA, Inc. ("Kura Sushi"). Kura Sushi is planning the renovation of restaurant facilities at 415 Cinema Drive in the City of Pittsburgh. Kura Sushi offers an innovative restaurant concept serving authentic Japanese cuisine through an engaging revolving sushi service model with seating for approximately 100 customers in its newly renovated restaurant.

In order to open and operate its restaurant in the City of Pittsburgh, Kura Sushi must secure a restaurant liquor license. No City of Pittsburgh license was available for purchase at the time my client entered into an agreement to purchase a restaurant liquor license. As a result, Kura Sushi has entered into an agreement to purchase a license from outside of the City of Pittsburgh and plans to move the license into the City of Pittsburgh, with the approval of the City, pursuant to the inter-municipal transfer provisions of the Liquor Code (47 P.S. 461).

Kura Sushi hereby requests that, pursuant to 47 P.S. 461, the City of Pittsburgh schedule a hearing, as required by the Liquor Code, on the issuance of a resolution approving the transfer by Kura Sushi of a restaurant liquor license from outside the City to within it.

Pursuant to the Liquor Code, the purpose of the hearing is to allow Kura Sushi to describe its proposed business and to allow the residents of the City of Pittsburgh and the City Council to voice their opinions on the proposed inter-municipal transfer by Kura Sushi to City of Pittsburgh, pursuant to 47 P.S. 461, City of Pittsburgh must approve or deny the requested transfer, by way of a resolution or ordinance, within 45 days of this request.

For your convenience and reference, I have enclosed a form resolution which other municipalities have used in responding to requests for inter-municipal transfers. The Pennsylvania Liquor Control Board requires that a resolution approving an inter-municipal transfer include the name of the applicant (here, "Kura Sushi USA, Inc."), the address to which the license is being transferred (here, "415 Cinema Drive, City of Pittsburgh, Allegheny County, Pittsburgh, Pennsylvania 15203"), the liquor license number (here, "R-12176"), the name and address of the seller of the license (here, "BOKA, Inc., 3942 William Penn Hwy, Municipality of Monroeville, Allegheny County, Monroeville, Pennsylvania 15146") and must state that a public hearing was held.

Effective July 1, 2006, the Liquor Code (47 P.S. §102) was amended to require that notice of a public hearing must be published once each week for two successive weeks in a newspaper of general circulation in the municipality. Further, such notices must state the time and place of the hearing and the matter to be considered at the hearing. Amended Section 102 also provides that the first publication shall not be more than thirty (30) days and the second publication shall not be less than seven (7) days from the date of the hearing.

Along with this letter, I have enclosed the following:

- City of Pittsburgh Application for Intermunicipal Liquor License Transfer
- A check made payable to "Treasurer, City of Pittsburgh" in the amount of Five Hundred Twenty Dollars and No Cents (\$520.00) for the required application processing fee; and
- A draft Resolution.

At the time of the hearing, we will present complete information on the operations of Kura Sushi's restaurant and answer any questions that you, the Council Members, the solicitor or residents might have. Initially, by way of background, Kura Sushi's restaurant will be a family-friendly, relaxed, casual restaurant featuring a healthy, fun and delicious dining experience.

The City of Pittsburgh's approval of an inter-municipal transfer of a liquor license by Kura Sushi will permit the operation of a restaurant in the City that will be a positive attribute to the City, its residents and the surrounding area.

City of Pittsburgh  
April 11, 2023  
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Kura Sushi asks that a public hearing on its request for an inter-municipal transfer be held at the City's Council regularly scheduled May or June meeting, if possible. Please advise me if the City will be able to schedule the hearing for one of those months. Finally, Kura Sushi can reimburse the City of Pittsburgh for any costs associated with this hearing.

In the event you should have any questions or need additional information regarding this matter, please do not hesitate to call me.

Best regards,

*Gregory A. Szallar*  
GREGORY A. SZALLAR, ESQ.

Enclosures

**CITY OF PITTSBURGH**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY OF PITTSBURGH COUNCIL,  
ALLEGHENY COUNTY, COMMONWEALTH OF PENNSYLVANIA,  
APPROVING THE TRANSFER OF RESTAURANT LIQUOR  
LICENSE NO. R-12176 INTO THE CITY OF PITTSBURGH**

WHEREAS, Act 141 of 2000 (“the Act”) authorizes the Pennsylvania Liquor Control Board to approve, in certain instances, the transfer of restaurant liquor licenses across municipal boundaries within the same county regardless of the quota limitations provided for in Section 461 of the Liquor Code if, as in the City of Pittsburgh, sales of liquor and malt or brewed beverages are legal in the municipality receiving the license; and

WHEREAS, the Act requires the applicant to obtain from the receiving municipality a resolution approving the inter-municipal transfer of the restaurant liquor license prior to an applicant’s submission of an application to the Pennsylvania Liquor Control Board; and

WHEREAS, the Liquor Code stipulates that, prior to adoption of a resolution by the receiving municipality, at least one hearing be held for the purpose of permitting individuals residing within the municipality to make comments and recommendations regarding applicant’s intent to transfer a restaurant liquor license into the receiving municipality; and

WHEREAS, an application for transfer filed under the Act must contain a copy of the resolution adopted by the municipality approving the transfer of a restaurant liquor license into the municipality.

NOW, THEREFORE, BE IT RESOLVED, that Kura Sushi USA, Inc., has requested the approval of the City of Pittsburgh for the proposed transfer of Pennsylvania restaurant liquor license no. R-12176, from BOKA, Inc. formerly located at 3942 William Penn Hwy, Municipality of Monroeville, Allegheny County, Monroeville, Pennsylvania 15146 to Kura Sushi USA, Inc. for restaurant facilities within the City of Pittsburgh to be located at 415 Cinema Drive, City of Pittsburgh, Allegheny County, Pittsburgh, Pennsylvania 15203 with the understanding that the restaurant liquor license will be transferred to only that location. Further, said transfer must be approved at a later date by the Pennsylvania Liquor Control Board; and

BE IT FURTHER RESOLVED, that the City of Pittsburgh has held a properly advertised public hearing pursuant to the notice provisions of Section 102 of the Liquor Code to receive comments on the proposed restaurant liquor license transfer; and

BE IT FURTHER RESOLVED that the City of Pittsburgh approves, by adoption of this Resolution, the proposed inter-municipal transfer of restaurant liquor license no. R-12176 into the City of Pittsburgh by Kura Sushi USA, Inc.; and

BE IT FURTHER RESOLVED that transfers, designations and assignments of licenses hereunder are subject to approval by the Pennsylvania Liquor Control Board.

DULY ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2023, at a regular meeting of the Council Members of the City of Pittsburgh, Allegheny County, Pennsylvania, in a lawful session duly assembled.

ATTEST:

CITY OF PITTSBURGH  
COUNCIL MEMBERS:

\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

APPLICATION FOR INTERMUNICIPAL LIQUOR LICENSE TRANSFER

Please provide the following information. If answers exceed the designated spaces, please attach additional sheets of paper with requested information.

1. License Number: R-12176

2. Name and address of the individual or entity to whom the license is being transferred ("applicant").

Kura Sushi USA, Inc.

Corporate Address: 17461 Derian Ave. Suite 200, Irvine, CA 92614

Premises Address: 415 Cinema Drive, Pittsburgh, PA 15203

3. If entity or corporation, please provide names and addresses of all principals:

See Attached Exhibit A - List of Officers

4. From whom is the license being purchased? (Include name and address of the establishment and copy of sales agreement for purchase of liquor license):

BOKA, Inc. - 3942 William Penn Hwy, Monroeville, PA 15146

See Attached Exhibit B - Purchase and Escrow Agreement

5. Reason(s) that the license is being acquired outside of the City of Pittsburgh rather than within City of Pittsburgh boundaries:

No City of Pittsburgh license was available for purchase at the time the Applicant

entered into an agreement to purchase a restaurant liquor license.

6. Name and address of the proposed business to which the license is being transferred:

**Kura Sushi USA, Inc. d/b/a Kura Revolving Sushi Bar**

**415 Cinema Drive, Pittsburgh, PA 15203**

7. Description of the proposed business that will be conducted with the transferred license (i.e. what is the primary purpose of the establishment?):

**See Attached Exhibit C - Concept Summary**

8. Terms of any lease agreement or property ownership related to the location of the proposed business (please attach a copy of the agreement):

**See Attached Exhibit D - Lease Agreement**

9. Evidence that zoning approvals for the proposed establishment have been obtained or what zoning approvals are necessary prior to commencing operation of the establishment:

**See Attached Exhibit E - Zoning Approvals**

10. Copy of the business plan associated with this entity (please provide a copy of the plan):

**Kura Sushi USA, Inc. currently operates 45 locations across the United States.**

**See Exhibit C - Concept Summary for additional information regarding the restaurants operations**

11. Evidence that necessary financing for the success of the business is in place (please provide any documentation):

Kura Sushi USA, Inc. is publicly traded on the NASDAQ under ticker symbol: KRUS.  
See Exhibit F - Balance Sheet from 2022 Form 10-K

12. Name and location of any other businesses that the applicant is associated with or has an ownership interest:

See Attached Exhibit G - Company Overview  
\_\_\_\_\_  
\_\_\_\_\_

13. Name and location of any businesses the applicant previously owned or was associated with and an explanation as to why the business ceased to operate:

Not applicable  
\_\_\_\_\_  
\_\_\_\_\_

14. Information regarding any LCE violations associated with either current or prior businesses (please provide any supporting documentation):

None - Not applicable  
\_\_\_\_\_  
\_\_\_\_\_

15. Any misdemeanor or felony convictions of any individuals who have an ownership interest in the proposed business (please provide any supporting documentation):

Kura Sushi USA, Inc. is publicly traded on the NASDAQ (ticker symbol KRUS).  
We are unable to provide personal information on all shareholders; however,  
we have attached PA Criminal Background Checks for all officers / directors as  
Exhibit H - PA Criminal Background Results for All Officers and Directors.



10. Any additional information that you may feel is relevant to City Council's consideration of your request:

NONE

(Additional information may be requested after reviewing the application.)

VERIFICATION

I, Gregory A. Szallar, Esq., verify and represent that the statements and averments of fact contained herein are true and correct to the best of my knowledge, information and belief, and are made subject to the penalties of 18 Pa. C.S. §4904.

Date: 4-11-23

Gregory A. Szallar

**Exhibit A  
List of Officers**

<b>Name</b>	<b>Title</b>	<b>Place of Residence</b>
Hajime Uba	Chairman, President, Chief Executive Officer and Director	Irvine, CA
Jeffrey Uttz	Chief Financial Officer	Bernardsville, NJ
Brent Takao	Chief Accounting Officer, Treasurer and Secretary	San Clemente, CA
Shintaro Asako	Director	Irvine, CA
Kim Ellis	Director	Cedar Hill, TX
Seitaro Ishii	Director	Cuperttino, CA
Carin Stutz	Director	Chicago, IL

**EXHIBIT B**  
**PURCHASE AND ESCROW**  
**AGREEMENT**

REC'D CLERK'S OFFICE  
2023 APR 13 AM 10:45

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PURCHASE AND ESCROW AGREEMENT

On this 24th day of January, 2023, *BOKA, INC. T/A RUDY'S SUBS*, herein called Seller, and *KURA SUSHI USA, INC., and/or its designee*, herein called Buyer, agree as follows:

1. Seller, licensee from the Pennsylvania Liquor Control Board ("PLCB") of restaurant liquor license No. R-12176 ("License"), which was issued for premises at 3942 William Penn Hwy, Municipality of Monroeville, Allegheny County, Monroeville, Pennsylvania 15146 which is currently in "active" status hereby sells and assigns said License to Buyer for inter-municipal transfer by Buyer to its premises located at 415 Cinema Drive, City of Pittsburgh, Allegheny County, Pittsburgh, Pennsylvania 15023, or to any other location in Allegheny County, Pennsylvania as may be chosen by Buyer ("Premises"). Buyer accepts said sale and assignment subject to the terms and conditions contained herein.

2. The purchase price for the sale and transfer of said License shall be [REDACTED] [REDACTED] And No Cents), which will be held in escrow by Gregory A. Szallar, Esquire ("Escrow Agent"), [REDACTED] ([REDACTED] And No Cents) of which shall be deposited with the Escrow Agent contemporaneously with the signing of this Agreement. The balance of the purchase price shall be deposited with the Escrow Agent on or before the date of the final closing of this transaction and shall be secured by a Promissory Note, which shall be executed simultaneously herewith in compliance with PLCB Regulations. The said Escrow Agent shall not be responsible for the performance of either party hereto and shall only be liable to the parties hereto for the willful misappropriation of the escrow funds.

3. Each of the parties hereto agrees to execute all documents and perform all prerequisites reasonably necessary to best effectuate the transfer of the License as contemplated

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herein. Each of the parties agrees to execute all necessary PLCB and other forms and appear at any necessary hearings. Buyer shall submit all applications necessary to transfer the License with reasonable dispatch. Buyer shall be responsible for all costs and fees required to transfer the License from Seller to Buyer and Seller shall fully cooperate and execute and deliver to Buyer any and all documents as required. Seller shall be solely responsible for all costs and fees necessary to deliver the License to Buyer in a transferrable condition with clear title, free and clear of all liens, encumbrances, and claims.

In the event that, in spite of such efforts, the application for transfer has not been approved within 180 days of the date of the execution of this Agreement, either party may terminate this agreement by giving 30 days' written notice of such party's desire to terminate, after which time the Escrow Agent shall be authorized to submit to the PLCB the letters of withdrawal attached hereto, unless in the interim the application for transfer has been approved, or Buyer has extended this Agreement as provided below.

Buyer may extend the term of this Agreement for three (3) successive additional thirty (30) day periods by written notice to Seller accompanied by the payment of the sum of \$1,000.00 (One Thousand Dollars And No Cents) for each additional thirty (30) days to which the Buyer desires to extend the term of this Agreement. The extension payments are nonrefundable and shall be applied to the purchase price of the License as to reduce the amount due Seller at closing, in the event of a closing. In the event extension payments are made under this paragraph and no closing occurs, absent breach by Seller, Seller shall be entitled to retain the extension payments.

Notwithstanding the foregoing, if at the time of the expiration of the 180-day

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period set forth above, (a) Seller has not received tax clearance for transfer or renewal purposes; (b) Seller's license has not been renewed; (c) Seller's license is not showing as being in either "active" or "safekeeping" status; or (d) Seller has an open or pending citation against the license that would prohibit or cause the PLCB to delay the processing and/or approving of the Buyer's transfer application, Seller agrees that the 180-day period shall be extended until such time as Seller has resolved all issues delaying the processing of the Buyer's transfer application. In the event the 180-day period is extended, due to issues related to the Seller's license, the Buyer's obligation to the Seller to extend the Agreement beyond the 180-day period shall not begin until the date Seller has resolved all issues with Seller's license that lead to the delay resulting in the extension of the 180-day period and Buyer being notified and independently verifying that those issues have been resolved.

Anything in this Agreement to the contrary notwithstanding, in the event that Buyer has not obtained PLCB approval during the 180-day period or any extension period thereof, Buyer has the absolute right to convert this Agreement into an Option, Purchase and Security Agreement ("Option Agreement") by written notice to Seller sent within ten (10) days following the later of the expiration of the 180-day period or the expiration of the last exercised extension thereof as provided in this Agreement, whereby Buyer shall be given an unlimited amount of time to obtain PLCB approval. The amount to be paid to Seller under such Option Agreement would be the Purchase Price set forth in paragraph 2 ( [REDACTED] ) of this Agreement. The purchase price for the License upon closing under the Option Agreement would be One Hundred Dollars and No Cents (\$100.00). Seller agrees to execute and return the Option Agreement to Buyer within not to exceed five (5) days immediately after Seller's receipt of a written request from Buyer. The closing on the Option Agreement will take place within ten (10) business days

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following the receipt of the executed Option Agreements and related documents back from both Seller and Buyer, provided, however, that the Buyer is in receipt of clean lien search report showing that the License is free and clear of any and all liens and/or encumbrances.

4. No commission due as a result of this sale shall be payable by the Buyer. A [REDACTED] ([REDACTED] Dollars And No Cents) flat fee Seller's commission shall be equally split and paid to: [REDACTED] [REDACTED] which the Escrow Agent is hereby authorized to pay from the proceeds due Seller at closing.

5. The Buyer, without divesting itself of any liability hereunder, shall have the right to assign to its designee all rights or obligations it may have under this Agreement without further consent of Seller.

6. This Agreement is contingent upon the approval of the application for prior approval by the PLCB of the transfer of License under the terms set forth herein. This Agreement is further contingent upon the acquisition by the Buyer of the right to occupy the real estate, by lease or deed, and obtaining by the Buyer of all necessary municipal and other governmental permits, building and zoning permits/variances, approvals and resolutions required, if any, to transfer the License and to commence the construction or remodeling of its premises according to the specifications of the Buyer, if any.

In the event the PLCB refuses to grant approval of the application for transfer or Buyer is unable to acquire the property pursuant to a lease or deed acceptable to Buyer or Buyer is unable to obtain the necessary governmental permits, building and zoning permits/variances, approvals and resolutions, Buyer may at its option declare this Agreement to be null and void, at which event all escrow funds shall be returned to it with no liability accruing to either party

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herein; or Buyer may process any appeal of any decision of any Board or Bureau to such court or courts which the Buyer believes may be necessary. Any appeal filed by Buyer shall not increase the time periods set forth in paragraph 3, above. If Buyer chooses to process any appeal and does not ultimately prevail, the funds shall be returned to Buyer and no liability shall accrue to either party herein.

7. In the event Buyer shall default under this Agreement, Buyer and Seller agree that the escrow money in the amount of [REDACTED] Dollars And No Cents) shall be paid over to Seller as liquidated damages and Seller agrees to accept said sum in full satisfaction and discharge of all claims against Buyer. In the event Seller shall default under this Agreement, Buyer may elect to terminate its obligations under this Agreement and receive the escrow money back and pursue any remedies Buyer may have at law and at equity, including without limitation, specific performance of this Agreement.

8. The closing of this transaction will take place within 15 days after receipt of PLCB prior approval of the transfer of the License from the Seller to the Buyer herein, provided all contingencies in paragraph 6 have been fulfilled or waived by Buyer, and provided further that Buyer is in receipt of a lien search report satisfactorily demonstrating that no liens or encumbrances exist against Seller, the License, which report Buyer shall request not later than upon its receipt of PLCB prior approval of the transfer of the License, at which time the entire consideration price shall be paid to the Seller. Seller warrants that as of the closing of this transaction, all bills, debts and claims due by the Seller which would prevent transfer of the License free and clear of any and every claim, lien, debt or assessment of any kind and will have been paid and the Seller agrees to submit an affidavit attesting to said fact and further agrees to indemnify, hold harmless and provide at Seller's expense reasonable attorney's fees to defend

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the Buyer against any claims, debts or taxes incurred by Seller. In the event that any representation in this paragraph is not fulfilled to the extent that the License is not freely transferrable, the Seller authorizes the Buyer to take whatever measures which may be necessary, all at the expense of Seller, which expense shall be reimbursed to Buyer at closing, to effectuate the free transfer of the License to the Buyer, including satisfying any such liens or encumbrances against the License, from the proceeds due Seller at closing. As a condition of closing, Seller shall sign a settlement statement, in the nature of a receipt, acknowledging payment by Buyer and releasing Buyer from further obligation, and all other appropriate and required closing documents. Seller shall provide to Buyer or to the PLCB all forms, clearances, documents, and information required from Seller under the Liquor Code and related Regulations.

9. (a.) Seller warrants (i) that it has or will have the full right and title to sell and transfer the said License to Buyer, (ii) that there are no outstanding agreements to sell or transfer the License to any third party or to pay a commission to any third parties or persons other than those third parties or persons identified in this Agreement, pending unresolved or otherwise as of the effective date of this Agreement, (iii) that the License is currently in "active" status with the PLCB and will remain in either "active" or "safekeeping" status until such time as the License is transferred to Buyer, (iv) that neither the Pennsylvania Liquor Control Board nor the Bureau of Liquor Control Enforcement has any pending complaints, citations or undischarged penalties against the Liquor License, (v) that the License is not subject to a conditional licensing agreement with the PLCB, (vi) that Seller has paid or will have paid in full all taxes due to any governmental agency or department and will continue to do so until the transfer of the License is approved and the closing on the sale of the License has taken place, (vii) that there are no liens or encumbrances of any nature against the License with the exception of the UCC-1 Lien held by



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U.S. Foods, Inc. (UCC Financing Statement No. 2022082401267), which lien will be satisfied either prior to closing, from the proceeds due Seller at closing, or the License has been removed as collateral for the lien, (viii) that Seller will provide Buyer with a payoff figure to satisfy the UCC-1 Lien held by U.S. Foods, Inc, or provide Buyer with an amended UCC-1 Lien, showing that the License has been removed as collateral for the lien in a timely manner so as not to delay the closing on the License, provided that said lien has not been satisfied prior to the closing date, (ix) that there are no provisions contained in the Seller's lease agreement that would give Seller's landlord the right to purchase the license from Seller; (x) the License has not been transferred inter-municipally in the past five (5) years; and (x1) it has been at least five (5) years since the Seller received final approval from the PLCB at its current location.

