

OPTION TO LEASE AGREEMENT

This OPTION TO LEASE AGREEMENT (“Agreement”) is entered into this _____ day of _____ 2018 (“Effective Date”) by and between the CITY OF CHULA VISTA, a chartered municipal corporation (“City”), and the University of Saint Katherine, a California non-profit public benefit corporation (“USK”). The City and USK may be referred to herein individually as a “party” and collectively as the “parties”.

RECITALS

WHEREAS, City owns certain real property comprised of approximately 375 acres located in the Otay Ranch and Eastlake communities of the City of Chula Vista, California (the "University Property"); and

WHEREAS, City wishes to foster the development of a new university and regional technology park on the University Property, in a manner and form consistent with the goals and objectives of its General Plan and Otay Ranch General Development Plan; and

WHEREAS, USK has proposed an arrangement to the City to lease a 10-acre portion of the University Property (the “Property”) from City for the purpose of developing, constructing, operating and maintaining a multi-institutional university campus, including the development and construction of facilities for approximately 1,000 full-time students, student housing for approximately 400 students, and other infrastructure incidental to the university uses (the “Development”); and

WHEREAS, USK aims to become a nationally and internationally recognized residential institution of approximately 5,000 undergraduate, graduate, postgraduate and professional studies students. Developer aspires to be a high research activity (R1), doctoral degree-granting institution which will award research doctoral degrees in the humanities, social sciences, and STEM fields, as well as in medicine, dentistry, and pharmacy. USK may also offer masters, professional practice, and doctoral degrees in other fields. Complementing its educational purpose, USK aims to create an intensive, collaborative research environment through corporate and public partnerships, and, consequently, to contribute significantly to the innovation enterprise of Chula Vista and the Cali- Baja region; and

WHEREAS, due to USK’s unique qualifications as a WSCUC-accredited, independent, coeducational, and privately endowed university that started as a new college in 2010 and has grown from 20 students to over 200 students and the unique nature of the proposed Development, its potential for fostering economic development and educational advancement, and for providing a valuable amenity for the citizens of the City; and

WHEREAS, USK has informed City that it is willing to invest substantial time and resources towards the advancement of their proposed university; and

WHEREAS, USK desires to lease the Property from City and City desires to lease the Property to USK in accordance with the terms and conditions of a future Lease and Development Agreement that will serve to facilitate the Development; and,

WHEREAS, on January 23, 2018, City and USK entered into an exclusive right to negotiate agreement (ENA) which gave staff a period of ninety (90) days, with two additional 90-day option periods, to review USK's academic/ institutional record and academic rigor ; and

WHEREAS, during the term of the ENA City reviewed both the academic and financial qualifications of USK and determined the institution to be in good academic and financial standing;

WHEREAS, on August 22, 2018, City staff completed its review of USK and recommended to the City Council that the City proceed to offer USK an option to lease a 10-acre portion of the University Property; and

WHEREAS, City and USK have since negotiated the terms and conditions for an option to lease agreement and desire to enter into such agreement on the terms and conditions provided herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, City and USK agree as follows:

AGREEMENT

1. DEFINITIONS

1.1 "Agreement" means this Option To Lease Agreement between USK and the City. The term "Agreement" shall include any amendment to the Agreement properly approved and executed pursuant to the terms of the Agreement.

1.2 "Approved Title Exceptions" means any approved exceptions to the Preliminary Title Report that are approved by City.

1.3 "City" means the City of Chula Vista.

1.4 "Completion Guaranty" shall mean a guaranty, or guarantees, which, in the aggregate, have a net worth of no less than the Development Costs and which are approved by the City guaranteeing the completion of Developer's Improvements by Developer.

1.5 "Construction Drawings" means 100% design drawings to be submitted by Developer to City for the Required Building Permit review and issuance.

1.6 "Developer" means USK.

1.7 "Developer's Improvements" means all improvements to be developed by Developer for the Development.

1.8 "Development" shall have the meaning given to such term in the Recitals.

