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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 30, 2013

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-07882

ADVANCED MICRO DEVICES, INC.
(Exact name of registrant as specified in its charter)

Delaware	**94-1692300**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
One AMD Place Sunnyvale, California	**94088**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (408) 749-4000

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of the registrant's common stock, $0.01 par value, as of April 29, 2013: 714,485,630

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Advanced Micro Devices, Inc.

Condensed Consolidated Statements of Operations
(Unaudited)

	Quarter Ended	
	March 30, 2013	March 31, 2012
	(In millions, except per share amounts)	
Net revenue	$ 1,088	$ 1,585
Cost of sales	643	1,558
Gross margin	445	27
Research and development	312	368
Marketing, general and administrative	179	230
Amortization of acquired intangible assets	5	1
Restructuring and other special charges, net	47	8
Operating loss	(98)	(580)
Interest income	1	2
Interest expense	(44)	(43)
Other income (expense), net	(3)	(1)
Loss before income taxes	(144)	(622)
Provision (benefit) for income taxes	2	(32)
Net loss	$ (146)	$ (590)
Net loss per share		
Basic	$ (0.19)	$ (0.80)
Diluted	$ (0.19)	$ (0.80)
Shares used in per share calculation:		
Basic	749	734
Diluted	749	734

See accompanying notes to condensed consolidated financial statements.

Advanced Micro Devices, Inc.

Condensed Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)

	Quarter Ended	
	March 30, 2013	March 31, 2012
	(In millions)	
Net loss	$ (146)	$ (590)
Other comprehensive income (loss):		
Unrealized gains (losses) on cash flow hedges:		
Unrealized gains (losses) arising during period, net of tax effect of $(1) and $1	(1)	1
Reclassification adjustment for (gains) losses realized and included in net income (loss), net of tax effect of zero	—	1
Total other comprehensive income (loss)	(1)	2
Total comprehensive loss	$ (147)	$ (588)

See accompanying notes to condensed consolidated financial statements.

Advanced Micro Devices, Inc.

Condensed Consolidated Balance Sheets
(Unaudited)

	March 30, 2013	December 29, 2012*
	(In millions, except par value amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 441	$ 549
Marketable securities	562	453
Total cash and cash equivalents and marketable securities	1,003	1,002
Accounts receivable, net	645	630
Inventories, net	613	562
Prepaid expenses and other current assets	77	71
Total current assets	2,338	2,265
Long-term marketable securities	180	181
Property, plant and equipment, net	411	658
Acquisition related intangible assets, net	92	96
Goodwill	553	553
Other assets	223	247
Total assets	$ 3,797	$ 4,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 301	$ 278
Payable to GLOBALFOUNDRIES	379	454
Accrued liabilities	461	489
Deferred income on shipments to distributors	132	108
Current portion of long-term debt and capital lease obligations	5	5
Other current liabilities	43	63
Total current liabilities	1,321	1,397
Long-term debt and capital lease obligations, less current portion	2,039	2,037
Other long-term liabilities	22	28
Commitments and contingencies (See Note 10)		
Stockholders' equity:		
Capital stock:		
Common stock, par value $0.01; 1,500 shares authorized on March 30, 2013 and December 29, 2012; shares issued: 724 on March 30, 2013 and 722 shares on December 29, 2012; shares outstanding: 714 on March 30, 2013 and 713 shares on December 29, 2012	7	7
Additional paid-in capital	6,827	6,803
Treasury stock, at cost (9 shares on March 30, 2013 and December 29, 2012)	(109)	(109)
Accumulated deficit	(6,306)	(6,160)
Accumulated other comprehensive loss	(4)	(3)
Total stockholders' equity	415	538
Total liabilities and stockholders' equity	$ 3,797	$ 4,000

* Amounts as of December 29, 2012 were derived from the December 29, 2012 audited financial statements.

See accompanying notes to condensed consolidated financial statements.

Advanced Micro Devices, Inc.

Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended	
	March 30, 2013	March 31, 2012
	(In millions)	
Cash flows from operating activities:		
Net loss	$ (146)	$ (590)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Non-cash portion of the limited waiver of exclusivity from GLOBALFOUNDRIES	—	278
Depreciation and amortization	66	63
Net loss on disposal of property, plant and equipment	48	—
Deferred income taxes	1	(36)
Stock-based compensation expense	24	21
Non-cash interest expense	6	6
Other	(1)	(3)
Changes in operating assets and liabilities:		
Accounts receivable	(14)	(40)
Inventories	(52)	(106)
Prepaid expenses and other current assets	(7)	(41)
Other assets	6	(16)
Payable to GLOBALFOUNDRIES	(74)	384
Accounts payable, accrued liabilities and other	(12)	187
Net cash provided by (used in) operating activities	(155)	107
Cash flows from investing activities:		
Acquisition of SeaMicro, Inc., net of cash acquired	—	(281)
Purchases of property, plant and equipment	(20)	(40)
Proceeds from sale of property, plant and equipment	178	—
Purchases of available-for-sale securities	(361)	(95)
Proceeds from sales and maturities of available-for-sale securities	250	620
Other	—	(4)
Net cash provided by investing activities	47	200
Cash flows from financing activities:		
Net proceeds from foreign grants	—	9
Proceeds from issuance of common stock	1	9
Repayments of debt and capital lease obligations	(1)	(1)
Net cash provided by financing activities	—	17
Net increase (decrease) in cash and cash equivalents	(108)	324
Cash and cash equivalents at beginning of period	549	869
Cash and cash equivalents at end of period	$ 441	$ 1,193

See accompanying notes to condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements
(Unaudited)

NOTE 1. Basis of Presentation and Significant Accounting Policies

Basis of Presentation. The accompanying unaudited condensed consolidated financial statements of Advanced Micro Devices, Inc. and its subsidiaries (the Company or AMD) have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. The results of operations for the quarter ended March 30, 2013 shown in this report are not necessarily indicative of results to be expected for the full year ending December 28, 2013. In the opinion of the Company's management, the information contained herein reflects all adjustments necessary for a fair presentation of the Company's results of operations, financial position and cash flows. All such adjustments are of a normal, recurring nature. The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 29, 2012.

The Company uses a 52 or 53 week fiscal year ending on the last Saturday in December. The quarters ended March 30, 2013 and March 31, 2012 consisted of 13 weeks.

Principles of Consolidation. The condensed consolidated financial statements include the Company's accounts and those of its wholly-owned subsidiaries. Upon consolidation, all significant intercompany accounts and transactions are eliminated.

Recently Adopted Accounting Standards. In February 2013, the FASB issued Accounting Standard Update (ASU) 2013-02, Comprehensive Income (Topic 220) - Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income, which requires an entity to provide information about the changes in accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the financial statement or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income. ASU 2013-02 became effective for fiscal years and interim periods within those years beginning after December 15, 2012. The Company adopted this standard during the first quarter of 2013. The adoption of this standard only impacted the presentation of the Company's condensed consolidated financial statements.

NOTE 2. GLOBALFOUNDRIES

Wafer Supply Agreement. The Wafer Supply Agreement (WSA) governs the terms by which the Company purchases products manufactured by GLOBALFOUNDRIES Inc. (GF).

Second Amendment to Wafer Supply Agreement. On March 4, 2012, the Company entered into a second amendment to the WSA with GF. The primary effect of this second amendment was to modify certain pricing and other terms of the WSA applicable to wafers for the Company's microprocessor and APU products to be delivered by GF to the Company during 2012. The second amendment also granted the Company certain rights to contract with another wafer foundry supplier with respect to specified 28nm products for a specified period of time. In consideration for these rights, the Company agreed to pay GF $425 million and transfer to GF all of the capital stock of GF that it owned. As a result of the Company receiving these rights in the first quarter of 2012, the Company recorded a charge related to this limited waiver of exclusivity from GF of $703 million consisting of the $425 million cash payment and a $278 million non-cash charge representing the carrying and fair value of the capital stock that the Company transferred to GF. Pursuant to the second amendment, the Company paid the full amount of $425 million by December 31, 2012. Of this amount, the final portion of $175 million was paid during the Company's first fiscal quarter of 2013.

Third Amendment to Wafer Supply Agreement. On December 6, 2012, the Company entered into a third amendment to the WSA with GF. Pursuant to the third amendment, the Company modified its wafer purchase commitments for the fourth quarter of 2012 under the second amendment to the WSA. In addition, the Company agreed to certain pricing and other terms of the WSA applicable to wafers for the Company's microprocessor and APU products to be delivered by GF to the Company during 2013 and through December 31, 2013. Pursuant to the third amendment, the Company committed to purchase a fixed number of production wafers at negotiated prices in the fourth quarter of 2012 and through December 31, 2013. GF agreed to waive a portion of the Company's wafer purchase commitments for the fourth quarter of 2012. In consideration of this waiver, the Company agreed to pay GF a fee of $320 million. As a result, the Company recorded a "lower of cost or market," or LCM charge, of $273 million for the write-down of inventory to its market value in the fourth quarter of 2012. The cash impact of this $320 million fee will be spread over several quarters, with $80 million paid by December 29, 2012 and $40 million by April 1, 2013. For the remainder of the fee, the Company issued a $200 million promissory note to GF that matures on December 31, 2013.

Notes to Condensed Consolidated Financial Statements—Continued
(Unaudited)

GF is a related party of the Company. The Company's total purchases from GF related to wafer manufacturing and research and development activities in the first quarter of 2013 and the first quarter of 2012 were approximately $269 million and $420 million, respectively.

The Company's current estimates for wafer purchase obligations to GF under the WSA, as amended, are approximately $1.15 billion in 2013 and $250 million in the first quarter of 2014. The Company is not able to meaningfully quantify or estimate its purchase obligations to GF beyond the first quarter of 2013, but it expects that its future purchases from GF will continue to be material.

NOTE 3. Sale and Leaseback Transactions

In March 2013, the Company sold and leased back property in Austin, Texas, consisting of land and office buildings. The Company received net proceeds of $164 million in connection with the sale and recorded a $52 million charge in the first quarter of 2013, primarily related to the difference between the sale proceeds and the carrying value of the property sold of $216 million. The lease expires in March 2025 and provides for one 10-year optional renewal. The Company accounted for the lease as an operating lease.

