## ADDENDUM TO SUBLEASE AGREEMENT

This is Addendum (this "Addendum") to that certain Sublease dated as of \_\_\_\_\_\_\_, 2013 (the "Sublease") by and between Pflugerville Community Development Corporation, a Section 4B corporation incorporated under the Development Corporation Act ("Sublessor") and TrackingPoint, Inc., a Delaware corporation ("Sublessee"). In the event of a conflict between the terms of the Sublease or this Addendum, the language of this Addendum shall control.

- 1. Except as otherwise provided herein, as between Sublessor and Sublessee, Sublessee shall be subject to the same obligations and entitled to all of the rights and remedies granted to the tenant in the Master Lease executed between Sublessor and 230 Commerce Center, LLC ("Landlord"), executed in October 2012 (the "Master Lease") as if the Sublessee was the "Tenant" under the Master Lease and Sublessor was the "Landlord" under the Master Lease, and such obligations, rights and remedies are hereby incorporated herein by reference.
- 2. Sublessor hereby agrees that, throughout the term of this Sublease, Sublessor shall timely and fully observe and perform all provisions of the Master Lease with respect to the leased premises (as defined in the Master Lease) and that Sublessor will not do or permit to be done any act which will be in violation or breach of the Master Lease. Sublessor shall not amend, modify or terminate the Master Lease (except a termination in connection with a casualty or condemnation permitted under the Master Lease to which Sublessee has consented) or waive any rights of Sublessor under the Master Lease with respect to the subleased premises without the prior written consent of Sublessee. Sublessor represents and warrants that no default exists under the Master Lease, and no event which with the giving of notice or the passage of time would result in a default, exists under the Lease. Nothing in this Sublease shall relieve Sublessor from liability to Sublessee for Sublessor's failure to timely and fully comply with the Master Lease.
- 3. Notwithstanding anything to the contrary set forth herein or in the Sublease, neither Sublessor or Sublessee shall be liable (by way of subrogation or otherwise) to the other party (or to any insurance company insuring the other party) for any loss or damage to any of the property of Sublessor or Sublessee, as the case may be, with respect to their respective property, the Building or the Premises or any addition or improvements thereto, or any contents therein, to the extent covered by insurance carried or required to be carried by a party hereto EVEN THOUGH SUCH LOSS MIGHT HAVE BEEN OCCASIONED BY THE NEGLIGENCE OR WILLFUL ACTS OR OMISSIONS OF THE SUBLESSOR OR SUBLESSEE OR TENANT OR THEIR RESPECTIVE EMPLOYEES, AGENTS, CONTRACTORS OR INVITEES. Sublessor and Sublessee shall give each insurance company which issues policies of insurance, with respect to the items covered by this waiver, written notice of the terms of this mutual waiver, and shall have such insurance policies properly endorsed, if necessary, to prevent the invalidation of any of the coverage provided by such insurance policies by reason of such mutual waiver. For the purpose of the foregoing waiver, the amount of any deductible applicable to any loss or damage shall be deemed covered by, and recoverable by the insured under the insurance policy to which such deductible relates.

- 4. If Landlord defaults in the performance of any of its obligations under the Master Lease, Sublessor will, upon the written request of Sublessee, use its diligent good faith efforts to enforce the Lease and obtain Landlord's compliance with its obligations thereunder.
- Upon termination of this Sublease, Sublessee will deliver the subleased premises to 5. Sublessor in the same condition as of the date Sublessee began occupancy, reasonable and ordinary wear and tear, depreciation, deterioration, casualty and condemnation excepted. Notwithstanding the foregoing, Sublessee shall not be liable for, and Sublessee shall not be deemed to have waived by taking possession of the subleased premises or otherwise, any violations of applicable laws (including applicable laws pertaining to health and the environment) or restrictive covenants or other encumbrances relating to the Building that: (i) occurred in whole or in part prior to the date hereof, including any violation continuing as of the date hereof; or (ii) result in whole or in part from the failure of the Building or the property upon which it is located (as opposed any particular operation or conduct of Sublessee in the subleased premises which may violate applicable laws or other provisions of this Sublease) to comply with applicable laws or restrictive covenants or other encumbrances (excluding, however, any such failure that is caused by alterations to the Building made by Sublessee); or (iii) result in whole or in part from the presence, release or disposal of asbestos or other hazardous materials on or from the Building or the land upon which it is located, excluding only hazardous material placed on the property by Sublessee. Further, notwithstanding anything to the contrary in the Master Lease or this Sublease, Sublessee shall have no liability to correct any violation of environmental laws or to correct any violation of the Americans With Disabilities Act or any other similar federal or state law applicable to the subleased premises for any violation existing on the Delivery Date and Sublessee shall have no liability to indemnify Sublessor for any violation of environmental laws unless such violation was caused by Sublessee's placement of hazardous materials in the Building. Further, notwithstanding anything to the contrary set forth in the Master Lease or the Sublease, Sublessee shall have no obligation to remove any alterations or improvements constructed or placed in the subleased premises which were approved by Sublessor and Landlord prior to the installation thereof.
- 6. Subject to compliance with all applicable laws, Sublessee shall be entitled to install \_\_\_\_\_ signs on the exterior of the subleased premises [WHERE???]. Sublessor hereby approves Sublessee's signage specifications set forth in Exhibit \_\_\_\_ attached hereto and represents and warrants that Sublessor has obtained the Landlord's consent pursuant to Section 7 of the Master Lease.
- 7. Sublessee agrees that it will neither assign this Sublease nor sublease the whole or any portion of the subleased premises (a "Transfer") without the prior written consent of Sublessor and Landlord, which consent shall not be unreasonably withheld or delayed. Within ten (10) business days after Sublessor's and Landlord's receipt of a request for an approval of a proposed Transfer, Sublessor and Landlord shall either consent or reasonably refuse consent to the Transfer (and specify in detail the reason(s) for such refusal) in writing. If either Sublessor or Landlord fails to respond to any request for consent within the ten (10) business day period set forth above, they shall be deemed to have approved the proposed Transfer.