1.9 "Development Costs" means, with respect to any component of the Development, (i) the costs of the entire design, architectural work, engineering work, development work and construction work, and (ii) a contingency which shall be in an amount equal to ten percent (10%) of the sum of the costs set forth in clause (i). Development Costs shall include, without limitation, costs of site preparation, soils testing, foundations, excavation costs, landscaping, sprinklers, utilities (vaulting or relocation as deemed necessary by City, installation and connection), elevators, stairways, equipment, furnishings, fixtures and equipment, striping and signs, compliance with special conditions, construction supervision, and that portion of payments reasonably attributable to each element of the Developer's Improvements for architectural, engineering, design consulting, construction liability and

other insurance, including insurance required under the Lease and Development Agreement, labor and materials and performance bonds, title insurance services, City development and building permit fees, other Development permitting costs, contingency, and all other related costs required under the Lease and Development Agreement.

1.10 “Due Diligence Investigations” means to Developer’s investigations of the conditions of the Property to determine the suitability of such conditions for the Developer’s Improvements to be constructed by Developer.

1.11 “ENA” means the Exclusive Negotiating Agreement entered into between City and USK.

1.12 “Lease” means the Lease and Development Agreement.

1.13 “Lease and Development Agreement” shall have the meaning given to such term in Section 1.3.ii of this Agreement.

1.14 “Option” shall have the meaning given to such term in Section 1.1 of this Agreement.

1.15 “Option Period” shall have the meaning given to such term in Section 1.2 of this Agreement.

1.16 “Payment Bond” means a corporate surety payment bond issued by a surety company licensed and admitted to transact business as such in the State of California, in an amount equal to one hundred percent (100%) of the total Development Costs of the Development, guaranteeing payment for all materials, provisions, supplies, and equipment used in, upon, for or about the performance of the construction of the Development and for labor done thereon and protecting the City from any and all liability, loss, or damages arising out of or in connection with any failure to make any such payments.

1.17 “Performance Bond” means a corporate surety performance bond issued by a surety company licensed and admitted to transact business as such in the State of California, in an amount not less than one hundred percent (100%) of the projected Development Costs of the Development from a surety satisfactory to the City.

1.18 “Project” means the Development.

1.19 “Project Site” means the not yet determined 10-acre portion of the University Property upon which the Development will be constructed.

1.20 “Property” shall have the meaning given to it in Section 1.1 of this Agreement.

1.21 “Required Building Permits” means (i) final and complete building permits that are required to commence the construction of the Developer’s Improvements and are issued by City for the Developer’s Improvements.

1.22 “University Property” shall have the meaning given to such term in the Recitals.

1.23 “USK” shall have the meaning given to such term in the Preamble.

2. OPTION TO LEASE.

2.1 Grant of Option. City hereby grants to USK an option to lease (“Option”) for a yet to be located ten (10) acre parcel of the University Property (the “Property”), upon all of the terms, covenants, and conditions contained in this Agreement.

2.2 Option Period. This Option shall commence upon the Effective Date of this Agreement and shall continue, unless this Agreement is otherwise terminated as provided herein, for an initial

period of five (5) calendar years (the “Option Period”) with three (3) one-year options to extend, which may be exercised by City in its sole discretion.

2.3 Conditions Precedent to Exercise of Option. USK shall not be permitted to exercise the Option until all of the following conditions have been satisfied:

i. City approves, in City’s sole discretion, the location of the 10-acre parcel for the Property. Upon satisfaction of this condition precedent, the parties agree to prepare a mutually agreed upon legal description for the Property, which shall be incorporated herein as Exhibit “A”, and a map of the Property, which shall be incorporated herein as Exhibit “B”.

ii. The parties agree to terms and conditions for a lease and development agreement which shall include terms and conditions in substantially the same form as those set forth in Exhibit C hereto and other commercially reasonable terms for such agreements (the “Lease and Development Agreement”).

iii. USK obtains all necessary regulatory approvals and government agency approvals from all applicable agencies to proceed with construction and completion of the Development.

iv. Developer delivers final detailed Development Cost estimates for the Developer’s Improvements to City and City approves the same.

v. Developer delivers the final Construction Drawings for the Developer’s Improvements to City and City approves the same.

vi. Developer identifies all persons and entities that are members of Developer or participants in the Development and City approves all such persons and entities.

vii. Developer delivers all agreements with all equity investors (if any) evidencing the commitments of such equity investors to make contributions for the Development Costs of the Developer’s Improvements to City and City approves the same.