In March 2013, the Company also sold and leased back property in Markham, Ontario, Canada, consisting of an office building. The Company received net proceeds of $13 million in connection with the sale and recorded a $6 million gain in the first quarter of 2013, primarily related to the difference between the sale proceeds and the carrying value of the property sold of $7 million. The lease expires in March 2014 and provides for one 6-month renewal option. The Company accounted for the lease as an operating lease.

The net loss of $46 million related to the sale and leaseback transactions described above was recorded as "Restructuring and other special charges, net" on the condensed consolidated statement of operations.

NOTE 4. Supplemental Balance Sheet Information

Accounts Receivable

	March 30, 2013	December 29, 2012
	(In millions)	
Accounts receivable	$ 646	$ 632
Allowance for doubtful accounts	(1)	(2)
Total accounts receivable, net	$ 645	$ 630

Inventories

	March 30, 2013	December 29, 2012
	(In millions)	
Raw materials	$ 32	$ 29
Work in process	422	357
Finished goods	159	176
Total inventories, net	$ 613	$ 562

Notes to Condensed Consolidated Financial Statements—Continued
(Unaudited)

Property, Plant and Equipment

	March 30, 2013	December 29, 2012
	(In millions)	
Land and land improvements	$ 29	$ 31
Buildings and leasehold improvements	296	591
Equipment	1,572	1,585
Construction in progress	20	11
	1,917	2,218
Accumulated depreciation and amortization	(1,506)	(1,560)
Total property, plant and equipment, net	$ 411	$ 658

Accrued Liabilities

	March 30, 2013	December 29, 2012
	(In millions)	
Accrued compensation and benefits	$ 147	$ 158
Marketing programs and advertising expenses	141	160
Software technology and licenses payable	12	18
Other	161	153
Total accrued liabilities	$ 461	$ 489

NOTE 5. Net Income (Loss) Per Share

Basic net income (loss) per share is computed based on the weighted average number of shares outstanding and shares issuable upon exercise of warrants issued by the Company to West Coast Hitech L.P., in connection with the initial GF transaction in 2009. The warrants became exercisable on July 24, 2009.

Diluted net income per share is computed based on the weighted average number of shares outstanding plus any potentially dilutive shares outstanding. Potentially dilutive shares include stock options, restricted stock units and shares issuable upon the conversion of convertible debt.

The following table sets forth the components of basic and diluted income (loss) per share:

	Quarter Ended	
	March 30, 2013	March 31, 2012
	(In millions, except per share amounts)	
Numerator – Net loss:		
Numerator for basic and diluted net loss per share	$ (146)	$ (590)
Denominator – Weighted average shares		
Denominator for basic and diluted net loss per share	749	734
Net loss per share:		
Basic	$ (0.19)	$ (0.80)
Diluted	$ (0.19)	$ (0.80)

Potential shares from outstanding stock options and restricted stock awards totaling approximately 56 million were not included in the net loss per share calculation for the first quarter of 2013 because their inclusion would have been anti-dilutive.

Notes to Condensed Consolidated Financial Statements—Continued
(Unaudited)

Potential shares (i) from outstanding stock options and restricted stock awards totaling approximately 32 million and (ii) issuable under the 5.75% Notes totaling 24 million were not included in the net loss per share calculation for the first quarter of 2012 because their inclusion would have been anti-dilutive.

NOTE 6. Financial Instruments

Available-for-sale securities held by the Company as of March 30, 2013 and December 29, 2012 were as follows:

	March 30, 2013	December 29, 2012
	(In millions)	
Fair Value		
Classified as cash equivalents:		
Money market funds	$ 115	$ 402
Commercial paper	210	75
Total classified as cash equivalents	$ 325	$ 477
Classified as current marketable securities:		
Commercial paper	$ 472	$ 324
Time deposits	75	100
Auction rate securities	15	28
Marketable equity security	—	1
Total classified as current marketable securities	$ 562	$ 453
Classified as long-term marketable securities:		
Money market funds	$ —	$ 13
Corporate bonds	180	168
Total classified as long-term marketable securities	$ 180	$ 181
Classified as other assets:		
Money market funds	$ 10	$ 10
Mutual funds	13	14
Total classified as other assets	$ 23	$ 24

The amortized cost of available-for-sale securities approximates the fair value for all periods presented.

As of each of March 30, 2013 and December 29, 2012, the Company had approximately $10 million of available-for-sale investments in money market funds used as collateral for leased buildings and letter of credit deposits, which were included in other assets on the Company's condensed consolidated balance sheets. The Company is restricted from accessing these deposits.

At March 30, 2013 and December 29, 2012, the Company had approximately $13 million and $14 million of available-for-sale investments in mutual funds held in a Rabbi trust established for the Company's deferred compensation plan, which were included in other assets on the Company's condensed consolidated balance sheets. The Company is restricted from accessing these investments.

The Company did not realize any gain or loss on sales of available-for-sale securities of approximately $14 million during the quarter ended March 30, 2013. The cost of securities sold is determined based on the specific identification method.

The carrying value of the Company's remaining auction rate securities (ARS) holdings as of March 30, 2013 was $15 million (par value $22 million). The Company has the intent and believes it has the ability to sell these ARS within the next 12 months.

The Company intends to hold its long-term marketable securities for greater than one year and does not intend to use them in current operations.

Notes to Condensed Consolidated Financial Statements—Continued
(Unaudited)

All contractual maturities of the Company's available-for-sale marketable debt securities as of March 30, 2013 were within one year, except those for ARS and certain long-term marketable securities. The Company's ARS have stated maturities ranging from January 2036 to December 2050. The Company's long-term marketable securities include corporate bonds. The corporate bonds have maximum stated maturities of two years, and the Company intends to invest the money market funds into corporate bonds with maturities of greater than a year. Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations without call or prepayment penalties.

Fair Value Measurements

Financial instruments measured and recorded at fair value on a recurring basis are summarized below:

		Fair value measurement at reporting dates using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(In millions)		
March 30, 2013				
Assets				
Classified as cash equivalents:				
Money market funds	$ 115	$ 115	$ —	$ —
Commercial paper	210	—	210	—
Total classified as cash equivalents	$ 325	$ 115	$ 210	$ —
Classified as current marketable securities:				
Commercial paper	$ 472	$ —	$ 472	$ —
Time deposits	75	—	75	—
Auction rate securities	15	—	—	15
Total classified as current marketable securities	$ 562	$ —	$ 547	$ 15
Classified as long-term marketable securities:				
Corporate bonds	$ 180	$ —	$ 180	$ —
Total classified as long-term marketable securities	$ 180	$ —	$ 180	$ —
Classified as other assets:				
Money market funds	$ 10	$ 10	$ —	$ —
Mutual funds	13	13	—	—
Total classified as other assets	$ 23	$ 23	$ —	$ —
Total assets measured at fair value	**$ 1,090**	**$ 138**	**$ 937**	**$ 15**
Liabilities				
Classified as accrued liabilities – Foreign currency derivative contracts	$ (2)	$ —	$ (2)	$ —
Total liabilities measured at fair value	**$ (2)**	**$ —**	**$ (2)**	**$ —**
December 29, 2012				
Assets				
Classified as cash equivalents:				
Money market funds	$ 402	$ 402	$ —	$ —
Commercial paper	75	—	75	—
Total classified as cash equivalents	$ 477	$ 402	$ 75	$ —
Classified as current marketable securities:				
Commercial paper	$ 324	$ —	$ 324	$ —

Notes to Condensed Consolidated Financial Statements—Continued
(Unaudited)

Time deposits	100	—	100	—
Auction rate securities	28	—	—	28
Marketable equity security	1	1	—	—
Total classified as current marketable securities	$ 453	$ 1	$ 424	$ 28
Classified as long-term marketable securities:				
Money market funds	$ 13	$ 13	$ —	$ —
Corporate bonds	168	—	168	—
Total classified as long-term marketable securities	$ 181	$ 13	$ 168	$ —
Classified as other assets:				
Money market funds	$ 10	$ 10	$ —	$ —
Mutual funds	14	14	—	—
Total classified as other assets	$ 24	$ 24	$ —	$ —
Total assets measured at fair value	**$ 1,135**	**$ 440**	**$ 667**	**$ 28**

With the exception of its long-term debt, the Company carries its financial instruments at fair value. Investments in money market funds, commercial paper, time deposits, marketable equity securities, corporate bonds, mutual funds and foreign currency derivative contracts are classified within Level 1 or Level 2. This is because such financial instruments are valued primarily using quoted market prices or alternative pricing sources and models utilizing market observable inputs, as provided to the Company by its brokers. The Company's Level 1 assets are valued using quoted prices for identical instruments in active markets. The Company's Level 2 short-term investments are valued using broker reports that utilize quoted market prices for identical or comparable instruments. Brokers gather observable inputs for all of the Company's fixed income securities from a variety of industry data providers and other third-party sources. The Company's Level 2 long-term investments are valued using broker reports that utilize a third party professional pricing service who gathers information from multiple market sources and integrates relevant credit information, observed market movements and sector news into their pricing evaluation. The Company validates, on a sample basis, the derived prices provided by the brokers by comparing their assessment of the fair values of the Level 2 long term investments against the fair values of the portfolio balances of another third-party professional's pricing services, other than that utilized by the brokers, who use a similar technique as the brokers to derive pricing as described above. The Company's foreign currency derivative contracts are classified within Level 2 because the valuation inputs are based on quoted prices and market observable data of similar instruments in active markets, such as currency spot and forward rates.

The Company did not have any transfers between Level 1 and Level 2 of the fair value hierarchy during the quarters ended March 30, 2013 and March 31, 2012.

The ARS investments are classified within Level 3 because they are valued using a discounted cash flow model. Some of the inputs to this model are unobservable in the market and are significant.