Notwithstanding the foregoing, Sublessee shall be entitled to assign this Sublease or sublease all or any portion of the subleased premises to (A) any Affiliate (hereinafter defined) of

- Sublessee, (B) a successor by merger, acquisition, consolidation or reorganization, or (C) a purchaser of all or substantially all of the assets of Sublessee (each, a "Permitted Transfer", and any such transferee being a "Permitted Transferee"), without the prior written consent of Sublessor or the Landlord, provided Sublessee shall give Sublessor and Landlord written notice at least ten (10) days prior to the effective date of the proposed assignment or sublease to the extent permitted by confidentiality obligations to which Tenant is bound; if not within thirty (30) days after the effective date of the proposed assignment or sublease. For purposes hereof, an "Affiliate" means any entity controlling or controlled by or under common control with such party.
- 8. All notices, consents, requests, instructions, approvals and other communications provided for herein and all legal process in regard to this Sublease will be validly given, made or served, if in writing and delivered personally, sent by nationally recognized overnight delivery service, or sent by United States certified mail, postage prepaid, return receipt requested, to the parties at the addresses set forth in the Sublease or to other such addresses as either party may, from time to time, designate in writing delivered in a like manner. Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of delivery service or mail, as of the date of first attempted delivery on business days during at the address and in the manner provided herein.
- 9. Notwithstanding anything to the contrary set forth in the Sublease, Sublessor shall have no right to relocate the subleased premises.
- The Sublease is subject to the approval of the Landlord and subject to Sublessor's obtaining a zoning change from the City of Pflugerville, Texas (the "City") with respect to that certain 20 acre parcel of land adjacent to Lot 4 Renewable Energy Park described in that certain Lease of Undeveloped Real Property between Sublessor and Sublessee dated \_\_\_\_\_\_\_, 2013 (the "Ground Lease") to permit the use of the property under the Ground Lease for a sport shooting range/ballistics lab. Sublessor shall use reasonable efforts to obtain (i) the consent of Landlord to this Sublease within two (2) weeks after Sublessee's delivery to Sublessor of this Sublease executed by Sublessee and (ii) the zoning change by May 15, 2013. In the event that the Landlord has not consented to this Sublease on or before the expiration of such two (2) week period or the City has not approved the zoning change to permit the use of the property under the Ground Lease for a sport shooting range/ballistics lab by June 1, 2013, Sublessee shall have the right to terminate this Sublease at any time after June 1, 2013. Further, in the event the City does not approve the construction plans for the construction of the sport shooting range/ballistics lab within the later of (i) sixty (60) days after the execution of the Sublease by Sublessor and Sublessee and (ii) sixty (60) days after delivery of such proposed construction plans by Sublessee to the City (such later date, the "Plan Approval Date"), Sublessee shall have a right to terminate this Sublease at any time after the Plan Approval Date and prior to the City's approval of Sublessee's construction plans.

## 11. Defaults.

(a) Notwithstanding anything to the contrary set forth in the Master Lease or the Sublease, in no event shall Sublessee be liable for consequential or special damages, including lost profits, as a result of Sublessee's breach of or default hereunder.