viii. Developer delivers an encumbrance package, including all loan commitments, an appraisal of the Property, and a draft of the loan documents together with all related documentation from any and all lenders for the Development to City and City approves the same.

ix. Developer delivers written notice to City that Developer has completed its Due Diligence Investigations and has accepted the Project Site in its then “as-is” condition and City accepts the same.

x. Developer delivers copies of the Required Building Permits and all discretionary permits that are required for the construction of Developer’s Improvements to City and City approves the same.

xi. Developer delivers all of Developer's construction contracts with any contractor for Developer's Improvements, including all contracts for all major components of Developer's Improvements, to City and City approves the same.

xii. Developer delivers a Completion Guarantee for the Development to City and City approves the same.

xiii. Developer delivers satisfactory evidence to City that the Developer has obtained and is maintaining policies of insurance for each of the policies of insurance as will be required under the Lease and Development Agreement and City approves the same.

xiv. Developer delivers satisfactory evidence to City that a Payment Bond and Performance Bond have been issued for the Development and City approves the same.

xv. Developer delivers satisfactory evidence that an City-approved title company is irrevocably committed to issue to City a title insurance policy insuring the Developer's leasehold estate interest in the Property, subject only to those approved title exceptions to be agreed to by the City, and such additional title insurance policies or endorsements as may be necessary to support the financing of the Development to City and City approves the same.

USK agrees and covenants for itself, its successors, and assigns to diligently pursue satisfaction of all of the above conditions throughout the duration of the Option Period. USK acknowledges that its failure to diligently pursue the satisfaction of any of the above conditions, in the sole and reasonable discretion of the City, at any time during the Option Period shall constitute a material breach of this Agreement.

USK acknowledges and agrees that by entering into this Option, neither City nor the Chula Vista City Council is obligating itself to any other governmental agent, board, commission, or agency with regard to any other discretionary action relating to the Development or the Property. Discretionary actions include, but are not limited to rezoning, variances, conditional use permits, environmental clearances or any other governmental agency approvals which may be required for the construction or completion of the Development.

2.4 Lease and Development Agreement. The parties agree to use reasonable and good faith efforts to negotiate mutually acceptable terms and conditions for the Lease and Development Agreement identified in Section 2.3.ii above and present it to the Chula Vista City Council within one (1) year of the Effective Date. If the parties are unable to agree upon mutually acceptable terms and conditions for the Lease and Development Agreement within one (1) year of the Effective Date, either party shall have the right to terminate this Agreement by delivering written notice of such termination to the other party.

2.5 Consideration for Option. In consideration for the grant of the Option, USK shall pay to City the sum of Two Hundred Dollars (\$200.00) (the "Option Payment"). The Option Payment consideration is solely consideration for City's grant of the Option under this Agreement and shall not be consideration for or applicable to the herein referenced Lease Agreement for the Property.

2.6 Exercise of Option. USK may exercise the Option only upon: (1) satisfaction of all conditions precedent identified in Section 2.3 of this Agreement, and (2) USK not being in material breach of any term or condition of this Agreement. To exercise the Option, USK shall exercise the Option by delivering to the City, on or before 4:00 p.m. on the last day of the Option Period, written notice of USK's election to exercise the Option ("Exercise Notice"). The Exercise Notice shall, at a minimum, include a representation by USK that the conditions precedent contained in Section 2.3 of this Agreement have been fully satisfied.

2.7 Automatic Termination. In the event that USK does not properly exercise the Option as set forth in this Agreement within the Option Period, the Option shall automatically terminate without any notice to USK, and any and all rights of USK in the Property shall immediately cease.

2.8 Document to Remove Cloud. This Agreement constitutes only an option to lease the Property, and although the Option granted hereby shall automatically terminate with respect to the Property unless exercised in the manner and within the time period provided herein, or otherwise expires or terminates as provided in this Agreement, USK agrees that upon any expiration or termination of this Agreement it shall execute, acknowledge, and deliver to City within ten (10) days after City's request therefor, any documentation required by a reputable title company of City's choice to remove any cloud from the title of City that might arise as a result of the Option herein granted.