(b.) The individuals signing below represent and warrant that (i) they are authorized to sign on behalf of their respective companies and (ii) that there is no dispute of any kind between or among the principals of said companies (as applicable) regarding the sale of the License to Buyer pursuant to this Agreement. Until the transfer of the License is completed hereunder, Seller shall promptly file all necessary returns and pay all taxes due to any governmental agency or department as and when due. In the event that any representation in this paragraph is not fulfilled to the extent that the License is freely transferrable, the Seller authorizes the Buyer to take whatever measures may be necessary, all at the expense of Seller, which expense shall be reimbursed to Buyer at closing, to effectuate the free transfer of the License to the Buyer. Seller hereby authorizes the PLCB and the Pennsylvania Departments of Labor & Industry and Revenue to provide all pertinent information regarding the current status of the License and tax payment and filing status of Seller to the Escrow Agent to enable Buyer to perform due diligence on the transferability of the License, including but not limited to renewal and tax status, time in

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safekceping, and any other renewal, citation or licensing compliance issues existing until the date of transfer. Buyer shall reimburse Seller at closing for the cost of the current yearly license fee on a pro rata basis as of the date of approval of transfer.

10. The parties hereto agree that the terms and identities of the parties to this Agreement are and shall be confidential and shall not be disclosed by either party unless and until required in the process of obtaining approval for and of the transfer of the license. Upon inquiry, if any is received, Seller shall inform third parties that the License is "under contract" and that all other information regarding the contract is confidential. Similarly, Buyer shall not disclose the identity of the Seller, nor the terms hereof, unless and until required as part of the license transfer application process.

11. This Agreement shall extend to and be binding upon the respective approved successors and assigns of each of the parties hereto.

12. This is the entire Agreement between the parties with respect to the subject matter hereof and supersedes any prior or contemporaneous written agreement or understanding among the Parties and may not be changed or altered without the prior written consent of both parties.

13. If any provision of this Agreement shall be declared invalid by judicial determination or by express act of any legislative body with authority to affect this Agreement, only such provision so declared invalid shall be thus affected, and all other provisions not inconsistent therewith or directly dependent thereon shall remain in full force and effect.

14. Failure by either party to enforce at any time any other provisions of this Agreement shall not be construed to be a waiver of such provisions nor of the right of that party to subsequently enforce each and every provision.

15. This Agreement shall in all respects be interpreted, construed, governed and

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enforced in accordance with the laws of the Commonwealth of Pennsylvania.

16. For purposes of this Agreement, Buyer shall have effectively extended the Initial Approval Period set forth in this Agreement in accordance with paragraph 3 above, if Buyer's written notice and the accompanying extension payment are tendered to Seller (a) within the ten (10) day period following the expiration of the Initial Approval Period, or (b) within the ten (10) day period following the expiration of any extension period thereof, or (c) during the ten (10) day period following the receipt of written notice from Seller to Buyer of Seller's intent to terminate this Agreement.

17. This Agreement may be effectively executed in counterpart.

**[THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK]**

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*IN WITNESS WHEREOF*, and intending to be legally bound hereby, the parties have hereunto set their hands and seals the day and year first above written.

**ATTEST OR WITNESS:**

\_\_\_\_\_

**SELLER:**

*BOKA, INC.  
T/A RUDY'S SUBS*

By:  \_\_\_\_\_  
Robert Kalina

Its: President \_\_\_\_\_

**ATTEST OR WITNESS:**

\_\_\_\_\_

**BUYER:**

*KURA SUSHI USA, INC.*

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

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

**Escrow Agent:**

\_\_\_\_\_  
Gregory A. Szallar, Esquire

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*IN WITNESS WHEREOF*, and intending to be legally bound hereby, the parties have hereunto set their hands and seals the day and year first above written.

**ATTEST OR WITNESS:**

**SELLER:**

*BOKA, INC.  
T/A RUDY'S SUBS*

\_\_\_\_\_

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

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

**ATTEST OR WITNESS:**

**BUYER:**

*KURA SUSHI USA, INC.*

\_\_\_\_\_

By: BT

Brent Takao

Its: Chief Accounting Officer

**Escrow Agent:**

Gregory A. Szallar  
Gregory A. Szallar, Esquire

Secretary, Treasurer

## **Exhibit C Concept Summary**

Kura Sushi USA is a fast-growing, innovative and technology-enabled restaurant concept serving authentic Japanese cuisine through an engaging revolving sushi service model.

As pioneers of the revolving sushi concept, the Kura family of companies have improved upon the developed innovative systems that combine advanced technology, premium ingredients, and affordable prices to enhance the unique dining experience. The Kura experience creates an exciting atmosphere that promotes a sense of discovery and enables guests to control the variety, portioning, check size and pace of their dining experience. Kura offers guests a small plates menu featuring over 140 freshly prepared items rooted in Kura's philosophy of using old-world techniques and ingredients that are free from artificial seasonings, sweeteners, colorings, and preservatives.

4065656v14  
Execution Copy

**EXHIBIT D**  
**LEASE AGREEMENT**

**LEASE AGREEMENT BETWEEN  
PITTSBURGH - SSW2 NOTE OWNER LLC,  
AS LANDLORD,**

**AND**

**KURA SUSHI USA, INC.,  
AS TENANT**

**DATED August, 2022  
9/1/2022**

**SouthSide Works**

(known as Storeroom C-201 in the SouthSide Works Box Office building located at  
2751 Sidney Street, Pittsburgh, PA 15203)

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Exhibits:

- Exhibit A-1 Depiction of Premises
- Exhibit A-2 Depiction of Shopping Center
  - Exhibit B Depiction of SouthSide Works
  - Exhibit C Common Area Costs
  - Exhibit D Landlord's Work / Tenant's Work / Tenant Improvement Allowance
    - Exhibit D-1 Landlord's Work
    - Exhibit E Reserved
    - Exhibit F Shopping Center Rules and Regulations
    - Exhibit G Form of Supplemental Agreement Reciting Certain Dates
    - Exhibit H Construction Guidelines for the SouthSide Works
    - Exhibit I Waived
    - Exhibit J Renewal Options
    - Exhibit K Existing Tenant Exclusive Uses and Restrictions
    - Exhibit L Tenant's Prototype Signage

**BASIC LEASE INFORMATION**

Lease Date: **The date of the last execution on the signature page.**

Landlord: **Pittsburgh - SSW2 Note Owner LLC, a Delaware limited liability company**

Tenant: **Kura Sushi USA, Inc., a Delaware corporation**

Guarantor: **Waived**

Premises: **The area containing approximately 3,809 rentable square feet, known as Storeroom C-201 (the "Premises") situate in the building referred to as the SouthSide Works Box Office (the "Building") having a common address of 2751 Sidney Street, Pittsburgh, PA 15203, located on the property having a parcel identification number of 29-J-120 in Allegheny County, Pennsylvania (the "Shopping Center"). The Premises and Shopping Center are further depicted on Exhibit A-1. The Shopping Center is part of the development commonly known as the SouthSide Works, as more particularly defined in the Declarations (as defined herein) (the "SouthSide Works"), which is depicted on Exhibit B. The term "Shopping Center" includes the Building and the property on which it is located, together with any other improvements thereon, and such additions and other changes as Landlord may, from time to time, designate as being included within the Shopping Center. Exhibits A-1, A-2, and B are attached hereto solely for the purpose of locating the Premises within the Shopping Center and depicting the general layout of the Shopping Center and the Southside Works development and shall not be deemed to be a representation, warranty or agreement by Landlord as to any information shown thereon, or that the Shopping Center or SouthSide Works, or the designation and location of store units, sizes and other detailed information respecting the Shopping Center or SouthSide Works, including, without limitation, buildings, tenants, common areas, and other information located thereon, shall be exactly as indicated thereon and they are not a representation, warranty or agreement by the Landlord that such conditions exist, or if they do exist, that they will continue to exist throughout all or any part of the term of the Tenant's Lease. Landlord represents and warrants to Tenant that Landlord owns the Premises and that the Premises is free and clear of any encumbrances, except those that shall not prohibit Tenant from using the Premises for the operation of a full-service restaurant whose primary use is the sale of sushi and sashimi as set forth in this Lease.**

Unless Tenant has a survey prepared of the Premises, Tenant shall rely upon the CAD drawings of the Premises ("LOD") that were provided by Landlord. If there are concealed conditions affecting the Premises which are not depicted on said LOD, Landlord shall be responsible for any reasonable out-of-pocket costs incurred by Tenant resulting from such conditions to the extent that the conditions require a change in the Tenant's Preliminary Plans (e.g. moving a wall) and are construction, but not design or discretionary, related, such costs not to exceed \$10,000.00.

Both Landlord and Tenant may re-measure the Premises within thirty (30) days after the completion of Landlord's Work and Tenant's Work. If the parties do not agree upon actual square footage after remeasurement, they may appoint a mutually agreed upon third party which shall review the disputed measurements, conduct a remeasurement (if such firm deems such remeasurement necessary) and make a final, binding determination of the measurement. The remeasurement of this third party will be binding upon both Landlord and Tenant. The cost of the third party will be evenly split between Landlord and Tenant. All provisions of this Lease that are based upon the square footage of the Premises shall also be amended accordingly; except that regardless of the determination of any such remeasurement, in no event shall annual

Minimum Rent or any other fees or amount calculated or otherwise dependent on the area of the Premises, be decreased or increased by more than five percent (5%).

**Term:** Approximately one hundred twenty (120) months, commencing on the Commencement Date and ending at 10:00 p.m. local time on the last day of the one hundred twentieth (120<sup>th</sup>) full calendar month following the Rent Commencement Date, subject to extension and earlier termination as provided in the Lease.

Notwithstanding anything to the contrary contained in this Lease, in the event the expiration date of the Term (as it may have been extended) occurs during the months of September through December of any year, Tenant, shall have the option, upon six (6) months written notice to Landlord prior to the scheduled expiration date, to extend the final Lease Year and the resulting expiration date of the Term, to the next succeeding January 31<sup>st</sup>.

**Renewal Options:** Two (2) consecutive periods of five (5) years each (See Exhibit J)

**Delivery Date:** Upon the Substantial Completion of the Landlord's Work and physical delivery of the Premises to Tenant in broom clean condition, provided that the Delivery Date shall not occur until (i) Landlord has given Tenant 20 days prior written notice that the Premises are ready for delivery and possession by Tenant (with said 20 day period being reduced if and to the extent Tenant accepts delivery of possession prior to the expiration of said 20 day period), and (ii) Tenant has received all Tenant's Permits necessary for the performance of Tenant's Work, which Tenant shall use all diligent efforts to receive.

**Estimated Delivery Date:**

January 28, 2023

**Commencement Date:** The date that is the latest to occur of the (i) Delivery Date, and (ii) satisfaction of the Delivery Conditions.

The "Delivery Conditions" are as follows: (a) Tenant's receipt of all permits for the Permitted Use, (b) a path to the Premises is free and clear, and (c) Tenant has received a certificate of completion or its equivalent from Landlord, if required in accordance with local law or custom, for Landlord's Work, without regard to Tenant's Work.

**Rent Commencement Date:** The date that is the earlier to occur of the (i) date that is one hundred eighty (180) days following the Delivery Date, and (ii) date that Tenant opens for business to the public in the Premises; provided, however, in no event shall the Rent Commencement Date occur prior to the full completion of Landlord's Work (including, without limitation, all punch list items) and satisfaction of all Delivery Conditions.

Notwithstanding the foregoing, the one hundred eighty (180) day period referenced in (i) above shall be extended on a day for day basis due to any delays Tenant encounters in connection with obtaining delivery of the 15 ton unit to be placed and distributed by Tenant for the Premises pursuant to Exhibit D-1 of this Lease with the direct result that as a result of such delay, Tenant is delayed from performing Tenant's Work and/or opening for business; provided, however, the parties shall cooperate in good faith to order and have the unit delivered as soon as reasonably possible. Tenant shall keep Landlord reasonably apprised of the status of the delivery of the 15 ton unit and shall promptly notify Landlord of any delays in the delivery of the 15 ton unit that Tenant becomes aware of as well as any resulting delays performing Tenant's Work and/or opening for business as a result thereof. Tenant agrees that it shall continue to use all diligent efforts to continue Tenant's Work and/or open for business to the extent reasonably possible notwithstanding any delay in delivery of the 15 ton unit.

Minimum Rent  
(Initial Term):

Minimum Rent shall be the following amounts for the following periods of time during the initial Term:

Period – Lease Years	Monthly Minimum Rent	Annual Minimum Rent
1-5	[REDACTED]	[REDACTED]
6-10	[REDACTED]	[REDACTED]

Minimum Rent  
(Renewal Options)

Minimum Rent shall be the following amounts for the following period of time during the Renewal Options:

Period	Monthly Minimum Rent	Annual Minimum Rent
11-15	[REDACTED]	[REDACTED]
16-20	[REDACTED]	[REDACTED]

Retail Portion of the Shopping Center

That portion of the Shopping Center that consists of the retail tenant spaces on the first floor of the Shopping Center and the space on the second floor that is part of retail tenants on the first floor (e.g. Pins is to be located on the first and second floors).

Tenant's Proportionate Share of Common Area Costs:

6.84% (calculated by dividing the rentable square feet of the Premises (currently 3,809 RSF) (numerator) by the rentable square feet of the Retail Portion of the Shopping Center (currently 55,715 RSF) (denominator), with respect to those costs, if any, only applicable to the retail tenants of the Shopping Center, and expressing the fraction as a percentage, subject to any adjustments which may be made as may be provided in this Lease).

Common Area Costs Cap:

From the Rent Commencement Date through the expiration of the first Lease Year, Tenant's Proportionate Share of Common Area Costs (excluding only the following costs or expenses that are not within Landlord's control: Insurance Costs, snow and ice removal and Common Areas utilities (referred to herein as "Uncontrollable Costs")) will not exceed \$6.00 per rentable square foot of the Premises, with annual increases thereafter capped at three percent (3%) per year (the "Cap") over Tenant's Proportionate Share of Common Area Costs for the immediately preceding Lease Year. For example, if Tenant's Proportionate Share of Common Area Costs for the first Lease Year is \$6.00 per rentable square foot of the Premises, under no circumstances shall Tenant's Proportionate Share of Common Area Costs for the second Lease Year be more than \$6.18 per rentable square foot of the Premises, provided, however, Tenant shall still be responsible for Tenant's Proportionate Share of Common Area Costs applicable to the Uncontrollable Costs.

Tenant's Proportionate Share of Taxes:

3.13% (calculated by dividing the rentable square feet of the Premises (currently 3,809 RSF) (numerator) by the rentable square feet of the Shopping Center (currently 121,769 RSF (consisting of 66,054 sq. ft. office and 55,715 sq. ft. retail)) (denominator), with respect to those costs, if any, prorated among all of the tenants of the Shopping Center, and expressing the fraction as a percentage, subject to any adjustments which may be made as may be provided in this Lease). From the Rent Commencement Date through the expiration of the first Lease Year, Tenant's Proportionate Share of Taxes shall not exceed \$4.00 per rentable square foot.

**Rent:** Minimum Rent and Additional Rent, and all other sums that Tenant may owe to Landlord or otherwise be required to pay under the Lease.

**Co-Tenancy:** If at any time during the Term, two (2) out of three (3) of the following co-tenants: Pins Mechanical, Fitness International (f/k/a L.A. Fitness) and the Cheesecake Factory (the "**Co-Tenants**") are not open and operating in the SouthSide Works, in lieu of the monthly Minimum Rent, Tenant's Proportionate Share of Common Area Costs and Tenant's Proportionate Share of Taxes that Tenant is obligated to pay pursuant to this Lease, Tenant shall pay "**Alternate Rent**" in the amount of fifty percent (50%) of all such amounts until two (2) out of three (3) of the Co-Tenant are open and operating in the SouthSide Works.

**Lease Month; Lease Year:** As used herein, the term "**Lease Month**" shall mean each full calendar month during the Term (and if the Rent Commencement Date does not occur on the first day of a calendar month, the period from the Rent Commencement Date to the first day of the next calendar month shall be included in the first Lease Month following the Rent Commencement Date for purposes of determining the duration of the Term and the monthly Minimum Rent rate applicable for such partial month). A "**Lease Year**" shall mean each successive twelve Lease Month period during the Term of this Lease, as the same may be extended, beginning on the Rent Commencement Date and concluding the last day of the twelfth consecutive Lease Month thereafter.

**Tenant Improvement Allowance:** \$380,900 (based on \$100.00 per rentable square foot of the Premises, based on 3,809 rentable square feet in the Premises, subject to re-measurement as set forth above) (See **Exhibit D**)

**Tenant HVAC Allowance:** Up to \$50,000.00 (See **Exhibit D**)

**Percentage Rent Rate:** N/A

**Security Deposit:** Waived.

**Permitted Use:** The operation of a full-service restaurant, featuring a sushi bar as a primary menu item, other Japanese foods commonly found in Tenant's other restaurants, along with other items pursuant to the menu comparable to other restaurants operating under the tradename then in use at the Premises, which is permitted under this Lease (or such other trade name which has been approved by Landlord, not to be unreasonably withheld, conditioned or delayed), and for no other purpose without Landlord's prior written consent, not to be unreasonably withheld, conditioned or delayed. Tenant acknowledges it has been provided and has reviewed **Exhibit K** attached hereto and incorporated herein by this reference which sets forth existing exclusive uses and prohibited uses within the Shopping Center and SouthSide Works. During the Term of this Lease, Tenant agrees that Tenant shall not violate any of the exclusive uses or prohibited uses in effect for the benefit of any tenant of the Shopping Center or SouthSide Works which is set forth on **Exhibit K** hereto. Notwithstanding the foregoing, Landlord hereby represents and warrants that Tenant's use of the Premises for the operation of a full-service restaurant whose primary use is the sale of sushi and sashimi is not in violation of any of the exclusive uses or prohibited uses set forth on **Exhibit K**. Landlord hereby acknowledges that in connection with the Permitted Use, Tenant utilizes vending/dispensing machines and that so long as same are used solely in connection with the Permitted Use, same shall be permitted.

**Exclusive Use:** Landlord will not (and Landlord shall cause any Affiliate which owns land within the Shopping Center and/or within SouthSide Works to not) hereinafter lease space in the Shopping Center or in the area within the SouthSide Works owned by Landlord or such Affiliate to a tenant whose primary use is the sale of sushi and/or sashimi (the "**Exclusive Use**"). Should Landlord

(or its Affiliate) violate the Exclusive Use provision then Tenant's sole remedy is the payment of "Alternate Rent," as defined above, until such time that Landlord has cured the violation. Tenant shall not be permitted to exercise such remedy however during any period in which Tenant is in monetary or material non-monetary default beyond all applicable notice and cure periods. If Tenant is entitled to pay Alternate Rent for twelve (12) months due to such violation, then at the end of the 12-month period, Tenant must either terminate the Lease or revert to full Rent. This provision shall automatically become null and void if Tenant assigns its rights under the Lease (other than in connection with a Permitted Transfer), the Premises permanently ceases to be used primarily for the Permitted Use, or if Tenant is not occupying the Premises for more than 120 consecutive days (other than for closures permitted under this Lease, including, without limitation, in connection with casualty, repairs, etc.).

This provision shall not apply to (a) any business occupying its premises directly or (as an assignee, sublessee, licensee or concessionaire) indirectly under a lease that was executed prior to the execution of the Lease but is in effect as of the date of the Lease which either permits the use of such tenant's space for the Exclusive Use or which does not permit Landlord to prohibit such tenant from using its space for the Exclusive Use (a "Prior Lease"), or a renewal or extension of a Prior Lease, however in the event that a Prior Lease requires Landlord's consent to change its use to the Exclusive Use, Landlord agrees not to provide such consent, (b) any anchor or variety and specialty store, drug or grocery store or any portion of the Shopping Center not controlled by Landlord or its Affiliates, (c) any business which incidentally engages in the Exclusive Use, (d) that parcel within the SouthSide Works known as Lot C2e which is currently leased by the Cheesecake Factory under a long term lease and is in the process of being sold to a third party, or (e) in the case of any "rogue" tenant that violates the terms of their lease, license or occupancy agreement, Landlord shall use best efforts to enforce the lease, license or occupancy agreement. If "rogue" tenancy continues for ninety (90) days after receipt of notice from Tenant, Tenant shall convert to Alternate Rent until violation is cured.

**Go Dark:**

Notwithstanding anything to the contrary contained in this Lease, Tenant shall have the right to close its store and/or cease operations at any time and from time to time provided that it otherwise complies with the terms of this Lease, including, without limitation, paying Rent and other charges due and performing its other obligations pursuant to this Lease. If, after first having opened for business to the public out of the Premises, the Premises remain closed (pursuant to Tenant's election to do so) for a period in excess of ninety (90) consecutive days (except in connection with a casualty, taking, force majeure, renovation, subletting or assignment), Landlord, at Landlord's option, and as its sole remedy, shall have the right, while the Premises remain closed, by thirty (30) days' written notice (provided the Tenant does not open the Premises for business during said notice period), to terminate the Lease and recapture the Premises, whereupon this Lease shall terminate upon the date set in Landlord's notice (the "Recapture Date"), as if the Recapture Date was originally set forth herein as the expiration date of the Term. Upon such termination, Landlord and Tenant shall each be released from any and all liabilities thereafter accruing hereunder, except for those obligations which survive the expiration or other termination of this Lease pursuant to the express terms of this Lease. All Rent payable by Tenant hereunder shall be apportioned as of the Recapture Date, and Tenant shall promptly pay to Landlord any amounts so determined to be due and owing by Tenant to Landlord. Conversely, Landlord shall promptly reimburse Tenant for any amounts prepaid by Tenant for periods subsequent to the Recapture Date.

