

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) October 30, 2015



Cross Country Healthcare, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

0-33169
(Commission
File Number)

13-4066229
(I.R.S. Employer
Identification No.)

6551 Park of Commerce Blvd., N.W., Boca Raton, FL 33487
(Address of Principal Executive Office) (Zip Code)

(561) 998-2232
(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, If Changed Since Last Report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

In connection with the acquisition of all of the membership interests of New Mediscan II, LLC, Mediscan Diagnostic Services, LLC, and Mediscan Nursing Staffing, LLC (collectively "Mediscan"), pursuant to the terms of the Purchase Agreement, dated October 19, 2015 (the "Purchase Agreement"), the Company entered into the following agreements on October 30, 2015:

- 1) An employment agreement between the Company and Dennis Ducham to serve as the President of Mediscan for a base salary of \$250,000 per annum. Beginning in calendar year 2016, Mr. Ducham will be eligible to receive an annual bonus of up to 50% of his base salary based on financial performance and individual targets, as established by the Company's Chief Executive Officer. Filed herewith as Exhibit 10.2.
- 2) An employment agreement between the Company and Val Serebryany to serve as the Senior Vice President of Mediscan, for a base salary of \$215,000 per annum. Beginning in calendar year 2016, Mr. Serebryany will be eligible to receive an annual bonus of up to 50% of his base salary based on financial performance and individual targets, as established by the Company's Chief Executive Officer. Filed herewith as Exhibit 10.3.
- 3) Restricted Stock Agreement between the Company and New Mediscan Diagnostic Services, Inc. covering 349,871 shares of the Company's Common Stock. Filed herewith as Exhibit 10.4.
- 4) Mediscan entered into an amendment to its lease agreement with Golden Egg, LLC (a copy of such lease is filed herewith as Exhibit 10.5). The amendment extends the current lease until August 31, 2018 with two options to extend through August 31, 2020. As defined in the lease, Base Rent is \$32,302 per month through August 31, 2016, \$33,271 through August 31, 2017 and \$34,269 through August 31, 2018. Filed herewith as Exhibit 10.6.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On October 30, 2015, the Company completed the acquisition of all of the membership interests of New Mediscan II, LLC, Mediscan Diagnostic Services, LLC, and Mediscan Nursing Staffing, LLC (collectively "Mediscan"), pursuant to the terms of the Purchase Agreement for a purchase price of \$28 million in cash and \$5 million in shares of the Company's Common Stock, (349,871 shares), subject to a net working capital adjustment. The sellers are also eligible to receive an earn out based on Mediscan's 2016 and 2017 performance that could provide up to an additional \$7.0 million of cash. Founded in 1995 and headquartered in Woodland Hills, CA, Mediscan provides temporary healthcare staffing and workforce solutions to both the healthcare and education markets. While largely concentrated in California, Mediscan provides services across 11 states to more than 300 clients through more than 70 specialties.

The foregoing description of the Purchase Agreement is qualified in its entirety by reference to the full terms and provisions of the Purchase Agreement that was previously filed as an exhibit to the Company's Current Report on Form 8-K dated October 19, 2015.

Item 7.01 Regulation FD Disclosure.

Incorporated by reference is a press release issued by the Company on November 2, 2015, which is attached hereto as Exhibit 99.1. This information is being furnished under Item 7.01 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of such section.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit	Description
10.1	Asset Purchase Agreement between Mediscan, Inc. and DirecEd Solutions Inc. and Mihal Spiegel, dated August 19, 2014
10.2	Employment Agreement between Cross Country Healthcare, Inc. and Dennis Ducham
10.3	Employment Agreement between Cross Country Healthcare, Inc. and Val Serebryany
10.4	Restricted Stock Agreement between Cross Country Healthcare and New Mediscan Diagnostic Services, Inc. dated October 30, 2015
10.5	Lease Agreement between Golden Egg, LLC and Mediscan Staffing Services, dba Mediscan Diagnostics, Mediscan Therapy Inc, Direct Ed Solutions, and Direct Ed Special Services, dated August 4, 2015
10.6	First Amendment to Lease Agreement between Golden Egg, LLC and Mediscan Diagnostic Services, Mediscan Nursing Staffing, DirecEd Solutions, and Direct Ed Specialized Services, dated October 30, 2015
99.1	Press Release issued by the Company on November 2, 2015

ASSET PURCHASE AGREEMENT

by and among

MEDISCAN, INC.

as the Buyer

DIRECTED SOLUTIONS INC.

and

DIRECTED SPECIALIZED SERVICES INC.

as the Seller Companies

and

MIHAL SPIEGEL

AUGUST 19, 2014

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, dated as of August 19, 2014, is made and entered into by and among (i) Mediscan, Inc., a California corporation (the "Buyer"), (ii) DirectEd Solutions Inc. and DirectEd Specialized Services Inc., each a California corporation (each, a "Seller Company," and together, the "Seller Companies") and (iii) Mihal Spiegel (the "Stockholder"). The above parties are referred to collectively herein as the "Parties" and individually as a "Party."

RECITALS

WHEREAS, the Seller Companies are engaged in the business of providing staffing and consulting services to charter schools in the areas of special education and substitute teachers and other types of school personnel (the "Business").

WHEREAS, the Stockholder owns 100.0% of the issued and outstanding capital stock of each Seller Company.

WHEREAS, the Seller Companies and the Stockholder wish to sell to the Buyer, and the Buyer wishes to purchase from the Seller Companies, substantially all of the Seller Companies' assets used in connection with the Business, on the terms and subject to the conditions set forth herein.

WHEREAS, as a material inducement to the Buyer to enter into this Agreement, and as an express condition to the consummation of the Transactions, each of the Seller Companies and the Stockholder is agreeing to the non-competition and non-solicitation covenants set forth in Section 6.3.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements herein contained, and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE I DEFINITIONS

1.1 Certain Defined Terms. Each capitalized term used herein shall have the meaning ascribed to such term in Exhibit A hereto.

ARTICLE II PURCHASE AND SALE

2.1 Purchase and Sale of Assets. Upon the terms and subject to the conditions of this Agreement, each Seller Company is selling, assigning, transferring, conveying and delivering to the Buyer, and the Buyer is purchasing from each such Seller Company, all of such Seller Company's right, title and interest, direct or indirect, in and to the Purchased Assets, in each case free and clear of any Encumbrances (other than Permitted Encumbrances), including, without limitation, all of such Seller Company's right, title and interest in and to the following as they exist at the Closing Date:

- (a) all assets recorded or reflected on the Balance Sheet and all assets acquired by such Seller Company since the date of the Balance Sheet (including assets such as Contracts to which no value was attributed);
- (b) all Personal Property, including, without limitation, those items set forth on Schedule 3.11 of the Seller Disclosure Schedules;
- (c) all Intellectual Property, including, without limitation, such Intellectual Property listed on Schedule 3.12 of the Seller Disclosure Schedules;
- (d) all Seller Contracts set forth on Schedule I;
- (e) the telephone and facsimile number(s) used by such Seller Company in the Business, except for cell phone numbers and cell phones used by the Stockholder;
- (f) all Inventory;
- (g) all Business Records;
- (h) all Permits;
- (i) all Prepaid Items;
- (j) all Rights;
- (k) the goodwill and going concern value and other intangible assets, if any, arising from or related to the Business;
- (l) all insurance policies and rights thereunder as determined by Buyer; and
- (m) all claims (including insurance benefits and proceeds to the extent such benefits or proceeds relate to a Purchased Asset or Assumed Liability), credits, causes of action, rights of recovery, rights of recoupment and rights of set-off of the Seller Companies of any kind.

2.2 Excluded Assets. Notwithstanding anything contained in Section 2.1 to the contrary, the Seller Companies are not selling, assigning, transferring, conveying and delivering, and the Buyer is not purchasing, any of the following assets of the Seller Companies, all of which shall be retained by the Seller Companies (collectively, the "Excluded Assets"):

- (a) any Cash, bank account, or investment account of any Seller Company (except for Cash arising pursuant to Section 2.1(l));
- (b) subject to Section 2.12, any Receivables;
- (c) any Employee Plans of any Seller Company, and any assets related thereto;

- (d) any tax or other refunds attributable to any Pre-Closing Tax Period;
- (e) the rights associated with the leases of all Leased Real Property, including prepaid rent deposits and income related thereto (if any); and
- (f) all rights of the Seller Companies under this Agreement and the Ancillary Agreements.

2.3 Subsequently Assumed Seller Contracts. Notwithstanding the foregoing or any other provision hereof, if after the Closing Date, any Seller Company or the Buyer identifies a Contract related to the Business that existed as of the Closing Date, but which Contract was not identified as a Seller Contract on Schedule 3.14(a) of the Seller Disclosure Schedules, then such Party will so notify the other Party. In such case, the Buyer will have the right to assume such Contract by providing written notice to the relevant Seller Company, and such Seller Company will assign such Contract to the Buyer, in which event such Contract will be deemed a Purchased Asset hereunder. In the event such Contract requires consent to assignment, the relevant Seller Company agrees to use its best efforts to obtain such consent. If such Contract is not so assumed by the Buyer, then such Contract will be treated as an Excluded Asset for all purposes hereof. Promptly following the receipt of any such required consent(s), or, if no consent is required, upon notification by the Buyer of its election to assume any Contract that is subject to this Section 2.3, the relevant Seller Company and the Buyer shall execute a separate instrument assigning such Contract to the Buyer, with the assignment of such Contract effective as of, at the option of the Buyer, the Closing Date (in which case all amounts paid thereunder will be delivered to the Buyer).

2.4 Assumed Liabilities. In connection with the purchase and sale of the Purchased Assets pursuant to this Agreement, at the Closing, the Buyer shall assume only the liabilities of Seller Companies under the Seller Contracts set forth on Schedule I, in respect of, and only to the extent arising in, any period following the Closing (the "Assumed Liabilities"), but only to the extent that (i) the Seller Companies' rights thereunder are effectively transferred to the Buyer and (ii) such liabilities and obligations (A) do not arise from or relate to any breach by any Seller Company of any provision of any Seller Contract, and (B) do not arise from or relate to any event, circumstance or condition occurring or existing on or prior to the Closing Date that, with notice or lapse of time, would constitute or result in a breach of any Seller Contract.

2.5 Excluded Liabilities. Notwithstanding the provisions of Section 2.4 or any other provision of this Agreement, any Schedule or Exhibit hereto or any Ancillary Agreement to the contrary, and regardless of any disclosure to the Buyer, except for the Assumed Liabilities, the Buyer shall not assume or be obligated to pay, perform, satisfy or otherwise discharge (and the Seller Companies shall retain, pay, perform, satisfy or otherwise discharge without recourse to the Buyer) any liabilities or obligations of the Seller Companies of any kind, character or description whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, asserted or unasserted, matured or unmatured, and currently existing or hereinafter arising (the "Excluded Liabilities").

2.6 Consents and Waivers; Further Assurances.

(a) Nothing in this Agreement or the Ancillary Agreements shall be construed as an agreement to assign, transfer or deliver any Seller Contract, Permit, Right or other Purchased Asset that by its terms or pursuant to applicable Law is not capable of being sold, assigned, transferred or delivered without the consent or waiver of a third party or Governmental Authority unless and until such consent or waiver shall be given. The Seller Companies and the Stockholder shall use their best efforts to obtain such consents and waivers and to resolve the impediments to the sale, assignment, transfer or delivery contemplated by this Agreement or the Ancillary Agreements and to obtain all other consents and waivers necessary to convey to the Buyer all of the Purchased Assets. In the event any such consents or waivers are not obtained prior to the Closing, the Seller Companies and the Stockholder shall continue to use their best efforts to obtain the relevant consents or waivers until such consents or waivers are obtained, and the Seller Companies and the Stockholder will cooperate with the Buyer in any lawful and economically feasible arrangement to provide that the Buyer shall receive the interest of the relevant Seller Company in the benefits under any such Seller Contract, Permit, Right or other Purchased Asset, including performance by such Seller Company, if economically feasible, as agent.

(b) From time to time following the Closing, the parties hereto shall execute, acknowledge and deliver all such further conveyances, notices, assumptions and releases and such other instruments, and shall take such further actions, as may be necessary or appropriate to assure fully to the Buyer all of the assets, properties, rights, titles, interests, estates, remedies, powers and privileges intended to be conveyed to the Buyer under this Agreement and the Ancillary Agreements, and to assure fully to the Seller Companies the assumption of the liabilities and obligations intended to be assumed by the Buyer pursuant to this Agreement and the Ancillary Agreements, and to otherwise make effective as promptly as practicable the Transactions.

2.7 Purchase Price; Payments.

(a) As consideration for the sale, assignment, transfer, conveyance and delivery of the Purchased Assets to the Buyer, and the non-competition and non-solicitation covenants set forth in Section 6.3, in addition to the Buyer's assumption of the Assumed Liabilities, the Seller Companies shall receive, on the terms and conditions set forth in this Agreement, an aggregate amount equal to the sum of the following (the "Purchase Price"):

(i) Five Hundred Thousand Dollars (\$500,000.00) in cash (the "Initial Cash Payment"); plus

(ii) Nine Hundred Thousand Dollars (\$900,000.00) by delivery of a promissory note, substantially in the form attached hereto as Exhibit B (the "Closing Promissory Note"); plus

(iii) the Earn-Out Payments.

(b) The Initial Cash Payment shall be paid by the Buyer to the Seller Companies on or before the tenth (10) calendar day after the Closing by wire transfer in immediately available funds to the account or accounts designated by the Seller Companies in writing.

2.8 Earn-Out.

(a) Earn-Out Payments.

(i) 2014 Earn-Out Payment. At such time as provided in Section 2.8(c), with respect to the period beginning August 1, 2014 and ending December 31, 2014 (such period being a Calculation Period), Buyer shall pay to the Seller Companies an amount, if any (the "2014 Earn-Out Payment"), equal to the product of (i) the quotient obtained by dividing the Division Revenue achieved during such Calculation Period by \$2,600,000.00; multiplied by (ii) \$200,000.00; *provided* that such Earn-Out Payment shall not exceed \$200,000.00. For example, if the Division Revenue such Calculation Period were \$2,300,000, then the 2014 Earn-Out Payment would be equal to:

$$\begin{aligned} & \frac{\$2,300,000}{\$2,600,000} \times \$200,000 \\ & = .8846154 \times \$200,000 \\ & = \$176,923.08 \end{aligned}$$

(ii) 2015 Earn-Out Payment. At such time as provided in Section 2.8(c), with respect to the period beginning January 1, 2015 and ending December 31, 2015 (such period being a Calculation Period), Buyer shall pay to the Seller Companies an amount, if any (such amount being an Earn-Out Payment), equal to the product of (i) the quotient obtained by dividing the Division Gross Profits achieved during such Calculation Period by \$2,200,000.00, multiplied by (ii) \$100,000.00; *provided* that such Earn-Out Payment shall not exceed \$100,000.00.

(iii) 2016-2018 Earn-Out Payments. At such time as provided in Section 2.8(c), with respect to each of the 2016, 2017, and 2018 calendar years (each such period being a Calculation Period), Buyer shall pay to the Seller Companies an amount, if any (each such amount being an Earn-Out Payment), equal to the product of (i) the quotient obtained by dividing the Division Gross Profits achieved during such Calculation Period by \$2,800,000.00, multiplied by (ii) \$100,000.00; *provided* that each such Earn-Out Payment shall not exceed \$100,000.00.

(iv) 2019 Earn-Out Payments. At such time as provided in Section 2.8(c), with respect to the period beginning January 1, 2019 and ending December 31, 2019 (the "2019 Calculation Period"), Buyer shall pay to the Seller Companies the following amounts:

(A) an amount (the "2019-A Earn-Out Payment") equal to the product of (i) the quotient obtained by dividing the Division Gross Profit achieved during the 2019 Calculation Period by \$2,800,000.00, multiplied by (ii) \$100,000.00; *provided* that such Earn-Out Payment shall not exceed \$100,000.00; plus

(B) an amount (the "2019-B Earn-Out Payment") calculated as set forth on Schedule II based upon the Division Gross Profit achieved during the 2019 Calculation Period.

(b) Procedures Applicable to Determination of the Earn-Out Payments.

(i) On or before the date which is thirty (30) days after the last day of each Calculation Period (each such date, an “Earn-Out Calculation Delivery Date”), Buyer shall prepare and deliver to Seller Companies a written statement (in each case, an “Earn-Out Calculation Statement”) setting forth in reasonable detail its determination of Division Revenue or Division Gross Profit, as applicable, for the applicable Calculation Period and its calculation of the resulting Earn-Out Payment (in each case, an “Earn-Out Calculation”).

(ii) Seller Companies shall have forty-five (45) days after receipt of the Earn-Out Calculation Statement for each Calculation Period (in each case, the “Review Period”) to review the Earn-Out Calculation Statement and the Earn-Out Calculation set forth therein. During the Review Period, Seller Companies and their Representatives shall have the right to inspect the Division’s books and records during normal business hours at Buyer’s offices, upon reasonable prior notice and solely for purposes reasonably related to the determinations of Division Revenue or Division Gross Profit, as applicable, and the resulting Earn-Out Payment. Prior to the expiration of the Review Period, either Seller Company may object to the Earn-Out Calculation set forth in the Earn-Out Calculation Statement for the applicable Calculation Period by delivering a written notice of objection (an “Earn-Out Calculation Objection Notice”) to Buyer. Any Earn-Out Calculation Objection Notice shall specify the items in the applicable Earn-Out Calculation disputed by such Seller Company and shall describe in reasonable detail the basis for such objection, as well as the amount in dispute. If the Seller Companies fail to deliver an Earn-Out Calculation Objection Notice to Buyer prior to the expiration of the Review Period, then the Earn-Out Calculation set forth in the Earn-Out Calculation Statement shall be final and binding on the parties hereto. If a Seller Company timely delivers an Earn-Out Calculation Objection Notice, Buyer and Seller Companies shall negotiate in good faith to resolve the disputed items and agree upon the resulting amount of the Division Revenue or Division Gross Profit, as applicable, and the Earn-Out Payment for the applicable Calculation Period. If Buyer and Seller Companies are unable to reach agreement within fifteen (15) days after such an Earn-Out Calculation Objection Notice has been given, all unresolved disputed items shall be promptly referred to the Auditor. The Auditor shall be directed to render a written report on the unresolved disputed items with respect to the applicable Earn-Out Calculation as promptly as practicable, but in any event no longer than thirty (30) days after such submission to the Auditor, and to resolve only those unresolved disputed items set forth in the Earn-Out Calculation Objection Notice. If unresolved disputed items are submitted to the Auditor, Buyer and the Seller Companies shall furnish to the Auditor such work papers, schedules and other documents and information relating to the unresolved disputed items as the Auditor may reasonably request. The Auditor shall resolve the disputed items based solely on the applicable definitions and other terms in this Agreement and the presentations by Buyer and the Seller Companies, and not by independent review. The resolution of the dispute and the calculation of Division Revenue or Division Gross Profit, as applicable, which are the subject of the applicable Earn-Out Calculation Objection Notice by the Auditor shall be final and binding on the parties hereto. The fees and expenses of the Auditor shall be borne by Seller Companies, on the one hand, and Buyer, on the other hand, in proportion to the amounts by which their respective calculations of Division Revenue or Division Gross Profit, as applicable, differ from Division Revenue or Division Gross Profit, as applicable, as finally determined by the Auditor.