3. GENERAL PROVISIONS

3.1 Notices.

a. Any notice or payment required or permitted to be given hereunder shall be in writing and may be served personally or by United States Mail, postage prepaid, addressed as follows:

To USK: University of Saint Katherine
1637 Capalina Road
San Marcos, California 92069

To City: City of Chula Vista
276 Fourth Avenue
Chula Vista, CA 91910
Attention: City Manager

b. Any party entitled or required to receive notice under this Agreement may, by like notice designate a different address to which notices shall be sent.

3.2 Incorporation of Recitals. The recitals above are incorporated into the Agreement as though fully set forth herein.

3.3 Compliance with Law. USK shall at all times under this Agreement comply with all applicable laws, statutes, ordinances, and regulations of City, County, State, and Federal Governments, whether or not said laws are expressly stated or referred to herein. In addition, USK shall comply with any and all notices issued by City under the authority of any such law, statute, ordinance, or regulation.

3.4 City Approval. Execution of this Agreement is contingent upon approval of the City Council of the City of Chula Vista.

3.5 Time is of the Essence. Time is of the essence of each and every term, condition, obligation, and provision of this Agreement. If USK does not exercise the Option in the manner provided herein before the expiration of the Option Period, USK shall have no interest in the Property and the Option shall not be revived by any subsequent payment or any further action by USK.

3.6 Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument. Facsimile signatures are acceptable provided they are followed by hard copy originals within five days.

3.7 Severability. If any portion of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal, or unenforceable, such portion shall be deemed severed from this Agreement, and the remaining parts of this Agreement shall remain in full force and effect, as fully as though such invalid, illegal, or unenforceable portion had never been part of this Agreement.

3.8 Assignment. USK may not assign or transfer this Agreement and the rights under it without City's prior written consent. If such written consent is given, the terms, conditions, rights, and obligations under this Agreement shall be binding upon and shall inure to USK's assigns.

3.9 Successors. This Agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors, and assigns of the parties to this Agreement.

3.10 Third Party Rights. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the parties to this Agreement and their respective successors and assigns, any rights or remedies under or by reason of this Agreement.

3.11 Governing Law. This Agreement is executed and delivered in the State of California and shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

IN WITNESS WHEREOF, the duly authorized representative of each party has executed this Agreement effective upon the date first written above.

USK:

CITY: City of Chula Vista

BY: _____

EXHIBIT "A"

LEGAL DESCRIPTION

EXHIBIT "B"

PROPERTY MAP

EXHIBIT “C”

**LEASE AND DEVELOPMENT AGREEMENT
TERMS AND CONDITIONS**

In accordance with the Option Agreement, the parties acknowledge that in addition to other industry standard terms and conditions for the lease and/or development of unimproved real property, as negotiated between the parties, the terms and conditions below, in substantially the same format, shall be included in any Lease and Development Agreement (“Agreement” or “Lease”) for the Property that is to be proposed to be entered into between the parties. The contents of this terms and conditions sheet do not constitute or imply a commitment or a representation that the parties will agree to enter into such agreement. Any such agreement is subject to City Council approval and the parties executing a written contract memorializing the entirety of the terms of the agreement.

Section	Terms and Conditions
Intent	The intent and purpose of the Agreement is to set forth the obligations of the parties for the lease of the Property and the development and construction of the Project.
Premises	The ten (10) acres of real property at the University Property more particularly described as follows (collectively referred to as the "Property", "Premises", or "Site"): The real property, located at _____, Chula Vista, California, San Diego County Assessor’s Parcel No. _____.
Lease & Development	City agrees to lease the Property to USK (also referred to herein as the “Developer”) and USK agrees to lease the Property from City, in strict accordance with the terms and conditions of the Agreement, for the construction and development of the Project (as defined below) and subsequent thereto the possession, occupation, maintenance, and use of the Property and Project in accordance with the authorized uses and other the terms and conditions provided in the Agreement.
Project	Developer shall design, develop and construct a university campus with facilities for approximately 1,000 full-time students, student housing for approximately 400 students, and other incidental university uses (“Project” or “Development”).
Design and Development of Project	Developer shall be responsible to fully complete the design for all components of the Project including without limitation all architectural work, engineering work, and other applicable design work. Developer shall prepare, or cause the preparation of, preliminary and final construction plans and drawings for the Project to be approved by City, in City’s sole discretion. The final design plans and drawings for the Project shall be attached to the Agreement. Developer shall design the Project in accordance with all applicable laws, the