- (b) Notwithstanding anything to the contrary set forth in the Master Lease or the Sublease, no default under the Sublease shall occur unless Sublessor has given Sublessee notice of such default and Sublessee has not cured any monetary default within 10 days after receipt of notice, and with respect to non-monetary defaults, Sublessee has not cured such default within 30 days after receipt of notice; provided that in the event such default is not reasonably susceptible of cure within said 30 day period, then no default shall occur so long as Sublessee commences such cure within said 30 day period and thereafter diligently pursues such cure until complete.
- (b) Notwithstanding anything to the contrary set forth in the Sublease, in no event shall Sublessee be required to operate in the subleased premises during any particular hours or at any particular times.
- 12. Notwithstanding anything in the Master Lease to the contrary, Sublessor hereby waives any and all liens and security interests that Sublessor may have (including all statutory and constitutional liens) in Sublessee's property in the subleased premises.
- 13. During the term of the Sublease, Sublessee shall have, in addition to any other rights and remedies available to Sublessee in connection therewith, the remedy of self-help if Sublessor, after notice and expiration of the applicable cure period set forth in the Sublease or if Landlord fails to perform its obligations under the Master Lease. If Sublessor fails to reimburse Sublessee, for Sublessee's out-of-pocket costs incurred therefor within thirty (30) days after written demand, Sublessee may set off against rent all costs incurred in exercising any such self-help right.
- 15. Notwithstanding anything to the contrary set forth in the Sublease, in no event shall any entry into the subleased premises by Sublessor adversely affect Sublessee's access to or use of the subleased premises. Sublessor shall provide Sublessee at least forty-eight (48) hours notice to Sublessee prior to any entry into the subleased premises (except in the case of emergency repairs). Sublessor also agrees to use reasonable efforts to minimize any interference with or disruption of Sublessee's use of or business in the subleased premises in connection with any exercise of its rights above or its rights under the Sublease, including, without limitation, by performing any noisy work or work that causes excessive vibrations, fumes or odors, outside of normal business hours of Sublessee, except in the case of emergency repairs. In no event shall Sublessor be entitled to make any repairs, improvements, alterations or additions in the subleased premises which (i) adversely affect Sublessee's access to or use of the subleased premises, , (iii) reduce the usable area of the subleased premises, or (iv) present an increased risk of damage to Sublessee's equipment or property in the subleased premises.

- 16. Sublessee shall have the right to install, at its sole cost and expense, access control equipment with respect to the subleased premises to limit and monitor access to the subleased premises, and in connection therewith alter and/or remove any locks on any doors into or within the subleased premises.
- 17. Sublessor and Sublessee represent and warrant to each other that neither has dealt with any broker, finder or agent except for the Brokers identified in Section 21 of the Sublease. Sublessor agrees to indemnify, defend and hold Sublessee harmless from any and all claims, suits, or judgments (including, without limitation, reasonable attorneys' fees and court costs incurred in connection with any such claims, suits, or judgments, or in connection with the enforcement of this indemnity) for any fees, commissions, or compensation of any kind which is claimed by the Brokers identified in Section 21 of the Sublease. If for any reason Sublessor fails to pay such commission to Sublessee's Broker identified in Section 21 of the Sublease in accordance with the terms of Sublessor's commission agreement with such Broker, Sublessee shall have the right, upon thirty (30) days' prior written notice to Sublessor, to pay such commission to Sublessee's Broker, and upon delivery to Sublessor of evidence of such payment, credit or offset such amount against the next payments of rent due under the Sublease, together with interest thereon at the lower of (i) the maximum rate permitted by applicable law, and (ii) ten percent (10%) per annum, until such amount is fully recouped or reimbursed by Sublessor.
- Notwithstanding the foregoing, for purposes of computing Sublessee's pro rata share of 18. CAM, Insurance and Taxes (collectively "Operating Expenses"), the Controllable Operating Expenses (hereinafter defined) for each calendar year of the Term of the Sublease (and thereafter any direct lease with Landlord) shall not increase by more than 6% per calendar year over Controllable Operating Expenses for the prior calendar year. "Controllable Operating Expenses" shall mean any and all Operating Expenses exclusive of (i) the cost of utilities, (ii) the cost of insurance for the same coverage, (iii) taxes and assessments and governmental charges. Notwithstanding anything to the contrary set forth in the Sublease, for purposes of computing Sublessee's pro rata share of Operating Expenses, Taxes shall not include federal, state, county or municipal taxes on income, death taxes, excess profit taxes, franchise taxes, or any taxes imposed or measured on or by the income, gross receipts or revenue of Sublessor or Landlord from the operation of the Building or imposed in connection with or as a result of any change in the ownership of the Building and/or the Property. Notwithstanding anything to the contrary set forth in the Sublease, for purposes of computing Sublessee's pro rata share of Operating Expenses, Operating Expenses shall not include any of the following:
- (i) leasing commissions, attorneys' fees, costs, disbursements and other expenses incurred in connection with negotiations for leasing, leasing, renovating or improving space for tenants or prospective tenants of the Property;
- (ii) costs (including permit, license and inspection fees) incurred in renovating or otherwise improving or decorating, painting or redecorating space for tenants or prospective tenants or vacant space;
- (iii) costs incurred in connection with disputes with and/or enforcement of any leases with tenants, other occupants or prospective tenants or other occupants of the Property;