**Kiosk/No-Build Area:**

Landlord will not place any structure, planter, seating or any other obstruction within 25 feet of Tenants lease line running the length of the storefront. If Landlord violates the foregoing restriction and fails to cure same within ten (10) days following receipt of written notice from Tenant, then Tenant shall be entitled to pay Alternate Rent until cured. Tenant shall only be

required to provide such ten (10) day notice twice during any 12 month period and any subsequent breach of this restriction by Landlord within such 12 month period shall entitle Tenant to pay Alternate Rent immediately until cured.

**Trade Name:** Kura, Kura Revolving Sushi Bar or Kura Sushi, provided, Tenant shall be permitted in the future to change its Trade Name to the trade name (a) used by Tenant at a majority of its other stores formerly operating under the same trade name then in use at the Premises, or (b) required by any court or governmental decree or compromise in lieu thereof, or (c) used by any division of Tenant, or Tenant's parent, or its/their subsidiaries or Affiliates.

**Initial Liability Insurance Amount:** \$3,000,000

**Tenant's Address:** For All Notices:  
  
Kura Sushi USA, Inc.  
17461 Derian Avenue, Suite 200  
Irvine, CA 92614  
Attention: Real Estate Department

With a copy to:  
  
Cushman & Wakefield  
c/o Kura Portfolio Admin  
575 Maryville Center Drive, Suite 500  
St. Louis, MO 63141

**Landlord's Address:**  
  
Pittsburgh - SSW2 Note Owner LLC  
c/o Somera Road Inc.  
718 Division Street  
Nashville, TN 37203  
Attention: Jonathon Reeser  
Phone No.: 615-436-9331  
Email: jon@someraroadinc.com

With a copy to:  
Diane Lichauer | Associate Director, Retail Property Management  
CBRE | Property Management  
Southside Works  
424 S 27th Street, Suite 300  
Pittsburgh, PA 15203  
Main Office: 412-710-7220 | Direct: 412-921-9125 | Cell: 412 979 3013  
Email: diane.lichauer@cbre.com

**Landlord's Address:** For all Rent Payments: Send Directly to:  
  
Wire Transfer: Information to be provided by Landlord upon request  
  
Regular Mail/Standard Payments:



PITTSBURGH – SSW2 NOTE OWNER LLC  
C/O PITTSBURGH – SSW1 NOTE OWNER LLC  
PO BOX 949153  
ATLANTA, GA 30394-9153

For Overnight Express Delivery Only:  
LOCKBOX SERVICES BOX #603636  
PITTSBURGH – SSW2 NOTE OWNER LLC  
C/O PITTSBURGH – SSW1 NOTE OWNER LLC  
3585 Atlanta Ave.  
Hapeville, GA 30354  
[Deposit cut-off time (ET): 1:00 PM]

The foregoing Basic Lease Information is incorporated into and made a part of the Lease identified above.

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## LEASE

This Lease Agreement (this "Lease") is entered into as of the Lease Date, between PITTSBURGH - SSW2 NOTE OWNER LLC, a Delaware limited liability company ("Landlord"), and KURA SUSHI USA, Inc., a Delaware corporation ("Tenant").

### 1. Definitions and Basic Provisions.

The definitions and basic provisions set forth in the Basic Lease Information (the "Basic Lease Information") are incorporated herein by reference for all purposes. Additionally, the following terms shall have the following meanings when used in this Lease: "Affiliate" means any person or entity which, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the party in question; "Building's Structure" means the Building's exterior walls, roof, roof drains, roof membrane, footings, foundations, structural portions of load-bearing walls, structural floors and subfloors, and structural columns and beams; "Building's Systems" means the Building's HVAC system (if it serves portions of the Shopping Center in addition to or other than the Premises) and the Building's life-safety (including sprinkler), plumbing, electrical and mechanical systems; "including" means including, without limitation; "shall include" means shall include, without limitation; "Laws" means all now and hereafter existing federal, state, and local laws, statutes, codes, ordinances, rules and regulations, all court orders, governmental directives, and governmental orders and all interpretations of the foregoing, and "Law" shall mean any of the foregoing; "Tenant's Off-Premises Equipment" means any Tenant owned or leased equipment or other property owned or leased by Tenant that may be located on or about the Shopping Center (other than inside the Premises) and "Tenant Party" (and collectively, the "Tenant Parties") means any of the following persons: Tenant; any assignees claiming by, through, or under Tenant; any subtenants claiming by, through, or under Tenant; and any of their respective managers, partners, officers, directors, agents, contractors, employees, and licensees. This Lease is made expressly subject and subordinate to the terms and conditions of the Declaration (defined below) and any other covenants, easements, or other restrictions now or hereinafter encumbering the Shopping Center (collectively with the Declaration, the "Covenants"), and in the event of any conflict between the terms and conditions of the Covenants and the terms and conditions of this Lease, the terms and conditions of the Covenants shall govern and control, except, if there is a conflict between the Covenants and this Lease, as between Landlord and Tenant, the terms and conditions of this Lease shall control. As used herein, the "Declaration" shall mean Declaration of Easements, Covenants, Conditions, and Restrictions for the Southside Works dated June 27, 2006, and recorded June 28, 2006, in Deed Book Volume 12899, at page 222; as amended by that certain Supplemental Declaration of Easements, Covenants, Condition, and Restrictions for Parcels D2b and D3 of the Southside Works recorded June 28, 2006, in Deed Book Volume 12899, at page 333; as further amended by that certain Amended and Supplemental Declaration of Easements, Covenants, and Restrictions for the Southside Works recorded April 1, 2008, in Deed Book Volume 13563, at page 535; that certain Amended and Supplemental Declaration of Easements, Covenants, Conditions, and Restrictions for the Southside Works recorded on October 3, 2011, in Deed Book Volume 14703, at Page 59; and that certain Amendment to Declaration of Easements, Covenants, Conditions, and Restrictions for the Southside Works recorded on December 19, 2014, in Deed Book Volume 15834, at Page 98; and that certain Assignment and Assumption of Declarant's Rights and Obligations Under Declaration of Easements, Covenants, Conditions, and Restrictions for the Southside Works recorded on July 2, 2019, in Deed Book Volume 17677, at page 138; and that certain Amendment to Declaration of Easements, Covenants, Conditions, and Restrictions for the Southside Works dated as of September 10, 2018 and effective October 1, 2019, recorded on October 30, 2019 in Deed Book Volume 17820, at page 226; and that certain Amendment to Declaration of Easements, Covenants, Conditions and Restrictions for the Southside Works made as of December 7, 2021 and recorded on March 3, 2022 in Deed Book Volume 18808, at page 331; and that certain Amendment to Declaration of Easements, Covenants, Conditions and Restrictions for the Southside Works effective as of May 9, 2022 and recorded on May 16, 2022 in Deed Book Volume 18901, at page 304; as the same may be further modified, amended, or assigned (collectively, the "Declaration"), all recorded in the Department of Real Estate of Allegheny County, Pennsylvania. The owners of the real property making up the SouthSide Works (called Owner and/or Lot Owner in the Declarations), and their successors and assigns, and any other future owners of any portion of the SouthSide Works, are collectively herein called the "SSW Owners". Notwithstanding the foregoing or anything to the contrary which may be contained in this Lease, Landlord hereby represents and warrants to Tenant that: (a) Tenant's use of the Premises for the operation of a full-service restaurant whose primary use is the sale of sushi and sashimi is permitted under the Covenants, (b) the Covenants do not currently increase Tenant's obligations under this Lease or decrease Tenant's rights under this Lease, in either case to more than a de minimis extent; if there is a conflict between the Covenants and this Lease, as between Landlord and Tenant, the terms and conditions of this Lease shall control, and (c) Landlord shall not agree to any modifications to the Covenants which would increase Tenant's obligation under this Lease or decrease Tenant's rights under this Lease, in either case, to more than a de minimis extent.

### 2. Premises: Construction.

(a) Lease Grant. Intending to be legally bound, and subject to the terms and conditions of this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, the Premises, during the Lease Term.

(b) Construction and Acceptance of Premises. If Exhibit D hereto provides for work to be performed by Landlord, then Landlord shall construct improvements in the Premises to the extent provided in Exhibit D (such work to be performed by Landlord being herein sometimes referred to as "Landlord's Work"). Tenant shall

accept possession of the Premises upon Landlord's tender of possession thereof to Tenant in the condition required under this Lease (but shall not be required to accept possession prior to the Estimated Delivery Date), and shall diligently perform the work, if any, required or desired to be performed by Tenant pursuant to Exhibit D (such work, if any, to be performed by Tenant being herein sometimes referred to as "Tenant's Work"), and install its fixtures, furniture and equipment, all in accordance with the terms of this Lease, including Section 7 and Exhibit D. Notwithstanding anything to the contrary contained in this Lease, Tenant shall pay all utility and similar costs for the Premises commencing on the Delivery Date, including those incurred in performing Tenant's Work.

(c) **Tender of Possession.** Landlord and Tenant presently anticipate that possession of the Premises will be tendered to Tenant on the Estimated Delivery Date with the Delivery Conditions satisfied and Landlord's Work Substantially Complete. If Landlord is unable to tender possession of the Premises in such condition to Tenant by the Estimated Delivery Date, then (1) Landlord shall not be in default hereunder or, except as specifically set forth herein, be liable for damages therefor, and (2) except as provided below, Tenant shall accept possession of the Premises when Landlord tenders possession thereof to Tenant in the condition required herein. Promptly following the Rent Commencement Date, Tenant and Landlord shall execute an agreement substantially in the form of Exhibit G hereto confirming the Delivery Date, Commencement Date, Rent Commencement Date, and the expiration date of the initial Term; however, the failure of the parties to execute such agreement shall not defer the Commencement Date or Rent Commencement Date or otherwise invalidate this Lease, nor shall such failure be a default. Possession or occupancy of the Premises by Tenant prior to the Commencement Date (including, without limitation, for the performance of Tenant's Work) shall be subject to all of the provisions of this Lease excepting only those requiring the obligation to open for business or the payment of Minimum Rent and Additional Rent (each as defined herein); provided, however, Tenant shall be responsible for all utility and similar costs commencing on the Delivery Date. Tenant shall furnish to Landlord (i) the necessary certificate(s) of insurance prior to occupying the Premises for any reason, and (ii) a certificate of occupancy from applicable authorities before commencing business in the Premises.

(d) Notwithstanding anything to the contrary which may be contained in this Lease, in the event that as of the Delivery Date, the Landlord's Work within the Premises, the Building's Structure, the Building's Systems and/or the Common Area of the Shopping Center (e.g. sidewalk) are not in compliance with applicable Laws, with the direct result that Tenant is prevented from performing Tenant's Work or opening for business in the Premises, then, following receipt of written notice from Tenant, Landlord shall diligently take all reasonable and legally required steps necessary to cure such non-compliance. If such non-compliance has not been cured within five (5) business days following Landlord's receipt of such written notice from Tenant, then if the Rent Commencement Date has not yet occurred, the Rent Commencement Date shall be extended one (1) day for each such day of delay until such non-compliance condition has been cured and Tenant can continue Tenant's Work or open for business, as the case may be, provided, however, if the Rent Commencement Date has already occurred and Tenant is prevented from opening for business in the Premises as a result of such non-compliance condition, all Rent shall abate on a day for day basis, until the non-compliance condition has been cured and Tenant can continue Tenant's Work or open for business, as the case may be.

### 3. Rent.

(a) **Payment.** Tenant shall timely pay to Landlord Rent, without notice, demand, deduction or set-off (except as otherwise expressly provided herein) via good and sufficient check drawn on a national banking association, at Landlord's address provided for in this Lease or as otherwise specified or agreed to by Landlord and shall be accompanied by all applicable state and local sales or use taxes, if any, which are required to be collected from tenants by landlords. The obligations of Tenant to pay Minimum Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations, subject in all respects to all of Tenant's expressly set forth in this Lease.

(b) **Minimum Rent.** Commencing on the Rent Commencement Date, Minimum Rent shall be payable monthly in advance. The monthly Minimum Rent for any partial month at the beginning of the Term shall equal the product of 1/365 of the annual Minimum Rent in effect during the partial month and the number of days in the partial month, and shall be due on the Rent Commencement Date. Payment of Minimum Rent for any fractional calendar month at the end of the Term shall be similarly prorated. Tenant shall pay recurring monthly Additional Rent at the same time and in the same manner as Minimum Rent.

(c) **Additional Rent.** The payment of Minimum Rent pursuant to this Lease shall be net to Landlord. In addition to Minimum Rent, Tenant shall pay, as "Additional Rent" hereunder: (1) Tenant's Proportionate Share of Common Area Costs, as set forth in Section 6(b), subject to the Cap, (2) intentionally deleted, (3) Tenant's Proportionate Share of Taxes, as set forth in Section 15(b), and (4) all other sums of money or charges required to be paid by Tenant under this Lease. Except as otherwise specified in this Lease, Tenant shall pay any charge required to be paid hereunder, the time and manner of payment of which is not specifically provided herein, within 30 days following receipt of an invoice therefor from Landlord. If requested by Tenant, Landlord shall provide to Tenant reasonable documentation of such costs.

(d) **Right to Audit.** Tenant shall have the right to dispute any statement submitted by Landlord to Tenant relating to the payment of Common Area Costs or Taxes, including the accuracy thereof and the method of calculating the same, but only if (a) within one (1) year after Tenant's receipt of such statement, Tenant shall have

notified Landlord in writing of the nature of the dispute, specifying the particular respects in which the statement is claimed to be incorrect, and (b) Tenant shall have paid the statement so in dispute unless in Tenant's reasonable opinion, such alleged amount is materially in excess of Tenant's reasonable estimate of such amount in which event, Tenant shall pay Tenant's reasonable estimate as such time. In such event, Tenant shall have the right, at its own expense, to inspect and/or audit Landlord's books and records with respect to the statement in question for a period of sixty (60) days commencing ten (10) days after Tenant's delivery of such notice to Landlord. Such inspection or audit shall be conducted, upon reasonable prior notice, at Landlord's office at a time reasonably convenient to Landlord and Tenant during normal business hours. Tenant shall notify Landlord of the results of such inspection, including its determination of the amount of any overpayment or underpayment, within fifteen (15) days after such inspection is completed. If Landlord disputes such results, it shall give notice to Tenant setting forth the nature of such dispute within fifteen (15) days after receipt of Tenant's notice, whereupon Tenant's representatives will promptly meet with Landlord's representatives in an effort to resolve such dispute. If such representatives are unable to resolve such dispute within fifteen (15) days after Landlord gives such notice, then they shall designate a nationally or regionally recognized accounting firm that is unaffiliated with either party to finally resolve such dispute. Such accounting firm shall render its decision within twenty (20) days and such decision shall be final and binding upon the parties. Each party shall pay the fees of their own representatives and one-half of the fees of such audit and accounting firm; provided, that if the audit shows that Landlord overstated Common Area Costs or Taxes for the subject calendar year by more than four percent (4%), in which case Landlord shall reimburse Tenant for all documented reasonable out-of-pocket costs and expenses of the audit within thirty (30) days of Tenant's demand for the same, together with reasonable supporting documentation therefor; provided, Landlord's reimbursement obligation hereunder shall be limited to the costs and expenses of an audit conducted by an independent, certified public accountant not working on a contingent fee basis. Each statement given by Landlord in connection with this Lease shall be conclusive and binding upon Tenant unless Tenant shall have strictly and timely complied with the foregoing conditions, without any extension of such time period which may otherwise be permitted by any other terms of this Lease, other than in the event of manifest error.

4. **Delinquent Payment: Handling Charges.** All payments required of Tenant hereunder shall bear interest from the date due until paid at the lesser of eighteen percent per annum or the maximum lawful rate of interest (such lesser amount is referred to herein as the "**Default Rate**"); additionally, Landlord, in addition to all other rights and remedies available to it, may charge Tenant a fee equal to three percent (3%) of the delinquent payment to reimburse Landlord for its cost and inconvenience incurred as a consequence of Tenant's delinquency.

In no event, however, shall the charges permitted under this Section 4 or elsewhere in this Lease, to the extent they are considered to be interest under applicable Law, exceed the maximum lawful rate of interest. Notwithstanding the foregoing, the interest and late fee referenced above shall not be charged with respect to the first two (2) occurrences during any 12-month period (but not any subsequent occurrence during such 12 month period) that Tenant fails to make payment when due, until five (5) days after Landlord delivers written notice of such delinquency to Tenant.

5. **Security Deposit.** Waived.

6. **Common Area.**

(a) **Common Area.** As used herein, the "**Common Area**" or "**Common Areas**" shall mean the parts of the Shopping Center designated by Landlord from time to time for the common or joint use or benefit of all tenants, including all entrances and exits, elevators, stairs, stairwells, parking areas, sidewalks, landscaping, curbs, loading areas, private streets and alleys, lighting facilities, hallways, malls, and restrooms, all of which are subject to Landlord's sole control, subject to the terms of this Lease. As used herein, the "**SouthSide Works Common Areas**" shall mean the Common Areas as defined in the Declaration. Landlord may from time to time, subject to the terms of this Lease: change the dimensions and location of the Common Area, as well as the location, dimensions, identity and type of buildings and all or a portion of the Common Area; construct additional buildings or additional stories or improvements on existing buildings or other improvements or all or a portion of the Common Area in the Shopping Center; eliminate buildings (but not the building containing the Premises) and all or a portion of the Common Area; and relocate any portion of the Building's Systems or systems exclusively serving the Premises provided there shall be no interruption in Tenant's utilities or heating, ventilation or air conditioning service, in any case to greater than a de minimis extent. Tenant and the Tenant Parties shall have a non-exclusive license to use the Common Area in common with Landlord, other tenants of the Shopping Center and other persons permitted by Landlord to use the same. Tenant and the Tenant Parties shall, in accordance with the terms of the Declaration, have a non-exclusive license to use the SouthSide Works Common Areas in common with Landlord, the SSW Owners, other tenants and occupants of the Shopping Center and SouthSide Works and other persons permitted by Declaration to use the same. Landlord and the SSW Owners may promulgate and modify from time-to-time uniform and reasonable rules and regulations for the safety, care or cleanliness of the Shopping Center, or SouthSide Works, which shall be complied with by Tenant and the Tenant Parties, but which shall not increase Tenant's obligations or decrease Tenant's rights under this Lease, in either case to more than a de minimis extent. Landlord and the SSW Owners may temporarily close any part of the Common Area, or SouthSide Works Common Areas for such periods of time as may be necessary to prevent the public from obtaining prescriptive or other rights, to make repairs or alterations, or discourage non-customer use. Tenant and the Tenant Parties shall not in any manner use any part of the Common Area or SouthSide Works Common Areas for purposes other than for their intended common use and not to obstruct any part thereof.

Landlord shall use commercially reasonable efforts to exercise its rights set forth in the preceding paragraph in such a manner so as not to unreasonably interfere with Tenant's business operations in the Premises or obstruct the access to the Premises. In the event Landlord's exercise of its rights set forth herein materially adversely interferes with Tenant's business operations in the Premises or obstructs access to the Premises, and such condition continues for more than two (2) consecutive days following written notice from Tenant, all Rent shall be equitably abated based on the degree of interference with Tenant's business on a per diem basis from the third (3<sup>rd</sup>) day following the date of Tenant's notice until such condition is cured. If Tenant is forced to close for business as a result of such interference, all Rent shall abate until such condition is cured by Landlord.

**(b) Common Area Costs.** Tenant shall pay Tenant's Proportionate Share of the reasonable costs and expenses actually incurred by Landlord in operating, administering, repairing, replacing, improving and maintaining the Shopping Center and the Common Area (collectively, "**Common Area Costs**"), subject to the Cap. Common Area Costs shall include the items specified on **Exhibit C**. Tenant's Proportionate Share of Common Area Costs shall be paid in monthly installments, concurrently with Minimum Rent, based upon Landlord's good faith estimate, from time to time, of Common Area Costs. Tenant's initial payment is based upon Landlord's reasonable estimate of Common Area Costs for the year in question, and the monthly payments thereof (and future payments) are subject to increase or decrease as reasonable determined by Landlord from time to time to reflect an accurate estimate of actual Common Area Costs. Within 120 days (or a reasonable time thereafter) after the end of each calendar year, Landlord shall deliver to Tenant a statement of Common Area Costs for such calendar year and Tenant shall pay Landlord or Landlord shall credit Tenant (or, if such adjustment is at the end of the Term, pay Tenant), within 30 days of receipt of such statement, the amount of any excess or deficiency in Tenant's payment of its Proportionate Share of Common Area Costs for such calendar year.