(c) Timing of Payment of Earn-Out Payments. Subject to Section 2.8(f), any Earn-Out Payment that Buyer is required to pay pursuant to Section 2.8(a) hereof shall be paid no later than ten (10) Business Days following the date upon which the determination of Division Revenues or Division Gross Profit, as applicable, for the applicable Calculation Period becomes final and binding upon the parties as provided in Section 2.8(b)(ii) (including any final resolution of any dispute raised by a Seller Company in an Earn-Out Calculation Objection Notice).

(d) Method of Payment of Earn-Out Payments.

(i) Other than the 2019-B Earn-Out Payment, all Earn-Out Payments shall be paid to the Seller Companies in cash by wire transfer of immediately available funds to the account or accounts designated by the Seller Companies in writing.

(ii) The 2019-B Earn-Out Payment shall be paid as follows:

(A) An amount equal to one-third (1/3) of the 2019-B Earn-Out Payment shall be paid to the Seller Companies in cash by wire transfer of immediately available funds to the account or accounts designated by the Seller Companies in writing.

(B) An amount equal to two-thirds (2/3) of the 2019-B Earn-Out Payment shall be payable in the form of and subject to the terms and conditions of a promissory note, substantially in the form attached hereto as Exhibit C (the "2019 Earn-Out Promissory Note"), subject to the Buyer's right of set-off pursuant to Section 7.6.

(e) Post-closing Operation of the Business. Subject to the terms of this Agreement, including Section 6.1, and the other Ancillary Agreements, subsequent to the Closing, Buyer shall have discretion with regard to all matters relating to the operation of the Division; *provided*, that Buyer shall not, directly or indirectly, take any actions in bad faith that would have the purpose of avoiding or reducing any of the Earn-Out Payments hereunder.

(f) Right of Set-off. Buyer shall have the right to withhold and set off against any amount otherwise due to be paid pursuant to this Section 2.8 the amount of any Losses to which any Buyer Indemnified Party may be entitled under Article VII of this Agreement or any other Agreement.

(g) No Security. The parties hereto understand and agree that (i) the contingent rights to receive any Earn-Out Payment shall not be represented by any form of certificate or other instrument, are not transferable, except by operation of Laws relating to descent and distribution, divorce and community property, and do not constitute an equity or ownership interest in Buyer, (ii) none of Seller Companies nor the Stockholder shall have any rights as a securityholder of Buyer as a result of the Seller Companies' contingent right to receive any Earn-Out Payment hereunder, and (iii) no interest is payable with respect to any Earn-Out Payment, except pursuant to the terms of the 2019 Earn-Out Promissory Note.

2.9 Closing; Deliveries.

(a) The sale and purchase of the Purchased Assets and the assumption of the Assumed Liabilities contemplated by this Agreement shall take place at 10:00 a.m. Pacific Time on the date hereof (the "Closing"), or at such other time and/or date as the Buyer and the Seller Companies may agree in writing, to be held at the offices of Greenberg Traurig, LLP, 1840 Century Park East, Suite 1900, Los Angeles, California 90067. The date on which the Closing takes place is referred to herein as the "Closing Date".

(b) At the Closing, the Seller Companies shall deliver, or cause to be delivered, to the Buyer the following:

(i) a bill of sale for the Purchased Assets, in the form attached hereto as Exhibit D (the "Bill of Sale"), duly executed by each Seller Company;

(ii) the Assignment and Assumption Agreement, in the form attached hereto as Exhibit E (the "Assignment and Assumption Agreement"), duly executed by each Seller Company;

(iii) an instrument or instruments of assignment of Seller Intellectual Property, in the form or forms attached hereto as Exhibit F (the "Assignment of Intellectual Property"), duly executed by each Seller Company;

(iv) certified copies of the Seller Articles of Incorporation and the Seller Bylaws, such certification to be made by a duly authorized officer of each Seller Company;

(v) certified resolutions of the Board of Directors and the Stockholder of each Seller Company adopting and approving this Agreement, the Ancillary Agreements and the Transactions, such certification to be made by a duly authorized officer of such Seller Company;

(vi) a certificate of existence of each Seller Company from the Secretary of State of the State of California dated within five (5) days prior to the Closing Date;

(vii) a certificate of non-foreign status described in Treasury Regulations Section 1.1445-2(b)(2), duly executed by each Seller Company; and

(viii) such other documents, in form and substance satisfactory to the Buyer, as the Buyer may reasonably request to evidence and effect the sale, assignment, transfer, conveyance and delivery of the Purchased Assets to the Buyer and to put the Buyer in possession of the Purchased Assets, duly executed by each Seller Company.

(c) At the Closing, the Buyer shall deliver or cause to be delivered to the Seller Companies or other indicated Person the following:

(i) the Closing Promissory Note in accordance with Section 2.7(a), duly executed by the Buyer;

(ii) the Assignment and Assumption Agreement, duly executed by the Buyer; and

(iii) to the Stockholder, the Employment Agreement, substantially in the form attached hereto as Exhibit G (the "Spiegel Employment Agreement"), duly executed by the Buyer.

(d) At the Closing, the Stockholder shall deliver or cause to be delivered to the Buyer the Spiegel Employment Agreement, duly executed by the Stockholder.

2.10 Initial Cash Payment. On or before the tenth (10) calendar day after the Closing, the Buyer shall deliver or cause to be delivered to the Seller Companies the Initial Cash Payment in accordance with Section 2.7.

2.11 Purchase Price Allocation. Seller Companies and Buyer agree to allocate the Purchase Price among the Purchased Assets for all purposes (including tax and financial accounting) as agreed by their respective accountants, negotiating in good faith on their behalf. Buyer and Seller Companies shall file all tax Returns (including amended returns and claims for refund) and information reports in a manner consistent with such allocation.

2.12 Prorations and Charges. With respect to any period including the Closing Date, on the Closing Date, the Parties shall prorate and apportion, on a per diem basis, as of the close of business the day before the Closing Date, the real and personal property taxes and assessments, both general and special, for the Purchased Assets, based upon the last available Tax statement, amounts owing for utilities and similar expenses, and amounts owed under any capital leases that are Seller Contracts. Notwithstanding the foregoing, the parties agree that all Receivables generated by the Business from August 2, 2014 through the Closing shall be paid to Buyer, and all normal operating expenses incurred by the Business for such period shall be paid by Buyer.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE SELLER COMPANIES

The Seller Companies and the Stockholder hereby jointly and severally represent and warrant to the Buyer as follows:

3.1 Organization and Qualification. Each Seller Company is a corporation duly organized, validly existing and in good standing under the laws of the State of California and (b) has all power and authority to own, lease and operate the Purchased Assets held by it and to carry on the Business as it is presently conducted. Neither the character of the Seller Companies' assets nor the nature of the Business requires any Seller Company to be qualified to do business as a foreign corporation in any jurisdiction outside California. Each Seller Company has previously made available to the Buyer true and complete copies of such Seller Company's Articles of Incorporation (together, the "Seller Articles of Incorporation") and bylaws (the "Seller Bylaws"), in each case as amended to the date of this Agreement, and each as so delivered is in full force and effect.

3.2 Authority. Each Seller Company has all requisite power and authority to execute and deliver this Agreement and each of the Ancillary Agreements to which it is a party, to perform its obligations hereunder and thereunder and to consummate the Transactions. The execution, delivery and performance by each Seller Company of this Agreement and each of the Ancillary Agreements to which it will be a party and the consummation by the Seller Companies of the Transactions have been duly and validly authorized by all necessary corporate action. This Agreement has been, and upon their execution each of the Ancillary Agreements to which any Seller Company will be a party will be, duly executed and delivered by such Seller Company. This Agreement constitutes, and upon their execution each of the Ancillary Agreements to which any Seller Company will be a party will constitute, the legal, valid and binding obligations of such Seller Company, enforceable against such Seller Company in accordance with their respective terms.

3.3 No Conflict; Required Filings and Consents.

(a) The execution, delivery and performance by each Seller Company of this Agreement and each of the Ancillary Agreements to which such Seller Company will be a party, and the consummation of the Transactions, do not and will not: (i) conflict with or violate the Seller Articles of Incorporation, Seller Bylaws, or any other organizational documents of such Seller Company; (ii) conflict with or violate any Law applicable to such Seller Company, the Business or any of the Purchased Assets, or by which such Seller Company, the Business or any of the Purchased Assets may be bound or affected; or (iii) result in any breach of, constitute a default (or an event that, with notice or lapse of time or both, would become a default) under, require any consent of or notice to any Person pursuant to, give to others any right of termination, amendment, modification, acceleration or cancellation of, or otherwise adversely affect any rights of any Seller Company or the Business under, or result in the creation of any Encumbrance on any of the Purchased Assets.

(b) No Seller Company is required to file, seek or obtain any Order or Permit of or with any Governmental Authority in connection with the execution, delivery and performance by such Seller Company of this Agreement and each of the Ancillary Agreements to which it will be a party or the consummation of the Transactions or in order to prevent the termination of any right, privilege, license or qualification of or affecting the Business or the Purchased Assets.

3.4 Capitalization. The Stockholder owns 100% of the equity interests of each of the Seller Companies, no party has any right by agreement, option or otherwise to acquire any of such interests and no such interests are subject to any Encumbrances of any type.

3.5 Title to Assets; Sufficiency of Assets.

(a) Each Seller Company has good and valid title to, or a valid leasehold interest in, all of the Purchased Assets held by it, free and clear of any Encumbrance, other than Permitted Encumbrances. The delivery to the Buyer of the Bill of Sale and other instruments of assignment, conveyance and transfer pursuant to this Agreement and the Ancillary Agreements will transfer to the Buyer good, valid and marketable title to or a valid leasehold interest in all of the Purchased Assets, free and clear of any Encumbrance other than Permitted Encumbrances.

(b) The Purchased Assets constitute all of the assets, properties and rights necessary and sufficient for the conduct and operation of the Business as currently conducted and as proposed to be conducted following the Closing.

3.6 Financial Statements; No Undisclosed Liabilities.

(a) True and complete copies of the reviewed balance sheet of the Seller Companies and the Business as of December 31, 2013 and the reviewed statements of income and cash flows of the Seller Companies and the Business for the fiscal year then ended, together with all related notes and schedules thereto, accompanied by any reports thereon of the Seller Companies' external financial reviewer (collectively referred to as the "Financial Statements") and the unaudited balance sheet of the Business as of June 30, 2014, and the related statements of income and cash flows, together with all related notes and schedules thereto (collectively referred to as the "Interim Financial Statements"), are attached as Schedule 3.6(a) of the Seller Disclosure Schedules attached hereto (collectively, the "Seller Disclosure Schedules"). Each of the Financial Statements and the Interim Financial Statements (i) are correct and complete and have been prepared in accordance with the books and records of the Seller Companies pertaining to the Business, (ii) have been prepared in accordance with sound accounting principles applied on a consistent basis throughout the periods indicated (except as may be indicated in the notes thereto), and (iii) fairly present, in all material respects, the financial position, results of operations and cash flows of the Seller Companies and the Business as of the respective dates thereof and for the respective periods indicated therein, except as in the case of the Interim Financial Statements, to normal and recurring year-end adjustments that are not, individually or in the aggregate, material.

(b) Except as and to the extent adequately accrued or reserved against in or disclosed in the unaudited balance sheet of the Seller Companies and the Business as of June 30, 2014 (such balance sheet, together with all related notes and schedules thereto, the "Balance Sheet"), no Seller Company has any liability or obligation of any nature arising out of, relating to or affecting the Business, whether accrued, absolute, contingent or otherwise, whether known or unknown and whether or not required by GAAP to be reflected in a balance sheet of any Seller Company and the Business or disclosed in the notes thereto, except for liabilities and obligations, incurred in the ordinary course of business consistent with past practice since the date of the Balance Sheet, that are not, individually or in the aggregate, material to such Seller Company or the Business.

(c) The books of account and financial records of the Seller Companies pertaining to the Business are true and correct and have been prepared and are maintained in accordance with sound accounting practice.

3.7 Absence of Certain Changes or Events. Since December 31, 2013, the Seller Companies have conducted the Business only in the ordinary course consistent with past practice, and: (a) there has not been any change, event or development or prospective change, event or development that, individually or in the aggregate, has had or is reasonably likely to have a Material Adverse Effect; (b) none of the Seller Companies has made any deferral of the payment of any accounts payable, or given any discount, accommodation or other concession in order to accelerate or induce the collection of any Receivable; and (c) none of the Seller Companies has made any material change in the manner in which it extends discounts or credits to customers or otherwise deals with its customers.

3.8 Compliance with Law; Permits.

(a) Each Seller Company has been and is in compliance in all material respects with all Laws applicable to the conduct or operation of the Business (including, but not limited to, Laws relating to the employment of labor, which includes, without limitation, provisions thereof relating to wages, hours, equal opportunity, collective bargaining, workplace safety, discrimination, immigration and the payment of social security and other Taxes (“Labor Laws”)), and the ownership or use of the Purchased Assets.

(b) Each Seller Company has obtained all permits, licenses, franchises, approvals, certificates, certifications, consents, waivers, concessions, exemptions, Orders, registrations, notices or other authorizations of any Governmental Authority necessary for each Seller Company to own, lease and operate its properties and to carry on the Business as currently conducted, and all applications therefor and amendments, modifications and renewals thereto (the “Permits”). There has occurred no violation of, default (with or without notice or lapse of time or both) under or event giving to others any right of revocation, non-renewal, adverse modification or cancellation of, with or without notice or lapse of time or both, any such Permits, nor would any such revocation, non-renewal, adverse modification or cancellation result from the consummation of the Transactions.

3.9 Litigation. There is no Action pending or, to the Knowledge of the Seller, threatened, (a) in connection with the Business (including, but not limited to, with respect to the employment of labor, which includes, without limitation, any Actions relating to or arising from any applicable Labor Laws) or the Purchased Assets or any Seller Company’s ownership or operation thereof, nor is there any basis for any such Action; (b) against any present or former officer or employee of any Seller Company in such individual’s capacity as such; or (c) seeking to prevent, hinder, modify, delay or challenge any of the Transactions. There is no Action by any Seller Company pending, or which any Seller Company has commenced preparations to initiate, against any other Person in connection with the Business or the Purchased Assets.

3.10 Real Property. Schedule 3.10 of the Seller Disclosure Schedules sets forth a true and complete list of all Leased Real Property. No Seller Company owns, nor has any Seller Company ever owned, any real property. Each Seller Company has good and marketable leasehold title to all Leased Real Property, free and clear of all Encumbrances (except Permitted Encumbrances). All leases of Leased Real Property and all amendments and modifications thereto are in full force and effect, and there exists no default under any such lease by any Seller Company or any other party thereto, nor any event which, with notice or lapse of time or both, would constitute a material default thereunder by any Seller Company or any other party thereto. All leases of Leased Real Property shall remain valid and binding in accordance with their terms following the Closing. A true and correct copy of all leases with respect to any Leased Real Property, and any and all amendments thereto, have been furnished to the Buyer.

3.11 Personal Property.

(a) Schedule 3.11 of the Seller Disclosure Schedules set forth a true and complete list of (i) all Personal Property owned by each Seller Company having an original cost of \$5,000.00 or more and (ii) each lease or other Contract under which each Seller Company is the lessee of, or holds or operates, any Personal Property owned by a third Person, including, in each case, the expiration date thereof and a brief description of the property covered.

(b) All of the Personal Property has been maintained in all material respects in accordance with past practice and generally accepted industry practice. Each item of the Personal Property is in good operating condition and repair, ordinary wear and tear excepted, and is adequate for the uses to which it is being put. All leased Personal Property is, in all material respects, in the condition required of such property by the terms of the lease applicable thereto.

3.12 Intellectual Property.

(a) Schedule 3.12 of the Seller Disclosure Schedules sets forth a true and complete list of all Intellectual Property used by, owned (in whole or in part) by, or exclusively licensed to, each Seller Company that is used or held for use in connection with the Business (the "Seller Intellectual Property"), including any pending applications to register any of the Seller Intellectual Property. The Seller Intellectual Property set forth on Schedule 3.12 of the Seller Disclosure Schedules reflects, without limitation, all the Seller Intellectual Property that is, or has been, used in connection with the Business.

(b) Each Seller Company owns, free and clear of any and all Encumbrances (other than Permitted Encumbrances), all of the Seller Intellectual Property (other than any Seller Intellectual Property identified on Schedule 3.12 of the Seller Disclosure Schedules as being exclusively licensed to such Seller Company). All registered Marks, issued Patents and registered Copyrights identified on Schedule 3.12 of the Seller Disclosure Schedules ("Seller Registered IP") are valid and subsisting and enforceable, and none of the Seller Companies has received any notice or claim challenging the validity or enforceability of any Seller Registered IP or alleging any misuse of such Seller Registered IP.

(c) Neither the activities or operations of the Business nor any of the Seller Companies' activities or operations in connection with the Business have infringed upon, misappropriated, violated, diluted or constituted the unauthorized use of, any Intellectual Property of any third party, and none of the Seller Companies has received any notice or claim asserting or suggesting that any such infringement, misappropriation, violation, dilution or unauthorized use is or may be occurring or has or may have occurred, nor to the Knowledge of the Seller, is there a reasonable basis therefor.

3.13 Taxes.

(a) All Returns required to have been filed by or with respect to any Seller Company or any of their Affiliates with any Tax Authority have been duly filed, and each such Return correctly and completely reflects the income, franchise or other Tax liability and all other information required to be reported thereon. All Taxes owed by each Seller Company and their Affiliates, whether or not shown on any Return, have been paid.

(b) No Seller Company expects any taxing authority to assess any additional Taxes against or in respect of the Business or the Purchased Assets for any past period. There is no dispute or claim concerning any Tax liability with respect to any Seller Company either (i) claimed or raised by any taxing authority or (ii) otherwise known to such Seller Company. No issues have been raised in any examination by any taxing authority with respect to any Seller Company which, by application of similar principles, reasonably could be expected to result in a proposed deficiency for any other period not so examined.

3.14 Material Contracts.

(a) The Contracts listed on Schedule 3.14(a) of the Seller Disclosure Schedules constitute all of the current or pending Contracts of the Seller Companies, or by which the Purchased Assets or the Assumed Liabilities are bound or affected, whether written or oral, involving receipts or expenditures in excess of \$5,000.00, or relating to any employee, union, labor organization, employee group or similar entity which affects the employment of employees of any Seller Company (collectively the "Material Contracts").