- (iv) costs of any services provided to tenants for which Landlord is entitled to be reimbursed by such tenants as an additional charge or rental over and above the base rent and operating expenses payable under the lease with such tenant or other occupant;
- (v) any depreciation, amortization or "non-cash" expense items, except as expressly permitted herein;
- (vi) costs (including, without limitation, fines, penalties and legal fees) incurred due to violation by Landlord or its agents, employees or contractors of any of the terms and conditions of the Master Lease or violation by Landlord or its agents, employees or contractors or any other tenant of any other lease relating to the Property or any applicable laws;
- (vii) payments of principal, finance charges or interest on debt, amortization payments, or any other payments on any mortgages or deeds of trust or any other debt for borrowed money;
  - (viii) amounts paid as rental under any ground lease or similar lease;
- (ix) all items, services or benefits for which Sublessor or any other tenant specifically reimburses Landlord or is required to specifically reimburse Landlord outside of Operating Expenses or is required to pay third persons or which Landlord provides selectively to one or more tenants or occupants of the Property without reimbursement;
  - (x) advertising and promotional expenditures;
- (xi) costs of repairs, replacements or other work occasioned by fire, windstorm or other casualty, or the exercise by governmental authorities of the right of eminent domain;
- (xii) costs of any work paid for through insurance or condemnation proceeds or that would have been paid for by insurance if Landlord had carried the insurance required hereunder or made a claim under any insurance policies carried by Landlord;
- (xiii) costs of repairs or replacements resulting from any defect in the original design or construction of the Building or any associated parking facilities or improvements (including latent defects) or from defects in any equipment used therein or thereon;
- (xix) costs of a capital nature, except as otherwise expressly permitted herein, including, but not limited to, capital additions, capital improvements, capital repairs, capital maintenance, capital alterations, capital replacements, capital equipment and capital tools, and/or capital redesign, all in accordance with generally accepted accounting principles, consistently applied;
- (xx) penalties for late payment, including, without limitation, taxes, equipment leases, etc.;
- (xxi) costs directly resulting from the negligence or willful misconduct of Landlord, its employees, agents and/or contractors;

(xxii) payments in respect of overhead and/or profit to any subsidiary or affiliate of Landlord, or to any other party, as a result of a non-competitive selection process for services (other than the management fee) on or to the Property or for goods, supplies or other materials, to the extent that the costs of such services, goods, supplies and/or materials exceed the costs that would have been paid had the services, goods, supplies or materials been provided by parties unaffiliated with Landlord, or by third parties, of similar skill, competence and experience, on a competitive basis;

(xxiii) taxes payable by Landlord other than real estate taxes payable with respect to Landlord's ownership of the Property;

(xxiv) except for the management fee, costs of Landlord's general overhead and general administrative expenses (individual, partnership or corporate, as the case may be), which costs would not be chargeable to Operating Expenses in accordance with generally accepted accounting principles, consistently applied;

(xxv) costs for which Landlord is compensated or is entitled to be compensated through or reimbursed by insurance or other means of recovery;

(xxvi) costs covered by warranties of manufacturers, suppliers or contractors, or otherwise borne by parties other than Landlord;

(xxvii) contributions to operating expense, capital improvement or replacement reserves, or any other reserves;

(xxviii)first-time costs of materials, spare parts, tools and equipment used in the operating, maintenance, cleaning, repair, landscaping and security of the Building, including the initial construction thereof;

(xxix) premiums and other charges with respect to rental loss insurance for any period in excess of twelve (12) months;

(xxx) contributions to charitable organizations;

(xxxi) costs of any "tap fees" or one-time lump sum sewer, water or other utility connection fees for the Building, land or any associated parking facilities;

(xxxii) costs or fees relating to the defense of Landlord's title to or interest in the Building, or any part thereof, and in connection with any dispute between Landlord and any mortgagee or ground lessor; or

(xxxiii) compensation in the form of wages, salaries and such other compensation and benefits, as well as any adjustments thereto, for all employees and personnel of Landlord above the level of the Property manager.