**(c) Tenant's Proportionate Share.** Tenant's Proportionate Share of Common Area Costs and Taxes, shall initially be as specified in the Basic Lease Information but shall, during the Lease Term, be adjusted, as needed, to reflect adjustments, reconfigurations, additions, contractions or modifications to the rentable square feet of the Premises (to the extent actually permitted under this Lease or agreed to by Tenant in writing), the Retail Portion of the Shopping Center, or those areas of the Shopping Center sharing in the cost of Common Area Costs and/or Taxes, as applicable. Notwithstanding any contrary provision herein, in calculating Tenant's Proportionate Share of certain items (or components thereof), the following provisions shall apply: (1) in the case of Common Area Costs, the rentable area of the Retail Portion of the Shopping Center shall exclude (A) the rentable square feet of premises occupied by ground lessees or owners of outparcels within the Shopping Center who do not contribute their share of payments to the Shopping Center's Common Area Costs because they are obligated to maintain separately certain common areas appurtenant to their ground leased or owned premises, (B) with regard to specific Common Area Cost items, the rentable square feet of all other tenants in the Shopping Center who do not include such items within the calculation of such other tenant's share of Common Area Costs because such other tenants are individually responsible for the item in question (e.g., if an anchor tenant provides for its own landscaping and the cost of landscaping is not part of such tenant's Common Area Cost obligation, that tenant's rentable square feet shall be excluded from the rentable area of the Retail Portion of the Shopping Center in determining Tenant's Proportionate Share of landscaping costs); and (C) with regard to specific Insurance Costs items, the rentable square feet of any building (or portion thereof) in the Shopping Center which is separately insured by the tenant(s) of such building, and which tenant as a result does not contribute to Landlord's cost of casualty insurance; (2) Intentionally Deleted, and (3) in the case of Taxes, Tenant's Proportionate Share of Taxes shall exclude from the rentable area of the Shopping Center the rentable square feet of any leased building in the Shopping Center which is separately assessed and whose tenant pays such separately assessed tax amount pursuant to its lease in lieu of paying a proportionate share of Taxes assessed for the Shopping Center as a whole. If buildings are added to or removed from the Shopping Center or the retail portions thereof, or additional areas are leased to tenants whose rentable square footage is excluded from the rentable area of the Shopping Center or the retail portions thereof under the foregoing calculations, the applicable Tenant's Proportionate Share shall be appropriately adjusted.

**7. Improvements; Alterations; Repairs; Maintenance; Utilities.**

**(a) Improvements; Alterations.** Except for Landlord's Work to be performed pursuant to **Exhibit D**, all alterations and improvements to the Premises to prepare same for Tenant's business therein, including Tenant's Work, shall be installed at Tenant's sole cost and expense (subject to the Tenant Improvement Allowance provided in **Exhibit D**) only in accordance with detailed plans and specifications which have been previously submitted to and approved in writing by Landlord, not to be unreasonably withheld, conditioned or delayed, which approval and work shall also be governed by, and subject to, the provisions set forth in this Section 7. No alterations or physical additions in or to the Premises may be made without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed; however, Landlord may withhold its consent to any alteration or addition that would adversely affect the Building's Structure or the Building's Systems, including roof and any/all roof penetrations. All alterations, additions, and improvements shall be constructed, maintained, and used by Tenant, at its risk and expense, in accordance with all Laws; Landlord's consent to or approval of any alterations, additions or improvements (or the plans therefor) shall not constitute a representation or warranty by Landlord, nor Landlord's acceptance, that the same comply with sound architectural and/or engineering practices, with all applicable Laws, or will provide adequate ventilation and vibration and sound proofing to ensure that odors, vibrations, and noise that are generated by Tenant's business do not unreasonably disturb the tenants or occupants of the Building, Shopping Center, or the SouthSide Works, and Tenant shall be solely responsible for ensuring all such compliance.

Notwithstanding the foregoing or anything to the contrary which may be contained in this Lease, Tenant shall have the right, without Landlord's consent, to perform interior, non-structural alterations which do not cost more than \$75,000.00 in the aggregate in any 12 month period and do not adversely affect the Building's Systems.

**(b) Repairs: Maintenance.** Except as set forth as a Landlord obligation below, Tenant shall maintain the non-structural portions of the Premises in a clean, safe, and operable condition, and shall not permit or allow to remain any waste or damage to any portion of the Premises. Tenant shall operate and maintain the Premises in good condition. Without limiting the foregoing, Tenant shall (1) maintain the interior walls (including painting and other treatment thereof), store fronts, plate glass windows, doors, door closure devices, window and door frames, molding, locks and hardware, floors, floor coverings and ceiling, (2) maintain, repair and replace all plate and other glass, (3) furnish, maintain and replace all electric light bulbs, tubes and tube casings, and (4) maintain and repair all plumbing and electrical systems and all equipment within and exclusively serving the Premises (including, without limitation, all air conditioning, heating and ventilating equipment and air handler units within and exclusively serving the Premises) and fixtures within and exclusively serving the Premises in good operating order and condition; and Tenant shall, at its sole cost and expense, make all needed repairs and replacements to all of the foregoing items; provided, that if the HVAC unit needs to be replaced during the Term, Landlord shall be responsible for such replacement. Notwithstanding the foregoing, Landlord shall be required to make any such repairs and replacements if occasioned by the negligence or willful misconduct of Landlord or its agents, employees or contractors subject to the mutual waiver of subrogation as set forth in this Lease. Tenant shall enter into a preventive maintenance/service contract with a maintenance contractor approved by Landlord (not to be unreasonably withheld, conditioned or delayed) for servicing all air conditioning, heating and ventilating equipment, including, without limitation, air handler units within and exclusively serving the Premises and shall maintain, repair and replace the same, as needed, throughout the Lease Term. Tenant shall keep all plumbing units, pipes and connections within and exclusively serving the Premises free from obstruction and protected against ice and freezing. Tenant shall be responsible, at its sole cost and expense (as well as its applicable proportionate share of any portion of a shared grease interceptor, if applicable, which main portion (not including any lines to the point of entry to the shared grease interceptor) Landlord shall clean and maintain), for the cleaning and maintenance of any grease trap, if any, exclusively serving the Premises (whether it is an independent grease trap or that portion of a grease trap within and extending to the point of entry to main portion of a shared grease interceptor) and shall enter into, in its own name, and furnish to Landlord a copy of, a grease trap inspection, cleaning, maintenance, and repair contract with a qualified service contractor reasonably acceptable to Landlord (provided that if it is part of a shared grease interceptor, Landlord shall have the right to designate the service contractor that must be used provided such contractor's rates are reasonable and competitive). Tenant shall repair or replace any damage to the Shopping Center caused by the negligence or willful misconduct of a Tenant Party, subject to the mutual waiver of subrogation set forth in this Lease. If Tenant fails to make such repairs or replacements within 15 days after the occurrence of such damage, then Landlord may, but shall not be obligated to, on no less than ten (10) days' prior written notice, make the same at Tenant's reasonable cost. If any such damage occurs outside of the Premises, then Landlord may, but shall not be obligated to, elect to repair such damage at Tenant's reasonable expense, rather than having Tenant repair such damage. The cost of all maintenance repair or replacement work performed by Landlord under this paragraph shall be paid by Tenant to Landlord within 30 days after Landlord has invoiced Tenant therefor with reasonable documentation of such costs.

Landlord agrees to repair and maintain in good order and condition, the Building's Systems, the Common Areas, and the Building's Structure. Landlord, after having received written notice from Tenant of any defect or upon its actual knowledge, whichever is earlier, shall make such repairs as may be necessary to keep the same in good repair; provided that Landlord shall not be required to make any such repairs and replacements if occasioned by the negligence or willful misconduct of Tenant or a Tenant Party. Landlord shall not be required to make any other improvements, repairs or replacements of any kind upon or about the Premises, except those expressly mentioned in this Lease. Landlord shall keep the sidewalks, serviceways and other Common Areas adjacent to the Premises reasonably free from snow and ice, and keep same in good condition and repair.

If Landlord fails to make any of the repairs expressly required by the terms of this Lease to be made by Landlord, Tenant may give Landlord notice of such failure. If Landlord fails to make the necessary repairs within thirty (30) days following receipt of such notice, and Landlord's failure to make the necessary repairs materially adversely interferes with Tenant's business in the Premises and such repairs are to be performed within the Premises, Tenant, in addition to any other rights it may have under this Lease, shall have the right but not the obligation, on no less than ten (10) days' prior written notice (with Landlord's failure to cure during such time), to make said repairs on behalf of Landlord; provided, if Landlord's failure to make such necessary repair(s) within the Premises creates an emergency and are of a nature that puts persons within the Premises or the Tenant's personal property in imminent risk of serious harm, Landlord shall only have a reasonable period of time following receipt of notice from Tenant (which can be via telephone or email) to make said repairs before Tenant shall have the right to make said repairs on behalf of Landlord (in which event Tenant shall endeavor to notify Landlord by telephone or email as soon as practicable). Landlord shall reimburse Tenant for the reasonable out-of-pocket costs incurred by Tenant in making such repairs, within thirty (30) days after receipt of a written statement from Tenant with reasonable documentation of such costs. If Landlord fails to reimburse Tenant within thirty (30) days after receipt of such statement, Tenant may deduct such expenses from Rent coming due with interest thereon at the Default Rate.

**(c) Performance of Work.** Tenant shall provide Landlord with the name of its general contractor proposed to perform work prior to beginning such construction and such contractor shall be subject to the prior approval of

Landlord, which approval shall not be unreasonably withheld, conditioned, or delayed. Any subcontractors performing work in the Premises shall be reputable. All contractors and subcontractors to perform work on the Premises shall hold all local, state and federal licenses required to perform the type of work to be performed by such contractors and subcontractors on the Premises. Tenant shall cause all contractors and subcontractors to procure and maintain insurance coverage naming (or including as an additional insured) Landlord, Landlord's property management company, Landlord's asset management company, and any other entity reasonably requested by Landlord, as additional insureds against such risks and in the amounts as set forth in the Construction Guidelines for the SouthSide Works attached hereto as **Exhibit H**.

Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable Laws. All such work shall be performed in accordance with all Laws and in a good and workmanlike manner so as not to damage the Shopping Center (including the Premises, the Building's Structure and the Building's Systems) or unreasonably interfere with the other tenants or occupants of the Shopping Center or SouthSide Works. All such work which may affect the Building's Structure or Building's Systems must be approved by the Building's engineer of record (or engineer designated by Landlord), at Tenant's reasonable expense and, at Landlord's election, must be performed by Landlord's usual contractor for such work provided the rates charged are reasonable and competitive for the geographic region in which the Shopping Center is located (or a contractor otherwise approved by Landlord). All work affecting the roof of the Building must be performed by Landlord's roofing contractor provided the rates charged are reasonable and competitive for the geographic region in which the Shopping Center is located (or a contractor otherwise approved by Landlord), and no such work will be permitted if it would void or reduce the warranty on the roof.

(d) **Mechanic's Liens.** All work performed, materials furnished, or obligations incurred by or at the request of a Tenant Party shall be deemed authorized and ordered by Tenant only, and Tenant shall not permit any mechanic's liens to be filed against the Premises or the Shopping Center or SouthSide Works in connection therewith. Upon completion of any such work, Tenant shall use commercially reasonable efforts to deliver to Landlord final lien waivers from all contractors, subcontractors and materialmen who performed such work (in excess of \$10,000). If such a lien is filed, then Tenant shall, within thirty (30) days after Landlord has delivered notice of the filing thereof to Tenant (or such earlier time period as may be necessary to prevent the forfeiture of the Shopping Center or any interest of Landlord therein or the imposition of a civil or criminal fine with respect thereto), either (1) pay the amount of the lien and cause the lien to be released of record, or (2) diligently contest such lien and deliver to Landlord a bond or other security reasonably satisfactory to Landlord. If Tenant fails to timely take either such action, then Landlord may, but shall not be obligated to, pay the lien claim, and any amounts so paid, including expenses and interest, shall be paid by Tenant to Landlord within ten days after Landlord has invoiced Tenant therefor. Landlord and Tenant acknowledge and agree that their relationship is and shall be solely that of "landlord-tenant" (thereby excluding a relationship of "owner-contractor," "owner-agent" or other similar relationships). 49 P.S. §1303(d) provides that no mechanics lien shall be allowed against the estate of an owner in fee by reason of any consent given by such owner to a tenant to improve the leased premises unless it shall appear in writing signed by such owner that the erection, construction, alteration or repair was in fact for the immediate use and benefit of the owner. Landlord and Tenant hereby agree, represent and warrant that any maintenance, erection, construction, alteration or repair by Tenant hereunder is **NOT**, in fact, for the immediate use and benefit of the owner/Landlord and, as a result, no lien shall be allowed against the estate of owner/Landlord as a matter of law. Accordingly, all materialmen, contractors, artisans, mechanics, laborers and any other persons now or hereafter contracting with Tenant, any contractor or subcontractor of Tenant or any other Tenant Party for the furnishing of any labor, services, materials, supplies or equipment with respect to any portion of the Premises, at any time from the date hereof until the end of the Term, are hereby charged with notice that they look exclusively to Tenant to obtain payment for same. Nothing herein shall be deemed a consent by Landlord to any liens being placed upon the Shopping Center or Landlord's interest therein or on the SouthSide Works due to any work performed by or for Tenant or deemed to give any contractor or subcontractor or materialman any right or interest in any funds held by Landlord to reimburse Tenant for any portion of the cost of such work. Tenant shall defend, indemnify and hold harmless Landlord and its agents and representatives from and against all claims, demands, causes of action, suits, judgments, damages and expenses (including reasonable attorneys' fees) in any way arising from or relating to the failure by any Tenant Party to pay for any work performed, materials furnished, or obligations incurred by or at the request of a Tenant Party. This indemnity provision shall survive termination or expiration of this Lease. NOTICE IS HEREBY GIVEN THAT LANDLORD SHALL NOT BE LIABLE FOR ANY LABOR OR MATERIALS FURNISHED OR TO BE FURNISHED TO TENANT OR A TENANT PARTY, AND THAT NO MECHANIC'S OR OTHER LIEN FOR ANY SUCH LABOR OR MATERIALS SHALL ATTACH TO OR AFFECT THE REVERSION OR OTHER ESTATE OR INTEREST OF LANDLORD IN AND TO THE PREMISES, THE BUILDING, OR THE SHOPPING CENTER.

(e) **Use of Roof.** The roof above the Premises or otherwise on the Shopping Center is not part of the Premises and is exclusively reserved to Landlord, and Tenant shall not go on the roof nor install any antennae, satellite dish or other improvements on the roof without Landlord's prior written consent, not to be unreasonably withheld, conditioned or delayed.

(f) **Signs: Store Fronts.** Tenant shall not, without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed: (1) make any changes to or paint the store front; or (2) install any exterior lighting, decorations or paintings; or (3) erect or install any signs, banners, window or door lettering, placards, decorations or advertising media of any type on the exterior of the Premises. In addition, all signs, decorations, awnings and advertising media shall be in compliance with the Declaration and the other terms of this Lease and shall be professionally made. All exterior signage and store front changes, including, without limitation, awnings, shall be

subject to and comply with applicable Laws and Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed. Tenant shall, on or before the date Tenant opens for business in the Premises, install all signs, including storefront signage, in accordance with this Lease. All signage and storefront changes and awnings shall be professionally made and installed at Tenant's sole cost and expense. Tenant shall be solely responsible for ensuring that its signage and storefront changes, including awnings, including, without limitation, any signage attached hereto or otherwise approved by Landlord, complies with all applicable Laws and the terms of this Lease. At the end of the Term or upon termination of Tenant's right to possess the Premises, Tenant shall, at its sole cost and expense, remove its exterior and interior signage and repair any damage caused by such installation and/or removal. For the avoidance of doubt, notwithstanding anything to the contrary contained in this Lease, Tenant shall not be permitted to (i) install or operate flashing type electronic signage in the storefront or visible from outside of the Premises (the foregoing only prohibits flashing electronic signage, not electronic signage generally, which Tenant may utilize) or (ii) advertise, with signage or otherwise, lottery sales, Bitcoin sales, or the like. Landlord hereby approves Tenant's prototype signage as depicted in Exhibit L attached hereto and made a part hereof. Upon Tenant's request, Landlord shall assist Tenant in obtaining signage permits, at no cost to Landlord. Tenant shall be permitted the maximum signage allowable by code and applicable Law and the Declaration on the Premises subject to Landlord's approval as required above. Tenant shall be permitted to install interior signage without Landlord's consent provided same is in compliance with all applicable Laws and the Declaration.

**(g) Utilities.** Landlord shall provide and maintain the facilities necessary to supply water, electricity, gas (if applicable), and sewerage service to the Premises. Landlord shall be responsible for providing any meters or other devices for the measurement of utilities supplied to the designated point of service. Tenant shall cause all utilities and services to be in the name of Tenant on the Delivery Date. Commencing on the Delivery Date, Tenant shall promptly pay directly to the applicable utility provider, all charges for electricity, water, gas, telephone service, sewerage service and other utilities furnished, and services provided, to the Premises (including all tap fees and similar assessments made in connecting the Premises to such utilities, if any) and any maintenance charges and other fees therefor. Landlord shall not be liable to Tenant, any Tenant Party or any other person or entity whatsoever, for abatement of rent as a result of, or for any other loss or damages whatsoever occurring in connection with, any interruption or failure whatsoever in utility services, and Tenant shall comply with all provisions of this Lease notwithstanding any such failure or interruption, except as expressly set forth herein. Notwithstanding the foregoing, if, as a result of the negligence or willful misconduct of Landlord, its agents, contractors or employees, there is an interruption or discontinuance in any utility or service supplied to the Premises which results in unreasonable interference with Tenant's ability to conduct its business in the Premises, and as a result Tenant closes its business in the Premises for more than one (1) day in the case of willful acts, or more than three (3) days in the case of negligent acts, then Tenant shall be entitled to an abatement of all Rent commencing upon the second (2nd) or the fourth (4th), as the case may be, consecutive day and continuing until such time as such utility service is restored or Tenant reopens the Premises for business, whichever shall first occur.

## 8. Use and Care of the Premises.

**(a) Use and Operations.** Tenant shall, subject to force majeure and the other terms and conditions of this Lease, including Tenant's right to cease operating, continuously occupy and use the Premises in a reputable manner only for the Permitted Use and using only the Trade Name. Tenant shall comply with all Laws relating to the use, maintenance, condition, access to, and occupancy of the Premises. Tenant shall, in good faith, subject to force majeure and the other terms and conditions of this Lease, including Tenant's right to cease operating, continuously throughout the Term carry on in the Premises the type of business for which the Premises are leased, operating its business in a reputable manner, and shall, except during reasonable periods for repairs, alterations, cleaning, inventory, decorating, in connection with an assignment or subletting or Tenant's right to cease operating in accordance with the terms of this Lease, keep the Premises open for business with adequate personnel in attendance at a minimum, sixty (60) hours per week. Tenant may, however, close on all legal holidays (e.g. Easter, Mothers' Day, Fathers' Day Memorial Day, 4th of July, Labor Day, Thanksgiving Day, Christmas Day and New Years' Day) and as otherwise permitted under this Lease.

**(b) Impact on Insurance.** The Premises shall not be used for any use that creates extraordinary fire hazards, or results in an increased rate of insurance on the Shopping Center or its contents, or for the storage of any Hazardous Materials (other than those in normal commercial and retail applications and then only in compliance with all Laws). If, solely because of a Tenant Party's acts, the rate of insurance on the Shopping Center or its contents increases, then Tenant shall pay to Landlord the amount of such increase within thirty (30) days of written demand together with reasonable documentation of such costs and the explanation for the cause of the increase. Notwithstanding the foregoing, Tenant's use of the Premises for the Permitted Use in compliance with the terms of this Lease shall never be deemed to create extraordinary fire hazards, or results in an increased rate of insurance on the Shopping Center or its contents.

**(c) Limitations on Operations.** Tenant shall (and shall endeavor to cause the Tenant Parties to) conduct its business so as not to create any nuisance or unreasonably interfere with Landlord or other tenants, occupants, licensees or invitees, of the Shopping Center or SouthSide Works. Tenant shall not conduct or operate within the Premises any (1) fire, auction, liquidation, bankruptcy or "going out of business" sales, (2) a "wholesale" or "factory outlet" store, (3) a cooperative store, (4) a "second hand" store, (5) a "flea market" store, (6) a "surplus" store, or (7) a store commonly referred to as a "discount house." Tenant shall not advertise that it sells products or



services at "discount," "cut-price" or "cut-rate" prices. Tenant shall not (A) permit any objectionable or unpleasant odors to emanate from the Premises; (B) place or permit any radio, loudspeaker or amplifier on the roof or outside the Premises or where the same can be heard from outside the Building or in the Common Area or otherwise permit loud noise by the playing of musical instruments or radios or television, or the use of microphones, loudspeakers, electrical equipment, or utilizing flashing lights or search lights that can be seen or heard from outside the Building or in the Common Area; (C) place an antenna, awning or other projection on the exterior of the Premises without Landlord's written consent, not to be unreasonably withheld, conditioned or delayed; (D) solicit business or distribute leaflets or other advertising material within the Shopping Center or the SouthSide Works beyond the Premises; (E) take any other action that would constitute a nuisance or would unreasonably disturb or endanger other tenants of the Shopping Center or unreasonably interfere with their use of their respective premises; nor (F) intentionally deleted.