(b) Each Material Contract is a legal, valid and binding agreement and is in full force and effect, enforceable against such Seller Company in accordance with its terms. None of the Seller Companies or any other party is in breach or violation of, or (with or without notice or lapse of time or both) default under, any Material Contract, nor has any Seller Company received any written claim of any such breach, violation or default. The Seller Companies have delivered or made available to the Buyer true and complete copies of all Material Contracts, including any amendments thereto.

(c) No Material Contract contains any form of non-competition or similar contractual restriction on the Business of any Seller Company.

(d) None of the Seller Companies has: (i) defaulted in any material manner under a Material Contract; (ii) failed to meet any target date set forth in a Material Contract that resulted in any material Losses; or (iii) failed to satisfy the minimum level of service set forth in a Material Contract, in any such case that resulted in any material Losses (including the loss of that customer relationship or a Material Contract) or default under such Material Contract.

(e) Following the Closing, the Buyer will be entitled to exercise all of the rights under the Material Contracts without the payment of any additional amounts or consideration other than ongoing fees, royalties or payments which the Seller Companies would otherwise be required to pay pursuant to the terms of such Contracts had the Transactions not occurred.

3.15 Affiliate Interests; Transactions and Conflicts of Interest.

(a) No Related Party of any Seller Company: (i) owns or has owned, directly or indirectly, any equity or other financial or voting interest in any competitor, supplier, licensor, lessor, distributor, independent contractor or customer of the Business; (ii) owns or has owned, directly or indirectly, or has or has had any interest in any property (real or personal, tangible or intangible) used in the Business; or (iii) has or has had any business dealings or a financial interest in any transaction with the Business or with any Seller Company involving the Business or any of the Purchased Assets.

(b) None of the Seller Companies or any officer, manager, employee, agent or any other Person acting on behalf of any Seller Company has, directly or indirectly, given or agreed to give any money, gift or similar benefit to any customer, supplier, employee or agent of a customer or supplier, or official or employee of any Governmental Authority or other Person who was, is, or may be in a position to help or hinder the Business (or assist in connection with any actual or proposed transaction).

3.16 Customers and Suppliers.

(a) Schedule 3.16(a) of the Seller Disclosure Schedules sets forth a true and complete list of (i) the names and addresses of all customers of each Seller Company during the twelve (12) months ended June 30, 2014 and (ii) the amount for which each such customer was invoiced during such period. None of the Seller Companies has received any notice, and none of the Seller Companies has reason to believe, that any of such customers (x) have ceased or substantially reduced, or will cease or substantially reduce, use of any of the Seller Companies' products or services, or (y) have sought, or are seeking, to reduce the price such customer will pay for such products or services. None of such customers has sought, or is seeking, a rebate or reduction in billed or unbilled charges.

(b) Schedule 3.16(b) of the Seller Disclosure Schedules sets forth a true and complete list of (i) all suppliers of each Seller Company, from which such Seller Company ordered products or services or otherwise engaged with aggregate consideration for each such supplier of \$5,000.00 or more during the twelve (12) months ended June 30, 2014, in each case identifying the relationship with such supplier and indicating the type of Contract, whether oral or written, with such supplier and (ii) the amount for which each such supplier invoiced such Seller Company during such period. None of the Seller Companies has received any notice, and none of the Seller Companies has reason to believe, that there has been any adverse change in the price of such supplies or services provided by any such supplier, or that any such supplier will not sell supplies or services to such Seller Company at any time after the Closing Date on terms and conditions substantially the same as those used in its current sales to such Seller Company, subject to general and customary price increases.

3.17 Brokers and Finders. None of the Seller Companies or any of their Affiliates has incurred any liability for any brokerage fees, commissions or finder's fees to any broker or finder employed or engaged thereby in connection with the Transactions for which any Seller Company, the Buyer or any of their respective Affiliates would be liable.

3.18 Employee Plans. Schedule 3.18 of the Seller Disclosure Schedule lists all written and material unwritten Employee Plans. Each Employee Plan is in compliance in all respects with its terms and the applicable provisions of ERISA, the Code and all other Laws applicable to such Employee Plan. Each Seller Company has performed, in all respects, all obligations required to have been performed under or with respect to the Employee Plans. No Employee Plan is, nor do any Seller Company or any ERISA Affiliate had, have or may have any liability or obligation (contingent or otherwise) under, now or at any time: (i) a plan subject to Section 412 of the Code and/or Title IV of ERISA; (ii) a “multiemployer plan” (within the meaning of Section 3(37) of ERISA), or (iii) a multiple employer plan subject to Section 413(c) of the Code. All group health plans of each Seller Company and any ERISA Affiliate have been operated in compliance with the group health plan continuation coverage requirements of Section 4980B of the Code and any similar state laws (collectively, “COBRA”) to the extent such requirements are applicable. None of the Seller Companies has any liability for benefits, including, without limitation, death or medical benefits, to employees following retirement or other termination of service under any of the Employee Plans or otherwise, other than pursuant to COBRA. The Employee Plans which are “employee pension benefit plans” within the meaning of Section 3(2) of ERISA, and which are intended to meet the qualification requirements of Section 401(a) of the Code, meet the requirements for such qualification, and the related trusts are exempt from taxation under Section 501(a) of the Code. None of the Seller Companies or any ERISA Affiliate or any fiduciary, trustee or administrator of any Employee Plan, has engaged in or, in connection with the Transactions, will engage in, any transaction with respect to any Employee Plan which would subject any such Employee Plan, any Seller Company, any ERISA Affiliate or the Buyer to a tax, penalty or liability for a “prohibited transaction” under Section 406 of ERISA or Section 4975 of the Code. Each Employee Plan that constitutes a “non-qualified deferred compensation plan” within the meaning of Section 409A of the Code complies in both form and operation with the requirements of Section 409A of the Code. The Seller Companies and each of their Affiliates have, for purposes of each Employee Plan and for all other purposes, correctly classified all individuals performing services for any Seller Company as common law employees, leased employees, independent contractors or agents, as applicable.

3.19 Representations Complete. None of the representations or warranties made by the Seller Companies or the Stockholder herein or in any exhibit or schedule hereto, including the Seller Disclosure Schedules, or in any certificate furnished by any Seller Company pursuant to this Agreement or any Ancillary Agreement, when all such documents are read together in their entirety, contains or will contain at the Closing any untrue statement of a material fact, or omits or will omit at the Closing to state any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which made, not misleading.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF THE STOCKHOLDER

The Stockholder hereby represents and warrants, with respect to herself, to the Buyer as follows:

4.1 Authority. This Agreement has been, and upon their execution each of the Ancillary Agreements to which the Stockholder or any Affiliate of the Stockholder will be a party will be, duly executed and delivered by the Stockholder or such Affiliate, as the case may be. This Agreement constitutes, and upon their execution each of the Ancillary Agreements to which the Stockholder or any Affiliate of the Stockholder will be a party will constitute, the legal, valid and binding obligations of the Stockholder or such Affiliate, enforceable against the Stockholder or such Affiliate in accordance with their respective terms, subject only to the effect, if any, of (a) applicable bankruptcy and other similar laws affecting the rights of creditors generally and (b) rules of law governing specific performance, injunctive relief and other equitable remedies.

4.2 Authority to Bind the Seller Companies. The Stockholder authorizes the officers of each Seller Company (and each of them acting alone) to take or cause to be taken all actions and to execute and deliver this Agreement, each of the Ancillary Agreements to which such Seller Company is a party, and all such instruments, notices or filings which the officers of such Seller Company (or any one or more of them), approves as necessary or desirable in connection with the foregoing, the taking of action or the execution and delivery of any such instrument to be conclusive evidence of such approval on behalf of such Seller Company.

4.3 No Conflict; Required Filings and Consents.

(a) The execution, delivery and performance by the Stockholder of this Agreement and each of the Ancillary Agreements to which the Stockholder will be a party, and the consummation of the Transactions, do not and will not: (i) conflict with or violate any Law applicable to the Stockholder; or (ii) result in any breach of, constitute a default (or an event that, with notice or lapse of time or both, would become a default) under or require any consent of any Person pursuant to, any Contract to which the Stockholder is a party.

(b) The Stockholder is not required to file, seek or obtain any Order or Permit of or with any Governmental Authority in connection with the execution, delivery and performance by the Stockholder of this Agreement and each of the Ancillary Agreements to which the Stockholder will be party or the consummation of the Transactions.

4.4 Litigation. The Stockholder is not a party to or subject to the provisions of any Order of any Governmental Authority. There is no Action pending or, to the Knowledge of the Stockholder, threatened against the Stockholder seeking to prevent, hinder, modify, delay or challenge any of the Transactions to which the Stockholder will be party.

4.5 Brokers and Finders. The Stockholder has not incurred any liability for any brokerage fees, commissions or finder's fees to any broker or finder employed or engaged by the Stockholder in connection with the Transactions for which any Seller Company, the Buyer or any of their respective Affiliates would be liable.

**ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE BUYER**

The Buyer hereby represents and warrants to the Seller Companies as follows:

5.1 Organization. The Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of California and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted.

5.2 Authority. The Buyer has full corporate power and authority to execute and deliver this Agreement and each of the Ancillary Agreements to which it will be a party, to perform its obligations hereunder and thereunder, and to consummate the Transactions. The execution, delivery and performance by the Buyer of this Agreement and each of the Ancillary Agreements to which it will be a party and the consummation by the Buyer of the Transactions have been duly and validly authorized by all necessary corporate action. This Agreement has been, and upon their execution each of the Ancillary Agreements to which the Buyer will be a party will be, duly and validly executed and delivered by the Buyer. This Agreement constitutes, and upon their execution each of the Ancillary Agreements to which the Buyer will be a party will constitute, the legal, valid and binding obligations of the Buyer, enforceable against the Buyer in accordance with their respective terms, subject only to the effect, if any, of (a) applicable bankruptcy and other similar laws affecting the rights of creditors generally and (b) rules of law governing specific performance, injunctive relief and other equitable remedies.

5.3 No Conflict; Required Filings and Consents.

(a) The execution, delivery and performance by the Buyer of this Agreement and each of the Ancillary Agreements to which the Buyer will be a party, and the consummation of the Transactions, do not and will not: (i) conflict with or violate the articles of incorporation or bylaws of the Buyer; (ii) conflict with or violate any Law applicable to the Buyer; or (iii) result in any breach of, constitute a default (or an event that, with notice or lapse of time or both, would become a default) under, or require any consent of any Person pursuant to, any Contract to which the Buyer is a party.

(b) The Buyer is not required to file, seek or obtain any Order or Permit of or with any Governmental Authority in connection with the execution, delivery and performance by the Buyer of this Agreement and each of the Ancillary Agreements to which it will be party or the consummation of the Transactions.

5.4 Sufficiency of Funds. Buyer has sufficient cash on hand or other sources of immediately available funds to enable it to make payment of the Purchase Price and consummate the transactions contemplated by this Agreement.

5.5 Legal Proceedings. There are no Actions pending or, to Buyer's knowledge, threatened against or by Buyer or any Affiliate of Buyer that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement or any of the Ancillary Agreements.

5.6 Brokers and Finders. Buyer has not engaged any broker, finder, sales agent or similar party in connection with this transaction.

ARTICLE VI COVENANTS

6.1 Transition Period. For a period of five (5) years following the Closing Date (the "Transition Period"), so long as the Stockholder is employed by the Company, the Business (including the Purchased Assets and the Assumed Liabilities) will be operated as a division (the "Division") of the Buyer, separate from Buyer's other operations, consistent with past practices, unless the Stockholder and the Company shall agree otherwise. The Division will begin operating out of Buyer's headquarters located at 21050 Califa Street, Woodland Hills, California within forty-five (45) days following the Closing Date. The Parties will work in good faith to integrate the Division into the operations of Buyer no later than January 1, 2015, and at minimum will have completed a plan to accomplish such integration no later than January 1, 2015.

6.2 Covenants Regarding Information. For a period of seven (7) years following the Closing, each of the Seller Companies and the Stockholder shall: (a) retain all books and records of the Seller Companies which relate to the Business, the Purchased Assets or the Assumed Liabilities for periods prior to the Closing; and (b) upon reasonable notice, afford the Buyer and its officers, managers, principals, employees, advisors, auditors, agents, bankers and other representatives (collectively, "Representatives") full access (including for inspection and copying, at the Buyer's expense), during normal business hours, to such books and records.

6.3 Non-Competition; Non-Solicitation. Each Seller Company and the Stockholder agrees that during the five (5) years following the Closing (the "Restricted Period"), none of such Seller Companies or the Stockholder (except in her capacity as an employee of the Buyer):

(a) shall, directly or indirectly, whether as owner, partner, investor, consultant, agent, employee, director, advisor, co-venturer or otherwise, compete or engage in any business anywhere in the world that offers products or services of the kind offered by the Business as it exists on the Closing Date, or undertake any planning for any business or other enterprise that is competitive with the Business, in any geographic region in which the Business is currently conducted. Immediately upon the Closing, each Seller Company and the Stockholder (except in her capacity as an employee of the Buyer) will cease using the names "DirectEd," "DirectEd Solutions," and "DirectEd Specialized Services," except for the purpose of collecting Receivables in accordance with Section 6.5(b).

(b) will or will assist any other Person to, (i) hire or solicit for hiring any employee of a Seller Company, the Buyer, or any of their respective Affiliates who work or are engaged in connection with the Business, or seek to persuade any such employee to discontinue employment, or (ii) solicit or encourage any independent contractor providing services in connection with the Business to terminate or diminish its relationship with the Business.

(c) shall, directly or indirectly, solicit or encourage any customer or supplier of the Business to terminate or reduce in any material manner its relationship with the Business or to conduct with anyone else any business or activity which such customer or supplier conducts in connection with the Business.

Each of the Seller Companies and the Stockholder acknowledges that, were it or she to breach any of the covenants contained in this Section 6.3, the damage to the Buyer would be irreparable. Each of the Seller Companies and the Stockholder therefore agrees that the Buyer shall be entitled to enforce this Agreement and, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by such Seller Company or such Stockholder of any of said covenants, without having to post bond, together with reasonable attorney's fees incurred in enforcing its rights hereunder. Each of the Seller Companies and the Stockholder further agrees that in the event that any provision of this Section 6.3 is determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by Law.

6.4 Confidentiality. From and after the Closing Date, each of the Seller Companies and the Stockholder shall hold, and shall cause its or their respective Representatives to hold, in confidence any and all Confidential Information, and not to disclose any such information to any party, or to use any such information except in connection with the operation of the Business following the Closing.

6.5 Collection of Receivables; Payment of Liabilities.

(a) Each Seller Company shall, and the Stockholder shall cause each Seller Company to, use its best efforts to maintain positive relations with its customers and clients following the Closing, including, but not limited to, those customers and clients with outstanding Receivables at the time of Closing.

(b) Each Seller Company shall, and the Stockholder shall cause each Seller Company to, collect Receivables in the ordinary course of business, in a commercially reasonable manner following the Closing. None of the Seller Companies or the Stockholder shall submit any Receivables to a collection agency without Buyer's consent, which shall not unreasonably be withheld.

(c) Each Seller Company shall, and the Stockholder shall cause each Seller Company to, pay or otherwise satisfy in the ordinary course of business all of the Excluded Liabilities to which such Seller Company is subject.

(d) During any Calculation Period, Buyer shall use its commercially reasonable efforts to collect in the ordinary course of business all accounts receivable incurred during such Calculation Period.

6.6 Bulk Transfer Laws. The Buyer hereby waives compliance by the Seller Companies with any applicable bulk sale or bulk transfer Laws of any jurisdiction in connection with the sale of the Purchased Assets to the Buyer (other than any obligations with respect to the application of the proceeds therefrom). The Seller Companies and the Stockholder shall jointly and severally indemnify the Buyer against any and all liabilities that may be asserted by third parties against the Buyer as a result of any Seller Company's noncompliance with any such Law.

6.7 Public Announcements. None of the Seller Companies, the Stockholder or their respective Affiliates shall issue or make any press release or other public statement with respect to the Transactions.

6.8 Tax Allocation. Each Seller Company shall timely report and pay all property and ad valorem Taxes with respect to the Purchased Assets to the extent such Taxes are due and payable on or before the Closing Date. All property and ad valorem Taxes and similar ad valorem obligations levied with respect to the Purchased Assets due and payable in the calendar year in which the Closing occurs shall be apportioned between such Seller Company, on the one hand, and the Buyer, on the other hand, as of the Closing Date based on the number of days of such calendar period included in the period through and including the Closing Date ("Pre-Closing Tax Period") and the number of days of such calendar year included in the period commencing on the day after the Closing Date (the "Post-Closing Tax Period"). Such Seller Company shall be liable for the proportionate amount of such Taxes that is attributable to the Pre-Closing Tax Period, and the Buyer shall be liable for the proportionate amount of such Taxes that is attributable to the Post-Closing Tax Period. Any deduction generated by payments to Seller Company employees in connection with the Closing will be allocated to the Pre-Closing period.

6.9 Name Change. The Stockholder will promptly, but in any event no longer than ten (10) days following the Closing Date, cause the Seller Companies to change their corporate names with the Secretary of State of California and any state in which it does business and the Internal Revenue Service to remove any usage of "DirectEd," "DirectEd Solutions," or "DirectEd Specialized Services," or any or any similar company name or variation thereof.

6.10 Employees. The Seller Companies will terminate all employees associated with the Business (the "Business Employees") as of August 30, 2014. Buyer will hire all of the Business Employees on August 31, 2014. The Business Employees hired by Buyer shall be eligible to participate in the employee benefit plans and programs that Buyer's parent company offers to similarly situated employees as of the Closing Date (collectively, the "Buyer Plans"), subject to the eligibility and participation requirements set forth in such Buyer Plan. In addition, all Business Employees hired by Buyer will be given credit for prior service with the Seller Companies for purposes of eligibility and vesting (but not benefit accrual) under the Buyer Plans. Seller Companies will be responsible for the payment of all wages and other remuneration due to the Business Employees with respect to their services as employees of the Seller Companies through the close of business on the Closing Date, including all accrued vacation pay, sick pay, and other paid time off earned prior to the Closing Date. Schedule III sets forth, with respect to each Business Employee, such employee's (i) base salary and (ii) annual bonus targets as of the Closing Date.