The continuing uncertainties in the credit markets have affected all of the Company's ARS investments and auctions for these securities have failed to settle on their respective settlement dates since February 2008. As a result, reliable Level 1 or Level 2 pricing is not available for these ARS. In light of these developments, the Company performs its own discounted cash flow analysis to value these ARS. As of March 30, 2013 and December 29, 2012, the Company's significant inputs and assumptions used in the discounted cash flow model to determine the fair value of its ARS include interest rate, liquidity and credit discounts and the estimated life of the ARS investments. The outcomes of these analyses indicated that the fair value of the ARS remained relatively unchanged as of March 30, 2013 when compared to the fair value as of December 29, 2012. As of March 30, 2013, these Level 3 ARS accounted for approximately one percent of the Company's total cash, cash equivalents and current marketable securities.

Notes to Condensed Consolidated Financial Statements—Continued
(Unaudited)

The roll-forward of the ARS measured at fair value on a recurring basis using significant unobservable inputs (Level 3), is as follows:

	Quarter Ended	
	March 30, 2013	March 31, 2012
	(In millions)	
Beginning balance	$ 28	$ 38
Redemption	(13)	(6)
Ending balance	$ 15	$ 32

The Company's significant inputs and assumptions used in the discounted cash flow model to determine the fair value of its ARS are listed below:

	March 30, 2013	December 29, 2012
Discount rate for periodic interest payments	0.73%	0.84%
Discount rate for principal repayments	1.18%	1.31%
Liquidity discount	0.90%	0.90%
Credit discount	2.00% to 12.00%	2.00% to 12.00%
Estimated period (years)	17 to 20 years	17 to 20 years

Significant increases (decreases) in the significant inputs and assumptions above in isolation would result in a significantly lower (higher) fair value measurement. There is no interrelationship between changes in the inputs.

Financial Instruments Not Recorded at Fair Value on a Recurring Basis. Financial instruments that are not recorded at fair value are measured at fair value on a quarterly basis for disclosure purposes. The carrying amounts and estimated fair values of financial instruments not recorded at fair value are as follows:

	March 30, 2013		December 29, 2012	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(In millions)			
Long-term debt (excluding capital leases)	$ 2,023	$ 2,005	$ 2,019	$ 1,837

The fair value of the Company's short-term and long-term debt, Level 2 financial instruments, was estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities. The fair value of the Company's accounts receivable, accounts payable and other short-term obligations approximate their carrying value based on existing payment terms.

NOTE 7. Income Taxes

In the first quarter of 2013, the Company recorded an income tax provision expense of $2 million due to $2 million of foreign taxes in profitable locations and $1 million related to the reversal of previously recognized tax benefits associated with other comprehensive income offset by $1 million of tax benefits for Canadian co-op credits and the monetization of U.S. tax credits.

In the first quarter of 2012, the Company recorded an income tax provision benefit of $32 million due to a tax benefit of $36 million relating to the SeaMicro acquisition and a $1 million tax benefit for the tax effects of items credited directly to other comprehensive income, offset by $5 million of foreign taxes in profitable locations.

Purchase accounting for the SeaMicro acquisition required the establishment of a deferred tax liability related to the book tax basis differences of identifiable intangible assets that increased goodwill. The deferred tax liability created an additional source of U.S. future taxable income which resulted in a release of a portion of the Company's U.S. valuation allowance. This resulted in a discrete income tax provision benefit of approximately $36 million in the first quarter of 2012.

As of March 30, 2013, substantially all of the Company's U.S. and Canadian deferred tax assets, net of deferred tax liabilities, continue to be subject to a valuation allowance. The realization of these assets is dependent on substantial future taxable income which at March 30, 2013, in management's estimate, is not more likely than not to be achieved.

Notes to Condensed Consolidated Financial Statements—Continued
(Unaudited)

The Company's gross unrecognized tax benefits decreased by $2 million during the first quarter of 2013 for unrecognized tax benefits in foreign jurisdictions. The total gross unrecognized tax benefits as of March 30, 2013 were approximately $55 million. The Company has recognized $2 million of liabilities for unrecognized tax benefits as of March 30, 2013. There were no material changes to penalties or interest in the first quarter of 2013.

During the twelve months beginning March 31, 2013, the Company believes that it is reasonably possible that there will be no material changes in its unrecognized tax benefits. However, the resolution and/or closure of open audits are highly uncertain.

NOTE 8. Segment Reporting

Management, including the Chief Operating Decision Maker, who is the Company's Chief Executive Officer, reviews and assesses operating performance using segment net revenues and operating income (loss) before interest, other income (expense), net, and income taxes. These performance measures include the allocation of expenses to the operating segments based on management's judgment.

The Company uses the following two reportable operating segments:

- the Computing Solutions segment, which includes microprocessors, as standalone devices or as incorporated as an accelerated processing unit (APU), chipsets, embedded processors and dense servers; and
- the Graphics segment, which includes graphics, video and multimedia products developed for use in desktop and notebook computers, including home media PCs, professional workstations and servers as well as revenue received in connection with the development and sale of game console systems that incorporate the Company's graphics technology.

In addition to these reportable segments, the Company has an All Other category, which is not a reportable segment. This category includes certain expenses and credits that are not allocated to any of the operating segments because management does not consider these expenses and credits in evaluating the performance of the operating segments. Also included in this category are amortization of acquired intangible assets, employee stock-based compensation expense, restructuring and other special charges, net and a charge related to the limited waiver of exclusivity from GF.

The following table provides a summary of net revenue and operating loss by segment and category:

	Quarter Ended	
	March 30, 2013	March 31, 2012
	(In millions)	
Net revenue:		
Computing Solutions	$ 751	$ 1,203
Graphics	337	382
All Other	—	—
Total net revenue	$ 1,088	$ 1,585
Operating income (loss):		
Computing Solutions	$ (39)	$ 124
Graphics	16	34
All Other	(75)	(738)
Total operating loss	$ (98)	$ (580)

Notes to Condensed Consolidated Financial Statements—Continued
(Unaudited)

NOTE 9. Stock-Based Incentive Compensation Plans

The following table summarizes stock-based compensation expense related to employee stock options and restricted stock units, which is allocated in the Company's condensed consolidated statements of operations:

	Quarter Ended	
	March 30, 2013	March 31, 2012
	(In millions)	
Cost of sales	$ 2	$ 2
Research and development	13	11
Marketing, general and administrative	9	8
Stock-based compensation expense, net of tax of $0	$ 24	$ 21

For all periods presented, the Company did not realize any excess tax benefit related to stock-based compensation and therefore did not record any related financing cash flows.

Stock Options

The weighted average assumptions applied in the lattice-binomial model that the Company uses to value employee stock options are as follows:

	Quarter Ended	
	March 30, 2013	March 31, 2012
Expected volatility	60.97%	50.74%
Risk-free interest rate	0.61%	0.58%
Expected dividends	0.00%	0.00%
Expected life (in years)	3.83 years	3.79 years

For the quarters ended March 30, 2013 and March 31, 2012, the Company granted 1,327,000 and 1,193,000 employee stock options, respectively, with weighted average grant date fair values per share of $1.17 and $2.20, respectively. In addition, during the first quarter of 2012, the Company granted unvested employee stock options to purchase approximately 4,792,000 shares of the Company's common stock upon the closing of the SeaMicro acquisition on March 23, 2012, with weighted average estimated grant date fair values per share of $6.60.

Restricted Stock and Restricted Stock Units

For the quarters ended March 30, 2013 and March 31, 2012, the Company granted 2,447,000 and 830,000 restricted stock units, respectively, with weighted average grant date fair values per share of $2.69 and $6.57, respectively. In addition, during the first quarter of 2012, the Company granted approximately 322,000 shares of restricted stock upon the closing of the SeaMicro acquisition on March 23, 2012, with weighted average estimated grant date fair values per share of $4.03.

NOTE 10. Commitments and Contingencies

Warranties and Indemnities

The Company generally warrants that its products sold to its customers will conform to the Company's approved specifications and be free from defects in material and workmanship under normal use and service for one year. Subject to certain exceptions, the Company also offers a three-year limited warranty to end users for only those microprocessor and AMD APU products that are commonly referred to as "processors in a box" and has also offered extended limited warranties to certain customers of "tray" microprocessor products and/or workstation graphics products who have written agreements with the Company and target their computer systems at the commercial and/or embedded markets.

Notes to Condensed Consolidated Financial Statements—Continued
(Unaudited)

Changes in the Company's estimated liability for product warranty during the quarters ended March 30, 2013 and March 31, 2012 are as follows:

	Quarter Ended	
	March 30, 2013	March 31, 2012
	(In millions)	
Beginning balance	$ 16	$ 20
New warranties issued	6	9
Settlements	(6)	(8)
Changes in liability for pre-existing warranties, including expirations	(2)	(1)
Ending balance	$ 14	$ 20

In addition to product warranties, the Company, from time to time in its normal course of business, indemnifies other parties, with whom it enters into contractual relationships, including customers, lessors and parties to other transactions with the Company, with respect to certain matters. In these limited matters, the Company has agreed to hold certain third parties harmless against specific types of claims or losses, such as those arising from a breach of representations or covenants, third-party claims that the Company's products when used for their intended purpose(s) and under specific conditions infringe the intellectual property rights of a third party, or other specified claims made against the indemnified party. It is not possible to determine the maximum potential amount of liability under these indemnification obligations due to the unique facts and circumstances that are likely to be involved in each particular claim and indemnification provision. Historically, payments made by the Company under these obligations have not been material.

Contingencies

The Company is a defendant or plaintiff in various actions that arose in the normal course of business. With respect to those matters, based on management's current knowledge, the Company believes that the amount or range of reasonably possible loss, if any, will not, either individually or in the aggregate, have a material effect on the Company's business, consolidated financial position, results of operations or cash flows.