(d) **Care of the Premises.** Tenant shall take good care of the Premises as required in this Lease and shall keep the Premises clean and free from waste, and shall maintain the Premises, and conduct all business therein, in accordance with this Lease and all Laws. Additionally, Tenant shall keep the Premises and sidewalks, serviceways and loading areas and other Common Areas adjacent to the Premises free from Tenant's merchandise, food or produce, trash, debris, refuse or other articles of Tenant, and use commercially reasonable care to prevent the presence of insects, rodents, vermin and other pests in and from the Premises. Tenant may neatly stack pallets near dumpster. Tenant shall keep any garbage, trash, and rubbish and refuse in rat-proof sealed containers within the Premises until removed and comply with all applicable Laws in connection therewith. Unless Landlord arranges for collection of trash and garbage, as set forth herein, Tenant will store all trash and garbage and rubbish within the area and receptacles designated, or reasonably approved, by Landlord for trash pickup and removal and shall, at its sole expense, arrange for the pickup of such trash, garbage and rubbish at such frequency as is reasonably determined by Tenant; provided, that at no time shall Tenant place any sealed container with garbage, trash, rubbish or refuse therein for pickup in front of or around the front of the Premises (any pickup should occur on S 28<sup>th</sup> Street). Tenant shall comply with all recycling Laws and place recyclable trash in designated bins. Receiving and delivery of goods and merchandise and removal of garbage and trash and rubbish shall be made in a manner so as not to unreasonably interfere with other tenants of the Shopping Center. Landlord may, but shall not be obligated to, arrange for collection of trash and garbage, including recycling, within the Premises, Building, and/or Shopping Center, and, should Landlord exercise such election, the cost thereof will be included in Common Area Costs. The parties acknowledge that as of the execution of this Lease, Landlord arranges for collection of trash and garbage, including recycling, for the tenants of the Building from a designated trash area within the Building and includes the costs and expenses thereof in Common Area Costs. Tenant, at its cost and expense, shall promptly remove all garbage, rubbish, and refuse from the Premises and shall place the same in bins, receptacles or areas (including recycling) designated by Landlord for removal. (The current trash location within the Building is identified on Exhibit A-1 attached hereto.) Tenant shall break down all boxes, containers, carts, pallets, and the like, before placing them in the designated bins, receptacles or areas. Tenant shall not permit any of such garbage, rubbish, or refuse to be placed outside or around said bins, receptacles or areas, shall not cause the trash area to be in a messy or unsanitary condition, and shall comply with all relevant Laws and Rules and Regulations pertaining to garbage and refuse disposal, including recycling. Only garbage, rubbish, refuse, and recycling associated with normal restaurant operations shall be permitted in the Landlord designated garbage, refuse, and recycling areas. Landlord has the right, but shall not be obligated, to charge Tenant for the disposal of any oversized garbage or refuse or items that require special disposal such as wooden pallets, disposed of by Tenant. Tenant shall not, and shall not permit, the burning of garbage, trash, rubbish or other debris within the Premises or the Shopping Center, including, without limitation, operating an incinerator. Tenant shall, at Tenant's sole cost and expense, obtain and maintain in effect at all times a pest control service to regularly (monthly, or more frequently as may be required) exterminate the Premises for insects, rodents, vermin and other pests. Such service shall exterminate the Premises as necessary to keep the Premises reasonably free from insects, rodents, vermin and other pests. If Tenant fails to provide such service as required herein, Landlord shall have the right, but not the obligation, on no less than two (2) days' prior written notice, to provide such insects, rodents, vermin and other pest control as Landlord, in its sole discretion, deems reasonably appropriate, and Tenant shall be liable for all reasonable costs thereof and all shall pay all such amounts to Landlord within thirty (30) days following its receipt of written demand together with reasonable documentation of such costs. In addition, Landlord shall have the right, but not the obligation, to provide such insects, rodents, vermin and other pest control as Landlord, in its reasonable discretion, deems appropriate, for the Building and/or the Shopping Center, or portion thereof, and include the costs thereof in Common Area Costs.

(e) **Display Windows.** Tenant shall maintain all display windows, if any, in a neat, attractive condition, and shall keep all display windows and exterior electric signs in front of the Premises lighted from dusk until 11:00 p.m. (or later if the Premises closes later) every day, including Sundays and holidays, provided, however, infrequent failures to keep the displays windows and signs lighted due to employee oversight, for example, shall not be a breach of this obligation. Landlord reserves the right to connect some or all canopy or exterior signs in the Shopping Center, including Tenant's, to a common electrical line controlled by Landlord, in order to control the hours during which such signs are kept lighted, and all charges for the installation, maintenance and repair of such electrical line, as well as all electrical usage charges associated therewith, shall be included in Common Area Costs.

(f) **Permits and Licenses.** Tenant shall procure, at its sole expense, all permits and licenses required for its operations and the transaction of business in the Premises, including, without limitation, any building and other permits required in connection with any work perform by, or at the direction, of Tenant.

(g) **Intentionally Deleted.**

**(h) No Solicitations.** Tenant shall not engage in, nor permit its employees, agents, Affiliates or customers to engage in, solicitations, demonstrations or other activities in the Shopping Center or the SouthSide Works inconsistent with first-class shopping center standards.

**(i) Sound and Odors.** In the event that during the Lease Term sound and/or unreasonable odors (meaning, odors not ordinarily emanating from a business such as Tenant's) generated by Tenant's business unreasonably disturb the tenants or occupants of the Shopping Center, the Common Area, or the SouthSide Works, Tenant shall be obligated, at its sole cost and expense, to promptly take available commercially reasonable remedial measures reasonably acceptable to Landlord and Tenant. In the event Landlord and Tenant are unable to agree upon such remedial measures, they shall jointly select a qualified sound engineer or odor specialist who shall designate reasonable remedial measures to be taken by Tenant.

9. **Assignment and Subletting.**

**(a) Transfers.** Except as provided in Section 9(h), Tenant shall not, without the prior written consent of Landlord, not to be unreasonably withheld, conditioned or delayed (as set forth below), (1) assign, transfer, or encumber this Lease or any estate or interest herein, whether directly or by operation of law, (2) permit any other entity to become Tenant hereunder by merger, consolidation, or other reorganization, (3) if Tenant is an entity other than a corporation whose stock is publicly traded, permit the transfer of an ownership interest in Tenant so as to result in a Change in Control of Tenant, (4) sublet any portion of the Premises, (5) grant any license, concession, or other right of occupancy of any portion of the Premises, or (6) permit the use of the Premises by any parties other than Tenant (any of the events listed in Section 9(a)(1) through 9(a)(6) being a ("Transfer").

**(b) Consent Standards.** Landlord shall not unreasonably withhold, condition or delay its consent to any Transfer, provided that the proposed transferee (1) is creditworthy, (2) has a good reputation in the business community, (3) will use the Premises only for the Permitted Use (but which may be under the transferee's trade name if there is a change in connection with the Transfer) or another use approved by Landlord, which approval Landlord may withhold its consent in its sole discretion and will not violate any exclusive use covenant or use restriction then in effect for the benefit of any tenant of the Shopping Center of which Tenant has received written notice or as set forth on Exhibit K or violate any restrictive covenants or other covenants, conditions restrictions then affecting the Shopping Center, (4) is not a governmental entity, or subdivision or agency thereof, and (5) is not another occupant of the Shopping Center or person or entity (or any Affiliate of any such person or entity) with whom Landlord is negotiating to lease space in the Shopping Center or the SouthSide Works; otherwise, Landlord may withhold its consent in its sole discretion.

**(c) Request for Consent.** If Tenant requests Landlord's consent to a Transfer, then, at least 15 business days prior to the effective date of the proposed Transfer, Tenant shall provide Landlord with a written description of the material terms and conditions of the proposed Transfer, and the following information about the proposed transferee: name and address; reasonably satisfactory information about its business and business history; its proposed use of the Premises; banking, financial, and other credit information; and general references sufficient to enable Landlord to determine the proposed transferee's creditworthiness and character and such other information that Landlord reasonably requests. If Landlord approves such Transfer, within fifteen (15) days after Tenant's receipt of Landlord's approval and Landlord's written demand, Tenant shall pay to Landlord a fee of \$1,500 to defray Landlord's expenses in reviewing such request, and Tenant shall also reimburse Landlord for its reasonable attorneys' fees incurred in connection with such request for consent to a Transfer, not to exceed \$3,000 in the aggregate, provided no such fees or charges shall be payable in connection with a Permitted Transfer.

**(d) Conditions to Consent.** If Landlord consents to a proposed Transfer, in the case of an assignment, the proposed assignee shall deliver to Landlord a written agreement whereby it expressly assumes Tenant's obligations hereunder following the effective date of such assignment; however, a subtenant shall only be required to agree that its sublease is subject and subordinate to the terms and conditions of this Lease. No Transfer shall release Tenant from its obligations under this Lease, but rather Tenant and its assignee, shall be jointly and severally liable therefor, except however in the event any assignee has a net worth of \$15,000,000.00 or more, in which case Tenant shall be released of any further liability accruing under this Lease following the date of such assignment. Landlord's consent to any Transfer shall not waive Landlord's rights as to any subsequent Transfers. If an Event of Default occurs while the Premises or any part thereof are subject to a sublease, then Landlord, in addition to its other remedies, may collect directly from such subtenant all rents becoming due to Tenant and apply such rents against Rent. Tenant authorizes its transferees to make payments of rent directly to Landlord upon receipt of notice from Landlord to do so following the occurrence of an Event of Default hereunder. Tenant (or its subtenant or assignee, as the case may be) shall pay for the cost of any demising walls or other improvements necessitated by a proposed subletting or assignment.

**(e) Attornment by Subtenants.** Each sublease by Tenant hereunder shall be subject and subordinate to this Lease and to the matters to which this Lease is or shall be subordinate, and each subtenant by entering into a sublease is deemed to have agreed that in the event of termination, re-entry or dispossession by Landlord under this Lease, Landlord may, at its option, take over all of the right, title and interest of Tenant, as sublandlord, under such sublease, and such subtenant shall, at Landlord's option, attorn to Landlord pursuant to the then executory provisions of such sublease, except that Landlord shall not be (1) liable for any previous act or omission of Tenant under such sublease, (2) subject to any counterclaim, offset or defense that such subtenant might have against Tenant prior to such

attornment, (3) bound by any previous modification of such sublease made without Landlord's consent, which consent shall not be unreasonably withheld, conditioned or delayed, or by any rent or additional rent or advance rent which such subtenant might have paid for more than the current month to Tenant, and all such rent shall remain due and owing, notwithstanding such advance payment, unless actually received by Landlord, (4) bound by any security or advance rental deposit made by such subtenant which is not delivered or paid over to Landlord and with respect to which such subtenant shall look solely to Tenant for refund or reimbursement unless same is actually delivered or paid over to Landlord in which case such subtenant shall look to Landlord, or (5) obligated to perform any work in the subleased space or to prepare it for occupancy, but the foregoing shall not limit any maintenance or repair obligations of Tenant under the sublease (or Landlord under this Lease) and in connection with such attornment, the subtenant shall execute and deliver to Landlord any instruments Landlord may reasonably request to evidence and confirm such attornment. Each subtenant of Tenant shall be deemed, automatically upon and as a condition of its occupying or using the Premises or any part thereof, to have agreed to be bound by the terms and conditions set forth in this Section 9(e). Tenant and any Guarantor shall remain liable for the performance of all of the obligations of Tenant hereunder. The provisions of this Section 9(e) shall be self-operative, and no further instrument shall be required to give effect to this provision.

(f) **Cancellation.** Intentionally Deleted.

(g) **Additional Compensation.** Other than in connection with a Permitted Transfer, Tenant shall pay to Landlord, within thirty (30) days following receipt thereof, fifty percent (50%) of the excess of (1) all rent or other economic compensation from the subtenant received by Tenant in connection with any sublease of the Premises less the costs reasonably incurred by Tenant with unaffiliated third parties in connection with such Transfer (i.e., brokerage commissions, rent concessions, tenant finish work, etc.) over (2) the Rent allocable to the portion of the Premises covered thereby.

(h) **Permitted Transfers.** Notwithstanding Section 9(a) or anything else in this Lease to the contrary, Tenant may Transfer all or part of its interest in this Lease or all or part of the Premises (a "**Permitted Transfer**") to the following types of entities (a "**Permitted Transferee**") without the written consent of Landlord:

- (1) an Affiliate of Tenant;
- (2) any corporation, limited partnership, limited liability partnership, limited liability company or other business entity in which or with which Tenant, or its corporate successors or assigns, is merged or consolidated, in accordance with applicable statutory provisions governing merger and consolidation of business entities, reorganization or governmental action, so long as Tenant's obligations hereunder are assumed by the entity surviving such merger or created by such consolidation and provided such entity has a net worth of at least Ten Million Dollars (\$10,000,000.00);
- (3) any corporation, limited partnership, limited liability partnership, limited liability company or other business entity which is acquiring all or substantially all of the assets, stock, or other ownership interests of Tenant, provided such entity has a net worth of at least Ten Million Dollars (\$10,000,000.00).

Tenant shall promptly notify Landlord of any such Permitted Transfer following the effective date of such Permitted Transfer. Except for a release of Tenant as set forth in this Lease, Tenant shall remain liable for the performance of all of the obligations of Tenant hereunder, or if Tenant no longer exists because of a merger, consolidation, or acquisition, the surviving or acquiring entity shall expressly assume in writing the obligations of Tenant hereunder. Additionally, the Permitted Transferee shall comply with all of the terms and conditions of this Lease, including the Permitted Use. No later than 10 days after the effective date of any Permitted Transfer, Tenant agrees to furnish Landlord with (A) copies of the instrument effecting any of the foregoing Permitted Transfers, (B) a statement certifying Tenant's satisfaction of the requirements set forth above applicable to any such Permitted Transfer, and (C) evidence of insurance as required under this Lease with respect to the Permitted Transferee. The occurrence of a Permitted Transfer shall not waive Landlord's rights as to any subsequent Transfers. "**Change in Control**" means the sale or other transfer of more than an aggregate of fifty percent (50%) of the voting securities of Tenant. Any subsequent Transfer by a Permitted Transferee shall be subject to the terms of this Section 9. For purposes of clarity, no transfer or assignment restrictions shall apply with respect to the issuance or transfer of any publicly traded stock of or indirectly in any of Tenant, its parent, affiliates, or subsidiaries.

#### 10. **Insurance: Waivers: Subrogation: Indemnity.**

(a) **Tenant's Insurance.** Tenant shall, commencing on the Delivery Date, maintain until and throughout the Term the following insurance policies with insurance companies approved to do business in the Commonwealth of Pennsylvania: (1) commercial general liability insurance in amounts of \$3,000,000 per occurrence and Three Million Dollars (\$3,000,000.00) annual aggregate or, following the expiration of the initial Term, such other amounts as Landlord may from time to time reasonably require (but such amounts may not be further increased more than once every five (5) years) and, if the use and occupancy of the Premises include any activity or matter that is or may be excluded from coverage under a commercial general liability policy [e.g., the sale, service or consumption of alcoholic beverages], Tenant shall obtain such endorsements to the commercial general liability policy or otherwise obtain insurance to insure all liability arising from such activity or matter [including liquor liability, if applicable] in such amounts as Landlord may reasonably require, insuring Tenant, and including as an additional insured, Landlord, Landlord's property management company, Landlord's asset management company, and any other entity reasonably

requested by Landlord (including the other SSW Owners), against all liability for injury, illness, disease, or death of a person or persons or damage to property directly or indirectly arising from the use and occupancy of the Premises and (without implying any consent by Landlord to the installation thereof) the installation, operation, maintenance, repair or removal of Tenant's Off-Premises Equipment by Tenant, (2) insurance covering the full value of all alterations and improvements and betterments in the Premises, naming Landlord and Landlord's Mortgagee as additional loss payees as their interests may appear, (3) insurance covering the full value of all furniture, trade fixtures and personal property (including property of Tenant or others) in the Premises or otherwise placed in the Shopping Center by or on behalf of a Tenant Party (including Tenant's Off Premises Equipment), (4) contractual liability insurance sufficient to cover Tenant's indemnity obligations hereunder (but only if such contractual liability insurance is not already included in Tenant's commercial general liability insurance policy), (5) worker's compensation insurance in statutory amounts and employer's liability insurance in amounts no less than \$1,000,000 bodily injury by accident-each accident, \$1,000,000 bodily injury by disease-each employee, and \$1,000,000 bodily injury by disease-policy limit, and (6) business interruption insurance for a minimum of 12 months. Landlord and any other parties reasonably required by Landlord shall be included as additional insureds on a primary and non-contributory basis on all policies required herein, with the exception of workers' compensation, employer's liability, and property insurance. For property insurance, Landlord shall be included as a loss payee as their interests may appear. Tenant's insurance shall provide primary coverage to Landlord when any policy issued to Landlord provides duplicate or similar coverage, and in such circumstance Landlord's policy will be excess over Tenant's policy. Tenant shall furnish to Landlord certificates of such insurance evidencing the maintenance of all insurance coverages required hereunder at least 5 days prior to the Delivery Date, and at least 5 days prior to each renewal of said insurance, and Tenant shall obtain a written obligation on the part of each insurance company to notify Landlord at least 30 days before cancellation of any such insurance policies. If Tenant's insurance company(ies) cannot provide such notice, it shall be the responsibility of the Tenant to notify Landlord within the required timeframe. All such insurance policies shall be issued by companies with a Best's rating of A+; VII or better, approved to do business in the Commonwealth of Pennsylvania. The limits of insurance required herein may be obtained by a combination of primary and excess policies. If Tenant fails to comply with the foregoing insurance requirements or to deliver to Landlord the certificates or evidence of coverage required herein, Landlord, in addition to any other remedy available pursuant to this Lease or otherwise, may, but shall not be obligated to, upon no less than one (1) business day written notice to Tenant, obtain such insurance and Tenant shall pay to Landlord within thirty (30) days following its receipt of written demand together with reasonable documentation of such costs, the reasonable premium costs thereof, plus interest at the Default Rate. Any insurance provided for in this section may be effected by a policy or policies of blanket insurance covering additional items or locations or assureds, provided the coverage required herein is satisfied.

(b) **Landlord's Insurance.** Throughout the Term of this Lease, Landlord shall maintain, or cause to be maintained, at a minimum, the following insurance policies: (1) standard "all risk" property insurance (or its commercially reasonable equivalent) against fire, theft, vandalism, malicious mischief and such additional perils as now are or hereafter included from time to time in general use in the Commonwealth of Pennsylvania, insuring the Building, Shopping Center and all other (excluding leasehold) improvements and alterations that are a part thereof, and the amount of such insurance will be not less than one hundred percent (100%) of the full replacement value thereof, subject to commercially reasonable deductibles, (2) a policy or policies of fire and hazard "Special Causes of Loss Form" or broader insurance covering loss or damage to the Common Areas and any unleased portion of the Building, as well as Landlord's personal property including its business papers, furniture, fixtures and equipment, subject to commercially reasonable deductibles, in the amount of the full replacement cost thereof, as the same may exist from time to time, providing protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, and plate glass, and (3) commercial general liability insurance, insuring Landlord against liability for injury, illness, disease, or death of a person or persons or damage to property directly or indirectly arising out of the ownership, use, occupancy or maintenance of the Building and the Shopping Center (including the Common Areas) in an amount of not less than Three Million Dollars (\$3,000,000.00), which may be satisfied through a combination of primary and excess policies. Landlord may, but is not obligated to, maintain, or cause to be maintained, such other insurance and additional coverages as it may reasonably deem necessary. The cost of all insurance (other than deductibles) maintained or required to be carried by Landlord with respect to the Shopping Center shall be included in Insurance Costs. Any insurance provided for in this section may be effected by a policy or policies of blanket insurance covering additional items or locations or assureds, provided the coverage required herein is satisfied.

(c) **No Subrogation.** Landlord and Tenant each waives any claim it might have against the other for any damage to or theft, destruction, loss, or loss of use of any property, to the extent the same is insured against or required by the terms of this Lease to be insured against under any insurance policy that covers the Shopping Center, the Premises, Landlord's or Tenant's fixtures, personal property, leasehold improvements, or business, or is required to be insured against under the terms hereof, regardless of whether the negligence of the other party caused such Loss. Each party shall cause its insurance carrier to endorse all applicable policies waiving the carrier's rights of recovery under subrogation or otherwise against the other party.

(d) **Indemnity.** Subject to Section 10(c), Tenant shall defend, indemnify, and hold harmless Landlord, the SSW Owners, their successors and assigns, and their respective employees, representatives and agents from and against all claims, demands, liabilities, causes of action, suits, judgments, damages, and expenses (including reasonable attorneys' fees) arising from (1) any injury to or death of any person or the damage to or theft, destruction, loss, or loss of use of, any property or inconvenience (a "Loss"), arising from any occurrence on the Premises or arising out of the

installation, operation, maintenance, repair or removal of any of Tenant's Off-Premises Equipment by Tenant or a Tenant Party, except to the extent caused or alleged to be caused by the negligence or fault of Landlord or its agents, employees or contractors, or (2) any Loss occurring on the Shopping Center or SouthSide Works (other than on the Premises and other than with respect to Tenant's Off-Premises Equipment, the indemnities therefor being set forth in Section 10(d)(1) above) to the extent caused by the negligence or willful misconduct of any Tenant Parties.

Subject to Section 10(c) above, Landlord agrees to defend, indemnify and hold harmless Tenant and the Tenant Parties from and against all Loss incurred by Tenant and/or the Tenant Parties to the extent caused by the (i) negligence or willful misconduct of Landlord or its agents, servants, employees or contractors, or (ii) arising out of the Common Areas; provided, however, that the foregoing shall not extend to any claim arising out of the negligence or fault or willful misconduct of Tenant or a Tenant Party.

The indemnities set forth in this Section 10(d) shall survive termination or expiration of this Lease and shall not terminate or be waived, diminished or affected in any manner by any abatement or apportionment of Rent under any provision of this Lease. If any proceeding is filed for which indemnity is required hereunder, the indemnifying party agrees, upon request therefor, to defend the indemnified party in such proceeding at its sole cost utilizing counsel reasonably satisfactory to the indemnified party, provided, however, counsel selected by the indemnifying party's insurer shall be deemed acceptable.

Further, notwithstanding anything the contrary which may be contained in this Lease, under no circumstances whatsoever shall either party be liable to the other for special, consequential, or punitive damages.

(c) **Cost of Landlord's Insurance.** The commercially reasonable cost of the insurance carried, or caused to be carried, by Landlord from time to time with respect to the Retail Portion of the Shopping Center, including, without limitation, as set forth in Section 10(b) is referred to herein, collectively, as the "**Insurance Costs**") shall be included in the Common Area Costs.