ARTICLE VII INDEMNIFICATION

7.1 Survival of Representations and Warranties. The representations and warranties of the Seller Companies, the Stockholder, and the Buyer contained in this Agreement and the Ancillary Agreements and any schedule, certificate or other document delivered pursuant hereto or thereto in connection with the Transactions shall be continuing and survive the Closing until thirty-six (36) months following the Closing Date; *provided, however*, that: (a) all of the representations and warranties set forth in Sections 3.1 (Organization and Qualification), 3.2 (Authority), 3.4 (Capitalization), 3.5 (Title to Assets; Sufficiency of Assets), 3.17 (Brokers and Finders), 4.1 (Authority), 4.2 (Authority to Bind the Seller Companies), and 4.5 (Brokers and Finders), and any representation in the case of fraud, intentional misrepresentation or intentional breach, shall survive indefinitely; and (b) all of the representations and warranties set forth in 3.13 (Taxes) and 3.18 (Employee Plans) shall survive until the close of business on the sixtieth (60th) day following the expiration of the applicable statute of limitations (giving effect to any waiver, mitigation or extension thereof). The representations and warranties referenced in clauses (a) and (b) of this Section 7.1 shall collectively be referred to herein as the “Core Representations.” If any claim is made hereunder with respect to any representations and warranties prior to the expiration of the survival period for such representation and warranty, such representation and warranty shall survive as to such claim until such claim has been finally resolved. No claim may be asserted against an Party for breach of any representation, warranty or covenant contained herein, unless written notice of such claim is received by such party, describing in reasonable detail the facts and circumstances with respect to the subject matter of such claim on or prior to the date on which the applicable survival period set forth in this this Section 7.1 has expired, in which case such representation, warranty or covenant shall survive as to such claim until such claim has been finally resolved.

7.2 Indemnification by the Seller Companies and the Stockholder. The Seller Companies and the Stockholder, jointly and severally, shall save, defend, indemnify and hold harmless the Buyer and its Affiliates and the respective Representatives, successors and assigns of each of the foregoing (the “Buyer Indemnified Parties”) from and against any and all losses, damages, liabilities, deficiencies, claims, interest, awards, judgments, penalties, costs and expenses (including attorneys’ fees, costs and other out-of-pocket expenses incurred in investigating, prosecuting, preparing or defending the foregoing) (collectively, “Losses”), asserted against, incurred, sustained or suffered by any of the foregoing as a result of, arising out of or relating to:

(a) any inaccuracy in or breach of any representation or warranty made by the Seller Companies or the Stockholder contained in this Agreement or any Ancillary Agreement or any other document delivered pursuant hereto or thereto or in connection with any of the Transactions;

(b) any breach or non-fulfillment of any covenant or agreement by any Seller Company or the Stockholder contained in this Agreement or any Ancillary Agreement or any schedule, certificate, or other document delivered pursuant hereto or thereto or in connection with any of the Transactions;

(c) any Excluded Asset or Excluded Liability; and

(d) the operation of the Business prior to the Closing.

7.3 Indemnification by the Buyer. The Buyer shall save, defend, indemnify and hold harmless the Seller Companies and their Affiliates and the respective Representatives, successors and assigns of each of the foregoing (the “Seller Indemnified Parties”) from and against any and all Losses asserted against, incurred, sustained or suffered by any of the foregoing as a result of, arising out of or relating to:

(a) any inaccuracy in or breach of any representation or warranty made by the Buyer contained in this Agreement or any Ancillary Agreement or any other document delivered pursuant hereto or thereto or in connection with any of the Transactions;

(b) any breach or non-fulfillment of any covenant or agreement by the Buyer contained in this Agreement or any Ancillary Agreement or any schedule, certificate or other document delivered pursuant hereto or thereto or in connection with any of the Transactions; and

(c) after the Closing, any Assumed Liability.

7.4 Certain Limitations.

(a) The amount of any Losses for which indemnification is provided under this Article VII shall be net of any amounts actually recovered by an Indemnified Party under insurance policies with respect to such Losses. Nothing herein shall require any party to carry any specific type of amount of insurance.

(b) Each Party shall take all commercially reasonable steps to mitigate Losses upon becoming aware of any event that would reasonably be expected to, or does, give rise thereto.

7.5 Procedures. Whenever any claim shall arise for indemnification hereunder, the party entitled to indemnification (the "Indemnified Party") shall promptly provide written notice of such claim to the other party (the "Indemnifying Party"). In connection with any claim giving rise to indemnity hereunder resulting from or arising out of any Action by a person or entity who is not a party to this Agreement, the Indemnified Party may defend against such Action in such manner as it may deem appropriate, including, but not limited to, settling such Action, on such terms as the Indemnified Party may deem appropriate, and no action taken by the Indemnified Party in accordance with such defense and settlement shall relieve the Indemnifying Party of its indemnification obligations herein provided with respect to any damages resulting therefrom. In the event of any breach or inaccuracy of any representation or warranty which includes any qualification as to "materiality" or "Material Adverse Effect," for purposes of determining the amount of any Losses with respect to such breach or inaccuracy, no effect will be given to such qualification as to "materiality" or a "Material Adverse Effect" contained therein.

7.6 Right of Set-off. Buyer shall have the right to withhold and set off against any amount otherwise due to be paid pursuant to the Closing Promissory Note, the 2019 Earn-Out Promissory Note, or Section 2.8 hereof the amount of any Losses to which any Buyer Indemnified Party may be entitled under this Article VII.

7.7 Remedies. Subject to Section 6.3, the Parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims (other than claims arising from fraud, criminal activity or willful misconduct on the part of a party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation or warranty set forth herein shall be pursuant to the indemnification provisions set forth in this Article VII. Nothing in this Section 7.7 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled or to seek any remedy on account of any party's fraudulent, criminal or intentional misconduct, or with respect to a breach of any covenant or other agreement set forth in this Agreement.

**ARTICLE VIII
GENERAL PROVISIONS**

8.1 Fees; Expenses and Transfer Taxes.

(a) All fees and expenses incurred in connection with or related to this Agreement, the Ancillary Agreements and the Transactions shall be paid by the Party incurring such fees or expenses; *provided*, that no such fees and expenses payable by any Seller Company shall be paid from any assets otherwise transferable to the Buyer pursuant hereto.

(b) The Seller Companies shall be liable for and shall pay all Transfer Taxes resulting from the Transactions. “Transfer Tax” means any Tax imposed on the transferor or transferee of property by any taxing jurisdiction by reason of the transfer, or any Tax that becomes a lien on the property transferred by reason of the transfer, including, without limitation, any stamp duty, sales, use or excise Tax, real estate transfer taxes or Taxes of a similar nature, including any interest, penalties or additions to Tax that become payable with respect to such Tax.

8.2 Amendment and Modification. This Agreement may not be amended, modified or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing specifically designated as an amendment hereto, signed on behalf of each Party.

8.3 Waiver. No failure or delay of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Parties hereunder are cumulative and are not exclusive of any rights or remedies which they would otherwise have hereunder. Any agreement on the part of any Party to any such waiver shall be valid only if set forth in a written instrument executed and delivered by a duly authorized officer on behalf of such Party.

8.4 Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, or if by facsimile, upon written confirmation of receipt by facsimile, (b) on the first (1st) Business Day following the date of dispatch if delivered utilizing a next-day service by a recognized next-day courier, or (c) on the earlier of confirmed receipt or the fifth (5th) Business Day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered to the addresses set forth below, or pursuant to such other instructions as may be designated in writing by the Party to receive such notice:

(i) if to the Buyer, to: Mediscan, Inc.
21050 Califa Street
Woodland Hills, CA 91367
Attn: Dennis Ducham
Facsimile: (818) 264-1934
Email: dennisd@mediscan.net

with a copy
(which shall not constitute notice) to: Greenberg Traurig, LLP
1840 Century Park East
Suite 1900
Los Angeles, CA 90067
Attention: Mark J. Kelson
Facsimile: (310) 586-0556
E-mail: kelsonm@gtlaw.com

(ii) if to a Seller Company, to: [Address]

with a copy
(which shall not constitute notice) to: [_____]

(iii) if to the Stockholder, to: Mihal Spiegel
[6303 Owensmouth Ave., 10th Fl.
Woodland Hills, CA 91367]
[email]

with a copy
(which shall not constitute notice) to: [_____]

8.5 Interpretation. When a reference is made in this Agreement to a Section, Article or Exhibit such reference shall be to a Section, Article or Exhibit of this Agreement unless otherwise indicated. The headings contained in this Agreement or in any Exhibit are for convenience of reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All Exhibits annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth herein.

8.6 Entire Agreement. This Agreement (including the Exhibits and Schedules hereto) and the Ancillary Agreements constitute the entire agreement, and supersede all prior written and oral agreements with respect to the subject matter hereof and thereof.

8.7 No Third-Party Beneficiaries. Except as provided in Article VII, nothing in this Agreement, express or implied, is intended to or shall confer upon any Person other than the Parties and their respective successors and permitted assigns any legal or equitable right, benefit or remedy of any nature under or by reason of this Agreement.

8.8 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the internal, substantive laws of the State of California, without giving effect to the conflict of laws principles that would apply the Law of any other state.

8.9 Dispute Resolution. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Los Angeles, California before an arbitrator. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules. Judgment on any arbitration award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.

8.10 Assignment; Successors. Neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned or delegated, in whole or in part, by operation of Law or otherwise, by any Party without the prior written consent of the other Parties, and any such assignment without such prior written consent shall be null and void; *provided, however*, that the Buyer may assign this Agreement to any Affiliate of the Buyer without the prior consent of the Seller Companies and the Stockholder; *provided, further*, that no assignment shall limit the assignor's obligations hereunder. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.

8.11 Severability. Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable Law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision in such jurisdiction, and this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

8.12 Waiver of Jury Trial. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS.

8.13 Counterparts. This Agreement may be executed in two (2) or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties.

8.14 Facsimile Signature. This Agreement may be executed by facsimile or PDF signature, and a facsimile or PDF signature shall constitute an original for all purposes.

8.15 No Presumption Against Drafting Party. Each of the Buyer, on one hand, and the Seller Companies and the Stockholder, on the other hand, acknowledges that each such Party has been represented by their own separate respective counsel in connection with this Agreement and the Transactions. Accordingly, any rule of Law or any legal decision that would require interpretation of any claimed ambiguity in this Agreement against the drafting Party has no application and is expressly waived by each Party.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, each of the Buyer, the Seller Companies, and the Stockholder have caused this Agreement to be executed as of the date first written above either in their individual capacity or by their respective officers thereunto duly authorized, as applicable.

BUYER:

MEDISCAN, INC.,
a California corporation

By: /s/ Emily Serebryany

Emily Serebryany
President

SELLER COMPANIES:

DIRECTED SOLUTIONS INC.,
a California corporation

By: /s/ Mihal Spiegel

Mihal Spiegel
Authorized Representative

DIRECTED SPECIALIZED SERVICES INC.,
a California corporation

By: /s/ Mihal Spiegel

Mihal Spiegel
Authorized Representative

STOCKHOLDER:

/s/ Mihal Spiegel

MIHAL SPIEGEL

CROSS COUNTRY HEALTHCARE, INC.

October 30, 2015

Mr. Dennis Ducham

Dear Mr. Ducham:

Cross Country Healthcare, Inc., a Delaware corporation (the "Company"), hereby agrees to employ you, and you hereby agree to accept such employment, under the following terms and conditions:

1. **Term of Employment**

(a) Except for earlier termination as provided in Section 9 below, your employment under this Agreement will be for an initial term commencing on the Effective Date (as hereinafter defined) and terminating on December 31, 2017 (the "Initial Term").

(b) The period of time between the Effective Date and the termination of your employment hereunder will be referred to herein as the "Employment Term."

(c) For purposes of this Agreement, "Effective Date" shall mean the date of the closing of the transactions contemplated by the Purchase Agreement dated of even date herewith among the Company, you and certain other parties (the "Purchase Agreement"). If the closing of the transactions contemplated by the Purchase Agreement does not occur, this Agreement shall be null and void and of no force or effect.

2. **Compensation**

(a) You will be compensated for all services rendered by you under this Agreement at the rate of \$250,000 per annum, payable in such manner as is consistent with the Company's payroll practices for executive employees. Prior to each anniversary of the Effective Date, the Company's Board of Directors (the "Board"), or Compensation Committee of the Board (the "Compensation Committee"), will review and consider in its sole discretion whether to increase the base salary payable to you hereunder. Your annual rate of base salary as determined herein from time to time, is hereinafter referred to as the "Base Salary". Your Base Salary may not be reduced during the Initial Term.

(b) Beginning with calendar year 2016, for each calendar year during the Employment Term, you will be eligible to receive an annual bonus in an amount of up to 50% of your Base Salary for the applicable year based on financial and individual targets to be established for each year by the Company's Chief Executive Officer. The level of the performance goals achieved and the amount of the bonus will be determined by the Compensation Committee in its sole discretion. Any bonuses will be paid by the Company no later than March 15 of the year immediately following the applicable bonus period. You must be employed by the Company or its affiliates on December 31 of the applicable bonus year to earn any part of that year's bonus. You will also be eligible to participate in the Company's Long Term Incentive Plan. Your actual participation level will be determined annually by the Compensation Committee.

3. **Duties.**

(a) You will serve as the President of the Company's Mediscan operations (which are comprised of the Mediscan education and healthcare operations), subject to the direction and control of, and reporting to, the Company's Chief Executive Officer. Your principal office will be located at the Company's Mediscan facilities in the Los Angeles, California area.

(b) You will devote your full business time, energies and attention to the business and affairs of the Company and its subsidiaries, if any. Notwithstanding the foregoing, subject in each case to the prior approval of the Company's Chief Executive Officer, you may serve on the board of directors of other companies, engage in charitable endeavors and handle personal business.

(c) You will, except as otherwise provided herein, be subject to the Company's rules, practices and policies applicable to the Company's senior executive employees.

4. **Benefits.** You will be entitled to such benefits, if any, as are generally provided by the Company to its employees, subject to satisfying the applicable eligibility requirements. The foregoing, however, will not be construed to require the Company to establish any such plans or to prevent the Company from modifying or terminating any such plans, and no such action or failure thereof will affect this Agreement.

5. **Expenses.** The Company will reimburse you for reasonable expenses, including travel expenses, incurred by you in connection with the business of the Company upon the presentation by you of appropriate substantiation for such expenses in accordance with the Company's expense reimbursement policy.

6. **Restrictive Covenants.**

(a) During the Employment Term you agree: (i) to devote your best efforts and attention to the Company's business; and (ii) that you will not, directly or indirectly (A) operate, engage in, assist, be employed by, or have any interest in any business activity of or for the benefit of any person or entity in the Business (as such term is defined in the Purchase Agreement) other than the Company or (B) have any ownership interest in any business activity that engages in or is planning to engage in the Business, that does business with the Company, or whose ownership would otherwise create a conflict of interest, except as otherwise approved in writing by the Company, which approval the Company may in its absolute discretion withhold.

(b) You agree that, during the Employment Term, and for a period of twelve (12) months following the termination of your employment, you will not, directly or indirectly:

(i) (x) solicit, seek to employ, or seek to retain the services of any person who is at that time providing services to the Company as an employee or independent contractor, or (y) persuade, induce or attempt to persuade or induce any such person to leave his/her employment or to refrain from providing services to the Company; or

(ii) use the Company's trade secret information including, without limitation, the identity of the Company's candidates or prospective candidates, to (x) solicit or seek to place any temporary employee or independent contractor candidate for or on behalf of any entity engaged in or seeking to be engaged in the Business, or (y) persuade, induce or attempt to persuade or induce any such person to leave his/her temporary employment or to refrain from providing services to the Company or its customers; or

(iii) use the Company's trade secret information including, without limitation, the identity of the Company's customers or prospective customers, the identities of their employees, contractors and consultants, special needs, job orders, preferences, transaction histories, contacts, characteristics, agreements and prices, to (x) solicit or seek to provide services to any customer for or on behalf of any entity engaged in or seeking to be engaged in the Business, or (y) persuade, induce or attempt to persuade or induce any such entity to alter or reduce its use of services from the Company.

(c) You agree that, for a period of twelve (12) months after the termination of your employment, you will promptly inform the Company in writing of any employment or other business affiliations that you have with any business or business entity offering or planning to offer a service or product in competition with the Company. Such information will include, but not be limited to: (i) the name and address of the business or business entity with which you have such a relationship; and (ii) the general nature of your business-related activities. To the extent requested by the Company, you agree to provide such additional information as the Company reasonably believes to be necessary for it to ascertain whether you are complying with this Agreement. For purposes of this paragraph, a written letter or email to Company's General Counsel shall serve as proper notice.

(d) You agree that in the event you breach this Section 6 during the twelve (12) month period following the termination of your employment, this Agreement shall be extended automatically as follows: the duration of such extension shall equal the period of time between the date you began such violation and the date you permanently cease such violation. An alleged breach of any other provision of this Agreement asserted by you shall not be a defense to claims arising from the Company's enforcement of this Section 6.

(e) Nothing in Section 6 will prohibit you from owning up to 5% or \$100,000, whichever is less, of any class of equity or debt securities that are traded on a national securities exchange.

7. **Confidentiality, Non-Interference and Proprietary Information.**

(a) You acknowledge that the Company and its parents, subsidiaries, divisions and affiliates, as well as majority-owned companies of such parents, subsidiaries, divisions and affiliates, and their respective successors (hereinafter for purposes of this Section 7, collectively, the “Company”) possess certain Confidential Information which has been and will be revealed to or learned by Employee during your employment with the Company. You acknowledge that the term “Confidential Information” includes all information that has or could have commercial value or other utility in the Company’s business or the unauthorized disclosure of which could be detrimental to the Company’s interests, whether or not such information is specifically identified as Confidential Information by the Company.

(b) Confidential Information includes any and all information, whether or not meeting the legal definition of a trade secret, containing and/or concerning: (a) the Company’s business plans, strategic plans, forecasts, budgets, sales, projections and costs; (b) the Company’s personnel and payroll records and employee lists; (c) candidates, consultants, contractors, including lists, resumes, preferences, transaction histories and rates; (d) the Company’s customers and prospective customers, including their identity, the identities of their employees, contractors and consultants, special needs, job orders, preferences, transaction histories, contacts, characteristics, agreements and prices; (e) marketing activities, plans, promotions, operations and research and development; (f) business operations, internal organizational structure and financial affairs; (g) pricing structure; (h) proposed services and products; (i) contracts with customers; (j) Company customer history. Confidential Information does not include information that can be shown by documented evidence to have become widely known to the public. Notwithstanding anything to the contrary in this Agreement, however, Confidential Information includes any and all information that the Company is obligated to maintain as confidential or that the Company may receive or has received from others with any understanding, express or implied, that it will not be disclosed.

(c) During the term of your employment with the Company and thereafter, you will not, directly or indirectly, use or disclose to anyone, or authorize disclosure or use of, any of the Confidential Information revealed to or learned by you, unless such use or disclosure is both consistent with the Company’s obligations and for the sole purpose of carrying out your duties to the Company. You understand and agree that this restriction will continue to apply after your employment with the Company terminates, regardless of the reason for such termination. You agree to comply with all policies and procedures of the Company for protecting Confidential Information.