	<p>preliminary Project approvals, and the Agreement.</p> <p>Developer shall pay for all costs to complete the design of all components of the Project including without limitation all architectural work, engineering work, and other applicable design work which includes without limitation the preparation and completion of all necessary construction plans and drawings.</p>
Regulatory Approvals	<p>Prior to the commencement of construction of the Project, Developer shall obtain, at Developer's sole cost, any and all necessary regulatory approvals, government approvals, and permits required to commence construction of the Project.</p> <p>Developer shall obtain, at Developer's sole costs, all regulatory approvals, governmental approvals, and permits that are required for completion of construction and occupancy of the Project.</p>
Time for Commencement of Construction	<p>Developer shall commence construction of the Project within one hundred and eighty (180) days after exercising the Option pursuant to the Option Agreement.</p>
Construction of Project	<p>Developer shall be responsible to fully prepare, or cause the preparation of, the Site for vertical construction of the Project.</p> <p>Developer shall be responsible to fully construct, or cause the construction of, all components of the Project including without limitation all labor, materials, equipment, and any other work necessary to fully complete the Project.</p> <p>Developer shall cause all persons performing "public work" under the Agreement to be compensated in accordance with all applicable provisions of the prevailing wage laws and other applicable wage laws.</p> <p>Unless otherwise provided in the Agreement, Developer shall cause any lien or security interest against the Property, the Project, or any portion thereof, or against any assets of or funds appropriated to or by the City, to be discharged of record by payment, deposit, bond, order of court of competent jurisdiction or otherwise.</p> <p>Developer shall prepare, or cause to be prepared, as-builts to be delivered to City within thirty (30) business days after completion of construction and final inspection of the Project.</p> <p>Developer shall construct and develop the Project in accordance with all applicable laws, Project approvals, and the Agreement.</p> <p>Developer shall pay for all costs applicable to the construction and development of all components of the Project including without limitation all labor, materials, equipment, and any other work necessary to fully complete and construct the Project.</p>
No Warranty	<p>City does not and will not make any representation or warranty regarding the condition of the Property or its suitability for development. City disclaims all warranties of any kind or nature whatsoever (including, without limitation,</p>

	warranties of habitability and fitness for particular purposes and with respect to the presence of hazardous materials on, above, or beneath the Property), whether expressed or implied including, without limitation warranties with respect to the Property. Developer acknowledges that it is not relying upon any representation of any kind or nature made by City, or its elected or appointed officials, employees or agents with respect to the Property, and that, in fact no such representations were made. To the extent required to be operative, the disclaimers and warranties contained herein are "conspicuous" disclaimers for purposes of any applicable law, rule, regulation or order.
City Release	USK shall rely solely upon USK's own knowledge of the Property based on its investigation of the Property and its own inspection of the Property in determining the Property's physical condition and USK agrees that it shall assume the risk that adverse matters, including but not limited to, construction defects and adverse physical and environmental conditions may not have been revealed by USK's investigations. USK releases City, and its elected and appointed officials, employees, and agents from and against any and all claims which USK or any party related to or affiliated with USK (each, a "USK Related Party") has or may have arising from or related to any matter or thing related to or in connection with the Property. This release shall be given full force and effect according to each of its express terms and provisions, including those relating to unknown and unsuspected claims, damages and causes of action. To the extent required to be operative, the disclaimers and warranties contained herein are "conspicuous" disclaimers for purposes of any applicable law, rule, regulation or order.
Use of Premises	After completion and acceptance of the Project, the Premises shall be utilized for a university campus and facilities/uses incidental to a university including without limitation academic facilities, student housing, retail services, restaurants, athletic facilities, and libraries.
Lease Term	Fifty-55 years
Renewal Options	One (1) option for additional fifty-five (55) year term.
Commencement of Term	The Agreement shall commence upon satisfaction of the conditions contained in the Option to Lease and approval of the Agreement by the City Council.
Base Rent	USK shall pay City the sum of One Dollar and 00/100 Cents (\$1.00) (the "Base Rent"), subject to such apportionments, adjustments, and credits as are provided in the Agreement.
Lease Expenses	USK will pay all expenses of the leasehold of the Site, including without limitation: (i) expenses to maintain all of the improvements on the Site; (ii) taxes, (iii) insurance, (iv) utilities, and (v) any other expenses of the leasehold.
Continuous Operation	The Agreement shall require a covenant of continuous operation with "no go dark" provisions, subject to negotiated exceptions.
Post-Project Improvements/Alterations	USK is permitted to make improvements or alterations to or on the Premises in connection with its permitted use under the Agreement. Prior to commencing any construction for improvements or alterations, USK agrees to obtain adequate financing and obtain all necessary governmental approvals for such improvements or alterations and to furnish evidence, satisfactory to the City, that it has arranged for financing and obtained such governmental approvals. USK shall, at its sole cost, cause plans, specifications, construction documents,