**11. Subordination: Attornment: Notice to Landlord's Mortgagee.**

(a) **Subordination.** This Lease shall be subordinate to any deed of trust, mortgage, or other security instrument (each, a "**Mortgage**"), or any ground lease, master lease, or primary lease (each, a "**Primary Lease**"), that now or hereafter covers all or any part of the Premises (the mortgagee under any such Mortgage, beneficiary under any such deed of trust, or the lessor under any such Primary Lease is referred to herein as a "**Landlord's Mortgagee**"). Provided, however, so long as Tenant is not in default in the performance of any of the terms, covenants or conditions of the Lease on Tenant's part to be performed, subject to applicable notice and cure periods, Tenant's possession and occupancy of the Premises and the Tenant's rights and privileges under the Lease shall not be diminished or interfered with by a Landlord's Mortgagee in the exercise of its rights under a Mortgage. Any Landlord's Mortgagee may elect, at any time, unilaterally, to make this Lease superior to its Mortgage, Primary Lease, or other interest in the Premises by so notifying Tenant in writing. The provisions of this Section shall be self-operative and no further instrument of subordination shall be required; however, in confirmation of such subordination, Tenant shall execute and return to Landlord (or such other party designated by Landlord) within twenty days after written request therefor such reasonable documentation, in recordable form if reasonably required, as a Landlord's Mortgagee may reasonably request to evidence the subordination of this Lease to such Landlord's Mortgagee's Mortgage or Primary Lease (including a subordination, non-disturbance and attornment agreement) or, if the Landlord's Mortgagee so elects, the subordination of such Landlord's Mortgagee's Mortgage or Primary Lease to this Lease. Notwithstanding the foregoing, Landlord shall cause any existing Landlord's Mortgagee to execute and deliver to Tenant promptly following the execution of this Lease, a subordination, non-disturbance and attornment agreement in a form reasonably acceptable to Tenant, and the Rent Commencement Date shall be conditioned on the receipt of such agreement. Further, notwithstanding the foregoing, this Lease and Tenant's rights with respect to the Premises shall not be subordinate to the interest of any future Landlord's Mortgagee unless and until such Landlord's Mortgagee delivers to Tenant a fully executed subordination, non-disturbance and attornment agreement in a form reasonably acceptable to Tenant. No such subordination, non-disturbance and attornment agreements shall be recorded.

(b) **Attornment.** Tenant shall attorn to any party succeeding to Landlord's interest in the Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of lease, or otherwise, upon such party's request, and shall execute such reasonable agreements confirming such attornment as such party may reasonably request, provided such party assumes Landlord's obligations under this Lease.

(c) **Notice to Landlord's Mortgagee.** Tenant shall not seek to enforce any termination right it may have for any default on the part of Landlord without first giving written notice by certified mail, return receipt requested, specifying the default in reasonable detail, to any Landlord's Mortgagee whose address has been given to Tenant, and affording such Landlord's Mortgagee a reasonable opportunity to perform Landlord's obligations hereunder, subject to the terms of the applicable subordination, non-disturbance and attornment agreement.

12. **Rules and Regulations.** Tenant shall comply with the rules and regulations of the Shopping Center which are attached hereto as **Exhibit F**, and which shall not be discriminatorily enforced. Landlord may, from time to time, on no less than thirty (30) days' prior written notice, reasonably change such rules and regulations for the safety, care, or cleanliness of the Shopping Center and related facilities, provided that such changes are applicable to all similarly situated tenants of the Shopping Center, will not unreasonably interfere with Tenant's use of the Premises, will not increase Tenant's obligations under this Lease or decrease Tenant's rights under this Lease, in either case to more than a de minimis extent, and are enforced by Landlord in a non-discriminatory manner. Tenant shall be responsible for the compliance with such rules and regulations by each Tenant Party.

13. **Condemnation.**

(a) **Total Taking.** If the entire Shopping Center or Premises are taken by right of eminent domain or conveyed in lieu thereof (a "**Taking**"), this Lease shall terminate as of the date of the Taking, and Minimum Rent and Additional Rent shall be apportioned as of the date of such Taking.

(b) **Partial Taking - Tenant's Rights.** If any part of the Shopping Center or Premises becomes subject to a Taking then Minimum Rent and Additional Rent shall be abated on a reasonable basis as to that portion of the Premises rendered untenable by the Taking, and if such Taking will prevent Tenant from conducting its business in the Premises in a manner reasonably comparable to that conducted immediately before such Taking for a period of more than 150 days, then Tenant may terminate this Lease as of the date of such Taking by giving written notice to Landlord within 30 days after the Taking, and Minimum Rent and Additional Rent shall be apportioned as of the date of such Taking. If Tenant does not terminate this Lease, then Minimum Rent and Additional Rent shall be abated on a reasonable basis as to that portion of the Premises rendered untenable by the Taking. Further, if any material portion, but less than all, of the Shopping Center becomes subject to a Taking and in Tenant's reasonable business judgment such Taking causes the Shopping Center to no longer be suitable for Tenant's business, Tenant may terminate this Lease by delivering written notice thereof to Landlord within 60 days after such Taking.

(c) **Partial Taking - Landlord's Rights.** If any material portion, but less than all, of the Shopping Center becomes subject to a Taking, or if Landlord is required to pay any of the proceeds arising from a Taking to a Landlord's Mortgagee, then Landlord may terminate this Lease by delivering written notice thereof to Tenant within 30 days after such Taking, provided Landlord must be simultaneously terminating all other leases of similarly situated tenants in the Shopping Center, and Minimum Rent and Additional Rent shall be apportioned as of the date of such Taking. If Landlord does not so terminate this Lease, then this Lease will continue, but if any portion of the Premises has been taken, then Minimum Rent and Additional Rent shall abate as provided in the last sentence of Section 13(b).

(d) **Award.** If any Taking occurs, then Landlord shall receive the entire award or other compensation for the land on which the Shopping Center is situated, the Shopping Center, and other improvements taken; however, Tenant may separately pursue a claim (to the extent it will not reduce Landlord's award) against the condemnor for the value of Tenant's personal property which Tenant is entitled to remove under this Lease, moving costs, loss of business, and other claims it may have.

14. **Fire or Other Casualty.**

(a) **Repair Estimate.** If the Premises or a material portion the Shopping Center are damaged by fire or other casualty (a "**Casualty**"), Landlord shall, within 45 days after such Casualty, deliver to Tenant a good faith estimate (the "**Damage Notice**") of the time needed to repair the damage caused by such Casualty.

(b) **Tenant's Rights.** If the Premises or a material portion of the Shopping Center is damaged by Casualty and Landlord estimates that the damage caused thereby cannot be repaired within 270 days after the date of the Casualty (the "**Repair Period**"), then Tenant may terminate this Lease by delivering written notice to Landlord of its election to terminate within 30 days after the Damage Notice has been delivered to Tenant or if such notice is never delivered to Tenant, within 30 days after the latest date such Damage Notice may have been delivered to Tenant. If Tenant does not elect to terminate this Lease and Landlord fails to restore the Premises or such portion of the Shopping Center within such 270 day period, Tenant may terminate this Lease. Further, if the Premises is damaged by Casualty during the last two (2) years of the Term, Tenant may terminate this Lease by notice to Landlord delivered no later than 60 days following the date of such Casualty.

(c) **Landlord's Rights.** If a Casualty damages the Premises or a material portion of the Shopping Center and (1) Landlord estimates that the damage to the Premises cannot be repaired within the Repair Period, (2) the damage to the Premises exceeds 50% of the replacement cost thereof (excluding foundations and footings), as estimated by Landlord, and such damage occurs during the last two years of the Term (unless timely extended by Tenant), (3) regardless of the extent of damage to the Premises, Landlord makes a good faith determination that restoring the Shopping Center would be uneconomical or that the Shopping Center cannot be operated as an integral commercial unit, or (4) Landlord is required to pay any insurance proceeds arising out of the Casualty to a Landlord's Mortgagee, and Landlord reasonably determines that the remainder of the proceeds are not reasonably sufficient to repair such damage, then Landlord may terminate this Lease by giving written notice of its election to terminate within 30 days after the Damage Notice has been delivered to Tenant, provided, however, in the case of (3) or (4), Landlord shall not be permitted to terminate this Lease unless Landlord is terminating the leases of all other similarly situated

tenants in the Shopping Center. Notwithstanding the foregoing, in connection with a Casualty as described in (1) of this Section 14(c), Landlord shall not be able to terminate this Lease in connection with such Casualty until after the fifth (5th) full Lease Year, and shall be required to restore the Premises if any such Casualty occurs prior to the first day of the sixth (6th) Lease Year.

(d) **Repair Obligation.** If neither party elects to terminate this Lease following a Casualty, then Landlord shall, within a reasonable time after such Casualty and receipt of insurance proceeds, begin to repair the Premises and shall proceed with reasonable diligence to restore the Premises to substantially the same condition as they existed immediately before such Casualty; however, Landlord shall not be required to repair or replace any alterations or betterments within the Premises which were originally installed by or on behalf of Tenant (which shall be promptly and with due diligence repaired and restored by Tenant at Tenant's sole cost and expense) or any furniture, equipment, trade fixtures or personal property of Tenant or others in the Premises or the Shopping Center, and Landlord's obligation to repair or restore the Premises shall be limited to the extent of the insurance proceeds actually received by Landlord for the Casualty in question, provided, if such proceeds are insufficient to restore the Premises as required herein, and same is not restored as required herein within the Repair Period, Tenant may terminate this Lease as set forth herein.

(e) **Continuance of Tenant's Business; Rental Abatement.** Tenant agrees that during any period of reconstruction or repair of the Premises it will continue the operation of its business within the Premises to the extent practicable, in Tenant's reasonable business judgment, and Minimum Rent and Additional Rent for the portion of the Premises rendered untenantable by the damage shall be abated on a reasonable basis from the date of damage until the date that is the earlier of the date Tenant reopens in the affected portion of the Premises or ninety (90) days following the completion of Landlord's repairs (or until the date of termination of this Lease by Landlord or Tenant as provided above, as the case may be). If only a portion of the Premises is damaged, but in Tenant's reasonable business judgment the remaining portion of the Premises is not suitable for Tenant's business operations, Tenant may close the entire Premises and all Rent shall be abated until the date that is the earlier of the date Tenant reopens in the affected portion of the Premises or ninety (90) days following the date Landlord completes its repairs as required herein.

#### 15. Taxes.

(a) **Personal Property Taxes.** Tenant shall be liable for all taxes levied, assessed, charged, or imposed against personal property, furniture, or trade fixtures placed by Tenant in the Premises or in or on the Building or Shopping Center. If any taxes for which Tenant is liable are levied, assessed, charged, or imposed against Landlord or Landlord's property and Landlord elects to pay the same, or if the assessed value of Landlord's property is increased by inclusion of such personal property, furniture or trade fixtures and Landlord elects to pay the taxes based on such increase, then Tenant shall pay to Landlord, within 30 days following written request and reasonable documentation evidencing the increase is due to Tenant's personal property, furniture, or trade fixtures, the part of such taxes for which Tenant is primarily liable hereunder; however, Landlord shall not pay such amount if Tenant notifies Landlord that it will contest the validity or amount of such taxes before Landlord makes such payment, and thereafter diligently proceeds with such contest in accordance with Law and if the non-payment thereof does not pose a threat of loss or seizure of the Shopping Center or interest of Landlord therein or impose any fee or penalty against Landlord.

(b) **Tax Payment.** Tenant shall pay its Proportionate Share (of Taxes) of all real estate taxes, assessments and governmental charges of any kind and nature whatsoever levied, assessed, charged, or imposed against the Shopping Center, or against Landlord as owner thereof or otherwise, and any other charges, taxes and/or impositions now in existence or hereafter imposed by any governmental authority based upon the privilege of renting the Premises or upon the amount of rent collected therefor (but not including income, inheritance, or franchise taxes), whether they be by taxing districts or governmental authorities presently taxing the Shopping Center or by other governmental authorities subsequently created and all payments in lieu of any such taxes, assessments, fees or charges, and shall also include any other taxes, assessments, fees and charges that may be levied, assessed, charged or made in substitution in whole or in part for any other real estate taxes (collectively, "Taxes"). Taxes shall also be deemed to include any special taxing district assessment which is imposed in order to fund public facilities for the area in which the Shopping Center is located, provided same is charged to all tenants of the Shopping Center. During each month of the Term, commencing as of the Rent Commencement Date, Tenant shall make a monthly payment to Landlord equal to 1/12 of its Proportionate Share of Taxes that will be due and payable for that particular year (the "Tax Payments"). Tenant authorizes Landlord to use the funds deposited with Landlord under this Section 15(b) to pay the Taxes levied or assessed against the Shopping Center. Each Tax Payment shall be due and payable at the same time as, and in the same manner as, the payment of Minimum Rent as provided herein. The initial monthly Tax Payment is based upon Landlord's good faith estimate of Tenant's Proportionate Share of Taxes for the fiscal tax year in which the Rent Commencement Date is to occur. The monthly Tax Payment is subject to increase or decrease, on no less than thirty (30) days' prior written notice, as reasonably determined by Landlord to reflect accurately Tenant's Proportionate Share of Taxes. If following Landlord's receipt of all Tax bills for any fiscal tax year, Landlord determines that Tenant's total Tax Payments for such period are less than Tenant's actual Proportionate Share of the Taxes, Tenant shall pay to Landlord the difference within thirty (30) days following its receipt of written demand (and if not provided, Landlord shall provide a copy of the relevant Tax bill following receipt of request by Tenant); if Tenant's total Tax Payments exceed Tenant's actual Proportionate Share of the Taxes, Landlord shall retain such excess and credit it to all future Rent (unless such adjustment is at the end of the Term, in which event Landlord shall refund such excess to Tenant within thirty (30) days). Tenant shall only be required to pay Tenant's Proportionate Share of Taxes with respect

to those Taxes levied and assessed against the Shopping Center between the Rent Commencement Date and the expiration of the Term of this Lease, and in the event of any partial Lease Year, Tenant's Proportionate Share of Taxes shall be prorated. For property tax purposes, Tenant waives all rights to protest or appeal the appraised value of the Premises, as well as the Shopping Center, and all rights to receive notices of reappraisal. Notwithstanding the foregoing, "Taxes" shall not include (i) penalties imposed for late payment of any real estate tax or assessment, (ii) inheritance, estate, succession, transfer, gift, franchise, corporation, income, net profit tax or capital levy that is or may be imposed on Landlord, or (iii) any increase in Taxes imposed as a result of the sale or transfer of the real property, re-financing of the real property, on which the Premises is located.

**(c) Contest of Taxes by Landlord.** Landlord shall have the right to contest any tax assessment, valuation or levy against the Shopping Center, and to retain legal counsel and expert witnesses to assist in such contest and otherwise to incur reasonable expenses in such contest, and Tenant shall pay upon demand Tenant's Proportionate Share (of Taxes) of any reasonable fees, expenses and costs incurred by Landlord in contesting any assessments, levies or tax rate applicable to the Shopping Center or portions thereof, whether or not such contest is successful. If such contest results in a refund of Taxes in any year, Tenant shall be entitled to receive its Proportionate Share (of Taxes) of such refund, pro-rated for the period with respect to which Tenant paid its share of Taxes for such year, after deducting from the refund all reasonable fees, expenses and costs incurred by Landlord in such contest.

16. **Events of Default.** Each of the following occurrences shall be an "**Event of Default**":

**(a) Payment Default.** Tenant's failure to pay Rent within ten (10) days after Landlord has delivered written notice to Tenant that the same is past due; however, an Event of Default shall occur hereunder without any obligation of Landlord to give any further notice if Tenant fails to pay Rent when due and, during the 12 month interval preceding such failure, Landlord has given Tenant written notice of failure to pay Rent on two (2) or more occasions;

**(b) Intentionally deleted; Attachment.** If any execution, levy, attachment, or other process of law shall occur against Tenant or all of Tenant's property (including the leasehold estate created by this Lease) and shall not be vacated or removed by court order, surety bond, or otherwise, within 60 days after its issuance;

**(d) Estoppel.** Tenant fails to timely provide any estoppel certificate after Landlord's written request therefor pursuant to Section 24(e) and such failure shall continue for five business days after Landlord's second written notice thereof to Tenant;

**(e) Insurance.** Tenant fails to procure, maintain and deliver to Landlord evidence of the insurance policies and coverages as required under Section 10(a), and such failure shall continue for five business days after Landlord's written notice thereof to Tenant;

**(f) Mechanic's Liens.** Tenant fails to pay and release of record, or diligently contest and bond around, any mechanic's lien filed against the Premises or the Shopping Center for any work performed, materials furnished or obligation incurred by or at the request of Tenant, within the time and in the manner required by Section 7(d), and such failure shall continue for five business days after Landlord's written notice thereof to Tenant;

**(g) Other Defaults.** Tenant's failure to perform, comply with, or observe any other agreement or obligation of Tenant under this Lease and the continuance of such failure for a period of more than 30 days after Landlord has delivered to Tenant written notice thereof, provided, however if the nature of such failure is such that it would reasonably take more than 30 days to cure, Tenant shall not be in default hereunder if Tenant proceeds to cure the failure within 30 days following written notice from Landlord and diligently pursues the same to completion; and

**(h) Insolvency.** The filing of a petition by or against Tenant (1) in any bankruptcy or other insolvency proceeding; (2) seeking any relief under any state or federal debtor relief law; (3) for the appointment of a liquidator or receiver for all or substantially all of Tenant's property or for Tenant's interest in this Lease; or (4) for the reorganization or modification of Tenant's capital structure; however, if such a petition is filed against Tenant, then such filing shall not be an Event of Default unless Tenant fails to have the proceedings initiated by such petition dismissed within 90 days after the filing thereof.

17. **Remedies.** Upon any Event of Default, Landlord may, in addition to all other rights and remedies afforded Landlord hereunder or by law or equity, take any one or more of the following actions:

**(a) Termination of Lease.** Terminate this Lease by giving Tenant no less than 5 days' written notice thereof, in which event Tenant shall surrender the Premises to Landlord no later than the termination date set forth in such notice, 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 or for damages, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, by judicial process, without force, without being liable for prosecution or any claim of damages therefor, and in the event of such termination, Tenant shall pay to Landlord, as final liquidated damages, the sum of (1) all Rent accrued hereunder through the date of termination, (2) all amounts due under Section 18(a), and (3) an amount equal to the difference between (A) the total Minimum Rent and Additional Rent that Tenant would have been required to pay for the remainder of the Term and (B) the fair market value of the Premises for such period, such amount then discounted to present value at a per



annum rate equal to the "Prime Rate" as published on the date this Lease is terminated by *The Wall Street Journal*, or, if no longer published, a similar publication, in its listing of "Money Rates", such amount being immediately due and payable;

**(b) Termination of Possession.** On no less than five (5) days' written notice, terminate Tenant's right to possess the Premises without terminating this Lease by giving written notice thereof to Tenant, in which event Tenant shall pay to Landlord (1) all Rent and other amounts accrued hereunder to the date of termination of possession, (2) all amounts due from time to time under Section 18(a), and (3) all Rent and other net sums required hereunder to be paid by Tenant during the remainder of the Term as and when due, diminished by any net sums thereafter received by Landlord through reletting the Premises during such period, after deducting all costs incurred by Landlord in reletting the Premises. If Landlord elects to proceed under this Section 17(b), Landlord may, by judicial process, re-enter the Premises remove all of Tenant's property from the Premises and store the same in a public warehouse or elsewhere at the reasonable cost of, and for the account of, Tenant, without becoming liable for any loss or damage which may be occasioned thereby. Landlord shall use commercially reasonable efforts to relet the Premises on such terms and conditions as Landlord in its sole but reasonable discretion may determine (including a term different from the Term, rental concessions, and alterations to, and improvement of, the Premises); however, Landlord shall not be obligated to relet the Premises before leasing other portions of the Building or Shopping Center, and Landlord shall not be obligated to accept any prospective tenant proposed by Tenant unless such proposed tenant meets all of Landlord's ordinary leasing criteria. Landlord shall have no obligation to solicit or entertain negotiations with any other prospective tenants for the Premises until Landlord obtains full and complete possession of the Premises. Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished because of, Landlord's failure to relet the Premises or to collect rent due for such reletting. Tenant shall not be entitled to the excess of any consideration obtained by reletting over the Rent due hereunder. Reentry by Landlord in the Premises shall not affect Tenant's obligations hereunder for the unexpired Term; rather, Landlord may, from time to time, bring an action against Tenant to collect amounts due by Tenant, without the necessity of Landlord's waiting until the expiration of the Term. Unless Landlord delivers written notice to Tenant expressly stating that it has elected to terminate this Lease, all actions taken by Landlord to dispossess or exclude Tenant from the Premises shall be deemed to be taken under this Section 17(b). If Landlord elects to proceed under this Section 17(b) it may at any time elect to terminate this Lease under Section 17(a); or

**(c) Perform Acts on Behalf of Tenant.** Perform any act Tenant is obligated to perform under the terms of this Lease (and enter upon the Premises in connection therewith if necessary, provided, any such entry shall still be subject to the terms of this Lease) in Tenant's name and on Tenant's behalf, without being liable for any claim for damages therefor, and Tenant shall reimburse Landlord on demand for any reasonable expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease (including, but not limited to, collection costs and legal expenses), plus interest thereon at the Default Rate.

Notwithstanding anything in this Lease to the contrary, under no circumstances whatsoever shall Tenant be liable to Landlord for consequential, special, or punitive damages. Further, except as expressly set forth in Section 17(a), under no circumstances shall Landlord be permitted to "accelerate" any Rent under this Lease.