(d) You acknowledge that protecting and safeguarding Confidential Information is essential to the Company’s business. You agree that you will not make any copies of Confidential Information, or other Company property except as expressly authorized by the Company. You agree that upon termination of employment, you will immediately return to the Company any and all Company property and documents and other media containing Confidential Information (and all copies thereof) in your possession, custody or control. The Company’s property includes but is not limited to any and all documents, instruments, records and databases, recorded or stored on any medium whatsoever, relating or pertaining, directly or indirectly, to the business of the Company, including without limitation any and all documents (and copies) containing or relating to the Company’s Confidential Information. You acknowledge that this material is solely the property of the Company.

8. **Assignment of Certain Rights.** In consideration of employment and other benefits of value, you, on your behalf and on behalf of your heirs and representatives, agree to assign and transfer and hereby assign and transfer to Company, its Affiliates, successors and assigns, as applicable, all of your rights, titles and interests in and to any and all inventions, discoveries, developments, improvements, techniques, designs, data, processes, procedures, systems and all other work products, whether tangible or intangible, that you, either solely or jointly with others, have conceived, made, acquired, suggested, reduced to practice, or otherwise created during employment with Company, and which relate in any manner to any of the business, services or products, techniques, processes or procedures, products, designs, data or systems of Company and/or any of its Affiliates. You further agree that, upon the termination of your employment for any reason, to immediately return any of the foregoing and any information or copies of information relating to any of the foregoing to Company. You acknowledge that this Agreement does not require you to assign or offer to assign to Company any invention that you developed entirely on your own time without using Company's equipment, supplies, facilities or trade secret information except for those inventions that: (i) relate directly to the business of Company; (ii) relate to Company's actual or demonstrably anticipated research or development; or (iii) result from any work performed by you for Company.

9. **Earlier Termination.** Your employment hereunder will terminate prior to the expiration of the Initial Term (or any renewal term, in the event of renewal) on the following terms and conditions:

(a) This Agreement will terminate automatically on the date of your death.

(b) The Company may terminate your employment upon notice if you are unable to perform your duties hereunder for 120 days (whether or not continuous) during any period of 180 consecutive days by reason of physical or mental disability. The disability will be deemed to have occurred on the 120th day of your absence or lack of adequate performance.

(c) This Agreement will terminate immediately upon the Company's sending you written notice terminating your employment hereunder for Cause. "Cause" means (i) an act or acts of fraud or dishonesty by you which results in the personal enrichment of you or another person or entity at the expense of the Company; (ii) your admission, confession, pleading of guilty or nolo contendere to, or conviction of (x) any felony (other than third degree vehicular infractions), or (y) of any other crime or offense involving misuse or misappropriation of money or other property; (iii) your continued material breach of any obligations under this Agreement 30 days after the Company has given you notice thereof in reasonable detail, if such breach has not been cured by you during such period; or (iv) your gross negligence or willful misconduct with respect to your duties or gross misfeasance of office.

(d) This Agreement will terminate immediately upon (x) the Company's sending you written notice terminating your employment hereunder without Cause, for any reason or for no reason, or (y) your delivery to the Company of a written notice of your resignation for Good Reason. "Good Reason" means, if without your written consent, any of the following events occurs that are not cured by the Company within 30 days of written notice specifying the occurrence such Good Reason event, which notice will be given by you to the Company within 90 days after the occurrence of the Good Reason event: (i) a material diminution in your then authority, duties or responsibilities; (ii) a material diminution in your Base Salary; (iii) a relocation of your principal business location to a location more than 50 miles outside of Los Angeles, California; or (iv) any material breach of this Agreement by the Company. Your resignation hereunder for Good Reason will not occur later than 180 days following the initial date on which the event you claim constitutes Good Reason occurred. Upon a termination of your employment by the Company without Cause (other than due to a non-renewal of the Agreement by the Company), or your resignation for Good Reason, the Company's sole obligation to you will be to pay or provide to you the Accrued Amounts (as defined below) and, subject to Section 9(f), to pay you continued payments of the Base Salary in accordance with the Company's regular payroll practices for a period of 12 months following the date of termination (the "Severance Payments"); provided, that the first payment of the Severance Payment due pursuant to this sentence will be made on the 90th day after the date of termination, and will include payments that were otherwise due prior thereto. Notwithstanding the foregoing, if you are or become eligible for severance benefits under the Company's Executive Severance Plan (as in effect on the Effective Date, as thereafter amended, or any similar plan or arrangement adopted by the Company in replacement thereof, the "Severance Plan") you will cease to be eligible for the Severance Payments and the Company sole obligation will be to pay you the amounts and provide you with the benefits provided in the Severance Plan subject to the terms and conditions thereof.

(e) Except as specifically set forth in Section 9(d) above, upon termination of your employment for any reason, the Company's obligations hereunder will cease other than to provide you with (collectively, the "Accrued Amounts"):

(i) any unpaid Base Salary through the date of termination payable in accordance with the Company's regular payroll practices;

(ii) reimbursement for any unreimbursed business expenses incurred through the date of termination paid promptly in accordance with Sections 5 and 17(b)(iv);

(iii) payment for any accrued but unused vacation and sick time in accordance with Company policy, payable immediately following the termination of the your employment; and

(iv) all other applicable payments or benefits to which the you may be entitled under, and paid or provided in accordance with, the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant or this Agreement.

(f) The Severance Payments will only be payable to you if within 60 days following the date of termination you execute and deliver to the Company a fully effective and irrevocable release of claims against the Company and related parties, which the Company will provide to you within 7 days following the date of termination.

10. **Representation and Warranty.** You hereby represent and warrant that the execution, delivery and performance of this Agreement by you will not conflict with or result in a violation of any agreement to which you are a party or any law, regulation or court order applicable to you.

11. **Effectiveness; Entire Agreement; Modification.** This Agreement constitutes the full and complete understanding of the parties and will, on the Effective Date, supersede all prior agreements between the parties with respect to your employment arrangements. No representations, inducements, promises, agreements or understandings, oral or otherwise, have been made by either party to this Agreement, or anyone acting on behalf of either party, which are not set forth herein, or any others are specifically waived. This Agreement may not be modified or amended except by an instrument in writing signed by the party against which enforcement thereof may be sought.

12. **Severability.** Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction.

13. **Waiver of Breach.** The waiver of either party of a breach of any provision of this Agreement, which waiver must be in writing to be effective, will not operate as or be construed as a waiver of any subsequent breach.

14. **Notices.** All notices hereunder will be in writing and will be sent by express mail or by certified or registered mail, postage prepaid, return receipt requested, if to you, to your residence as listed in the Company's records, and if to the Company to:

Cross Country Healthcare, Inc.
6551 Park of Commerce Boulevard, N.W.
Boca Raton, FL 33487
Attention: General Counsel

15. **Assignability; Binding Effect.** This Agreement is personal to you and may not be assigned by you. This Agreement will be binding upon and inure to the benefit of you, your legal representatives, heirs and distributees, and will be binding upon and inure to the benefit of the Company, its successors and assigns.

16. **Governing Law.** All questions pertaining to the validity, construction, execution and performance of this Agreement will be construed and governed in accordance with the laws of the State of California, without regard to the conflicts or choice of law provisions thereof.

17. **Tax Matters.**

(a) **WITHHOLDING.** The Company may withhold from any and all amounts payable under this Agreement such federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

(b) **SECTIONS 409A.**

(i) Although the Company does not guarantee the tax treatment of any payments under this Agreement, the intent of the parties is that payments and benefits under this Agreement comply with, or be exempt from, Code Section 409A and, accordingly, to the maximum extent permitted, this Agreement will be interpreted in accordance with the foregoing. In no event whatsoever will the Company be liable for any additional tax, interest or penalties that may be imposed on the Employee by Code Section 409A or any damages for failing to comply with Code Section 409A.

(ii) Notwithstanding any provision in this Agreement or elsewhere to the contrary, if on your date of termination you are deemed to be a "specified employee" within the meaning of Code Section 409A and using the identification methodology selected by the Company from time to time, or if none, the default methodology under Code Section 409A, any payments or benefits due upon a termination of your employment under any arrangement that constitutes a "deferral of compensation" within the meaning of Code Section 409A (whether under this Agreement, any other plan, program, payroll practice or any equity grant) and which do not otherwise qualify under the exemptions under Treas. Regs. Section 1.409A-1 (including without limitation, the short-term deferral exemption and the permitted payments under Treas. Regs. Section 1.409A-1(b)(9)(iii)(A)), will be delayed and paid or provided to you in a lump sum (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay), on the earlier of (i) the date which is six months and one day after your separation from service (as such term is defined in Code Section 409A) for any reason other than death, and (ii) the date of your death, and any remaining payments and benefits will be paid or provided in accordance with the normal payment dates specified for such payment or benefit.

(iii) Notwithstanding anything in this Agreement or elsewhere to the contrary, a termination of employment will not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits that constitute "non-qualified deferred compensation" within the meaning of Code Section 409A upon or following a termination of your employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms will mean "separation from service" and the date of such separation from service will be the date of termination for purposes of any such payment or benefits.

(iv) Any taxable reimbursement of costs and expenses by the Company provided for under this Agreement will be made in accordance with the Company's applicable policy and this Agreement but in no event later than December 31 of the calendar year next following the calendar year in which the expenses to be reimbursed are incurred. With regard to any provision in this Agreement that provides for reimbursement of expenses or in-kind benefits, except as permitted by Code Section 409A, (x) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit, and (y) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year will not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided that the foregoing clause (y) will not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect.

(v) Whenever a payment under this Agreement may be paid within a specified period, the actual date of payment within the specified period will be within the sole discretion of the Company.

(vi) With regard to any installment payments provided for under this Agreement, each installment thereof will be deemed a separate payment for purposes of Code Section 409A.

18. **Headings.** The headings of this Agreement are intended solely for convenience of reference and will be given no effect in the construction or interpretation of this Agreement.

19. **Counterparts.** This Agreement may be executed in several counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

20. **Enforcement of Agreement.** You acknowledge and agree that the covenants contained in Sections 6 and 7 of this Agreement are necessary to protect the proprietary and related interests of the Company, and that the limitations contained in these covenants are reasonable with respect to duration and scope of activities, and do not impose a greater restraint than is necessary to protect the Confidential Information, goodwill, and other business interests of the Company. You acknowledge and agree that any breach of Section 6 or 7 of this Agreement will cause irreparable harm to the Company, for which a remedy in the form of damages will not be adequate or otherwise ascertainable. You therefore agree that the Company will be entitled to temporary, preliminary and permanent injunctive relief against you, without having to post bond. This section will not limit any other legal or equitable remedies that the Company may have against you for violations of these restrictions.

21. **Review of this Agreement.** You acknowledge that you have (a) carefully read this Agreement, (b) had an opportunity to consult with independent counsel with respect to this Agreement and (c) entered into this Agreement of your own free will.

If this letter correctly sets forth our understanding, please sign the duplicate original in the space provided below and return it to the Company, whereupon this will constitute the employment agreement between you and the Company effective and for the term as stated herein.

CROSS COUNTRY HEALTHCARE,
INC.

By: /s/ William J. Grubbs, President and
CEO

William J. Grubbs, President and CEO

Agreed as of the date

first above written:

/s/ Dennis Ducham

Dennis Ducham

CROSS COUNTRY HEALTHCARE, INC.

October 30, 2015

Mr. Val Serebryany

Dear Mr. Serebryany:

Cross Country Healthcare, Inc., a Delaware corporation (the "Company"), hereby agrees to employ you, and you hereby agree to accept such employment, under the following terms and conditions:

1. **Term of Employment.**

(a) Except for earlier termination as provided in Section 9 below, your employment under this Agreement will be for an initial term commencing on the Effective Date (as hereinafter defined) and terminating on December 31, 2017 (the "Initial Term").

(b) The period of time between the Effective Date and the termination of your employment hereunder will be referred to herein as the "Employment Term."

(c) For purposes of this Agreement, "Effective Date" shall mean the date of the closing of the transactions contemplated by the Purchase Agreement dated of even date herewith among the Company, you and certain other parties (the "Purchase Agreement"). If the closing of the transactions contemplated by the Purchase Agreement does not occur, this Agreement shall be null and void and of no force or effect.

2. **Compensation.**

(a) You will be compensated for all services rendered by you under this Agreement at the rate of \$215,000 per annum, payable in such manner as is consistent with the Company's payroll practices for executive employees. Prior to each anniversary of the Effective Date, the Company's Board of Directors (the "Board"), or Compensation Committee of the Board (the "Compensation Committee"), will review and consider in its sole discretion whether to increase the base salary payable to you hereunder. Your annual rate of base salary as determined herein from time to time, is hereinafter referred to as the "Base Salary". Your Base Salary may not be reduced during the Initial Term.

(b) Beginning with calendar year 2016, for each calendar year during the Employment Term, you will be eligible to receive an annual bonus in an amount of up to 50% of your Base Salary for the applicable year based on financial and individual targets to be established for each year by the Company's Chief Executive Officer. The level of the performance goals achieved and the amount of the bonus will be determined by the Compensation Committee in its sole discretion. Any bonuses will be paid by the Company no later than March 15 of the year immediately following the applicable bonus period. You must be employed by the Company or its affiliates on December 31 of the applicable bonus year to earn any part of that year's bonus. You will also be eligible to participate in the Company's Long Term Incentive Plan. Your actual participation level will be determined annually by the Compensation Committee.

3. **Duties.**

(a) You will serve as the Senior Vice President of the Company's Mediscan operations (which are comprised of the Mediscan education and healthcare operations), subject to the direction and control of, and reporting to, the President of the Company's Mediscan operations. Your principal office will be located at the Company's Mediscan facilities in the Los Angeles, California area.

(b) You will devote your full business time, energies and attention to the business and affairs of the Company and its subsidiaries, if any. Notwithstanding the foregoing, subject in each case to the prior approval of the Company's Chief Executive Officer, you may serve on the board of directors of other companies, engage in charitable endeavors and handle personal business.

(c) You will, except as otherwise provided herein, be subject to the Company's rules, practices and policies applicable to the Company's senior executive employees.

4. **Benefits.** You will be entitled to such benefits, if any, as are generally provided by the Company to its employees, subject to satisfying the applicable eligibility requirements. The foregoing, however, will not be construed to require the Company to establish any such plans or to prevent the Company from modifying or terminating any such plans, and no such action or failure thereof will affect this Agreement.

5. **Expenses.** The Company will reimburse you for reasonable expenses, including travel expenses, incurred by you in connection with the business of the Company upon the presentation by you of appropriate substantiation for such expenses in accordance with the Company's expense reimbursement policy.

6. **Restrictive Covenants.**

(a) During the Employment Term you agree: (i) to devote your best efforts and attention to the Company's business; and (ii) that you will not, directly or indirectly (A) operate, engage in, assist, be employed by, or have any interest in any business activity of or for the benefit of any person or entity in the Business (as such term is defined in the Purchase Agreement) other than the Company or (B) have any ownership interest in any business activity that engages in or is planning to engage in the Business, that does business with the Company, or whose ownership would otherwise create a conflict of interest, except as otherwise approved in writing by the Company, which approval the Company may in its absolute discretion withhold.

(b) You agree that, during the Employment Term, and for a period of twelve (12) months following the termination of your employment, you will not, directly or indirectly:

(i) (x) solicit, seek to employ, or seek to retain the services of any person who is at that time providing services to the Company as an employee or independent contractor, or (y) persuade, induce or attempt to persuade or induce any such person to leave his/her employment or to refrain from providing services to the Company; or

(ii) use the Company's trade secret information including, without limitation, the identity of the Company's candidates or prospective candidates, to (x) solicit or seek to place any temporary employee or independent contractor candidate for or on behalf of any entity engaged in or seeking to be engaged in the Business, or (y) persuade, induce or attempt to persuade or induce any such person to leave his/her temporary employment or to refrain from providing services to the Company or its customers; or

(iii) use the Company's trade secret information including, without limitation, the identity of the Company's customers or prospective customers, the identities of their employees, contractors and consultants, special needs, job orders, preferences, transaction histories, contacts, characteristics, agreements and prices, to (x) solicit or seek to provide services to any customer for or on behalf of any entity engaged in or seeking to be engaged in the Business, or (y) persuade, induce or attempt to persuade or induce any such entity to alter or reduce its use of services from the Company.

(c) You agree that, for a period of twelve (12) months after the termination of your employment, you will promptly inform the Company in writing of any employment or other business affiliations that you have with any business or business entity offering or planning to offer a service or product in competition with the Company. Such information will include, but not be limited to: (i) the name and address of the business or business entity with which you have such a relationship; and (ii) the general nature of your business-related activities. To the extent requested by the Company, you agree to provide such additional information as the Company reasonably believes to be necessary for it to ascertain whether you are complying with this Agreement. For purposes of this paragraph, a written letter or email to Company's General Counsel shall serve as proper notice.

(d) You agree that in the event you breach this Section 6 during the twelve (12) month period following the termination of your employment, this Agreement shall be extended automatically as follows: the duration of such extension shall equal the period of time between the date you began such violation and the date you permanently cease such violation. An alleged breach of any other provision of this Agreement asserted by you shall not be a defense to claims arising from the Company's enforcement of this Section 6.

(e) Nothing in Section 6 will prohibit you from owning up to 5% or \$100,000, whichever is less, of any class of equity or debt securities that are traded on a national securities exchange.

7. **Confidentiality, Non-Interference and Proprietary Information.**

(a) You acknowledge that the Company and its parents, subsidiaries, divisions and affiliates, as well as majority-owned companies of such parents, subsidiaries, divisions and affiliates, and their respective successors (hereinafter for purposes of this Section 7, collectively, the “Company”) possess certain Confidential Information which has been and will be revealed to or learned by Employee during your employment with the Company. You acknowledge that the term “Confidential Information” includes all information that has or could have commercial value or other utility in the Company’s business or the unauthorized disclosure of which could be detrimental to the Company’s interests, whether or not such information is specifically identified as Confidential Information by the Company.

(b) Confidential Information includes any and all information, whether or not meeting the legal definition of a trade secret, containing and/or concerning: (a) the Company’s business plans, strategic plans, forecasts, budgets, sales, projections and costs; (b) the Company’s personnel and payroll records and employee lists; (c) candidates, consultants, contractors, including lists, resumes, preferences, transaction histories and rates; (d) the Company’s customers and prospective customers, including their identity, the identities of their employees, contractors and consultants, special needs, job orders, preferences, transaction histories, contacts, characteristics, agreements and prices; (e) marketing activities, plans, promotions, operations and research and development; (f) business operations, internal organizational structure and financial affairs; (g) pricing structure; (h) proposed services and products; (i) contracts with customers; (j) Company customer history. Confidential Information does not include information that can be shown by documented evidence to have become widely known to the public. Notwithstanding anything to the contrary in this Agreement, however, Confidential Information includes any and all information that the Company is obligated to maintain as confidential or that the Company may receive or has received from others with any understanding, express or implied, that it will not be disclosed.