NOTE 11. Hedging Transactions and Derivative Financial Instruments

The following table shows the amount of gain (loss) included in accumulated other comprehensive income (loss), the amount of gain (loss) reclassified from accumulated other comprehensive income (loss) and included in earnings related to the foreign currency forward contracts designated as cash flow hedges and the amount of gain (loss) included in other income (expense), net related to contracts not designated as hedging instruments, which was allocated in the condensed consolidated statement of operations:

	Quarter Ended	
	March 30, 2013	March 31, 2012
	(In millions)	
Foreign Currency Forward Contracts		
Contracts designated as cash flow hedging instruments		
Other comprehensive income (loss)	$ (2)	$ 2
Contracts not designated as hedging instruments		
Other income (expense), net	$ (1)	$ 1

Notes to Condensed Consolidated Financial Statements—Continued
(Unaudited)

The following table shows the fair value amounts included in prepaid expenses and other current assets should the foreign currency forward contracts be in a gain position or included in accrued liabilities should these contracts be in a loss position. These amounts were recorded in the condensed consolidated balance sheet as follows:

	March 30, 2013	December 29, 2012
	(In millions)	
Foreign Currency Forward Contracts		
Contracts designated as cash flow hedging instruments	$ (2)	$ —
Contracts not designated as hedging instruments	$ —	$ —

For the foreign currency contracts designated as cash flow hedges, the ineffective portions of the hedging relationship, and the amounts excluded from the assessment of hedge effectiveness were immaterial.

As of March 30, 2013 and December 29, 2012, the notional value of the Company's outstanding foreign currency forward contracts was $141 million and $142 million, respectively. All the contracts mature within 12 months, and upon maturity the amounts recorded in accumulated other comprehensive income (loss) are expected to be reclassified into earnings. The Company hedges its exposure to the variability in future cash flows for forecasted transactions over a maximum of 12 months. As of March 30, 2013, the Company's outstanding contracts were in a $2 million net loss position. The Company is required to post collateral should the derivative contracts be in a net loss position exceeding certain thresholds. As of March 30, 2013, the Company was not required to post any collateral.

Notes to Condensed Consolidated Financial Statements—Continued
(Unaudited)

NOTE 12. Restructuring

2012 Restructuring Plan

In the fourth quarter of 2012, the Company implemented a restructuring plan designed to improve the Company's cost structure and to strengthen its competitiveness in core growth areas. The plan primarily involved a workforce reduction of approximately 14% as well as asset impairments and facility consolidations. The plan was substantially completed as of the end of the first quarter of 2013.

2011 Restructuring Plan

In the fourth quarter of 2011, the Company initiated a restructuring plan to strengthen its competitive positioning, implement a more competitive cost structure and conduct a workforce rebalancing to better address faster growing market segments. The plan included a reduction of the Company's global workforce by 13% and contract and program terminations. The plan was substantially completed as of the end of the first quarter of 2012.

The following table provides a summary of the activity related to the 2012 and 2011 restructuring plans and the related liabilities recorded in "Other current liabilities" on the Company's consolidated balance sheet remaining as of March 30, 2013:

	Severance and related benefits	Other exit related costs	Total
		(In millions)	
Balance as of December 29, 2012	41	17	58
Charges	—	1	1
Cash payments	(21)	(1)	(22)
Balance as of March 30, 2013	20	17	37

NOTE 13. Accumulated Other Comprehensive Income (Loss)

The table below summarizes the changes in accumulated other comprehensive income (loss) by component for the quarters ended March 30, 2013 and March 31, 2012.

	Quarter Ended			
	March 30, 2013		March 31, 2012	
	Unrealized gains (losses) on cash flow hedges	Total	Unrealized gains (losses) on cash flow hedges	Total
	(In millions)			
Beginning balance	(3)	(3)	(5)	(5)
Unrealized gains (losses) arising during period, net of tax effect	(1)	(1)	1	1
Reclassification adjustment for (gains) losses realized and included in net income (loss), net of tax effect	—	—	1	1
Net current-period other comprehensive income (loss)	(1)	(1)	2	2
Ending balance	(4)	(4)	(3)	(3)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The statements in this report include forward-looking statements. These forward-looking statements are based on current expectations and beliefs and involve numerous risks and uncertainties that could cause actual results to differ materially from expectations. These forward-looking statements should not be relied upon as predictions of future events as we cannot assure you that the events or circumstances reflected in these statements will be achieved or will occur. You can identify forward-looking statements by the use of forward-looking terminology including "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "pro forma," "estimates," or "anticipates" or the negative of these words and phrases or other variations of these words and phrases or comparable terminology. The forward-looking statements relate to, among other things: demand for our products; the growth, change and competitive landscape of the markets in which we participate; our ability to obtain sufficient external financing on favorable terms, or at all; the nature and extent of our future payments to GLOBALFOUNDRIES Inc. (GF) under the wafer supply agreement (WSA) and the materiality of these payments; that PC market conditions will remain challenging for the remainder of 2013; the timing of anticipated restructuring charges, cash expenditures, and operational savings related to our 2012 restructuring plan; the level of international sales as compared to total sales; our ability to sell our auction rate securities within the next twelve months; our cash, cash equivalents and marketable securities balance; that our cash, cash equivalents and marketable securities balance and anticipated cash flow from operations and available external financing will be sufficient to fund our operations including capital expenditures and debt repayment over the next twelve months; our hedging strategy; our long term strategy to drive more than 20% of our revenue from the semi-custom and embedded markets by the fourth quarter of 2013 and to drive 40% to 50% of our revenue from these and other faster growth markets in the long term; and our dependence on a small number of customers. Material factors and assumptions that were applied in making these forward-looking statements include, without limitation, the following: the expected rate of market growth and demand for our products and technologies (and the mix thereof); GF's manufacturing yields and wafer volumes; our expected market share; our expected product costs and average selling price; our overall competitive position and the competitiveness of our current and future products; our ability to introduce new products, consistent with our current roadmap; our ability to make additional investment in research and development and that such opportunities will be available; the expected demand for computers; and the state of credit markets and macroeconomic conditions. Material factors that could cause actual results to differ materially from current expectations include, without limitation, the following: that Intel Corporation's pricing, marketing and rebating programs, product bundling, standard setting, new product introductions or other activities may negatively impact our plans; that we will require additional funding and may be unable to raise sufficient capital on favorable terms, or at all; that customers stop buying our products or materially reduce their operations or demand for our products; that we may be unable to develop, launch and ramp new products and technologies in the volumes that are required by the market at mature yields on a timely basis; that our third party foundry suppliers will be unable to transition our products to advanced manufacturing process technologies in a timely and effective way or to manufacture our products on a timely basis in sufficient quantities and using competitive process technologies; that we will be unable to obtain sufficient manufacturing capacity or components to meet demand for our products or will not fully utilize our projected manufacturing capacity needs at GFs microprocessor manufacturing facilities; that our requirements for wafers will be less than the fixed number of wafers that we agreed to purchase from GF or GF encounters problems that significantly reduce the number of functional die we receive from each wafer; that we are unable to successfully implement our long-term business strategy; that we inaccurately estimate the quantity or type of products that our customers will want in the future or will ultimately end up purchasing, resulting in excess or obsolete inventory; that we are unable to manage the risks related to the use of our third-party distributors and add-in-board (AIB) partners or offer the appropriate incentives to focus them on the sale of our products; that we may be unable to maintain the level of investment in research and development that is required to remain competitive; that there may be unexpected variations in market growth and demand for our products and technologies in light of the product mix that we may have available at any particular time; that global business and economic conditions will not improve or will worsen; that PC market conditions do not improve or will worsen; that demand for computers will be lower than currently expected; and the effect of political or economic instability, domestically or internationally, on our sales or supply chain.

For a discussion of factors that could cause actual results to differ materially from the forward-looking statements, see "Part II, Item 1A—Risk Factors" section beginning on page 33 and the "Financial Condition" section beginning on page 26 and other risks and uncertainties set forth below in this report or detailed in our other Securities and Exchange Commission (SEC) reports and filings. We assume no obligation to update forward-looking statements.

The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included in this report and our audited consolidated financial statements and related notes as of December 29, 2012 and December 31, 2011, and for each of the three years in the period ended December 29, 2012 as filed in our Annual Report on Form 10-K for the year ended December 29, 2012.

Overview

We are a global semiconductor company with facilities around the world. Within the global semiconductor industry, we offer primarily:

- x86 microprocessors, as standalone devices or as incorporated as an accelerated processing unit (APU), for the commercial and consumer markets; embedded microprocessors for commercial, commercial client and consumer markets; chipsets; as well as dense servers; and
- graphics, video and multimedia products for desktop and mobile devices, including mobile PCs and tablets, home media PCs and professional workstations, servers and technology for game consoles.

In this section, we will describe the general financial condition and the results of operations of Advanced Micro Devices, Inc. and its wholly-owned subsidiaries, including a discussion of our results of operations for the quarter ended March 30, 2013 compared to the quarter ended December 29, 2012 and the quarter ended March 31, 2012, an analysis of changes in our financial condition and a discussion of our contractual obligations. References in this report to "us," our" or "AMD" include these consolidated operating results.

During the first quarter of 2013, we continued to execute our three-step plan to stabilize, accelerate and ultimately transform our business model in response to the changing dynamics of the PC market. As of the end of the first quarter of 2013, we had largely completed our restructuring activities, designed to reduce operating costs and improve efficiency. Also, during the first quarter of 2013, we continued to focus on the second step of our plan, which is accelerating our business in 2013 by executing our 2013 product roadmap. We started volume shipments of our next generation A-Series APU, codenamed "Kabini," designed for ultrathin notebooks and small form factor machines in the entry and mainstream segments. We also launched our next generation AMD Elite A-Series APUs, codenamed "Richland," designed to deliver innovative user experiences such as facial log-in and gesture recognition. With respect to our graphics products, we announced our Radeon™ HD 8000M Series graphics, a new series of discrete graphics processors for performance gaming. We also launched AMD FirePro™ R5000 remote workstation-class graphics card, designed to power remote 3D-graphics workflows and full computing experiences over IP networks for data center environments. Also, during the first quarter of 2013, Sony announced that it would use a semi-custom APU based on our "Jaguar" central processing unit core and next-generation Radeon graphics in its Sony PlayStation®4 game console system.