**18. Payment by Tenant: Non-Waiver: Cumulative Remedies.**

**(a) Payment by Tenant.** Upon any Event of Default and termination of this Lease and/or termination of Tenant's right to possession of the Premises as set forth above, Tenant shall pay to Landlord all reasonable costs incurred by Landlord (including court costs and reasonable attorneys' fees and expenses) in (1) obtaining possession of the Premises, (2) removing and storing Tenant's or any other occupant's property, (3) repairing, restoring, altering, remodeling, or otherwise putting the Premises into condition acceptable to a new tenant, provided Tenant shall not be liable for any extraordinary alterations, (4) if Tenant is dispossessed of the Premises and this Lease is not terminated, reletting all or any part of the Premises (including brokerage commissions (not to cover any period beyond the Term of this Lease), ordinary cost of tenant finish work, and other ordinary costs incidental to such reletting), (5) performing Tenant's obligations which Tenant failed to perform as set forth in Section 17(c) above. If this Lease is terminated by Landlord as a result of an Event of Default, in addition to the other remedies set forth herein, Tenant shall promptly pay to Landlord an amount equal to the unamortized costs of the Tenant Improvement Allowance and any broker commissions paid by Landlord in connection with this Lease, calculated using the straight-line method of amortization over ten (10) years. To the full extent permitted by law, Landlord and Tenant agree the federal and state courts of the state in which the Shopping Center is located shall have exclusive jurisdiction over any matter relating to or arising from this Lease and the parties' rights and obligations under this Lease.

**(b) No Waiver.** Landlord's acceptance of Rent following an Event of Default shall not waive Landlord's rights regarding such Event of Default. No waiver by either party of any violation or breach of any of the terms contained herein shall waive such party's rights regarding any future violation of such term. Landlord's acceptance of any partial payment of Rent shall not waive Landlord's rights with regard to the remaining portion of the Rent that is due, regardless of any endorsement or other statement on any instrument delivered in payment of Rent or any writing delivered in connection therewith; accordingly, Landlord's acceptance of a partial payment of Rent shall not constitute an accord and satisfaction of the full amount of the Rent that is due.

(c) **Cumulative Remedies.** Any and all remedies set forth in this Lease: (1) shall be in addition to any and all other remedies either party may have at law or in equity except as expressly limited in this Lease, (2) shall be cumulative, and (3) may be pursued successively or concurrently as such party may elect. The exercise of any remedy by either party shall not be deemed an election of remedies or preclude such party from exercising any other remedies in the future.

19. **Security Interest; Landlord Lien.** During the Term, upon the request of Tenant, Landlord hereby agrees to subordinate to any commercial lender providing financing to Tenant, any of its security interest, and any common law or statutory lien or right which may be imposed under any other provisions of this Lease, in and to all trade fixtures, equipment, merchandise, supplies, movable apparatus and other personal property of Tenant now or hereafter placed in or upon the Premises. Notwithstanding the foregoing, Landlord's security interest and liens shall not be subordinate to the interest of any commercial lender unless and until such party delivers to Landlord a fully executed subordination of landlord's lien agreement in a form reasonably acceptable to Landlord.

20. **Surrender of Premises; Waiver of Landlord and Tenant Act.** No act by Landlord shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises shall be valid unless it is in writing and signed by Landlord. At the expiration or termination of this Lease, Tenant shall deliver to Landlord the Premises with all improvements located therein in good repair and condition, free of any Hazardous Materials originally introduced to the Premises or Shopping Center by Tenant or a Tenant Party during the Term, broom-clean, reasonable wear and tear (and condemnation and Casualty damage, as to which Sections 13 and 14 shall control) excepted, and shall deliver to Landlord all keys to the Premises. Notwithstanding anything to the contrary which may be contained in this Lease, (A) Tenant shall, upon the expiration or earlier termination of the Term of this Lease, leave all of Tenant's property of all kinds (except for food) within the Premises, and the same shall be deemed Landlord's to do with as it desires without compensation to Tenant, and (B) Tenant shall, upon the expiration or earlier termination of the Term of this Lease, remove its signage and the conveyor belt system and its components from the Premises (unless Landlord agrees, upon request from Tenant, that all or a portion thereof may remain). Tenant shall repair any damage caused by any such installation and removal and failing which, Landlord may repair such damage, and within thirty (30) days following written demand, Tenant shall pay the reasonable cost of said repair. The provisions of this Section 20 shall survive the end of the Term.

TENANT EXPRESSLY WAIVES TO LANDLORD THE BENEFIT TO TENANT OF 68 P.S. SECTION 250.501, BEING SECTION 501 OF THAT ACT, APPROVED APRIL 6, 1951, ENTITLED "LANDLORD AND TENANT ACT OF 1951", AS MAY BE AMENDED FROM TIME TO TIME, REQUIRING NOTICE TO QUIT UPON THE EXPIRATION OF THE TERM OF THIS LEASE OR AT THE EXPIRATION OF ANY EXTENSION OR RENEWAL THEREOF, OR UPON ANY EARLIER TERMINATION OF THIS LEASE, AS HEREIN PROVIDED. TENANT COVENANTS AND AGREES TO VACATE, REMOVE FROM AND DELIVER UP AND SURRENDER THE POSSESSION OF THE PREMISES TO LANDLORD UPON THE EXPIRATION OF THE TERM OR UPON THE EXPIRATION OF ANY EXTENSION OR RENEWAL THEREOF, OR UPON ANY EARLIER TERMINATION OF THIS LEASE, AS HEREIN PROVIDED, WITHOUT SUCH NOTICE, IN THE CONDITION AS REQUIRED ABOVE.

21. **Holding Over.** If Tenant fails to vacate the Premises at the end of the Term, then Tenant shall be a tenant at sufferance and, in addition to all other damages and remedies to which Landlord may be entitled for such holding over, (a) Tenant shall pay, in addition to the Additional Rent otherwise due, as Minimum Rent for such period, an amount equal to 150% of the Minimum Rent payable immediately prior to the end of the Term (unless Landlord and Tenant are in good faith negotiations to extend the term of the Lease, in which event the tenancy shall be month-to-month and Minimum Rent shall continue to be 100% of the Minimum Rent payable during the last month of the Term during such period of good faith negotiations), and (b) Tenant shall otherwise continue to be subject to all of Tenant's obligations under this Lease insofar as the same are applicable to a tenancy at sufferance, provided, that in no event shall any such holding over and payment of Rent be constituted as otherwise extending the Term of this Lease. The provisions of this Section 21 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law.

22. **Certain Rights Reserved by Landlord.** Provided that the exercise of such rights does not unreasonably interfere with Tenant's occupancy of the Premises, Landlord shall have the following rights:

(a) **Shopping Center Operations.** To decorate and to make inspections, repairs, alterations, additions, changes, or improvements, whether structural or otherwise, in and about the Shopping Center, or any part thereof (other than to the Premises); to enter upon the Premises (after giving Tenant reasonable written notice thereof, but no less than 24 hours), except in cases of real or apparent emergency, in which case no notice shall be required but Landlord shall use good faith efforts to notify Tenant by telephone as soon as is reasonably practicable) and, during the continuance of any such work, to temporarily close doors, entryways, public space, and corridors in the Shopping Center; to temporarily interrupt or suspend Shopping Center services and facilities; to change the name of the Shopping Center; and to change the arrangement and location of entrances or passageways, doors, and doorways, corridors, elevators, stairs, restrooms, or other public parts of the Shopping Center;

(b) **Security.** To take such reasonable measures as Landlord deems advisable for the security of the Shopping Center and its occupants; evacuating the Shopping Center for cause, suspected cause, or for drill purposes; temporarily denying access to the Shopping Center (provided that Landlord shall use commercially reasonable efforts to not materially and adversely interfere with the Tenant's use of the Premises in connection therewith); and closing the Shopping Center after normal business hours and on Sundays and holidays, subject, however, to Tenant's right to

enter when the Shopping Center is closed after normal business hours under such reasonable and uniform regulations as Landlord may prescribe from time to time;

(c) **Prospective Purchasers and Lenders.** To enter the Premises at all reasonable hours upon reasonable written notice (no less than 24 hours) to show the Premises to prospective purchasers or lenders; and

(d) **Prospective Tenants.** At any time during the last 6 months of the Term, to enter the Premises at all reasonable hours upon reasonable written notice (no less than 24 hours) to show the Premises to prospective tenants.

(e) In the exercise of its rights herein, Landlord shall (i) use commercially reasonable efforts not to interfere with the operation of Tenant's business in the Premises, or (ii) not obstruct access to or the visibility of the Leased Premises.

In the event Landlord's exercise of its rights under this Section 22 materially and adversely interferes with the operation of Tenant's business in the Premises and such condition continues for more than two (2) consecutive days after Tenant's written notice to Landlord of such condition, all Rent shall be equitably abated based on the degree of interference with Tenant's business on a per diem basis from the third (3<sup>rd</sup>) consecutive day following the date of Tenant's notice until such condition is cured by Landlord (e.g. if Tenant closes for business as a direct result of such interference, all Rent shall abate until such condition is cured by Landlord).

23. **Relocation.** Intentionally Deleted. **Miscellaneous.**

(a) **Landlord Transfer.** Landlord may transfer any portion of the Shopping Center and any of its rights under this Lease. If Landlord assigns its rights under this Lease, then Landlord shall thereby be released from any further obligations hereunder arising after the date of transfer, provided that the assignee assumes Landlord's obligations hereunder in writing.

(b) **Landlord's Liability.** The liability of Landlord (and its officers, directors, employees, partners, shareholders or members) to Tenant (or any person or entity claiming by, through or under Tenant) in connection with a judgment against Landlord for any default by Landlord under the terms of this Lease or any matter relating to or arising out of the occupancy or use of the Premises and/or other areas of the Shopping Center (including the Common Area) shall be limited to Tenant's actual direct, but not special, consequential or punitive, damages therefor and shall be recoverable only from the interest of Landlord in the Shopping Center (including the rents, profits and proceeds of same), and Landlord (and its officers, directors, employees, partners, shareholders or members) shall not be personally liable for any deficiency.

(c) **Force Majeure.** Other than for any obligations under this Lease that can be performed by the payment of money (e.g., payment of Rent and maintenance of insurance), whenever a period of time is herein prescribed for action to be taken by either party hereto, such party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, pandemic, epidemic, public health emergency, acts of God, inability by the exercise of reasonable diligence to obtain labor or materials or reasonable substitutes therefore, war, governmental laws, regulations, or restrictions, or any other causes of any kind whatsoever which are without the fault and beyond the control of such party and not reasonably foreseeable.

Notwithstanding the foregoing, if, due to any governmental emergency declaration (including any executive orders) related to Covid-19 or any other pandemic or public health emergency, Tenant is prohibited from operating at one hundred percent (100%) of its legal occupancy inside the Premises (i.e., the amount of patrons permitted inside the Premises is less than what would be permitted in the Premises immediately prior to any such governmental declaration) (a "**Governmental Operating Restriction**"), then, if such Governmental Operating Restriction continues for fifteen (15) consecutive calendar days, commencing on the sixteenth (16<sup>th</sup>) calendar day such Governmental Operating Restriction is in effect, all Rent then due under this Lease shall be reduced proportionate to the reduction in the legal occupancy ("**Reduced Rent**") until such time as said Governmental Operating Restriction ends, limited to 120 days in any 12 month period. In the event that the legal occupancy limit is either decreased or increased following the initial reduction, the Reduced Rent shall be adjusted accordingly. Notwithstanding the foregoing, if, in Tenant's business judgment, any such Governmental Operating Restriction, regardless of the reduction in the occupancy limit, makes it impractical to operate Tenant's business, and Tenant actually closes for business, then all Rent shall abate during such closure, limited to 120 days in any 12 month period. The parties agree that the Term of this Lease shall be extended on a day to day basis for any day(s) that Tenant receives Reduced Rent or is closed and receives a Rent abatement under this paragraph; provided that the parties agree to extend the Term to the end of a calendar month in connection herewith if the last day of the Term would fall on a day other than the last day of a calendar month.

(d) **Brokerage.** Neither Landlord nor Tenant has dealt with any broker or agent in connection with the negotiation or execution of this Lease, other than CBRE, Inc., any commissions for which shall be owed by Landlord pursuant to its separate agreement. Tenant and Landlord shall each indemnify the other against all costs, expenses, attorneys' fees, liens and other liability for commissions or other compensation claimed by any broker or agent claiming the same by, through, or under the indemnifying party.

(e) **Estoppel Certificates.** From time to time, but not more than once in any 12 month period, Tenant shall furnish to any party reasonably designated by Landlord, within twenty days after Landlord has made a written request therefor, a certificate signed by Tenant confirming and containing, to Tenant's actual knowledge as of such date, such factual certifications and representations as to this Lease as Landlord may reasonably request.

(f) **Notices.** All notices and other communications given pursuant to this Lease shall be in writing and shall be addressed to the parties hereto at the address(es) specified in the Basic Lease Information, and (1) sent by registered mail, postage prepaid, return receipt requested, or (2) sent by a nationally recognized overnight courier service (such as FedEx or UPS), postage prepaid. All notices shall be effective upon delivery to the address of the addressee specified in the Basic Lease Information or rejected by the addressee. The parties hereto may change their addresses by giving at least 10 days' notice thereof to the other in conformity with this provision.

(g) **Separability.** If any clause or provision of this Lease is illegal, invalid, or unenforceable under present or future laws, then the remainder of this Lease shall not be affected thereby and in lieu of such clause or provision, there shall be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.

(h) **Amendments; Binding Effect.** This Lease may not be amended except by instrument in writing signed by Landlord and Tenant. No provision of this Lease shall be deemed to have been waived by either party unless such waiver is in writing signed by such party, and no custom or practice which may evolve between the parties in the administration of the terms hereof shall waive or diminish the right of either party to insist upon the performance by the other in strict accordance with the terms hereof. The terms and conditions contained in this Lease shall inure to the benefit of and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as otherwise herein expressly provided. This Lease is for the sole benefit of Landlord and Tenant, and, other than Landlord's Mortgagee, no third party shall be deemed a third party beneficiary hereof.

(i) **Quiet Enjoyment.** Provided no Event of Default then exists, Tenant shall peaceably and quietly hold and enjoy the Premises for the Term, without hindrance from Landlord or any party claiming by, through, or under Landlord, but not otherwise, subject to the terms and conditions of this Lease.

(j) **No Merger.** There shall be no merger of the leasehold estate hereby created with the fee estate in the Premises or any part thereof if the same person acquires or holds, directly or indirectly, this Lease or any interest in this Lease and the fee estate in the leasehold Premises or any interest in such fee estate.

(k) **No Offer.** The submission of this Lease to Tenant shall not be construed as an offer, and neither party shall have any rights under this Lease unless Landlord delivers a fully executed copy of this Lease and to Tenant.

(l) **Entire Agreement.** This Lease constitutes the entire agreement between Landlord and Tenant regarding the subject matter hereof and supersedes all oral statements and prior writings relating thereto. Except for those set forth in this Lease, no representations, warranties, or agreements have been made by Landlord or Tenant to the other with respect to this Lease or the obligations of Landlord or Tenant in connection therewith. The normal rule of construction that any ambiguities be resolved against the drafting party shall not apply to the interpretation of this Lease or any exhibits or amendments hereto.

(m) **Waiver of Jury Trial.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, LANDLORD AND TENANT EACH WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY LITIGATION OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE ARISING OUT OF OR WITH RESPECT TO THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED HERETO.

(n) **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the state in which the Premises are located.

(o) **Recording.** Tenant shall not record this Lease or any memorandum of this Lease without the prior written consent of Landlord, which consent may be withheld or denied in the sole and absolute discretion of Landlord and any recordation by Tenant shall be a material breach of this Lease.

(p) **Joint and Several Liability.** If Tenant is comprised of more than one party, each such party shall be jointly and severally liable for Tenant's obligations under this Lease. If Landlord is comprised of more than one party, each such party shall be jointly and severally liable for Landlord's obligations under this Lease. All unperformed payment obligations of either party hereunder not fully performed at the end of the Term shall survive the end of the Term.

(q) **Sales and Financial Statements.** Tenant shall, beginning with the second Lease Year, at the beginning of each Lease Year provide Landlord with its statement of gross sales for the prior Lease Year. Unless Tenant is a publicly traded company with financials available to Landlord online, within 15 days after Landlord's request (not to be requested more than one time per year), Tenant will furnish Tenant's most recent financial statement to Landlord. All such statements shall be strictly confidential and Landlord shall not disclose any aspect of such

statements except (1) if required by court order, (2) to Landlord's Mortgagee or prospective mortgagees or purchasers of the Shopping Center, or Landlord's consultants in connection with its obligations under this Lease (e.g. attorneys and accountants) provided they agree to keep same confidential, or (3) in litigation between Landlord and Tenant.

(r) **Fees.** There shall be no charge-backs to Tenant for the cost of any item included in Landlord's Work and/or performed prior to delivery of the Premises to Tenant (i.e., so-called "back charges") and Tenant shall not be obligated to pay any additional construction charges or fees such as, without limitation, barricade charges, freight elevator fees, dumpster or other trash fees, sprinkler system shutdown fees, or other such charges for work which is not included in Tenant's Work; provided, however, if Tenant elects to use, in connection with the performance of Tenant's Work, any dumpster or trash facilities or other services provided by Landlord, Tenant shall pay commercially reasonable rates therefor. Neither Tenant nor its contractor shall be required to post any performance bonds or provide any construction deposits to Landlord, either in connection with Tenant's Work or any future alterations.

(s) **Telecommunications.** Tenant and its telecommunications companies, including local exchange telecommunications companies and alternative access vendor services companies, shall have no right of access to and within the Shopping Center, for the installation and operation of telecommunications systems, including voice, video, data, Internet, and any other services provided over wire, fiber optic, microwave, wireless, and any other transmission systems ("**Telecommunications Services**"), for part or all of Tenant's telecommunications within the Shopping Center and from the Shopping Center to any other location without Landlord's prior written consent, not to be unreasonably withheld, conditioned or delayed. All providers of Telecommunications Services shall be required to comply with the uniform and reasonable rules and regulations and policies and procedures of the Shopping Center and applicable Laws. Notwithstanding anything to the contrary contained in this Lease, Tenant acknowledges that Landlord shall not be required to provide or arrange for any Telecommunications Services and that Landlord shall have no liability to any Tenant Party in connection with the installation, operation or maintenance of Telecommunications Services or any equipment or facilities relating thereto, subject to the terms of this Lease. Tenant, at its cost and for its own account, shall be solely responsible for obtaining all Telecommunications Services for the Premises.

(t) **Confidentiality.** Tenant acknowledges that the monetary and material terms and conditions of this Lease are to remain confidential for Landlord's benefit, and except as required by law may not be disclosed by Tenant to anyone, by any manner or means, directly or indirectly, without Landlord's prior written consent. It is agreed that for the purposes of this Section Tenant may provide this confidential information to its lenders, consultants, attorneys, accountants, employees, agents, representatives, and potential purchasers, each of which shall also keep such information confidential. The consent by Landlord to any disclosures shall not be deemed to be a waiver on the part of Landlord of any prohibition against any future disclosure.

(u) **Tenant's Restriction – Intentionally Omitted.**

(v) **Authority.** Tenant (if a corporation, partnership or other business entity) hereby represents and warrants to Landlord that Tenant is a duly formed and existing entity, validly subsisting, and qualified to do business in the state in which the Premises are located, 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. Landlord hereby represents and warrants to Tenant that Landlord is a duly formed and existing entity, validly subsisting, and qualified to do business in the state in which the Premises are located, that Landlord has full right and authority to execute and deliver this Lease, and that each person signing on behalf of Landlord is authorized to do so.

(w) **Hazardous Materials.** No "**Hazardous Materials**" (as defined herein) shall be "**Handled**" (as also defined herein), upon, about, above or beneath the Premises or any portion of the Building, Shopping Center, or SouthSide Works by or on behalf of Tenant or a Tenant Party. Any such Hazardous Materials so Handled shall be known as "**Tenant's Hazardous Materials.**" Notwithstanding the foregoing, normal quantities of Tenant's Hazardous Materials customarily used in cleaning activities (e.g., cleaning supplies) may be Handled at the Premises without Landlord's prior written consent. Tenant's Hazardous Materials shall be Handled at all times in compliance with the manufacturer's instructions therefore and all applicable Environmental Laws, as defined herein. Tenant acknowledges that the SouthSide Works is an ACT 2 DEP (defined below) redevelopment site as described in the Consent Decree. In no event shall Tenant or a Tenant Party violate the Consent Decree or cause the Premises or the Shopping Center or SouthSide Works to be subject to any remedial obligations under such Environmental Laws, including the Consent Decree.

Notwithstanding the obligation of Tenant to indemnify Landlord pursuant to this Lease, Tenant shall, at its sole cost and expense, promptly take all actions required by any "**Regulatory Authority**" (as defined herein), which arises from the Handling of Tenant's Hazardous Materials upon, about, above or beneath the Premises or any portion of the Building or Shopping Center or SouthSide Works by Tenant or a Tenant Party. Such actions shall include, but not be limited to, the investigation of the environmental condition of the Premises or any portion of the Building or Shopping Center or SouthSide Works, the preparation of any feasibility studies or reports and the performance of any cleanup, remedial, removal or restoration work. Tenant shall take all actions required under applicable Environmental Laws to remove any such Hazardous Materials introduced to the Premises or Shopping Center or SouthSide Works by Tenant or any Tenant Party. Tenant shall nevertheless obtain Landlord's written approval prior to undertaking any actions require by this Section, which approval shall not be unreasonably withheld, conditioned or delayed, so long as such actions would not potentially have a material adverse long-term effect on the Premises or any portion of the Building or Shopping Center or SouthSide Works.