(c) During the term of your employment with the Company and thereafter, you will not, directly or indirectly, use or disclose to anyone, or authorize disclosure or use of, any of the Confidential Information revealed to or learned by you, unless such use or disclosure is both consistent with the Company’s obligations and for the sole purpose of carrying out your duties to the Company. You understand and agree that this restriction will continue to apply after your employment with the Company terminates, regardless of the reason for such termination. You agree to comply with all policies and procedures of the Company for protecting Confidential Information.

(d) You acknowledge that protecting and safeguarding Confidential Information is essential to the Company's business. You agree that you will not make any copies of Confidential Information, or other Company property except as expressly authorized by the Company. You agree that upon termination of employment, you will immediately return to the Company any and all Company property and documents and other media containing Confidential Information (and all copies thereof) in your possession, custody or control. The Company's property includes but is not limited to any and all documents, instruments, records and databases, recorded or stored on any medium whatsoever, relating or pertaining, directly or indirectly, to the business of the Company, including without limitation any and all documents (and copies) containing or relating to the Company's Confidential Information. You acknowledge that this material is solely the property of the Company.

8. **Assignment of Certain Rights.** In consideration of employment and other benefits of value, you, on your behalf and on behalf of your heirs and representatives, agree to assign and transfer and hereby assign and transfer to Company, its Affiliates, successors and assigns, as applicable, all of your rights, titles and interests in and to any and all inventions, discoveries, developments, improvements, techniques, designs, data, processes, procedures, systems and all other work products, whether tangible or intangible, that you, either solely or jointly with others, have conceived, made, acquired, suggested, reduced to practice, or otherwise created during employment with Company, and which relate in any manner to any of the business, services or products, techniques, processes or procedures, products, designs, data or systems of Company and/or any of its Affiliates. You further agree that, upon the termination of your employment for any reason, to immediately return any of the foregoing and any information or copies of information relating to any of the foregoing to Company. You acknowledge that this Agreement does not require you to assign or offer to assign to Company any invention that you developed entirely on your own time without using Company's equipment, supplies, facilities or trade secret information except for those inventions that: (i) relate directly to the business of Company; (ii) relate to Company's actual or demonstrably anticipated research or development; or (iii) result from any work performed by you for Company.

9. **Earlier Termination.** Your employment hereunder will terminate prior to the expiration of the Initial Term (or any renewal term, in the event of renewal) on the following terms and conditions:

(a) This Agreement will terminate automatically on the date of your death.

(b) The Company may terminate your employment upon notice if you are unable to perform your duties hereunder for 120 days (whether or not continuous) during any period of 180 consecutive days by reason of physical or mental disability. The disability will be deemed to have occurred on the 120th day of your absence or lack of adequate performance.

(c) This Agreement will terminate immediately upon the Company's sending you written notice terminating your employment hereunder for Cause. "Cause" means (i) an act or acts of fraud or dishonesty by you which results in the personal enrichment of you or another person or entity at the expense of the Company; (ii) your admission, confession, pleading of guilty or nolo contendere to, or conviction of (x) any felony (other than third degree vehicular infractions), or (y) of any other crime or offense involving misuse or misappropriation of money or other property; (iii) your continued material breach of any obligations under this Agreement 30 days after the Company has given you notice thereof in reasonable detail, if such breach has not been cured by you during such period; or (iv) your gross negligence or willful misconduct with respect to your duties or gross misfeasance of office.

(d) This Agreement will terminate immediately upon (x) the Company's sending you written notice terminating your employment hereunder without Cause, for any reason or for no reason, or (y) your delivery to the Company of a written notice of your resignation for Good Reason. "Good Reason" means, if without your written consent, any of the following events occurs that are not cured by the Company within 30 days of written notice specifying the occurrence such Good Reason event, which notice will be given by you to the Company within 90 days after the occurrence of the Good Reason event: (i) a material diminution in your then authority, duties or responsibilities; (ii) a material diminution in your Base Salary; (iii) a relocation of your principal business location to a location more than 50 miles outside of Los Angeles, California; or (iv) any material breach of this Agreement by the Company. Your resignation hereunder for Good Reason will not occur later than 180 days following the initial date on which the event you claim constitutes Good Reason occurred. Upon a termination of your employment by the Company without Cause (other than due to a non-renewal of the Agreement by the Company), or your resignation for Good Reason, the Company's sole obligation to you will be to pay or provide to you the Accrued Amounts (as defined below) and, subject to Section 9(f), to pay you continued payments of the Base Salary in accordance with the Company's regular payroll practices for a period of 12 months following the date of termination (the "Severance Payments"); provided, that the first payment of the Severance Payment due pursuant to this sentence will be made on the 90th day after the date of termination, and will include payments that were otherwise due prior thereto. Notwithstanding the foregoing, if you are or become eligible for severance benefits under the Company's Executive Severance Plan (as in effect on the Effective Date, as thereafter amended, or any similar plan or arrangement adopted by the Company in replacement thereof, the "Severance Plan") you will cease to be eligible for the Severance Payments and the Company sole obligation will be to pay you the amounts and provide you with the benefits provided in the Severance Plan subject to the terms and conditions thereof.

(e) Except as specifically set forth in Section 9(d) above, upon termination of your employment for any reason, the Company's obligations hereunder will cease other than to provide you with (collectively, the "Accrued Amounts"):

(i) any unpaid Base Salary through the date of termination payable in accordance with the Company's regular payroll practices;

(ii) reimbursement for any unreimbursed business expenses incurred through the date of termination paid promptly in accordance with Sections 5 and 17(b)(iv);

(iii) payment for any accrued but unused vacation and sick time in accordance with Company policy, payable immediately following the termination of your employment; and

(iv) all other applicable payments or benefits to which you may be entitled under, and paid or provided in accordance with, the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant or this Agreement.

(f) The Severance Payments will only be payable to you if within 60 days following the date of termination you execute and deliver to the Company a fully effective and irrevocable release of claims against the Company and related parties, which the Company will provide to you within 7 days following the date of termination.

10. **Representation and Warranty.** You hereby represent and warrant that the execution, delivery and performance of this Agreement by you will not conflict with or result in a violation of any agreement to which you are a party or any law, regulation or court order applicable to you.

11. **Effectiveness; Entire Agreement; Modification.** This Agreement constitutes the full and complete understanding of the parties and will, on the Effective Date, supersede all prior agreements between the parties with respect to your employment arrangements. No representations, inducements, promises, agreements or understandings, oral or otherwise, have been made by either party to this Agreement, or anyone acting on behalf of either party, which are not set forth herein, or any others are specifically waived. This Agreement may not be modified or amended except by an instrument in writing signed by the party against which enforcement thereof may be sought.

12. **Severability.** Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction.

13. **Waiver of Breach.** The waiver of either party of a breach of any provision of this Agreement, which waiver must be in writing to be effective, will not operate as or be construed as a waiver of any subsequent breach.

14. **Notices.** All notices hereunder will be in writing and will be sent by express mail or by certified or registered mail, postage prepaid, return receipt requested, if to you, to your residence as listed in the Company's records, and if to the Company to:

Cross Country Healthcare, Inc.
6551 Park of Commerce Boulevard, N.W.
Boca Raton, FL 33487
Attention: General Counsel

15. **Assignability; Binding Effect.** This Agreement is personal to you and may not be assigned by you. This Agreement will be binding upon and inure to the benefit of you, your legal representatives, heirs and distributees, and will be binding upon and inure to the benefit of the Company, its successors and assigns.

16. **Governing Law.** All questions pertaining to the validity, construction, execution and performance of this Agreement will be construed and governed in accordance with the laws of the State of California, without regard to the conflicts or choice of law provisions thereof.

17. **Tax Matters.**

(a) **WITHHOLDING.** The Company may withhold from any and all amounts payable under this Agreement such federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

(b) **SECTIONS 409A.**

(i) Although the Company does not guarantee the tax treatment of any payments under this Agreement, the intent of the parties is that payments and benefits under this Agreement comply with, or be exempt from, Code Section 409A and, accordingly, to the maximum extent permitted, this Agreement will be interpreted in accordance with the foregoing. In no event whatsoever will the Company be liable for any additional tax, interest or penalties that may be imposed on the Employee by Code Section 409A or any damages for failing to comply with Code Section 409A.

(ii) Notwithstanding any provision in this Agreement or elsewhere to the contrary, if on your date of termination you are deemed to be a "specified employee" within the meaning of Code Section 409A and using the identification methodology selected by the Company from time to time, or if none, the default methodology under Code Section 409A, any payments or benefits due upon a termination of your employment under any arrangement that constitutes a "deferral of compensation" within the meaning of Code Section 409A (whether under this Agreement, any other plan, program, payroll practice or any equity grant) and which do not otherwise qualify under the exemptions under Treas. Regs. Section 1.409A-1 (including without limitation, the short-term deferral exemption and the permitted payments under Treas. Regs. Section 1.409A-1(b)(9)(iii)(A)), will be delayed and paid or provided to you in a lump sum (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay), on the earlier of (i) the date which is six months and one day after your separation from service (as such term is defined in Code Section 409A) for any reason other than death, and (ii) the date of your death, and any remaining payments and benefits will be paid or provided in accordance with the normal payment dates specified for such payment or benefit.

(iii) Notwithstanding anything in this Agreement or elsewhere to the contrary, a termination of employment will not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits that constitute “non-qualified deferred compensation” within the meaning of Code Section 409A upon or following a termination of your employment unless such termination is also a “separation from service” within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a “termination,” “termination of employment” or like terms will mean “separation from service” and the date of such separation from service will be the date of termination for purposes of any such payment or benefits.

(iv) Any taxable reimbursement of costs and expenses by the Company provided for under this Agreement will be made in accordance with the Company’s applicable policy and this Agreement but in no event later than December 31 of the calendar year next following the calendar year in which the expenses to be reimbursed are incurred. With regard to any provision in this Agreement that provides for reimbursement of expenses or in-kind benefits, except as permitted by Code Section 409A, (x) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit, and (y) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year will not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided that the foregoing clause (y) will not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect.

(v) Whenever a payment under this Agreement may be paid within a specified period, the actual date of payment within the specified period will be within the sole discretion of the Company.

(vi) With regard to any installment payments provided for under this Agreement, each installment thereof will be deemed a separate payment for purposes of Code Section 409A.

18. **Headings.** The headings of this Agreement are intended solely for convenience of reference and will be given no effect in the construction or interpretation of this Agreement.

19. **Counterparts.** This Agreement may be executed in several counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

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21. **Review of this Agreement.** You acknowledge that you have (a) carefully read this Agreement, (b) had an opportunity to consult with independent counsel with respect to this Agreement and (c) entered into this Agreement of your own free will.

If this letter correctly sets forth our understanding, please sign the duplicate original in the space provided below and return it to the Company, whereupon this will constitute the employment agreement between you and the Company effective and for the term as stated herein.

CROSS COUNTRY HEALTHCARE, INC.

By: /s/ William J. Grubbs

William J. Grubbs, President and CEO

Agreed as of the date

first above written:

/s/ Val Serebryany

Val Serebryany

RESTRICTED STOCK AGREEMENT

THIS RESTRICTED STOCK AGREEMENT (this "**Agreement**") is made as of October 30, 2015, by and between Cross Country Healthcare, Inc., a Delaware corporation ("**Cross Country**") and New Mediscan Diagnostic Services, Inc., a California corporation (the "**Stockholder**").

WHEREAS, pursuant to that certain Purchase Agreement dated as of October 19, 2015 among Cross Country, the Stockholder, and certain other parties (the "**Purchase Agreement**"), Cross Country is acquiring, simultaneously with execution hereof, the Interests (capitalized terms used but not defined in this Agreement have the meanings given to them in the Purchase Agreement); and

WHEREAS, as partial consideration for its acquisition of the Interests, Cross Country is issuing, simultaneously herewith, the Stock Consideration; and

WHEREAS, the obligation of Cross Country to consummate the Transactions (including the issuance of the Stock Consideration) is subject to, among other things, the Stockholder's execution and delivery of this Agreement;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, receipt of which is hereby acknowledged, Cross Country and the Stockholder hereby agree as follows:

1. **Issuance of Shares.** Simultaneously herewith, Cross Country is issuing to the Stockholder an aggregate of 349,871 shares (the "**Shares**") of Cross Country's common stock, par value \$0.0001 per share (the "**Common Stock**").

2. **Restrictions on Transfer.** The Stockholder hereby agrees that the Stockholder shall have no right to and shall not effect any transfer, sale, assignment, disposition, pledge, Encumbrance or mortgage (including any hedging transaction), directly or indirectly, with respect to any of the Shares (a "**Share Transfer**") unless in accordance with this Section 2; provided, that a transfer to Dennis Ducham, Emily Serebryany, the Emily Serebryany Trust dated 4/16/14, Val Serebryany or the Val Serebryany Family Trust dated 2/18/14 (each, a "**Permitted Transferee**") shall not be considered a Share Transfer for purposes of this Agreement so long as the transferee executes and delivers a Restricted Stock Agreement in substantially the form attached to the Purchase Agreement as Exhibit 6.1(m) (a "**Permitted Transfer**").

a. Prior to the 183rd day following the Closing Date, Stockholder may not effect a Share Transfer.

b. Thereafter, the Stockholder may effect Share Transfers for up to an aggregate of 43,734 Shares [1/8 of initial number of Shares] in any three-month period.

In the event that the Stockholder effects a Share Transfer in violation of the restrictions in this Section 2, such Share Transfer shall be null and void, and Cross Country shall not reflect on its records any change in ownership of any Shares as a result of any such disposition.

3. **Rights as a Holder of Shares.** From and after the Closing Date, the Stockholder shall have, with respect to the Shares, all of the rights of a holder of shares of Common Stock, including, without limitation, the right to vote the Shares, to receive and retain all dividends payable to holders of shares of record on and after the issue date and to exercise all other rights, powers and privileges of a holder of Common Stock, with the exception that the Stockholder shall not, directly or indirectly, effect a Share Transfer in any manner whatsoever unless in accordance with this Agreement.

4. **Legend.** The Stockholder agrees to the imprinting of the following legend on any certificate or certificates evidencing the Shares (with such corrections or changes thereto as may be agreed by the Stockholder and Cross Country):

“THE SHARES REPRESENTED BY THIS CERTIFICATE (I) HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THE SHARES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SHARES UNDER THE SECURITIES ACT OF 1933 OR AN OPINION OF COUNSEL THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT, AND (II) ARE SUBJECT TO THE RESTRICTIONS CONTAINED IN A RESTRICTED STOCK AGREEMENT DATED AS OF OCTOBER 30, 2015 (A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE ISSUER HEREOF).”

5. **Securities Representations.** The Shares are being issued to the Stockholder in reliance upon the following express representations and warranties of the Stockholder. The Stockholder represents and warrants that:

a. The Stockholder is acquiring the Shares for investment for its own account, not as a nominee or agent, and not with a view to the sale or distribution of any part thereof, and the Stockholder has no present intention of selling, granting participation in, or otherwise distributing the same. The Stockholder does not have any contract, undertaking, agreement, or arrangement with any Person to sell, transfer or grant participations to such Person, or to any third party, with respect to any of the Shares.

b. The Stockholder understands that the Shares have not been registered under the Securities Act of 1933, as amended (the “**Securities Act**”) on the grounds that the issuance thereof is exempt from registration under the Securities Act, and that Cross Country’s reliance on such exemption is predicated in part on the representations set forth herein.

c. The Stockholder (i) has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of acquiring the Shares, (ii) is able to bear the economic risk of the investment in the Shares for an indefinite period, including a complete loss of capital, and (iii) has been afforded (A) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, Representatives of Cross Country; (B) access to information about Cross Country and Country Country’s financial condition, results of operations, business and properties sufficient to enable it to evaluate its investment; and (C) the opportunity to obtain such additional information that Cross Country possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to such investment.

d. Stockholder represents that it is an “accredited investor,” as defined under Regulation D of the Securities Act, has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its purchase of the Shares, and has the ability to bear the economic risks of such purchase.

6. **Miscellaneous.**

a. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, personal legal representatives, successors, trustees, administrators, distributees, devisees and legatees. The Stockholder may not assign this Agreement.

b. No modification or waiver of any of the provisions of this Agreement shall be effective unless in writing and signed by the party against whom it is sought to be enforced.

c. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one contract.

d. The failure of any party hereto at any time to require performance by another party of any provision of this Agreement shall not affect the right of such party to require performance of that provision, and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement.

e. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall in no way restrict or modify any of the terms or provisions hereof.

f. All notices and other communications hereunder shall be validly given or made if in writing, (i) when delivered personally (by courier service or otherwise), (ii) when sent by electronic mail, receipt confirmed, or (iii) when actually received if mailed by first-class certified or registered United States mail or recognized overnight courier service, postage-prepaid and return receipt requested, in each case to the address of the party to receive such notice or other communication as set forth in Section 10.5 of the Purchase Agreement, or at such other address as any party hereto may from time to time advise the other parties pursuant to Section 10.5 of the Purchase Agreement.

g. This Agreement shall be construed, interpreted and governed by, and the legal relationships of the parties hereunder determined in accordance with, the internal laws of the State of Delaware without reference to rules relating to conflicts of law.

[Signature Page Follows.]

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

CROSS COUNTRY HEALTHCARE, INC.

By: /s/ William J. Grubbs
Name: William J. Grubbs
Title: Chief Executive Officer and President

NEW MEDISCAN DIAGNOSTIC SERVICES, INC.

By: /s/ Dennis Ducham
Name: Dennis Ducham
Title: President

[Signature Page to the Restricted Stock Agreement - New Mediscan Diagnostic Services, Inc.]



AIR COMMERCIAL REAL ESTATE ASSOCIATION

STANDARD INDUSTRIAL/COMMERCIAL SINGLE-TENANT LEASE -- NET (DO NOT USE THIS FORM FOR MULTI-TENANT BUILDINGS)

1. Basic Provisions ("Basic Provisions").

1.1 Parties: This Lease ("Lease"), dated for reference purposes only August 4, 2015 , is made by and between Golden Egg, LLC ("Lessor") and Mediscan Staffing Services, dba Mediscan Diagnostics, Mediscan Therapy Inc., Direct Ed Solutions, Direct Ed Special Services (Lessee) ("Lessee"), (collectively the "Parties," or individually a "Party").

1.2 Premises: That certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, and commonly known as 21050 Califa Street, Woodland Hills, CA 91367 , located in the County of Los Angeles , State of California , and generally described as (describe briefly the nature of the property and, if applicable, the "Project", if the property is located within a Project) a single story office building agreed to be 13,025 square feet for the purpose of this Lease and the calculation of Rent. The Property and Lease include thirty-nine(39) on-site parking spaces. ("Premises"). (See also Paragraph 2)

1.3 Term: Five years and no months ("Original Term") commencing September 1, 2015 ("Commencement Date") and ending August 31, 2020 ("Expiration Date"). (See also Paragraph 3)

1.4 Early Possession: If the Premises are available Lessee may have non-exclusive possession of the Premises commencing Upon full execution of Lease by both Parties ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 Base Rent: \$29,306.25 per month ("Base Rent"), payable on the First day of each month commencing September 1, 2015 . (See also Paragraph 4)

O If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph _____

Base Rent shall be adjusted upward by three (3%) percent each anniversary of this Lease. The adjustment schedule shall be: September 1, 2016; BASE RENT shall be increased to \$30,185.44; September 1, 2017: BASE RENT shall be increased to \$31,091.00; September 1, 2018: BASE RENT shall be increased to \$32,023.73; September 1, 2019: BASE RENT shall be increased to \$32,984.44.