Net revenue for the first quarter of 2013 was $1.09 billion, a 31% decrease from the first quarter of 2012 and a 6% decrease compared to the fourth quarter of 2012. Although we continued to experience a challenging macroeconomic environment and weak consumer demand for end-user PC products, we were able to improve our operating performance in the first quarter of 2013 compared to the fourth quarter of 2012. Our operating loss for the first quarter of 2013 was $98 million compared to $422 million in the fourth quarter of 2012. The improvement in operating performance in the first quarter of 2013 compared to the fourth quarter of 2012 was primarily due to the absence of a lower cost or market (LCM) charge related to GLOBALFOUNDRIES' (GF's) waiver of our take-or-pay obligations taken in the fourth quarter of 2012. In addition, our operating results for the first quarter of 2013 included restructuring and other special charges, net, of $47 million and a $5 million charge for amortization of acquired intangible assets. Our operating results for the fourth quarter of 2012 included restructuring and other special charges, net, of $90 million and a $4 million charge for amortization of acquired intangible assets. Absent the effect of these charges, which we believe are not indicative of our ongoing operating performance, our operating loss would have been $46 million for the first quarter of 2013 compared to operating loss of $55 million for the fourth quarter of 2012. This improvement in operating performance was primarily due to lower operating expenses. Also, despite the current macroeconomic environment, we continued to manage operating expenses, which continued to decrease in the first quarter of 2013 compared to the first and fourth quarters of 2012, as well as our balance of cash, cash equivalents and marketable securities, including the long term marketable securities, which as of March 30, 2013, was $1.2 billion, flat compared to December 29, 2012.

Critical Accounting Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of our financial statements requires us to make estimates and judgments that affect the reported amounts in our condensed consolidated financial statements. We evaluate our estimates on an on-going basis, including those related to our revenue, inventories, asset

impairments, long-lived assets including acquired intangible assets and income taxes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Although actual results have historically been reasonably consistent with management's expectations, the actual results may differ from these estimates or our estimates may be affected by different assumptions or conditions.

Management believes there have been no significant changes during the quarter ended March 30, 2013 to the items that we disclosed as our critical accounting estimates in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of our Annual Report on Form 10-K for the year ended December 29, 2012.

Results of Operations

Management, including the Chief Operating Decision Maker, who is our Chief Executive Officer, reviews and assesses our operating performance using segment net revenue and operating income (loss) before interest, other income (expense), net, and income taxes. These performance measures include the allocation of expenses to the operating segments based on management's judgment.

We use the following two reportable operating segments:

- the Computing Solutions segment, which includes microprocessors, as standalone devices or as incorporated as an APU, chipsets, embedded processors and dense servers; and
- the Graphics segment, which includes graphics, video and multimedia products developed for use in desktop and notebook computers, including home media PCs, professional workstations and servers as well as revenue received in connection with the development and sale of game console systems that incorporate our graphics technology.

In addition to these reportable segments, we have an All Other category, which is not a reportable segment. This category includes certain expenses and credits that were not allocated to any of the operating segments because management does not consider these expenses and credits in evaluating the performance of the operating segments. Also included in this category are amortization of acquired intangible assets, employee stock-based compensation expense, restructuring and other special charges and a charge related to the limited waiver of exclusivity from GF.

We use a 52 or 53 week fiscal year ending on the last Saturday in December. The quarters ended March 30, 2013, December 29, 2012, and March 31, 2012 consisted of 13 weeks.

The following table provides a summary of net revenue and operating income (loss) by segment and category:

	Quarter Ended		
	March 30, 2013	December 29, 2012	March 31, 2012
	(In millions)		
Net revenue:			
Computing Solutions	$ 751	$ 829	$ 1,203
Graphics	337	326	382
All Other	—	—	—
Total net revenue	$ 1,088	$ 1,155	$ 1,585
Operating income (loss):			
Computing Solutions	$ (39)	$ (323)	$ 124
Graphics	16	22	34
All Other	(75)	(121)	(738)
Total operating loss	$ (98)	$ (422)	$ (580)

Computing Solutions

Computing Solutions net revenue of $751 million in the first quarter of 2013 decreased by 38% compared to net revenue of $1,203 million in the first quarter of 2012 as a result of a 32% decrease in unit shipments and a 9% decrease in average selling price. Unit shipments of all categories of products decreased. The decrease in the average selling price was primarily attributable to a decrease in average selling price of our microprocessors and chipsets. Unit shipments and average selling price of our products decreased due to challenging market conditions and the increasing popularity of tablets as a consumer device of choice, which resulted in weaker demand for our products.

Computing Solutions net revenue of $751 million in the first quarter of 2013 decreased by 9% compared to $829 million in the fourth quarter of 2012 as a result of a 13% decrease in unit shipments, partially offset by a 4% increase in average selling price. The decrease in unit shipments was primarily attributable to a decrease in unit shipments of our microprocessor products for mobile devices and desktop PCs as well as our chipset products. Unit shipments decreased due to decreased demand as a result of seasonality and the market conditions described above. The increase in average selling price was attributable to an increase in average selling price of our microprocessor products primarily due to a shift in our product mix to higher end microprocessor products.

Computing Solutions operating loss was $39 million in the first quarter of 2013 compared to operating income of $124 million in the first quarter of 2012. The decline in operating results was primarily due to the decrease in revenue referenced above, partially offset by a $175 million decrease in cost of sales, a $69 million decrease in research and development expenses and a $46 million decrease in marketing, general and administrative expenses. Cost of sales decreased primarily due to lower unit shipments in the first quarter of 2013 compared to the first quarter of 2012 and a $20 million benefit from sales of previously reserved inventory in the first quarter of 2013. Research and development expenses and marketing, general and administrative expenses decreased for the reasons set forth under “Expenses,” below.

Computing Solutions operating loss was $39 million in the first quarter of 2013 compared to an operating loss of $323 million in the fourth quarter of 2012. The improvement in operating results was primarily due to a $316 million decrease in cost of sales, a $22 million decrease in research and development expenses and a $10 million decrease in marketing, general and administrative expenses, partially offset by the decrease in revenue referenced above. Cost of sales decreased primarily due to the absence in the first quarter of 2013 of the $273 million LCM charge taken in the fourth quarter of 2012 related to the fee for GF’s waiver of a portion of our wafer purchase obligations for the fourth quarter of 2012, lower unit shipments in the first quarter of 2013 compared to the fourth quarter of 2012 and a $20 million benefit from sales of previously reserved inventory in the first quarter of 2013. Research and development expenses and marketing, general and administrative expenses decreased for the reasons set forth under “Expenses,” below.

Graphics

Graphics net revenue of $337 million in the first quarter of 2013 decreased by 12% compared to net revenue of $382 million in the first quarter of 2012. The decrease was due to a 24% decrease in net revenue from sales of GPU products, partially offset by an increase in net revenue received in connection with the sale of game console systems that incorporate our graphics technology. Net revenue from sales of GPU products decreased due to lower unit shipments, partially offset by an increase in average selling price. GPU unit shipments decreased due to challenging market conditions, which adversely impacted demand. GPU average selling price increased primarily due to improved product mix. The increase in net revenue in connection with the sale of game console systems that incorporate our graphics technology was primarily attributable to a milestone payment received in the first quarter of 2013.

Graphics net revenue of $337 million in the first quarter of 2013 increased by 3% compared to net revenue of $326 million in the fourth quarter of 2012. The increase was primarily due to an increase in net revenue received in connection with the sale of game console systems that incorporate our graphics technology. The increase in net revenue in connection with the sale of game console systems that incorporate our graphics technology was primarily attributable to a milestone payment received in the first quarter of 2013. Net revenue from sales of GPU products remained flat due to lower unit shipments, which were substantially offset by increased average selling price. GPU unit shipments decreased due to challenging market conditions. GPU average selling price increased primarily due to improved product mix.

Graphics operating income was $16 million in the first quarter of 2013 compared to operating income of $34 million in the first quarter of 2012. The decline in operating results was primarily due to the decrease in net revenue referenced above and a $12 million increase in research and development expenses, partially offset by a $39 million decrease in cost of sales. Research and development expenses increased for the reasons set forth under “Expenses” below. The decrease in cost of sales was primarily due to lower GPU unit shipments in the first quarter of 2013 compared to the first quarter of 2012.

Graphics operating income was $16 million in the first quarter of 2013 compared to operating income of $22 million in the fourth quarter of 2012. The decline in operating results was primarily due to a $21 million increase in research and development expenses and a $10 million increase in marketing, general and administrative expenses, partially offset by the increase in net revenue referenced above and a $16 million decrease in cost of sales. Research and development expenses and marketing, general and administrative expenses increased for the reasons set forth under “Expenses” below. The decrease in cost of sales was primarily due to lower GPU unit shipments in the first quarter of 2013 compared to the fourth quarter of 2012.

All Other

All Other operating loss of $75 million in the first quarter of 2013 included net restructuring and other special charges of $47 million, stock-based compensation expense of $24 million and $5 million related to amortization of acquired intangible assets.

All Other operating loss of $738 million in the first quarter of 2012 included a $703 million charge related to the limited waiver of exclusivity from GF, stock-based compensation expense of $21 million, $8 million of net restructuring and other special charges, $6 million of acquisition costs related to SeaMicro and $1 million related to amortization of acquired intangible assets.

All Other operating loss of $121 million in the fourth quarter of 2012 primarily included net restructuring and other special charges of $90 million, stock-based compensation expense of $23 million and $4 million related to amortization of acquired intangible assets.

International Sales

International sales as a percentage of net revenue were 92% in the first quarter of 2013 and 93% in the first and fourth quarters of 2012. We expect that international sales will continue to be a significant portion of total sales in the foreseeable future. Substantially all of our sales transactions were denominated in U.S. dollars.

Comparison of Gross Margin, Expenses, Interest Income, Interest Expense, Other Income (Expense), Net and Income Taxes

The following is a summary of certain condensed consolidated statement of operations data for the periods indicated:

	Quarter Ended		
	March 30, 2013	December 29, 2012	March 31, 2012
	(In millions except for percentages)		
Cost of sales	$ 643	$ 977	$ 1,558
Gross margin	445	178	27
Gross margin percentage	41%	15%	2%
Research and development	312	313	368
Marketing, general and administrative	179	193	230
Amortization of acquired intangible assets	5	4	1
Restructuring and other special charges, net	47	90	8
Interest income	1	2	2
Interest expense	(44)	(45)	(43)
Other income (expense), net	(3)	(4)	(1)
Provision (benefit) for income taxes	2	4	(32)

Gross Margin

Gross margin as a percentage of net revenue was 41% in the first quarter of 2013 compared to 2% in the first quarter of 2012. Gross margin in the first quarter of 2012 included a $703 million charge related to the limited waiver of exclusivity from GF. Absent the effect of this charge, which we believe is not indicative of our ongoing operating performance, our gross margin would have been 46% in the first quarter of 2012 compared to 41% in the first quarter of 2013. The decline in gross margin was primarily due to lower average selling price for our products and an unfavorable product mix. In addition, gross margin in the first quarter of 2013 included a $20 million benefit from sales of previously reserved inventory, which accounted for two gross margin percentage points.