Landlord represents and warrants to Tenant that on the Delivery Date, the Premises shall comply with all Environmental Laws and be free from any Hazardous Materials. Landlord covenants that during the Term it shall and hereby does indemnify, protect, defend and hold Tenant and any successor to Tenant's interest in the Premises, free and harmless from and against any and all Loss incurred by it in connection with a Loss which directly arises out of Hazardous Materials that exist as of the Delivery Date on the Premises and/or the Common Areas of the Shopping Center or which are subsequently introduced to the Premises or the Common Areas of the Shopping Center by Landlord, its agents, employees or contractors (collectively, "**Landlord Haz Mats**"). In the event any Landlord Haz Mats are discovered in the Premises, Landlord shall promptly remove, remediate or otherwise cure same to the extent required by and in compliance with applicable Environmental Laws.

Further, if any such Landlord Haz Mats are discovered prior to the Rent Commencement Date, the Rent Commencement Date shall be extended on a day-for-day basis for each day of delay in the performance of Tenant's Work or Tenant opening for business resulting from the presence of and/or Landlord's removal, remediation or cure of such Landlord Haz Mats to the extent required by and in compliance with applicable Environmental Laws. Further, if any such Landlord Haz Mats are discovered in the Premises following the Rent Commencement Date and Tenant is delayed in the performance of Tenant's Work or is unable to, and does not, operate in the Premises, as a result thereof, all Rent shall abate on a day-for-day basis from the date of such discovery until Landlord has removed, remediated or cured such Landlord Haz Mats to the extent required by and in accordance with applicable Environmental Laws. Landlord acknowledges and agrees that Tenant shall have no responsibility with respect to any Hazardous Materials in, on, or about the Premises or Shopping Center or SouthSide Works that are not handled in the Premises or Shopping Center or SouthSide Works by Tenant or a Tenant Party.

The provisions of this subsection (w) shall survive the termination of this Lease.

For purposes of this Lease:

"**Environmental Laws**" means and includes all Laws, rulings, orders, decrees, directives, policies and requirements by any Regulatory Authority regulating, relating to, or imposing liability or standards of conduct concerning public health and safety or the environment, including, the Consent Decree.

"**Hazardous Materials**" means: (a) any material or substance: (I) which is defined or becomes defined as a "hazardous substance," "hazardous waste," "infectious waste," "chemical mixture or substance," or "air pollutant" under Environmental Laws; (II) containing petroleum, crude oil, or any fraction thereof; (III) containing polychlorinated biphenyls (PCB's); (IV) containing asbestos; (V) which is radioactive; (VI) which is infectious; or (b) in their broadest sense, and are defined or become defined by Environmental Laws.

"**Handle,**" "**handle,**" "**Handled,**" "**handled,**" "**Handling**" or "**handling**" shall mean any installation, handling, generation, storage, use, disposal, manufacture, discharge, release, refinement, or any other activity of any type in connection with or involving the original introduction of Hazardous Materials. For purposes of clarity, however, Tenant shall not be liable for the handling of any Hazardous Material not originally introduced to the Premises or Shopping Center or SouthSide Works by Tenant or a Tenant Party.

"**Regulatory Authority**" shall mean any federal, state or local governmental agency, commission, board or political subdivision having authority over the Shopping Center.

"**Consent Decree**" shall mean the April 16, 1998 Consent Order and Agreement by and among the Commonwealth of Pennsylvania, Department of Environmental Protection ("**DEP**"), the Urban Redevelopment Authority of Pittsburgh, and South Side Works Associates, L.P., as recorded in Deed Book Volume 10184, page 370 in the Department of Real Estate of Allegheny County, Pennsylvania, to which the SouthSide Works is subject.

(x) **List of Exhibits.** All exhibits and attachments attached hereto are incorporated herein by this reference.

- Exhibit A-1 Depiction of Premises Shopping Center
- Exhibit A-2 Depiction of Shopping Center
- Exhibit B Depiction of SouthSide Works
- Exhibit C Common Area Costs
- Exhibit D Landlord's Work / Tenant's Work / Tenant Improvement Allowance / Tenant HVAC Allowance
- Exhibit D-1 Landlord's Work
- Exhibit E Reserved
- Exhibit F Shopping Center Rules and Regulations
- Exhibit G Form of Supplemental Agreement Reciting Certain Dates

Exhibit H Construction Guidelines for the SouthSide Works

Exhibit I Waived

Exhibit J Renewal Options

Exhibit K Existing Tenant Exclusive Uses and Restrictions

Exhibit L Tenant's Prototype Signage

(y) **Counterparts; Delivery.** This Lease may be executed in any number of counterparts, and by each of the parties on separate counterparts, each of which, when so executed, shall be deemed an original, but all of which shall constitute but one and the same instrument. This Lease may be executed by electronic execution (such as an executed PDF document emailed by a party), and each counterpart executed and transmitted by email shall have the same force and effect as an originally executed document.

(z) **Other Leases and Tenants.** Except as otherwise set forth in this Lease, (a) Landlord reserves the absolute right to effect such other tenancies in the Building and Shopping Center as Landlord, in the exercise of its sole business judgment, shall determine to best promote the interest of the Building and Shopping Center; provided, that Landlord shall not permit any adult movie theaters, adult book stores, adult video or movie arcades or other establishments which display adult movies or adult video recordings, or establishments which display erotic strip, nude or semi-nude dancers, public or private bathhouses, pawn shops, second-hand or surplus stores, to operate in the Shopping Center, (b) Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or number of tenants shall during the Term of this Lease occupy any space or any particular space in the Building, the Shopping Center, or the SouthSide Works, and (c) Landlord does not represent or warrant that any particular space will be used for any particular purpose during the Term of this Lease. This Lease is and shall be considered to be the only agreement between the parties hereto and their representatives and agents.

## 25. **OFAC Compliance**

25.1 Tenant and Landlord each represent and warrant that to the best of Tenant's or Landlord's, as applicable, knowledge (a) Tenant or Landlord, as applicable, and each person or entity owning an interest in the applicable party is (i) not currently identified on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("**OFAC**") and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation (collectively, the "**List**"), and (ii) not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States, (b) none of the funds or other assets of Tenant or Landlord (as applicable) constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person (as hereinafter defined), (c) no Embargoed Person has any interest of any nature whatsoever in Tenant or Landlord, as applicable (whether directly or indirectly), and (d) none of the funds of Tenant or Landlord, as applicable, have been derived from any unlawful activity with the result that the investment in the applicable party is prohibited by law or that the Lease is in violation of law. The term "**Embargoed Person**" means any person, entity or government subject to trade restrictions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §1701 *et seq.*, The Trading with the Enemy Act, 50 U.S.C. App. 1 *et seq.*, and any Executive Orders or regulations promulgated thereunder with the result that the investment in Tenant or Landlord is prohibited by Law.

25.2 Tenant covenants and agrees (a) to comply with all requirements of law relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect, (b) to immediately notify Landlord in writing if any of the representations, warranties or covenants set forth in this paragraph or the preceding paragraph are no longer true or have been breached or if Tenant has a reasonable basis to believe that they may no longer be true or have been breached, and (c) not to use funds from any "Prohibited Person" (as such term is defined in the December 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) to make any payment due to Landlord under the Lease.

Landlord covenants and agrees (a) to comply with all requirements of law relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect, (b) to immediately notify Tenant in writing if any of the representations, warranties or covenants set forth in this paragraph or the preceding paragraph are no longer true or have been breached or if Landlord has a reasonable basis to believe that they may no longer be true or have been breached, and (c) not to use funds from any "Prohibited Person" (as such term is defined in the December 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) to make any payment due to Tenant under the Lease.

25.3 Tenant and Landlord, hereby acknowledge and agree that Tenant's or Landlord's inclusion on the List, unless disputed and proved false within thirty days after receipt of written notice from Landlord or Tenant, as applicable, of such, at any time during the Term will be a material default of the Lease. Notwithstanding anything herein to the contrary, Tenant shall not permit the Premises or any portion thereof to be used or occupied by any person or entity on the List or by

any Embargoed Person (on a permanent, temporary or transient basis), and any such use or occupancy of the Premises by any such person or entity with Tenant's consent shall be a material default of the Lease. Notwithstanding anything herein to the contrary, Landlord shall not permit the Shopping Center or any portion thereof to be used or occupied by any person or entity on the List or by any Embargoed Person (on a permanent, temporary or transient basis), and any such use or occupancy of the Shopping Center by any such person or entity with Landlord's express consent shall be a material default of the Lease by Landlord.

**26. Other Provisions.**

(a) Guaranty. Waived. Disclaimer. **LANDLORD AND TENANT EXPRESSLY DISCLAIM ANY EXPRESS WARRANTY OR IMPLIED WARRANTY THAT THE PREMISES ARE SUITABLE FOR TENANT'S INTENDED COMMERCIAL PURPOSE**

(c) Landlord's Responsibilities and Obligations. Notwithstanding anything to the contrary contained in this Lease, to the extent that Landlord has responsibilities or obligations pursuant to this Lease, Landlord shall have the right, without notice to, or the consent of, Tenant, to perform such responsibilities or obligations itself or cause any or all of such responsibilities or obligations to be performed by a third party, including, without limitation, a property manager or any of the SSW Owners, provided, however, with respect to any obligations of Landlord that require access to the Premises, Landlord must notify Tenant of the identity of any such third parties who may be entering the Premises (which entry shall be in accordance with this Lease) prior to Tenant being required to allow such parties access to the Premises.

(d) Consent. If Landlord's consent is required under this Lease for any action(s) Tenant wishes to take, including, without limitation, performing any alterations, assigning this Lease, subleasing the Premises, etc., and Landlord fails to approve or reject (with a reasonably detailed explanation for such rejection) Tenant's request within ten (10) business days following its receipt of such request, Tenant may provide a written notice to Landlord of such failure and if Landlord fails to approve or reject (with a reasonably detailed explanation for such rejection) Tenant's request within three (3) business days following its receipt of such second request, Tenant's request shall be deemed approved by Landlord, provided if any other timeframe is expressly set forth in this Lease for Landlord to approve or reject such request prior to such consent being deemed granted, such other timeframe shall apply.

(e) Relocation. Landlord shall not relocate or reconfigure the Premises at any time during the Term without the prior written consent of Tenant, which may be withheld in Tenant's sole discretion without any obligation to be reasonable.

[Signature Page Follows]



REC'D CLERK'S OFFICE  
2023 APR 13 AM 10:53

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed as of the dates set forth below.

**LANDLORD:**

**PITTSBURGH - SSW2 NOTE OWNER LLC,**  
a Delaware limited liability company

DocuSigned by:  
*Jonathon Reeser*  
By: \_\_\_\_\_  
Name: Jonathon Reeser  
Title: Authorized Signatory  
Date: August 7, 2022

**TENANT:**

**KURA SUSHI USA, INC.,**  
a Delaware corporation

DocuSigned by:  
*Robert Kluger*  
By: \_\_\_\_\_  
Name: ROBERT KLUGER  
Title: Authorized Signatory  
Date: August 8, 2022

**EXHIBIT A-1**  
**DEPICTION OF THE PREMISES (not to scale)**

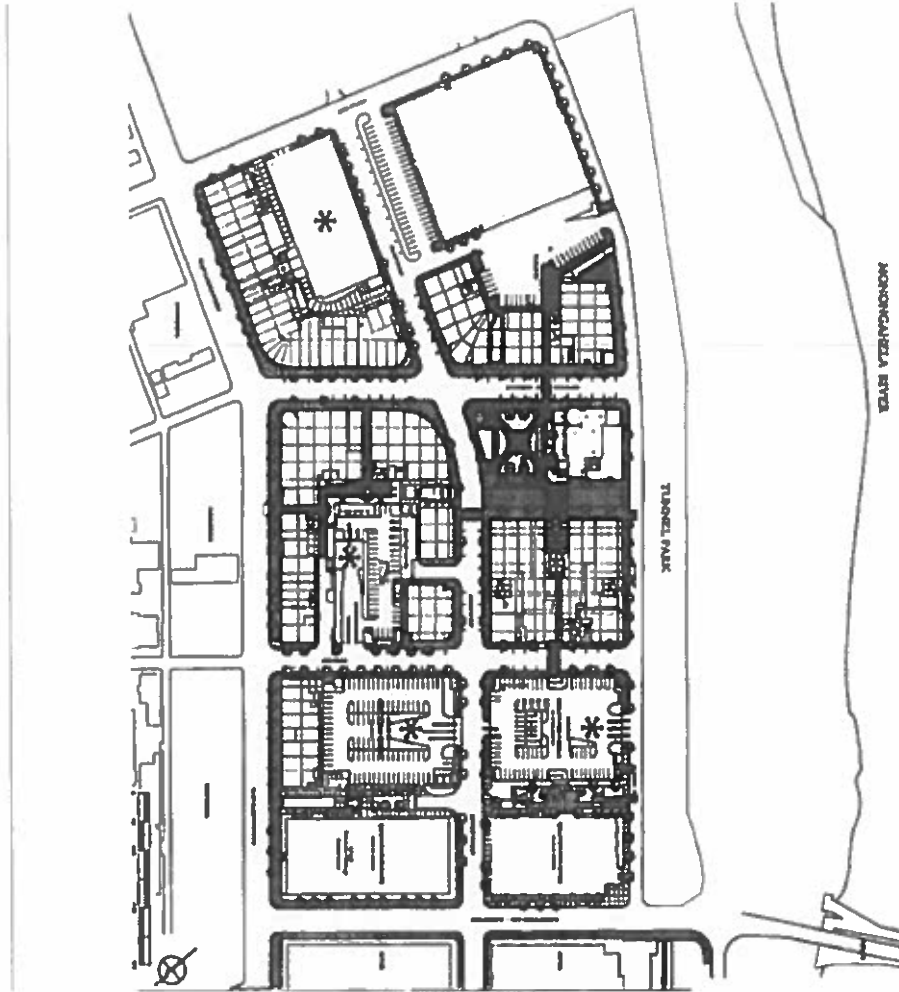


EXHIBIT A-2

DEPICTION OF SHOPPING CENTER (not to scale)



**EXHIBIT B**  
**DEPICTION OF THE SOUTHSIDE WORKS (not to scale)**





# **EXHIBIT E**

## **ZONING APPROVALS**

City of Pittsburgh, Department of City Planning  
200 Ross St, Pittsburgh, PA 15219  
412-255-2241, pittsburghpa.gov/dcp

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2023 APR 19 AM 10:53

### **RECORD OF ZONING APPROVAL # DCP-ZDR-2022-12967**

#### **PROPERTY INFORMATION**

**Applicant:** Richelle Troll  
**Property Address:** 415 CINEMA DR, Pittsburgh, PA 15203-  
**Parcel ID:** 0029J00120000000  
**Neighborhood:** South Side Flats  
**Zoning District:** SP-5  
**City Historic Landmark:** No  
**City Historic District:** No  
**Floodplain:** No  
**Landslide Prone Overlay:** No  
**Undermined Overlay:** No  
**25% Slope Overlay:** No  
**Baum-Centre Overlay:** No

#### **ZONING APPROVAL**

**This document verifies the receipt of a Zoning Application and the fulfillment of all Zoning Code (Title Nine) requirements.**

**Date Approved:** February 01, 2023

**Zoning Plan Reviewer:** William Gregory

**Zoning Approved Scope:** INTERIOR AND EXTEIROR RENOVATIONS FOR FIT-OUT OF NEW RESTAURANT

IN EXISTING TWO STORY PORTION OF EXISTING STRUCTURE, USE OF 4,034 SQ FT AS RESTAURANT (GENERAL) FOR SUSHI BAR

#### **ASSOCIATED APPROVALS**

**Zoning Board of Appeals:**

**Planning Commission:**

**Art Commission:**

**Pre-application Review Meeting:**



## RECORD OF ZONING APPROVAL # DCP-ZDR-2022-12960

### PROPERTY INFORMATION

**Applicant:** Richelle Troll  
**Property Address:** 415 CINEMA DR, Pittsburgh, PA 15203-  
**Parcel ID:** 0029J00120000000  
**Neighborhood:** South Side Flats  
**Zoning District:** SP-5  
**City Historic Landmark:** No  
**City Historic District:** No  
**Floodplain:** No  
**Landslide Prone Overlay:** No  
**Undermined Overlay:** No  
**25% Slope Overlay:** No  
**Baum-Centre Overlay:** No

### ZONING APPROVAL

This document verifies the receipt of a Zoning Application and the fulfillment of all Zoning Code (Title Nine) requirements.

**Date Approved:** December 30, 2022

**Zoning Plan Reviewer:** Joseph Fraker

**Zoning Approved Scope:** INSTALL ROOFTOP MECHANICAL EQUIPMENT ON WESTERLY SIDE OF TWO STORY STRUCTURE

### ASSOCIATED APPROVALS

**Zoning Board of Appeals:**  
**Planning Commission:**  
**Art Commission:**  
**Pre-application Review Meeting:**

~~EXHIBIT F~~  
~~BALANCE SHEET~~

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended August 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 NO.: 001-39012

**KURA SUSHI USA, INC.**  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

26-3808434  
(I.R.S. Employer  
Identification Number)

17461 Derian Avenue, Suite 200, Irvine, California 92614  
(Address of principal executive offices and zip code)

(657) 333-4100

(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, \$0.001 par value per share	KRUS	Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

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  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  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

Emerging Growth Company

Accelerated Filer

Smaller Reporting Company

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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 February 28, 2022, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was \$241.9 million, based on the closing sale price as reported on the Nasdaq Global Market.

As of November 7, 2022, the registrant had 8,788,875 shares of Class A common stock outstanding and 1,000,050 shares of Class B common stock outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

The information required by Part III of this Form 10-K, to the extent not set forth herein, is incorporated by reference from the registrant's definitive proxy statement for the 2023 annual meeting of stockholders, which will be filed no later than 120 days after the close of the registrant's fiscal year ended August 31, 2022.

Auditor Firm Id: 185

Auditor Name: KPMG LLP

Auditor Location: Irvine, CA

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**Kura Sushi USA, Inc.**  
**Balance Sheets**  
(amounts in thousands, except par value)

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	As of August 31,	
	2022	2021
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 35,782	\$ 40,430
Accounts and other receivables	2,486	2,019
Inventories	1,120	733
Due from affiliate	156	329
Prepaid expenses and other current assets	2,852	13,957
<b>Total current assets</b>	<b>42,396</b>	<b>57,468</b>
<b>Non-current assets:</b>		
Property and equipment – net	75,590	53,885
Operating lease right-of-use assets	79,990	64,158
Deposits and other assets	3,380	2,158
<b>Total assets</b>	<b>\$ 201,356</b>	<b>\$ 177,669</b>
<b>Liabilities and stockholders' equity</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 5,559	\$ 4,920
Accrued expenses and other current liabilities	3,731	2,820
Salaries and wages payable	5,955	4,612
Finance leases – current	507	932
Operating lease liabilities – current	7,992	5,650
Due to affiliate	285	244
Sales tax payable	1,240	869
<b>Total current liabilities</b>	<b>25,269</b>	<b>20,047</b>
<b>Non-current liabilities:</b>		
Finance leases – non-current	30	546
Operating lease liabilities – non-current	82,280	65,834
Other liabilities	483	398
<b>Total liabilities</b>	<b>108,062</b>	<b>86,825</b>
<b>Commitments and contingencies (Note 10)</b>		
<b>Stockholders' equity:</b>		
Preferred stock, \$0.001 par value; 1,000 shares authorized, no shares issued or outstanding	—	—
Class A common stock, \$0.001 par value; 50,000 authorized, 8,788 and 8,700 issued and outstanding as of August 31, 2022 and August 31, 2021, respectively	9	9
Class B common stock, \$0.001 par value; 10,000 authorized, 1,000 issued and outstanding as of August 31, 2022 and August 31, 2021	1	1
Additional paid-in capital	118,970	115,756
Accumulated deficit	(25,686)	(24,922)
<b>Total stockholders' equity</b>	<b>93,294</b>	<b>90,844</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 201,356</b>	<b>\$ 177,669</b>

See accompanying notes to financial statements



## **Exhibit G Company Overview**

Kura Sushi USA, Inc. was established in 2008 as a subsidiary of Kura Sushi, Inc., a Japan-based revolving sushi chain with over 400 restaurants and 35 years of brand history. On August 1, 2019 Kura Sushi USA, Inc. went public and currently trades on the NASDAQ under the ticker symbol KRUS.

Kura Sushi USA is a fast-growing, innovative and technology-enabled restaurant concept serving authentic Japanese cuisine through an engaging revolving sushi service model. Since the first restaurant opening in 1977, Kura Sushi, Inc. has grown substantially with more than 500 locations across Japan, Taiwan and the United States.

Kura Sushi USA, Inc. opened its first restaurant in Irvine, CA in 2009 and has grown to become the largest revolving sushi chain in the United States with 45 locations throughout the United States including locations in CA, AZ, NV, NJ, VA, PA, TX, MN, MA, DC, WA, IL, MI, GA and FL. In 2018 Kura Sushi USA, Inc. was ranked 15<sup>th</sup> on Restaurant Business Online's Future 50 List based on its sales growth.

In Pennsylvania specifically, Kura Sushi USA, Inc. holds one restaurant liquor license in connection with its open and operating location in Philadelphia and now would like to expand their presence in Pennsylvania by opening their second PA location in the South Side Works area of Pittsburgh.