1.6 Base Rent and Other Monies Paid Upon Execution:

- (a) Base Rent: \$29,306.25 for the period September 1-30, 2015
(b) Security Deposit: \$32,984.44 ("Security Deposit"). (See also Paragraph 5)
(c) Association Fees: \$N/A for the period
(d) Other: \$N/A for
(e) Total Due Upon Execution of this Lease: \$62,290.69.

1.7 Agreed Use: General Office (See also Paragraph 6)

1.8 Insuring Party: Lessor is the "Insuring Party" unless otherwise stated herein. (See also Paragraph 8)

1.9 **Real Estate Brokers:** (See also Paragraph 15 and 25)

(a) **Representation:** The following real estate brokers (the "**Brokers**") and brokerage relationships exist in this transaction (check applicable boxes):

D N/A represents Lessor exclusively ("**Lessor's Broker**");

D N/A represents Lessee exclusively ("**Lessee's Broker**"); or

D N/A represents both Lessor and Lessee ("**Dual Agency**").

(b) **Payment to Brokers:** Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement (or if there is no such agreement, the sum of _____ or _____ % of the total Base Rent) for the brokerage services rendered by the Brokers.

1.10 **Guarantor.** The obligations of the Lessee under this Lease are to be guaranteed by _____ ("**Guarantor**"). (See also Paragraph 37)

1.11 **Attachments.** Attached hereto are the following, all of which constitute a part of this Lease:

D an Addendum consisting of Paragraphs _____ through _____ ;

D a plot plan depicting the Premises; (Exhibit A)

D a current set of the Rules and Regulations;

D a Work Letter;

D a energy disclosure addendum is attached;

D other (specify): _____

2. **Premises.**

2.1 **Letting.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **Note: Lessee is advised to verify the actual size prior to executing this Lease.**

2.2 **Condition.** Lessor shall deliver the Premises to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs ("**Start Date**"), and, so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee and in effect within thirty days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("**HVAC**"), loading doors, sump pumps, if any, and all other such elements in the Premises, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of any buildings on the Premises (the "**Building**") shall be free of material defects, and that the Premises do not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. If a non-compliance with said warranty exists as of the Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Lessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements of the Building. If Lessee does not give Lessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Lessee at Lessee's sole cost and expense. Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise;

(ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 **Compliance.** Lessor warrants that to the best of its knowledge the improvements on the Premises comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances ("**Applicable Requirements**") that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 50), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the Applicable Requirements, and especially the zoning, are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within 6 months following the Start Date, correction of that

non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Premises and/or Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Unit, Premises and/or Building ("**Capital Expenditure**"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and an amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay Interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with Interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not, however, have any right to terminate this Lease.

2.4 **Acknowledgements.** Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 **Lessee as Prior Owner/Occupant.** The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

3. **Term.**

3.1 **Term.** The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 **Early Possession.** Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Real Property Taxes and insurance premiums and to maintain the Premises) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 **Delay In Possession.** Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 **Lessee Compliance.** Lessor shall not be required to deliver possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. **Rent.**

4.1 **Rent Defined.** All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("**Rent**").

4.2 **Payment.** Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of \$25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent, Insurance and Real Property Taxes, and any remaining amount to any other outstanding charges or costs.

4.3 **Association Fees.** In addition to the Base Rent, Lessee shall pay to Lessor each month an amount equal to any owner's association or condominium fees levied or assessed against the Premises. Said monies shall be paid at the same time and in the same manner as the Base Rent.

5. **Security Deposit.** Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease.

6. Use.

6.1 **Use.** Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements on the Premises or the mechanical or electrical systems therein, and/or is not significantly more burdensome to the Premises. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 **Hazardous Substances.**

(a) **Reportable Uses Require Consent.** The term "**Hazardous Substance**" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "**Reportable Use**" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) **Duty to Inform Lessor.** If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation.** Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from adjacent properties not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. **No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.**

(e) **Lessor Indemnification.** Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises prior to Lessee's occupancy or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations.** Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee's occupancy, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option.** If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 **Lessee's Compliance with Applicable Requirements.** Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said Applicable Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises. In addition, Lessee shall provide copies of all relevant material safety data sheets (**MSDS**) to Lessor within 10 days of the receipt of a written request therefor. In addition, Lessee shall provide Lessor with copies of its business license, certificate of occupancy and/or any similar document within 10 days of the receipt of a written request therefor.

6.4 **Inspection; Compliance.** Lessor and Lessor's "**Lender**" (as defined in Paragraph 30) and consultants shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable notice, for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see paragraph 9.1) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (**MSDS**) to Lessor within 10 days of the receipt of a written request therefor.

7. **Maintenance; Repairs, Utility Installations; Trade Fixtures and Alterations.**

7.1 **Lessee's Obligations.**

(a) **In General.** Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations (intended for Lessee's exclusive use, no matter where located), and Alterations in good order, condition and repair

(whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fire protection system, fixtures, walls (interior and exterior), foundations, ceilings, roofs, roof drainage systems, floors, windows, doors, plate glass, skylights, landscaping, driveways, parking lots, fences, retaining walls, signs, sidewalks and parkways located in, on, or adjacent to the Premises. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair. Lessee shall, during the term of this Lease, keep the exterior appearance of the Building in a first-class condition (including, e.g. graffiti removal) consistent with the exterior appearance of other similar facilities of comparable age and size in the vicinity, including, when necessary, the exterior repainting of the Building.

(b) **Service Contracts.** Lessee shall, at Lessee's sole expense, procure and maintain contracts, with copies to Lessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler, and pressure vessels, (iii) fire extinguishing systems, including fire alarm and/or smoke detection, (iv) landscaping and irrigation systems, (v) roof covering and drains, and (vi) clarifiers. However, Lessor reserves the right, upon notice to Lessee, to procure and maintain any or all of such service contracts, and Lessee shall reimburse Lessor, upon demand, for the cost thereof.

(c) **Failure to Perform.** If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly pay to Lessor a sum equal to 115% of the cost thereof.

(d) **Replacement.** Subject to Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an item described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in excess of 50% of the cost of replacing such item, then such item shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one, and the denominator of which is 144 (i.e. 1/144th of the cost per month). Lessee shall pay Interest on the unamortized balance but may prepay its obligation at any time.

7.2 **Lessor's Obligations.** Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 9 (Damage or Destruction) and 14 (Condemnation), it is intended by the Parties hereto that Lessor have no obligation, in any manner whatsoever, to repair and maintain the Premises, or the equipment therein, all of which obligations are intended to be that of the Lessee. It is the intention of the Parties that the terms of this Lease govern the respective obligations of the Parties as to maintenance and repair of the Premises, and they expressly waive the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease.

7.3 **Utility Installations; Trade Fixtures; Alterations.**

(a) **Definitions.** The term "**Utility Installations**" refers to all floor and window coverings, air and/or vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, plumbing, and fencing in or on the Premises. The term "**Trade Fixtures**" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "**Alterations**" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "**Lessee Owned Alterations and/or Utility Installations**" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, and the cumulative cost thereof during this Lease as extended does not exceed a sum equal to 3 month's Base Rent in the aggregate or a sum equal to one month's Base Rent in any one year. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both

the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 **Ownership; Removal; Surrender; and Restoration.**

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if this Lease is for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. **Insurance; Indemnity.**

8.1 **Payment For Insurance.** Lessee shall pay for all insurance required under Paragraph 8 except to the extent of the cost attributable to liability insurance carried by Lessor under Paragraph 8.2(b) in excess of \$2,000,000 per occurrence. Premiums for policy periods commencing prior to or extending beyond the Lease term shall be prorated to correspond to the Lease term. Payment shall be made by Lessee to Lessor within 10 days following receipt of an invoice.

8.2 **Liability Insurance.**

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an

endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 **Property Insurance - Building, Improvements and Rental Value.**

(a) **Building and Improvements.** The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full insurable replacement cost of the Premises, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$5,000 per occurrence, and Lessee shall be liable for such deductible amount in the event of an Insured Loss.

(b) **Rental Value.** The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period. Lessee shall be liable for any deductible amount in the event of such loss.

(c) **Adjacent Premises.** If the Premises are part of a larger building, or of a group of buildings owned by Lessor which are adjacent to the Premises, the Lessee shall pay for any increase in the premiums for the property insurance of such building or buildings if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

8.4 **Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.**

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a 'Waiver of Subrogation' endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 **Insurance Policies.** Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 **Waiver of Subrogation.** Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils

required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 **Indemnity.** Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 **Exemption of Lessor and its Agents from Liability.** Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the building of which the Premises are a part, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 **Failure to Provide Insurance.** Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9. **Damage or Destruction.**

9.1 **Definitions.**

(a) **"Premises Partial Damage"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 6 months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) **"Premises Total Destruction"** shall mean damage or destruction to the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 6 months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) **"Insured Loss"** shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) **"Replacement Cost"** shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) **"Hazardous Substance Condition"** shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires remediation.

9.2 **Partial Damage - Insured Loss.** If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$10,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are

not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds (except as to the deductible which is Lessee's responsibility) as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 **Partial Damage - Uninsured Loss.** If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 **Total Destruction.** Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 **Damage Near End of Term.** If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 **Abatement of Rent; Lessee's Remedies.**

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 **Termination; Advance Payments.** Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. **Real Property Taxes.**

10.1 **Definition.** As used herein, the term "**Real Property Taxes**" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Premises or the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Building address and where the proceeds so generated are to be applied by the city, county or other local taxing authority of a jurisdiction within which the Premises are located. Real Property Taxes shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Premises, and (ii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

10.2 **Payment of Taxes.** In addition to Base Rent, Lessee shall pay to Lessor an amount equal to the Real Property Tax installment due at least 20 days prior to the applicable delinquency date. If any such installment shall cover any period of time prior to or after the expiration or termination of this Lease, Lessee's share of such installment shall be prorated. In the event Lessee incurs a late charge on any Rent payment, Lessor may estimate the current Real Property Taxes, and require that such taxes be paid in advance to Lessor by Lessee monthly in advance with the payment of the Base Rent. Such monthly payments shall be an amount equal to the amount of the estimated installment of taxes divided by the number of months remaining before the month in which said installment becomes delinquent. When the actual amount of the applicable tax bill is known, the amount of such equal monthly advance payments shall be adjusted as required to provide the funds needed to pay the applicable taxes. If the amount collected by Lessor is insufficient to pay such Real Property Taxes when due, Lessee shall pay Lessor, upon demand, such additional sum as is necessary. Advance payments may be intermingled with other moneys of Lessor and shall not bear interest. In the event of a Breach by Lessee in the performance of its obligations under this Lease, then any such advance payments may be treated by Lessor as an additional Security Deposit.

10.3 **Joint Assessment.** If the Premises are not separately assessed, Lessee's liability shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be conclusively determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available.

10.4 **Personal Property Taxes.** Lessee shall pay, prior to delinquency, all taxes assessed against and levied upon Lessee Owned Alterations, Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. **Utilities and Services.** Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. If any such services are not separately metered or billed to Lessee, Lessee shall pay a reasonable proportion, to be determined by Lessor, of all charges jointly metered or billed. There shall be no abatement of rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

12. **Assignment and Subletting.**

12.1 **Lessor's Consent Required.**

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "**assign or assignment**") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "**Net Worth of Lessee**" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(d), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, ie. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 Terms and Conditions Applicable to Assignment and Subletting.

(a) Regardless of Lessor's consent, no assignment or subletting shall: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 **Additional Terms and Conditions Applicable to Subletting.** The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. **Default; Breach; Remedies.**

13.1 **Default; Breach.** A "**Default**" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "**Breach**" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 42, (viii) material safety data sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 40 hereof, other than those described in subparagraphs 13.1(a), (b), (c) or (d), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "**debtor**" as defined in 11 U.S.C. §101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 **Remedies.** If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 **Inducement Recapture.** Any agreement for free or abated rent or other charges, the cost of tenant improvements for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 **Late Charges.** Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or \$100, whichever is greater. The Parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 **Interest.** Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest ("**Interest**") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 **Breach by Lessor.**

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after

receipt by Lessor, and any Lender whose name and address shall have been furnished Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided, however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to seek reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. **Condemnation.** If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "**Condemnation**"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the Building, or more than 25% of that portion of the Premises not occupied by any building, is taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. **Brokerage Fees.**

15.1 **Additional Commission.** In addition to the payments owed pursuant to Paragraph 1.9 above, and unless Lessor and the Brokers otherwise agree in writing, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires any rights to the Premises or other premises owned by Lessor and located within the same Project, if any, within which the Premises is located, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed.

15.2 **Assumption of Obligations.** Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.9, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue Interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

15.3 **Representations and Indemnities of Broker Relationships.** Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers, if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. **Estoppel Certificates.**

(a) Each Party (as "**Responding Party**") shall within 10 days after written notice from the other Party (the "**Requesting Party**") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "**Estoppel Certificate**" form published by the AIR Commercial Real Estate Association, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. **Definition of Lessor.** The term "**Lessor**" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. **Severability.** The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. **Days.** Unless otherwise specifically indicated to the contrary, the word "days" as used in this Lease shall mean and refer to calendar days.

20. **Limitation on Liability.** The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor or its partners, members, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. **Time of Essence.** Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. **No Prior or Other Agreements; Broker Disclaimer.** This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. **Notices.**

23.1 **Notice Requirements.** All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by email, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 **Date of Notice.** Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices delivered by hand, or transmitted by facsimile transmission or by email shall be deemed delivered upon actual receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. **Waivers.**

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of moneys or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. **Disclosures Regarding The Nature of a Real Estate Agency Relationship.**

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) Lessor's Agent. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: To the Lessor: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. To the Lessee and the Lessor: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) Lessee's Agent. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. To the Lessee: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. To the Lessee and the Lessor: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) Agent Representing Both Lessor and Lessee. A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. b. Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not without the express permission of the respective Party, disclose to the other Party that the Lessor will accept rent in an amount less than that indicated in the listing or that the Lessee is willing to pay a higher rent than that offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. **No Right To Holdover.** Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 150% of the Base Rent applicable immediately preceding the expiration or termination. Holdover Base Rent shall be calculated on monthly basis. Nothing contained herein shall be construed as consent by Lessor

to any holding over by Lessee.

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

28. **Covenants and Conditions; Construction of Agreement.** All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. **Binding Effect; Choice of Law.** This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. **Subordination; Attornment; Non-Disturbance.**

30.1 **Subordination.** This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "**Security Device**"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "**Lender**") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment.** In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

30.3 **Non-Disturbance.** With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "**Non-Disturbance Agreement**") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 **Self-Executing.** The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. **Attorneys' Fees.** If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "**Prevailing Party**" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach (\$200 is a reasonable minimum per occurrence for such services and consultation).

32. **Lessor's Access; Showing Premises; Repairs.** Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and

the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect to Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

33. **Auctions.** Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. **Signs.** Lessor may place on the Premises ordinary "**For Sale**" signs at any time and ordinary "**For Lease**" signs during the last 6 months of the term hereof. Except for ordinary "for sublease" signs, Lessee shall not place any sign upon the Premises without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. **Termination; Merger.** Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. **Consents.** Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

37. **Guarantor.**

37.1 **Execution.** The Guarantors, if any, shall each execute a guaranty in the form most recently published by the AIR Commercial Real Estate Association, and each such Guarantor shall have the same obligations as Lessee under this Lease.

37.2 **Default.** It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

38. **Quiet Possession.** Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. **Options.** If Lessee is granted any Option, as defined below, then the following provisions shall apply:

39.1 **Definition.** "**Option**" shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

39.2 **Options Personal To Original Lessee.** Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 **Multiple Options.** In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. **Multiple Buildings.** If the Premises are a part of a group of buildings controlled by Lessor, Lessee agrees that it will abide by and conform to all reasonable rules and regulations which Lessor may make from time to time for the management, safety, and care of said properties, including the care and cleanliness of the grounds and including the parking, loading and unloading of vehicles, and to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessee also agrees to pay its fair share of common expenses incurred in connection with such rules and regulations.

41. **Security Measures.** Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

42. **Reservations.** Lessor reserves to itself the right, from time to time, to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate any such easement rights, dedication, map or restrictions.

43. **Performance Under Protest.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" with 6 months shall be deemed to have waived its right to protest such payment.

44. **Authority; Multiple Parties; Execution.**

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

45. **Conflict.** Any conflict between the printed provisions of this Lease and typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

46. **Offer.** Preparation of this Lease by either Party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

47. **Amendments.** This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

48. **Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.**

49. **Arbitration of Disputes.** An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease

D is 0 is not attached to this Lease.

50. **Accessibility; Americans with Disabilities Act.**

(a) The Premises: 0 have not undergone an inspection by a Certified Access Specialist (CASp). D have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. D have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq.

(b) Since compliance with the Americans with Disabilities Act (ADA) is dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that

Lessee's use of the Premises requires modifications or additions to the Premises in order to be in ADA compliance, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. **SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.**
2. **RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.**

WARNING: IF THE PREMISES IS LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES IS LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: _____
On: August , 2015

Executed at: _____
On: August , 2015

By LESSOR:
Golden Egg, LLC
a California Limited Liability Company

By LESSEE:
Mediscan Staffing Services, dba
Mediscan Diagnostics, Mediscan Therapy Inc.