Gross margin as a percentage of net revenue was 41% in the first quarter of 2013 compared to 15% in the fourth quarter of 2012. Gross margin in the fourth quarter of 2012 included the LCM charge of $273 million. Absent the effect of this charge, which we believe is not indicative of our ongoing operating performance, our gross margin would have been 39% in the fourth quarter of 2012 compared to 41% in first quarter of 2013. Gross margin in the first quarter of 2013 included a $20 million benefit from sales of previously reserved inventory, which accounted for two gross margin percentage points. During the first quarter of 2013 compared to the fourth quarter of 2012, higher average selling price for our products was offset by an unfavorable product mix.

Expenses

Research and Development Expenses

Research and development expenses of $312 million in the first quarter of 2013 decreased by $56 million, or 15%, compared to $368 million in the first quarter of 2012, reflecting the effect of the 2012 restructuring plan and our efforts to reduce operating expenses. The decrease was primarily due to a $69 million decrease in research and development expenses attributable to our Computing Solutions segment, partially offset by a $12 million increase in research and development expenses attributable to our Graphics segment. Research and development expenses attributable to our Computing Solutions segment decreased as a result of a $39 million decrease in manufacturing process technology expenses related to GF, a $25 million decrease in product engineering and design costs and a $4 million decrease in other employee compensation and benefit expense. The increase in research and development expenses attributable to our Graphics segment was primarily due to a $9 million increase in product engineering and design costs and a $3 million increase in other employee compensation and benefit expense.

Research and development expenses of $312 million in the first quarter of 2013 remained flat compared to $313 million in the fourth quarter of 2012. A $23 million decrease in research and development expenses attributable to our Computing Solutions segment was substantially offset by a $21 million increase in research and development expenses attributable to our Graphics segment. Research and development expenses attributable to our Computing Solutions segment decreased as a result of a $36 million decrease in product engineering and design costs partially offset by a $13 million increase in other employee compensation and benefit expense. The increase in research and development expenses attributable to our Graphics segment was primarily due to a $14 million increase in product engineering and design costs and a $6 million increase in other employee compensation and benefit expense.

Marketing, General and Administrative Expenses

Marketing, general and administrative expenses of $179 million in the first quarter of 2013 decreased by $51 million, or 22%, compared to $230 million in the first quarter of 2012, reflecting the effect of the 2012 restructuring plan and our efforts to reduce operating expenses. The decrease was primarily due to a $46 million decrease in marketing, general and administrative expenses attributable to our Computing Solutions segment. Marketing, general and administrative expenses attributable to our Computing Solutions segment decreased primarily due to a $24 million decrease in sales and marketing activities and a $21 million decrease in other general and administrative expenses.

Marketing, general and administrative expenses of $179 million in the first quarter of 2013 decreased by $14 million, or 7%, compared to $193 million in the fourth quarter of 2012. The decrease was primarily due to a $22 million decrease in marketing, general and administrative expenses attributable to our Computing Solutions segment partially offset by $10 million increase in marketing, general and administrative expenses attributable to our Graphics segment. Marketing, general and administrative expenses attributable to our Computing Solutions segment decreased primarily due to a $12 million decrease in sales and marketing activities and a $10 million decrease in other general and administrative expenses. Marketing, general and administrative expenses attributable to our Graphics segment increased primarily due to a $10 million increase in other general and administrative expenses.

Restructuring and Other Special Charges, Net

Sale and Leaseback Transactions

In March 2013, we sold and leased back property in Austin, Texas, consisting of land and office buildings. We received net cash proceeds of $164 million in connection with the sale and recorded a $52 million charge in the first quarter of 2013, primarily related to the difference between the sale proceeds and the carrying value of the property sold of $216 million. The lease expires in March 2025 and provides for one 10-year optional renewal. We accounted for the transaction as an operating lease.

In March 2013, we also sold and leased back property in Markham, Ontario, Canada, consisting of an office building. We received net cash proceeds of $13 million in connection with the sale and recorded a $6 million gain in the first quarter of 2013, primarily related to the difference between the sale proceeds and the carrying value of the property sold of $7 million. The lease expires in March 2014 and provides for one 6-month renewal option. We accounted for the transaction as an operating lease.

The net loss of $46 million related to the sale and leaseback transactions described above was recorded in the "Restructuring and other special charges, net" line item on the condensed consolidated statement of operations.

Effects of Restructuring Plans

2012 Restructuring Plan

In the fourth quarter of 2012, we implemented a restructuring plan designed to improve our cost structure and to strengthen our competitiveness in core growth areas. The plan primarily involved a workforce reduction of approximately 14% as well as asset impairments and facility consolidations. The plan was substantially completed as of the end of the first quarter of 2013. We are currently evaluating further facility consolidations, and depending on the outcome of such evaluation, we may incur additional restructuring charges, which may be material.

2011 Restructuring Plan

In the fourth quarter of 2011, we initiated a restructuring plan to strengthen our competitive positioning, implement a more competitive cost structure and conduct a workforce rebalancing to better address faster growing market segments. The plan included a reduction of our global workforce by 13% and contract and program terminations. The plan was substantially completed as of the end of the first quarter of 2012.

The following table provides a summary of the activity related to the 2012 and 2011 restructuring plans and the remaining related liabilities recorded in "Other current liabilities" on our condensed consolidated balance sheet as of March 30, 2013:

	Severance and related benefits	Other exit related costs	Total
		(In millions)	
Balance as of December 29, 2012	41	17	58
Charges	—	1	1
Cash payments	(21)	(1)	(22)
Balance as of March 30, 2013	20	17	37

Interest Expense

Interest expense of $44 million in the first quarter of 2013 was flat compared to $43 million in the first quarter of 2012 and $45 million in the fourth quarter of 2012.

Other Income (Expense), Net

Other expense, net of $3 million in the first quarter of 2013 was flat compared to $1 million in the first quarter of 2012 and $4 million in the fourth quarter of 2012.

Income Taxes

In the first quarter of 2013, we recorded an income tax provision expense of $2 million due to $2 million of foreign taxes in profitable locations and $1 million related to the reversal of previously recognized tax benefits associated with other comprehensive income, offset by $1 million of tax benefits for Canadian co-op credits and the monetization of U.S. tax credits.

In the first quarter of 2012, we recorded an income tax provision benefit of $32 million due to a tax benefit of $36 million relating to the SeaMicro acquisition and a $1 million tax benefit for the tax effects of items credited directly to other comprehensive income, offset by $5 million of foreign taxes in profitable locations.

Purchase accounting for the SeaMicro acquisition requires the establishment of a deferred tax liability related to the book tax basis differences of identifiable intangible assets that increased goodwill. The deferred tax liability created an additional source of U.S. future taxable income which resulted in a release of a portion of our U.S. valuation allowance. This resulted in a discrete income tax provision benefit of approximately $36 million in the first quarter of 2012.

As of March 30, 2013, substantially all of our U.S. and Canadian deferred tax assets, net of deferred tax liabilities, continue to be subject to a valuation allowance. The realization of these assets is dependent on substantial future taxable income which at March 30, 2013, in our estimate, is not more likely than not to be achieved.

Our gross unrecognized tax benefits decreased by $2 million during the quarter for unrecognized tax benefits in foreign jurisdictions. The total gross unrecognized tax benefits as of March 30, 2013 were approximately $55 million. We have recognized $2 million of liabilities for unrecognized tax benefits as of March 30, 2013. There were no material changes to penalties or interest in the first quarter of 2013.

During the twelve months beginning March 31, 2013, we believe that it is reasonably possible that there will be no material changes in our unrecognized tax benefits. However, the resolution and/or closure of open audits are highly uncertain.

Stock-Based Compensation Expense

The following table summarizes stock-based compensation expense related to employee stock options and restricted stock units, which we allocated in the condensed consolidated statements of operations:

	Quarter Ended		
	March 30, 2013	December 29, 2012	March 31, 2012
	(In millions)		
Cost of sales	$ 2	$ 2	$ 2
Research and development	13	12	11
Marketing, general and administrative	9	9	8
Stock-based compensation expense, net of tax of $0	$ 24	$ 23	$ 21

For all periods presented, we did not realize any excess tax benefit related to stock-based compensation and therefore did not record any related financing cash flows.

Stock-based compensation expense of $24 million in the first quarter of 2013 increased by $3 million compared to $21 million in the first quarter of 2012. The increase was primarily due to the additional expense related to the stock options and restricted stock granted in connection with the SeaMicro acquisition on March 23, 2012.

Stock-based compensation expense of $24 million in the first quarter of 2013 remained flat compared to $23 million in the fourth quarter of 2012.

FINANCIAL CONDITION

Liquidity

As of March 30, 2013, our cash, cash equivalents and marketable securities of $1.0 billion remained flat compared to December 29, 2012. During the first quarter of 2013, our net cash proceeds from sales of property and equipment of $178 million were partially offset by a $175 million payment related to our take-or-pay obligation to GF. The percentage of cash, cash equivalents and marketable securities held domestically was 94% as of March 30, 2013.

Our debt and capital lease obligations as of March 30, 2013 were $2.04 billion, which reflected a debt discount adjustment of $57 million on our 6.00% Convertible Senior Notes due 2015 (6.00% Notes) and 8.125% Senior Notes due 2017 (8.125% Notes).

For the first quarter of 2013, our net cash used in operating activities was $155 million and our non-GAAP free cash flow was negative $175 million. For the first quarter of 2012, our net cash provided by operating activities was $107 million and our non-GAAP free cash flow was $67 million. Free cash flow is a non-GAAP measure which we calculated by adjusting GAAP net cash provided (used in) operating activities for capital expenditures, which were $20 million for the first quarter of 2013 and $40 million for the first quarter of 2012. Compared to our non-GAAP free cash flow of $67 million for the first quarter of 2012, the decrease in our non-GAAP free cash flow for the first quarter of 2013 was primarily attributable to a decrease in cash flow from operating activities, partially offset by a $20 million decrease in capital expenditures.

