

Section X: Rent Increase

(a) Annual Rent Review. Landlord reserves the right to review the monthly rent ("base rent") hereunder on each anniversary of the commencement date of this Lease ("Anniversary Date"). The purpose of this review is to determine if a rent increase is necessary to reflect changes in market conditions and operating costs.

(b) Increase Determination. Following the annual review, Landlord may, at its sole discretion, elect to increase the base rent by a percentage between 2-5%. Factors considered in determining a potential increase may include, but are not limited to:

Changes in the Consumer Price Index (CPI) for the relevant geographic area.

Increases in property taxes and insurance premiums.

Changes in the rental market for comparable properties in the area.

The cost of maintaining and operating the Property.

(c) Notice of Increase

If Landlord elects to increase the base rent, Landlord shall provide Tenant with written notice of such increase ("Notice of Increase") no later than sixty (60) days prior to the effective date of the increase. The Notice of Increase will specify the new monthly rent amount and the effective date of the increase.

(d) Tenant's Right to Terminate. In the event that Tenant receives a Notice of Increase and does not wish to continue leasing the Property at the new rental rate, Tenant may terminate this Lease by providing Landlord with written notice of termination within thirty (30) days of receipt of the Notice of Increase. Such termination shall be effective on the last day of the Lease Term (as defined in Section 1) or the date specified in the Notice of Termination, whichever is later.

(e) No Increase During Initial Term. The base rent shall not be increased during the initial term of this Lease (as defined in Section 1).