	completion documents, and as-builts to be prepared for all improvements and alterations.
Entry/Inspection	City shall have the right to enter the Premises during reasonable times and after reasonable prior notice to USK for the purpose of viewing and ascertaining the condition of the Premises or to protect its interests in the Premises.
Compliance with Laws	USK shall comply with all applicable federal, state, or local laws then existing or hereinafter enacted concerning use, construction, operation, or possession of the Property, Premises, or Site.
Lease Covenants	The parties agree that the Agreement shall contain covenants concerning USK's compliance with all laws including without limitation Title VII of the Civil Rights Act of 1964, Civil Rights Act of 1991, American Disabilities Act of 1990, and all other applicable federal, state, or local laws then existing or hereinafter enacted.
Assignment and Subletting	USK shall not assign the Agreement, or any interest therein, or sublet the Premises without City's prior written consent.
Encumbrance	Unless otherwise provided in the Agreement, USK shall not encumber the Property or any improvements thereon without City's prior written consent.
Indemnity	USK shall defend, indemnify, protect, and hold harmless the City and its elected and appointed officials, employees, and agents, from and against any and all claims for damages, liabilities, costs, and expenses, including without limitation attorneys' fees, arising out of or alleged by third parties to be the result of the actions, omissions, negligence, or willful misconduct of USK or its employees, contractors, subcontractors, agencies, or any other persons or entities for whom USK is legally responsible in connection with the design, development, construction, use, operation, or possession of the Project, Property, Premises, or Site.
Insurance	USK shall procure and maintain during the Term, or for a period of ten (10) years after expiration or termination of the Agreement, insurance against claims for injuries to person or property that may arise from the use, construction, operation, or possession of the Project, Property, Premises, or Site. The cost of such insurance shall be borne by USK. The minimum coverages and amounts of coverages shall include but not be limited to: Commercial General Liability (5M per occurrence/10M aggregate) including operations, products and completed operations); Comprehensive Auto Liability for for any vehicle used for or in connection with the Project (owned, hired or leased) (1M). Workers Compensation (statutory); Employer's Liability (1M per accident; 1M disease policy limit; 1M disease each employee); Pollution Legal Liability for any new or exacerbated conditions caused by any contractor or subcontractor (1M per claim/2M aggregate); Professional Liability for Professional acts, errors and omissions against any Professional (Developer, architect, engineer, contractors or any other persons) (5M per claim/10M aggregate); Builder's "All Risk" Insurance at all times during the course of construction of the Project; and Property Insurance (full replacement cost with no coinsurance penalty). Any deductibles or self-insured retentions must be approved by City. All policies (where applicable) shall name the City

	<p>of Chula Vista, its officers, officials, employees, agents, and volunteers as additional insureds. USK's insurance shall be primary. USK's insurance must be endorsed so that it may not be cancelled without thirty (30) days written notice to the City. USK's shall provide a waiver of subrogation in favor of City.</p>
Default and Remedies	<p>In the event of USK default under the Agreement, and USK's failure to cure the default within thirty (30) days of receipt of written notice from City of such default; or if any default is not reasonably curable within thirty (30) days but USK fails to commence the cure within thirty (30) days and diligently pursue such cure to completion, City may, at its option, terminate the Agreement. Defaults under the Agreement shall include: failure to design the Project; failure to develop the Project; failure to construct the Project; failure to obtain necessary regulatory or governmental approvals of the Project; failure to operate the Premises in accordance with the approved uses; failure to pay rents and expenses; abandonment; failure to maintain insurance; failure to comply with any applicable laws or regulations; and failure to comply with any terms, conditions, covenants, or warranties under the Agreement.</p>