In light of the macroeconomic environment, in the fourth quarter of 2012, we implemented a restructuring plan to reduce our operating expenses and better position us competitively. With our restructuring and available external financing, we believe our cash, cash equivalents and marketable securities balance will be sufficient to fund operations, including capital expenditures, over the next twelve months.

We believe that in the event we decide to obtain external funding, we will be able to access the capital markets on terms and in amounts adequate to meet our objectives. However, given the possibility of changes in market conditions or other occurrences, we cannot be certain that such funding will be available on terms favorable to us or at all.

Over the longer term, should additional funding be required, such as to meet payment obligations of our long-term debt when due, we may need to raise the required funds through borrowings or public or private sales of debt or equity securities, which may be issued from time to time under an effective registration statement, through the issuance of securities in a transaction exempt from registration under the Securities Act of 1933, or a combination of one or more of the foregoing. We cannot assure you that macroeconomic conditions will improve, and they could worsen. If market conditions do not improve or deteriorate, we may be limited in our ability to access the capital markets to meet liquidity needs on favorable terms or at all, which could adversely affect our liquidity and financial condition, including our ability to refinance maturing liabilities.

Auction Rate Securities (ARS)

As a result of the uncertainties in the credit markets, all of our ARS were negatively affected, and since February 2008, auctions for these securities failed to settle on their respective settlement dates. However, there have been no defaults on these securities, and we have received all interest payments as they became due.

As of March 30, 2013, the par value of our ARS was $22 million, with an estimated fair value of $15 million. Total ARS, at fair value, represented 1% of our total investment portfolio as of March 30, 2013.

Based on recent tender and redemption activities and the fact that the secondary market for these securities has become more liquid, with pricing generally similar to our carrying value, we classified these securities as current marketable securities as of March 30, 2013. We have the intent and believe we have the ability to sell these securities within the next 12 months.

Operating Activities

Net cash used in operating activities was $155 million in the first quarter of 2013. A net loss of $146 million was adjusted for non-cash charges consisting primarily of a $66 million of depreciation and amortization expense, a $48 million net loss on disposal of property, plant, and equipment, $24 million of employee stock-based compensation expense and $6 million of non-cash interest expense related to our 6.00% Notes and 8.125% Notes. The net changes in operating assets as of March 30, 2013 compared to December 29, 2012 included an increase in inventories of $52 million, primarily in preparation for upcoming product introductions, and an increase in accounts receivable of $14 million, which was primarily due to timing of sales and collections during the first quarter of 2013. During the first quarter of 2013, payable to GF, which included all amounts we owe to GF, decreased by $74 million. The decrease was due to a $175 million payment related to our take-or-pay obligation to GF, offset by an increase of $99 million in the amount of billings related to wafer purchases. Accounts payable, accrued liabilities and other decreased by $12 million primarily due to a $24 million decrease in accrued and other current liabilities, a $24 million decrease in other liabilities and a $11 million decrease in accrued compensation and benefits, partially offset by a $23 million increase in accounts payable and a $23 million increase in deferred income on shipments to our distributor customers.

Net cash provided by operating activities was $107 million in the first quarter of 2012. Net loss of $590 million was adjusted for non-cash charges consisting primarily of a $278 million charge equal to the fair value of our transferred capital stock in GF related to the limited waiver of exclusivity from GF, $63 million of depreciation and amortization expense, $21 million of employee stock-based compensation expense and $6 million of non-cash interest expense. These charges were partially offset by a benefit of $36 million for deferred income taxes. The net changes in operating assets as of March 31, 2012

compared to December 31, 2011 included a decrease in accounts receivable of $40 million, which was primarily due to the timing of sales and collections during the first quarter of 2012. During the first quarter of 2012, payable to GF increased by $384 million. The increase was primarily due to the cash obligation of $275 million related to the limited waiver of exclusivity from GF. Accounts payable, accrued liabilities and other increased by $187 million primarily due to a $157 million increase in trade accounts payable due to the timing of payments, a $15 million increase in deferred income on shipments to our distributor customers, an $8 million increase in accrued compensation and benefits, and an $8 million increase in other liabilities. Prepaid expenses and current assets increased by $41 million primarily due to a $26 million increase in non-trade accounts receivable and $7 million net payments for technology licenses.

Investing Activities

Net cash provided by investing activities was $47 million in the first quarter of 2013. A net cash inflow from sales of property, plant and equipment of $178 million, which consisted primarily of $164 million of net cash proceeds from the sale of our property in Austin, Texas and $13 million of net cash proceeds from the sale of one of our buildings in Markham, Ontario, Canada, was partially offset by net cash outflow of $111 million from purchases, sales and maturity of available for sale securities and cash outflow of $20 million for purchases of property, plant and equipment.

Net cash provided by investing activities was $200 million in the first quarter of 2012. A net cash inflow of $525 million from sale and maturity of available for sale securities was partially offset by a net cash outflow of $281 million related to the acquisition of SeaMicro and a net cash outflow of $39 million for purchases of property, plant and equipment.

Financing Activities

No cash was provided by financing activities in the first quarter of 2013.

Net cash provided by financing activities was $17 million in the first quarter of 2012 primarily due to net proceeds from foreign grants from the Canadian government for research and development activities related to our AMD APU products of $9 million and $9 million from the exercise of employee stock options.

During the first quarters of 2013 and 2012, we did not realize any excess tax benefit related to stock-based compensation, and therefore we did not record any related financing cash flows.

Contractual Obligations

The following table summarizes our consolidated principal contractual cash obligations, as of March 30, 2013, and is supplemented by the discussion following the table:

	Payment due by period						
(In millions)	Total	2013	2014	2015	2016	2017	2018 and thereafter
6.00% Convertible Senior Notes due 2015 [1]	$ 580	$ —	$ —	$ 580	$ —	$ —	$ —
8.125% Senior Notes due 2017 [1]	500	—	—	—	—	500	—
7.75% Senior Notes due 2020	500	—	—	—	—	—	500
7.50% Senior Notes due 2022	500	—	—	—	—	—	500
Aggregate interest obligation [2]	901	114	152	128	117	115	275
Other long-term liabilities	7	5	—	—	—	—	2
Capital lease obligations [3]	23	4	6	6	6	1	—
Operating leases	388	46	53	45	38	35	171
Purchase obligations [4]	314	272	28	14	—	—	—
Obligations to GF [5]	1,371	1,121	250	—	—	—	—
Total contractual obligations	$ 5,084	$ 1,562	$ 489	$ 773	$ 161	$ 651	$ 1,448

[1] Represents aggregate par value of the notes, without the effect of associated discounts.

(2) Represents estimated aggregate interest obligations for our outstanding debt obligations that are payable in cash, excluding capital lease obligations. Also excludes non-cash amortization of debt discounts on the 8.125% Notes and the 6.00% Notes.

(3) Includes principal and imputed interest.

(4) We have purchase obligations for goods and services where payments are based, in part, on the volume or type of services we acquire. In those cases, we only included the minimum volume of purchase obligations in the table above. Purchase orders for goods and services that are cancelable upon notice and without significant penalties are not included in the amounts above.

(5) This amount includes all our contractual obligations to GF.

6.00% Convertible Senior Notes due 2015

On April 27, 2007, we issued $2.2 billion aggregate principal amount of 6.00% Notes. The 6.00% Notes are our general unsecured senior obligations. Interest is payable on May 1 and November 1 of each year beginning November 1, 2007 until the maturity date of May 1, 2015. The terms of the 6.00% Notes are governed by an indenture (the 6.00% Indenture) dated April 27, 2007, by and between us and Wells Fargo Bank, National Association, as Trustee.

As of March 30, 2013, the outstanding aggregate principal amount of our 6.00% Notes was $580 million and the remaining carrying value was approximately $558 million, net of debt discount of $22 million.

We may elect to purchase or otherwise retire the balance of the 6.00% Notes with cash, stock or other assets from time to time in open market or privately negotiated transactions, either directly or through intermediaries, or by tender offer when we believe the market conditions are favorable to do so.

8.125% Senior Notes Due 2017

On November 30, 2009, we issued $500 million of the 8.125% Notes at a discount of 10.204%. The 8.125% Notes are our general unsecured senior obligations. Interest is payable on June 15 and December 15 of each year beginning June 15, 2010 until the maturity date of December 15, 2017. The discount of $51 million is recorded as contra debt and is amortized to interest expense over the life of the 8.125% Notes using the effective interest method. The 8.125% Notes are governed by the terms of an indenture (the 8.125% Indenture) dated November 30, 2009 between us and Wells Fargo Bank, National Association, as Trustee.

From December 15, 2013, we may redeem the 8.125% Notes for cash at the following specified prices plus accrued and unpaid interest:

Period	Price as Percentage of Principal Amount
Beginning on December 15, 2013 through December 14, 2014	104.063%
Beginning on December 15, 2014 through December 14, 2015	102.031%
On December 15, 2015 and thereafter	100.000%

As of March 30, 2013, the outstanding aggregate principal amount of our 8.125% Notes was $500 million and the remaining carrying value was approximately $465 million, net of debt discount of $35 million.

We may elect to purchase or otherwise retire the 8.125% Notes with cash, stock or other assets from time to time in open market or private negotiated transactions, either directly or through intermediaries, or by tender offer, when we believe the market conditions are favorable to do so.

7.75% Senior Notes Due 2020

On August 4, 2010, we issued $500 million of the 7.75% Senior Notes Due 2020 (7.75% Notes). The 7.75% Notes are our general unsecured senior obligations. Interest is payable on February 1 and August 1 of each year beginning February 1, 2011 until the maturity date of August 1, 2020. The 7.75% Notes are governed by the terms of an indenture (the 7.75% Indenture) dated August 4, 2010 between us and Wells Fargo Bank, National Association, as Trustee.