- 19. Sublessor's and Sublessee's responsibilities with respect to the additional rent described in the Sublease shall survive the expiration or early termination of the term of the Sublease.
- 20. Notwithstanding anything to the contrary set forth in the Sublease, Sublessee shall be entitled to a grace period of five (5) business days after Sublessee's receipt of written notice from Sublessor with respect to the first two (2) late payments of rent in any calendar year, and no late charge shall be payable with respect to the first two (2) late payments any calendar year so long as Sublessee makes such payments within five (5) business days after receipt of Sublessee's written notice.
- 21. <u>Right of First Refusal</u>. Sublessor hereby grants Sublessee the following right of first refusal ("Right of Refusal") with respect to the 12,000 rentable square feet of the Building leased by Sublessor that is not leased by Sublessee.
- (a) From and after the date of this Consent, Sublessee shall have the continuing and recurring right of first refusal (the "Right of First Refusal") with respect to the any space located in the Building that is leased by Sublessor and not included in the subleased premises (the "Refusal Space"). Sublessee's Right of First Refusal shall be exercised as follows: when Sublessor has a bona fide third party offer from a prospective tenant other than the existing tenant in the Refusal Space in question if such existing tenant does not have a renewal option in its lease, if any (the "Prospect") interested in leasing all or any portion of the Refusal Space upon terms acceptable to Sublessor that Sublessor is prepared to accept, Sublessor shall advise Sublessee (the "Advice") of the terms under which Sublessor and such Prospect are prepared to lease the Refusal Space (or applicable portion thereof). Sublessee may lease all (but not less than all) of the Refusal Space described in the Advice under such terms (except as provided below with respect to the term), by providing Sublessor with written notice of exercise (the "Notice of Exercise") within five (5) business days after the date of Sublessee's receipt of the Advice.
- (b) If Sublessee exercises the Right of First Refusal with respect to any Refusal Space, the term for such Refusal Space shall commence 15 days or as soon as is reasonably practicable thereafter Sublessor's receipt of Sublessee's Exercise Notice. The Refusal Space shall be directly leased by Sublessee from Sublessor. The terms of the Refusal Space shall be equal if not identical to the terms of the bona fide offer (Prospect). [This document ends rather abruptly. Did I get all of it?]

# 22. Additional Amendments. The Sublease shall also be amended as follows:

- (a) Section 7B is hereby amended to insert "and Landlord" after "Sublessor in the second sentence.
- (b) Section 9 is hereby amended to insert "and Landlord's" after "Sublessor's" in the third line.

- (c) Section 10 is hereby amended to insert "and Landlord" after "Sublessor in the first line.
- (d) Section 14 is amended by adding the following sentence at the end: "Each party agrees to indemnify and hold Landlord harmless to the same extent as provided in the previous sentence"
- (e) Section 21 B is hereby amended so that the Principal Broker's fee will be paid according to a separate written commission agreement between Principal Broker and Sublessor.
  - (f) Section 22D is amended to include the following additional addenda:

Exhibit B—Base Monthly Rent

Commercial Leasehold Construction Addendum

We need to add the following to the Commercial Leasehold Construction Addendum:

Landlord hereby agrees that Landlord shall not be entitled to disapprove Tenant's plans and specifications for the improvements Tenant desires to complete to the leased premises except for the following reasons: (i) the plans and specifications do not conform to applicable laws, rules and regulations, or (ii) the construction required by the plans and specifications could in Landlord's reasonable judgment adversely affect the structural integrity or any structural member of the Building (collectively, "Permitted Objections").

Commercial Lease Addendum for Parking

Commercial Sublease Addendum for Broker's Fee

Commercial Lease Addendum for Expense Reimbursement

Addendum to Sublease

No other addenda shall apply.

22. <u>Further Amendments to Sublease</u>. No amendments or modifications to the Sublease or to any of the Addenda shall be effective unless approved by the parties and the Landlord in a written and signed instrument, which approval shall not be unreasonably withheld, conditioned or delayed.

# **SUBLESSOR:**

## **SUBLEASEE:**

Pflugerville Community Development

TrackingPoint, Inc.,

Corporation,	a Delaware corporation
By:	By:
Name:	Name: Jon Dorton
Its:	Its: Chief Financial Officer
Date:	Date:

[Note: I haven't Seen Exhibit B—which provides the Base Monthly Rent – rental rates are in Section 4.A. of the Sublease.