By: /s/ Emily Serebryany
Name: Emily Serebryany
Title: Member
By: _____
Name: Val Serebryany
Title: Member
Address: 21050 Califa Street
Woodland Hills, CA 91367
Telephone: (818) 758-8680
Facsimile: (818) 758-9451
Email: _____
Email: _____
Federal ID
No. _____

By: /s/ Emily Serebryany
Name: Emily Serebryany
Title: President
By: _____
Name: Val Serebryany
Title: Vice President
Address: 21050 Califa Street
Woodland Hills, CA 91367
Telephone: (818) 758-8680
Facsimile: (818) 758-9451
Email: _____
Email: _____
Federal ID
No. _____

BROKER:
N/A

Attn: _____
Title: _____
Address: _____

Telephone: _____
Facsimile: _____
Email: _____
Federal ID
No. _____
Broker/Agent
BRE
License # _____

BROKER:
N/A

Attn: _____
Title: _____
Address: _____

Telephone: _____
Facsimile: _____
Email: _____
Federal ID
No. _____
Broker/Agent
BRE
License # _____

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form:

**AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203.
Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.**

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RULES AND REGULATIONS FOR STANDARD OFFICE LEASE

Dated: August 4, 2015

By and Between Golden Egg, LLC and Mediscan Staffing Services

GENERAL RULES

1. Lessee shall not suffer or permit the obstruction of any Common Areas, including driveways, walkways and stairways.
2. Lessor reserves the right to refuse access to any persons Lessor in good faith judges to be a threat to the safety and reputation of the Project and its occupants.
3. Lessee shall not make or permit any noise or odors that annoy or interfere with other lessees or persons having business within the Project.
4. Lessee shall not keep animals or birds within the Project, and shall not bring bicycles, motorcycles or other vehicles into areas not designated as authorized for same.
5. Lessee shall not make, suffer or permit litter except in appropriate receptacles for that purpose.
6. Lessee shall not alter any lock or install new or additional locks or bolts.
7. Lessee shall be responsible for the inappropriate use of any toilet rooms, plumbing or other utilities. No foreign substances of any kind are to be inserted therein.
8. Lessee shall not deface the walls, partitions or other surfaces of the Premises or Project.
9. Lessee shall not suffer or permit anything in or around the Premises or Building that causes excessive vibration or floor loading in any part of the Project.
10. Furniture, significant freight and equipment shall be moved into or out of the building only with the Lessor's knowledge and consent, and subject to such reasonable limitations, techniques and timing, as may be designated by Lessor. Lessee shall be responsible for any damage to the Office Building Project arising from any such activity.
11. Lessee shall not employ any service or contractor for services or work to be performed in the Building, except as approved by Lessor.
12. Lessor reserves the right to close and lock the Building on Saturdays, Sundays and Building Holidays, and on other days between the hours of 7:00 P.M. and 6:30 A.M. of the following day.
If Lessee uses the Premises during such periods, Lessee shall be responsible for securely locking any doors it may have opened for entry.
13. Lessee shall return all keys at the termination of its tenancy and shall be responsible for the cost of replacing any keys that are lost.
14. No window coverings, shades or awnings shall be installed or used by Lessee.
15. No Lessee, employee or invitee shall go upon the roof of the Building.
16. Lessee shall not suffer or permit smoking or carrying of lighted cigars or cigarettes in areas reasonably designated by Lessor or by applicable governmental agencies as non-smoking areas.
17. Lessee shall not use any method of heating or air conditioning other than as provided by Lessor.
18. Lessee shall not install, maintain or operate any vending machines upon the Premises without Lessor's written consent.
19. The Premises shall not be used for lodging or manufacturing, cooking or food preparation.
20. Lessee shall comply with all safety, fire protection and evacuation regulations established by Lessor or any applicable governmental agency.
21. Lessor reserves the right to waive any one of these rules or regulations, and/or as to any particular Lessee, and any such waiver shall not constitute a waiver of any other rule or regulation or any subsequent application thereof to such Lessee.
22. Lessee assumes all risks from theft or vandalism and agrees to keep its Premises locked as may be required.
23. Lessor reserves the right to make such other reasonable rules and regulations as it may from time to time deem necessary for the appropriate operation and safety of the Project and its occupants. Lessee agrees to abide by these and such rules and regulations.

PARKING RULES

1. Parking areas shall be used only for parking by vehicles no longer than full size, passenger automobiles herein called "Permitted Size Vehicles." Vehicles other than Permitted Size Vehicles are herein referred to as "Oversized Vehicles."
2. Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.
3. Parking stickers or identification devices shall be the property of Lessor and be returned to Lessor by the holder thereof upon termination of the holder's parking privileges. Lessee will pay such replacement charge as is reasonably established by Lessor for the loss of such devices.
4. Lessor reserves the right to refuse the sale of monthly identification devices to any person or entity that willfully refuses to comply with the applicable rules, regulations, laws and/or agreements.

5. Lessor reserves the right to relocate all or a part of parking spaces from floor to floor, within one floor, and/or to reasonably adjacent offsite location(s), and to reasonably allocate them between compact and standard size spaces, as long as the same complies with applicable laws, ordinances and regulations.
6. Users of the parking area will obey all posted signs and park only in the areas designated for vehicle parking.
7. Unless otherwise instructed, every person using the parking area is required to park and lock his own vehicle. Lessor will not be responsible for any damage to vehicles, injury to persons or loss of property, all of which risks are assumed by the party using the parking area.
8. Validation, if established, will be permissible only by such method or methods as Lessor and/or its licensee may establish at rates generally applicable to visitor parking.
9. The maintenance, washing, waxing or cleaning of vehicles in the parking structure or Common Areas is prohibited.
10. Lessee shall be responsible for seeing that all of its employees, agents and invitees comply with the applicable parking rules, regulations, laws and agreements.
11. Lessor reserves the right to modify these rules and/or adopt such other reasonable and non-discriminatory rules and regulations as it may deem necessary for the proper operation of the parking area.
12. Such parking use as is herein provided is intended merely as a license only and no bailment is intended or shall be created hereby.

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form:

AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203.

Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this “**First Amendment**”) is made as of October 30, 2015 (the “**Effective Date**”) by and among GOLDEN EGG, LLC, a California limited liability company (“**Lessor**”), and MEDISCAN DIAGNOSTIC SERVICES a California Inc, (“**MDX**”) MEDISCAN NURSING STAFFING, a California Inc, (“**MNS**”) MEDISCAN, a California Inc, (“**MTI**”), (all **MDX, MNS, MTI** d/b/a Mediscan Staffing Services), DIRECTED SOLUTIONS, a California Inc, (“**DES**”), and DIRECT ED SPECIALIZED SERVICES, a California Inc, (“**DED**”; **MNS, MIT, DES** and **DED** are collectively referred to herein as “**Lessee**”).

Recitals

This First Amendment is made with respect to the following facts:

- A. Lessor and Lessee are parties to an AIR Commercial Real Estate Association Standard Industrial/Commercial Single-Lessee Lease – Net dated as of August 4, 2015 for certain Premises located at 21050 Califa Street, Woodland Hills, California (the “**Lease**”).
- B. Lessor and Lessee wish to amend the Lease to reflect certain changes agreed to by the parties in connection with a corporate transaction as more specifically set forth in the agreement referenced in Schedule 1 hereto (the “**Agreement**”).

Amendment

In consideration of the mutual promises and agreements set forth below, the parties agree as follows:

1. Defined Terms. All capitalized terms used but not defined in this First Amendment will have the meanings set forth for such terms in the Lease. All terms that are defined in this First Amendment and used in any provisions that are added to the Lease pursuant to this First Amendment will have the meanings set forth for such terms in this First Amendment.
 2. Term; Extension Options. Notwithstanding anything to the contrary set forth in the Lease (including without limitation, the provisions of Paragraph 1.3 thereof), the term of the Lease (“**Initial Term**”) shall be three (3) years, ending August 31, 2018. If no Breach shall then have occurred and shall be continuing, Lessee shall have the option to extend the term of this Lease (the Initial Term and any such extension thereof properly exercised shall be referred to herein as the “**Term**”) for one year until August 31, 2019, provided that notice of such exercise shall have been given no later than January 31, 2018. If such first one-year extension shall have been exercised, and if no Breach shall then have occurred and shall be continuing, Lessee shall have a second option to extend the Term for an additional year, until August 31, 2020, provided that notice of such extension shall have been given no later than January 31, 2020.
-

3. Base Rent. Notwithstanding anything to the contrary set forth in the Lease (including, without limitation, the amounts payable in respect thereof as set forth in Paragraph 1.5 thereof, which amounts are superseded and replaced by the following), the Base Rent payable under the Lease shall be as follows:

<u>Rental Period</u>	<u>Base Rent (per month)</u>
Effective Date through August 31, 2016	\$32,302.00
September 1, 2016 through August 31, 2017	\$33,271.06
September 1, 2017 through August 31, 2018	\$34,269.19
<u>In addition, if the Term is extended by Lessee:</u>	
September 1, 2018 through August 31, 2019	\$35,297.27
September 1, 2019 through August 31, 2020	\$36,356.19

If the Effective Date is other than the first day of a calendar month, pro-rations, if any, of prepaid Base Rent under the Agreement shall be calculated using Base Rent set forth in this Section 2.

4. Additional Rent. Notwithstanding anything to the contrary set forth in the Lease (including, without limitation, the provisions of Paragraphs 4.3, 8.3 and 10.2 thereof), the parties agree that from and after the Effective Date, it shall be the obligation of Lessor, and not Lessee, (i) to pay owner's association or condominium fees levied against the Premises, and no portions thereof shall be charged to Lessee, (ii) to pay for and maintain any and all property insurance required by Section 8.3, including loss of rents and any retentions and/or deductibles (and Lessee shall have no obligations in respect thereof), and (iii) to pay all Real Property Taxes (and Lessee shall have no obligations in respect thereof). In addition, from and after the Effective Date, the provisions of Section 8.9 shall be deleted and of no further force and effect.

5. Security Deposit. Paragraph 1.6(b) of the Lease is hereby revised to read "zero" and Paragraph 5 of the Lease is hereby deleted. The parties agree that there shall be no requirement for a Security Deposit under the Lease (and any references therein to a Security Deposit are hereby deleted).

6. Condition of Premises. Notwithstanding anything to the contrary set forth in the Lease, the warranties of Lessor set forth in Paragraph 2.2 (including, *inter alia*, Lessor's warranty (i) that the existing electrical, plumbing, fire sprinkler, lighting, HVAC, loading doors, sump pumps, and other elements in the Premises are in good operating condition, (ii) that the structural elements of the roof, bearing walls and foundation of the Building are free of material defects, and (iii) that the Premises do not contain hazardous levels of mold or fungi), and Paragraph 2.3 (including, *inter alia*, Lessor's warranty that the Premises comply with Applicable Requirements) shall be remade and effective for all purposes as of the Effective Date. Accordingly, any limitations on the time period for Lessee to provide Lessor with notice of any defects or breach of such warranties (and the corresponding obligations of Lessor to correct same) shall be measured from the Effective Date.

7. Repair and Maintenance. Paragraph 7.1(d) is hereby deleted. Paragraphs 7.1(a) and 7.2 of the Lease are hereby revised and replaced with the following:

7.1 Lessee's Obligations.

(a) In General. Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage and Destruction) and 14 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations and Alterations in good order, condition and repair (whether or not the need for such repairs occurs as a result of Lessee's use, the elements of the age of the affected Premises) including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fixtures, interior walls, interior surfaces of exterior walls, ceilings, floors, windows, doors, plate glass and skylights, but excluding any items which are the responsibility of Lessor under Paragraph 7.2. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below and the taking of such other steps as may be reasonably required, short of replacement, to keep such Premises and improvements in good order, condition and state of repair; provided, that Lessee shall be responsible for the replacement of windows, doors and plate glass needing replacement during the Term.

7.2 Lessor's Obligations.

(a) In General. Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage and Destruction) and 14 (Condemnation), Lessor shall, at its sole expense, keep in good order and repair the foundations, exterior walls, structural condition of the interior bearing walls, exterior roof, fire sprinkler system, life safety systems, parking lots, roll-up doors and walkways. In addition, if any plumbing, HVAC equipment, boilers, pressure vessels and electrical systems need replacement (other than light-bulbs and minor replacements which cost than [\$1,000.00]), Lessor shall be responsible for such replacements; *provided, however,* that Lessor shall have no obligation or liability for any such repair, maintenance or replacement (and all such obligation and liability for such repair, maintenance or replacement shall be borne by Lessee) to the extent that such repair or replacement is attributable to: (i) Alterations made by Lessee after the Effective Date, (ii) Lessee's misuse of, or failure to properly maintain, the Premises in accordance with Paragraph 7.1(a) after to the Effective Date, or (iii) the acts or omissions of Lessee from and after the Effective Date, not including acts and omissions merely constituting ordinary wear and tear. Lessor shall not be obligated to paint the exterior or interior surfaces of exterior walls nor shall Lessor be obligated to maintain, repair or replace windows, door or plate glass of the Premises.

(b) Failure to Perform. If Lessor fails to perform Lessor's obligations under Paragraph 7.2(a) above, Lessee may, after 10 days' prior written notice to Lessor (except in the case of emergency, in which case no such notice shall be required), perform such obligations on Lessor's behalf, and Lessee shall be entitle to reimbursement in an amount equal to 115% of the cost thereof.

8. Removal. Notwithstanding anything to the contrary set forth in the Lease, Lessee shall have no obligation to remove any Lessee Owned Alterations or Utility Installations which are in place on the Effective Date. In addition, the obligations of Lessee with respect to removal of Hazardous Substances brought onto the Premises by or for Lessee shall only apply to the extent first introduced to, or brought onto, the Premises after the Effective Date.

9. Utilities and Services. The parties acknowledge and agree that Lessee shall be responsible for the amount billed by the applicable provider thereof for all utilities, as provided Paragraph 11, as well as the costs of janitorial services and carpet cleaning. While Lessee shall pay for the cost for landscaping maintenance and the costs incurred to clean the parking lot, any repairs or replacements to same shall be the responsibility of Lessor.

10. Assignment and Sublet Rights. Notwithstanding anything to the contrary set forth in the Lease, including Paragraph 12 thereof:

(a) Lessor's consent under Paragraph 12(a) to an assignment or subletting requested by Lessee shall not be unreasonably withheld, conditioned or delayed.

(b) An assignment or subletting to, or use or occupancy of, all or a portion of the Premises by, (a) an affiliate of Lessee or Lessee's parent (an entity which directly or indirectly, through one or more intermediaries, is controlled by, controls or is under common control, as such term is defined in California General Corporations Code ("CGCC") Sections 160 and 5045, with, Lessee); (b) an entity which merges with or acquires or is acquired by, Lessee or a parent of Lessee, or a subsidiary, of Lessee's parent or Affiliate, or (c) a transferee of all, substantially all, or a significant portion of the assets of Lessee, may occur freely without restriction and without any need for any consents or approval by Lessor.

11. Notice of Defaults. The notice period set forth in Paragraph 13.1(b) of the Lease with respect to the non-payment of Rent is hereby revised to be ten (10) days (rather than 3 business days).

12. Late Charge. The third sentence of Paragraph 13.4 of the Lease is hereby revised to read as follows: "Accordingly, if any Rent shall not be received by Lessor within 10 days after the such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall be obligated to pay Lessor a late charge equal to three percent (3%) of such overdue amount."

13. Assumption by Successor to Lessor. The penultimate sentence of Paragraph 17 is revised to read as follows: "Upon such transfer or assignment, as aforesaid, and subject to the written assumption of the obligations of Lessor under this Lease by the transferee or assignee, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor."

14. Lessor Estoppel.

(a) The Lease attached hereto as Exhibit A constitutes a true, correct, and complete copy of the Lease.

(b) The Lease is in full force and effect and has not been modified, supplemented, or amended in any way (except as amended by this First Amendment) and the Lease represents the entire agreement between the parties as to the Premises or any portion thereof.

(c) There presently exists no default under the Lease by Lessor or Lessee. No event has occurred that, with or without the giving of notice or with the passage of time, or both, would constitute a default under the Lease by Lessor or Lessee. Lessor has not given Lessee notice of any default under the Lease that has not been cured. To Lessor's knowledge, there exists no defense to enforcement of the Lease by Lessee, and there are no offsets or credits on the part of Lessor against Lessee under the Lease.

(d) Lessor has not mortgaged, assigned, transferred, encumbered or conveyed its fee interest in the Project, other than the granting of a leasehold estate to Lessee pursuant to the Lease.

15. Miscellaneous.

(a) If any of the terms, covenants and provisions of the Lease are inconsistent in any respects with the terms, covenants and provisions of this First Amendment, the terms, covenants and provisions of this First Amendment shall control.

(b) As amended hereby, the Lease remains in full force and effect.

(c) This First Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and same amendment.

IN WITNESS WHEREOF, the parties have executed this First Amendment on the dates set forth below opposite their respective signatures, but as of the date first set forth above.

LESSOR:

GOLDEN EGG, LLC, a California limited liability company

Date: November 2, 2015

By: /s/ Val Serebryany
Val Serebryany

LESSEE:

Date: October 30, 2015

/s/ William J. Grubbs

as an authorized officer with the authority to sign for and bind each of MEDISCAN DIAGNOSTIC SERVICES, INC., ("**MDX**") MEDISCAN NURSING STAFFING, INC. ("**MNS**") MEDISCAN, INC., ("**MTI**"), (all **MDX, MNS, MTI** d/b/a Mediscan Staffing Services), DIRECTED SOLUTIONS, INC a ("**DES**"), and DIRECT ED SPECIALIZED SERVICES, INC. ("**DED**"; **MNS, MIT, DESS**)

Cross Country Healthcare Completes Acquisition of Mediscan

BOCA RATON, Fla.--(BUSINESS WIRE)--November 2, 2015--Cross Country Healthcare, Inc. (NASDAQ: CCRN) today announced the completion of its acquisition of Mediscan, a quality provider of temporary healthcare recruiting, staffing and workforce solutions to both the healthcare and education markets, on Friday, October 30, 2015. The purchase price included \$28 million in cash and \$5 million in shares of the Company's Common Stock, subject to a net working capital adjustment. Sellers are also eligible to receive an earn-out based on Mediscan's 2016 and 2017 performance that could provide up to an additional \$7 million of cash over the two years. The 349,871 shares of Common Stock issued in connection with the acquisition are subject to a lockup period. The Company will discuss the transaction in more detail on its quarterly earnings call on Thursday, November 5, 2015 at 9:00 a.m. Eastern Time.

About Cross Country Healthcare, Inc.

Cross Country Healthcare, Inc., headquartered in Boca Raton, Florida, is a national leader in providing leading-edge healthcare workforce solutions. Our solutions are geared towards assisting our clients solve labor cost issues while maintaining high quality outcomes. With more than 30 years of experience, we are dedicated to placing highly qualified nurses and physicians as well as allied health, advanced practice, clinical research, and case management professionals. We provide both retained and contingent placement services for physicians, as well as retained search services for healthcare executives. We have more than 6,000 active contracts with a broad range of clients, including acute care hospitals, physician practice groups, nursing facilities, rehabilitation and sports medicine clinics, government facilities, as well as nonclinical settings such as homecare and schools. Through our national staffing teams and network of more than 70 branch office locations, we are able to place clinicians for travel and per diem assignments, local short-term contracts and permanent positions. We are a market leader in providing flexible workforce management solutions, which include managed services programs (MSP), workforce assessments, internal resource pool consulting and development, electronic medical record (EMR) transition staffing and recruitment process outsourcing.

Copies of this and other news releases as well as additional information about Cross Country Healthcare can be obtained online at www.crosscountryhealthcare.com. Shareholders and prospective investors can also register to automatically receive the Company's press releases, SEC filings and other notices by e-mail.

CONTACT:

Cross Country Healthcare, Inc.
William J. Grubbs, 561-237-6202
President and Chief Executive Officer
wgrubbs@crosscountry.com