Quanta Leasing Guidelines
(Short-Term Leases)

INTRODUCTION

An Operating Unit may enter into a lease with a term of twelve (12) months or less without the prior approval of the Quanta Real Estate Team. The Operating Unit should utilize the form of Temporary Facility Lease ("TFL") created by Quanta Legal. In instances where the approved form of Temporary Facility Lease cannot be utilized, the Operating Unit may negotiate terms and conditions of a short-term lease provided that such terms and conditions comply with the guidelines set forth below and are reviewed by Real Estate and in-house attorney.

All leases must be reviewed, prior to execution, by the Operating Unit's in-house attorney, by the attorney assigned by Quanta, by outside counsel familiar with the guidelines set forth below, or by the Quanta Real Estate Team. If the terms of a proposed lease do not comply with the guidelines set forth below, the lease must be submitted to the Quanta Real Estate Team for review and approval. A copy of any executed lease must be provided to the Quanta Real Estate Team.

The guidelines below set forth the minimum requirements that must be met for the Operating Unit's execution of a lease without full review and approval from the Quanta Real Estate Team. Other FORCE Guidelines may be applicable and should be relied upon in negotiating terms and conditions of a lease, including, without limitation, those guidelines addressing insurance coverage, mutual indemnity obligations, environmental reps, warranties and indemnifications, letters of intent, force majeure events, exclusions of consequential, indirect, or punitive damages, and dispute resolution.

1. VERIFICATION OF OWNERSHIP

Prior to entering into a lease, ownership of the leased premises by the Landlord must be verified. This may be done through county/city tax records, current vesting deed, or by other legal reliable means. If the Landlord is not the owner but is acting as an agent of the owner (e.g., a property manager), the Operating Unit should request and have their attorney review documentation evidencing such agency relationship.

2. PAYMENT OF RENT

Payment of rent should be on a month-to-month basis. Any lease requiring an up-front, lumpsum payment of more than two months' rent must be reviewed and approved by the Quanta Real Estate Team. Notwithstanding the foregoing, the Operating Unit may agree to pay a security deposit and up to two months' rent (e.g., first and last month) at the commencement of the lease.

3. TERM AND TERMINATION

3.1. Term of Lease

Except for month-to-month leases, any lease with a potential term in excess of twelve (12) months must be submitted for review to the Quanta Real Estate Team. This includes leases with an initial term of less than twelve (12) months, which contain one or more options that could extend the term past twelve (12) months.

3.2. Termination of Month-to-Month Lease

The Operating Unit should have absolute discretion to terminate a month-to-month lease at any time by providing notice of its intent to terminate. Typically, the right to terminate will be mutual. Notice of a party's intent to terminate should be in writing and provided within a reasonable time prior to the effective date of termination (e.g., 30 days).

3.3. Termination for Cause

A termination for cause should (i) be limited to material breaches, and (ii) require written notification of breach and a reasonable cure period during which the Operating Unit must "commence to cure" (not complete the cure). Provisions for material breaches should be reasonable and mutual.

4. INDEMNITIES

4.1. Fault Based Indemnities

An Operating Unit may only provide indemnities to the extent of its negligence or fault. In addition, the Operating Unit must not accept a limitation of the Landlord's responsibility to indemnify the Operating Unit to those losses arising "solely" out of Landlord's negligence. Each party's indemnification obligation should be proportional to such party's negligence. Any "knock-for-knock" indemnity obligation must be approved by the Quanta Real Estate Team.

4.2. Environmental Indemnities

An Operating Unit should only assume responsibility for hazardous materials brought to or generated on the leased premises by the Operating Unit and should not be responsible for any pre-existing conditions, contamination, or pollution or migration. Likewise, the Operating Unit should not be liable for damages caused by the handling of hazardous materials by the Landlord or any other third party – even if they were brought on the leased premises by the Operating Unit. Acceptance of responsibility for pre-existing environmental conditions or a third party's handling of hazardous materials requires approval by the Quanta Real Estate Team.

5. INSURANCE

5.1. "Not Less Than", "At Least", and "Minimum Coverage", or Similar

The amount of insurance an Operating Unit agrees to provide to a Landlord must be limited to a specific dollar amount. Required insurance limits containing "*not less than*", "*minimum*", and "*at least*" language potentially results in uncapped insurance obligations. Limits of insurance must be fixed amounts. Any coverage beyond what is being proposed in the TFL needs to be discussed with Risk to confirm coverage. (ie: Business Interruption Insurance is not carried).

5.2. Additional Insureds

Any requirement that a Landlord (or others) be added as an "additional insured" under the Tenant's liability insurance policies must be limited to the extent necessary to cover the indemnity obligations expressly assumed by Tenant under the lease.

5.3. Waiver of Subrogation

If waiver of subrogation is required, the waiver of subrogation provision should (i) except out a Landlord's negligence, gross negligence, recklessness and/or willful misconduct; and (ii) be limited to the extent of the Operating Unit's expressly assumed indemnity obligations.

5.4. Insurance to be Primary

An Operating Unit can agree to have its insurance be Primary, but this should be limited to the indemnity obligations expressly assumed by the Operating Unit under the lease.

5.5 Copies of Policies

Copies of policies will not be provided. Only Certificates of Insurance will be provide.

6. ENVIRONMENTAL

Any month to month lease or term less than 12 months that includes any form of ground disturbance is required to go through full Real Estate review.

The lease should contain a warranty and representation by the Landlord that the leased premises does not contain any environmental hazards, as well as an indemnity provided by Landlord for claims and losses arising from pre-existing environmental hazards on the premises or due to migration to the Premises. The following language should be included in the Lease:

Landlord covenants, warrants and represents that the Premises (including the land thereunder) does not contain any environmental hazards, except which have been specifically disclosed to Tenant. Landlord agrees to indemnify, defend and hold Tenant harmless from and against any claims, demands, penalties, fees, liens, damages, losses, expenses, or liabilities (including the cost of cleanup and reasonable professional fees, including fees of Tenant's attorneys, environmental consultants, contractors, inspectors, laboratory fees and the like) incurred by Tenant as a result of any contamination of the Premises by any environmental hazard to the extent the presence of any environmental hazard was on the Premises prior to the date Tenant took possession of the Premises, was not due to migration to the Premises or was not a result of the acts or omissions of Tenant or its agents or contractors. Nothing in this paragraph shall limit Landlord's duty of indemnification or contribution imposed by any other provision in this Lease or by applicable law. The indemnity and other duties provided for in this paragraph shall survive the expiration or termination of this Lease.

7. MAINTENANCE OBLIGATIONS:

Any Lease with Tenant being obligated for any maintenance, repair, or replacement costs is required to go through the Quanta Real Estate Team full review.

8. MISCELLANEOUS:

Any Lease that addresses terms and conditions greater than what is addressed above or in the Temporary Facility Lease form, no matter what the term, needs to run through the Quanta Real Estate Team's full review.

RELATED PARTY LEASES

All related party leases, regardless of lease duration, must be reviewed and approved by the Quanta Real Estate Team and will go through full review. A related party lease arises when an employee or officer of Quanta Services or an officer of any of Quanta's subsidiaries is an owner, in whole or in part, of the leased premises, whether such ownership is held in the Quanta employee or a Quanta or subsidiary officer's (or immediate family member(s)) name or held in an entity in which the Quanta employee or a Quanta or subsidiary officer (or immediate family member(s)) has an interest.