From August 1, 2015, we may redeem the 7.75% Notes for cash at the following specified prices plus accrued and unpaid interest:

Period	Price as Percentage of Principal Amount
Beginning on August 1, 2015 through July 31, 2016	103.875%
Beginning on August 1, 2016 through July 31, 2017	102.583%
Beginning on August 1, 2017 through July 31, 2018	101.292%
On August 1, 2018 and thereafter	100.000%

As of March 30, 2013, the outstanding aggregate principal amount of our 7.75% Notes was $500 million.

We may elect to purchase or otherwise retire the 7.75% Notes with cash, stock or other assets from time to time in open market or private negotiated transactions, either directly or through intermediaries, or by tender offer, when we believe the market conditions are favorable to do so.

7.50% Senior Notes Due 2022

On August 15, 2012, we issued $500 million of 7.50% Senior Notes due 2022 (7.50% Notes). The 7.50% Notes are our general unsecured senior obligations. Interest is payable on February 15 and August 15 of each year beginning February 15, 2013 until the maturity date of August 15, 2022. The 7.50% Notes are governed by the terms of an indenture (the 7.50% Indenture) dated August 15, 2012 between us and Wells Fargo Bank, National Association, as Trustee.

As of March 30, 2013, the outstanding aggregate principal amount of our 7.50% Notes was $500 million.

We may elect to purchase or otherwise retire the 7.50% Notes with cash, stock or other assets from time to time in open market or privately negotiated transactions, either directly or through intermediaries, or by tender offer when we believe the market conditions are favorable to do so.

The agreements governing our 6.00% Notes, 8.125% Notes, 7.75% Notes and 7.50% Notes contain cross-default provisions whereby a default under one agreement would likely result in cross defaults under agreements covering other borrowings. The occurrence of a default under any of these borrowing arrangements would permit the applicable note holders to declare all amounts outstanding under those borrowing arrangements to be immediately due and payable.

Other Long-Term Liabilities

Other long-term liabilities in the contractual obligations table above include primarily $3 million of payments due under certain software and technology licenses that will be paid through 2014 and $2 million related to foreign government grants that will be spent through 2014.

Other long-term liabilities exclude amounts recorded on our condensed consolidated balance sheet that do not require us to make cash payments, which, as of March 30, 2013, primarily consisted of $13 million of deferred gains resulting from the sale and leaseback of our headquarters in Sunnyvale, California in 1998, and our facility in Markham, Ontario, Canada in 2008. Also excluded from other long-term liabilities is $2 million of non-current unrecognized tax benefits, which is included in the caption “Other long-term liabilities” on our condensed consolidated balance sheet as of March 30, 2013. This amount represents a potential cash payment that could be payable by us upon settlement with a taxing authority. We have not included this amount in the contractual obligations table above because we cannot make a reasonably reliable estimate regarding the timing of a settlement with the taxing authority, if any.

Capital Lease Obligations

As of March 30, 2013, we had aggregate outstanding capital lease obligations of $21 million for one of our facilities in Canada, which is payable in monthly installments through 2017.

Operating Leases

We lease certain of our facilities and, in some jurisdictions, we lease the land on which our facilities are built, under non-cancelable lease agreements that expire at various dates through 2025. We lease certain manufacturing and office equipment for terms ranging from one to five years. Total future non-cancelable lease obligations as of March 30, 2013 were $388 million, including approximately $239 million of future lease payments and estimated operating costs for a new lease commenced in the first quarter of 2013 related to the sale and leaseback of our Lone Star Campus in Austin, Texas.

Purchase Obligations

Our purchase obligations primarily include our obligations to purchase wafers and substrates from third parties, excluding our wafer purchase commitments to GF under the WSA. As of March 30, 2013, total non-cancelable purchase obligations were $314 million.

Obligations to GF

Obligations to GF represent all our contractual obligations to GF, including approximately $900 million for our wafer purchase commitments for the remainder of 2013 and $250 million for the first quarter of 2014 and other payables under the WSA as described below. We are not currently able to meaningfully quantify or estimate our purchase obligations to GF beyond the first quarter of 2014, but we expect that our future purchases from GF will continue to be material.

Under the third amendment to the WSA, GF agreed to waive a portion of our wafer purchase commitments for the fourth quarter of 2012. In consideration of this waiver, we agreed to pay GF a fee of $320 million. Of the $320 million fee, we paid $80 million as of December 29, 2012. The remaining payments are $40 million by April 1, 2013 and $200 million by December 31, 2013. As security for the final payment, we issued a $200 million promissory note to GF. As of March 30, 2013, the outstanding balance under this promissory note was $200 million.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Reference is made to "Part II, Item 7A, Quantitative and Qualitative Disclosures about Market Risk," in our Annual Report on Form 10-K for the year ended December 29, 2012.

There have not been any material changes in market risk since December 29, 2012.

ITEM 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of March 30, 2013, the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

There was no change in our internal controls over financial reporting during our first quarter of 2013 that materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1A. RISK FACTORS

The risks and uncertainties described below are not the only ones we face. If any of the following risks actually occurs, our business, financial condition or results of operations could be materially adversely affected. In addition, you should consider the interrelationship and compounding effects of two or more risks occurring simultaneously.

Intel Corporation's dominance of the microprocessor market and its aggressive business practices may limit our ability to compete effectively.

Intel Corporation has dominated the market for microprocessors for many years. Intel's market share, margins and significant financial resources enable it to market its products aggressively, to target our customers and our channel partners with special incentives, and to discipline customers who do business with us. These aggressive activities have in the past and are likely in the future to result in lower unit sales and a lower average selling price for our products and adversely affect our margins and profitability.

Intel exerts substantial influence over computer manufacturers and their channels of distribution through various brand and other marketing programs. As a result of Intel's dominant position in the microprocessor market, Intel has been able to control x86 microprocessor and computer system standards and benchmarks and to dictate the type of products the microprocessor market requires of us. Intel also dominates the computer system platform, which includes core logic chipsets, graphics chips, motherboards and other components necessary to assemble a computer system. Original Equipment Manufacturers (OEMs), that purchase microprocessors for computer systems are highly dependent on Intel, less innovative on their own and, to a large extent, are distributors of Intel technology. Additionally, Intel is able to drive de facto standards for x86 microprocessors that could cause us and other companies to have delayed access to such standards.

Intel has substantially greater financial resources than we do and accordingly spends substantially greater amounts on marketing and research and development than we do. We expect Intel to maintain its dominant position and to continue to invest heavily in marketing, research and development, new manufacturing facilities and other technology companies. To the extent Intel manufactures a significantly larger portion of its microprocessor products using more advanced process technologies, or introduces competitive new products into the market before we do, we may be more vulnerable to Intel's aggressive marketing and pricing strategies for microprocessor products.

Intel also leverages its dominance in the microprocessor market to sell its integrated graphics chipsets. Intel manufactures and sells integrated graphics chipsets bundled with their microprocessors and is a dominant competitor with respect to this portion of our business. Intel could also take actions that place our discrete GPUs at a competitive disadvantage, including giving one or more of our competitors in the graphics market, such as Nvidia Corporation, preferential access to its proprietary graphics interface or other useful information.

As long as Intel remains in this dominant position, we may be materially adversely affected by Intel's:

- business practices, including rebating and allocation strategies and pricing actions, designed to limit our market share and margins;
- product mix and introduction schedules;
- product bundling, marketing and merchandising strategies;
- exclusivity payments to its current and potential customers and channel partners;
- control over industry standards, PC manufacturers and other PC industry participants, including motherboard, memory, chipset and basic input/output system, or BIOS, suppliers and software companies as well as the graphics interface for Intel platforms; and
- marketing and advertising expenditures in support of positioning the Intel brand over the brand of its OEM customers.

Intel's dominant position in the microprocessor market and integrated graphics chipset market, its existing relationships with top-tier OEMs and its aggressive marketing and pricing strategies could result in lower unit sales and a lower average selling price for our products, which could have a material adverse effect on us.

The success of our business is dependent upon our ability to introduce products on a timely basis with features and performance levels that provide value to our customers while supporting and coinciding with significant industry transitions.

Our success depends to a significant extent on the development, qualification, implementation and acceptance of new product designs and improvements that provide value to our customers. Our ability to develop, qualify and distribute new products and related technologies to meet evolving industry requirements, at prices acceptable to our customers and on a timely basis are significant factors in determining our competitiveness in our target markets. For example, form factors have increasingly shifted from desktop PCs to mobile PCs, and tablets have been one of the fastest growing form factors. Also, ARM-based processors are being used in mobile and embedded electronics products as relatively low cost and small microprocessors and also in form factors such as laptops, tablets and smartphones. Historically, a significant portion of our Computing Solutions revenue has been related to desktop PCs. Currently, a significant portion of our business is focused on the legacy PC portions of the market, projected to have slowing growth over the next several years. To the extent consumers adopt new form factors and have different requirements than those consumers in the PC market, PC sales could be negatively impacted, which could negatively impact our business. If we fail to or are delayed in developing, qualifying or shipping new products or technologies that provide value to our customers and address these new trends, we may lose competitive positioning, which could cause us to lose market share and require us to discount the selling prices of our products. Although we make substantial investments in research and development, we cannot be certain that we will be able to develop, obtain or successfully implement new products and technologies on a timely basis.

Delays in developing, qualifying or shipping new products can also cause us to miss our customers' product design windows. If our customers do not include our products in the initial design of their computer systems, they will typically not use our products in their systems until at least the next design configuration. The process of being qualified for inclusion in a customer's system can be lengthy and could cause us to further miss a cycle in the demand of end-users, which also could result in a loss of market share and harm our business.

Moreover, market demand requires that products incorporate new features and performance standards on an industry-wide basis. Over the life of a specific product, the average selling price undergoes regular price reductions. The introduction of new products and enhancements to existing products is necessary to maintain an overall corporate average selling price. If we are unable to introduce new products with sufficient increases in average selling price or increased unit sales volumes capable of offsetting the reductions in the average selling price of existing products, our business could be materially adversely affected.

Global economic uncertainty may adversely impact our business and operating results.

Uncertain global economic conditions have in the past and may in the future adversely impact our business. Uncertainty in the worldwide economic environment may negatively impact consumer confidence and spending causing our customers to postpone purchases. For example, our revenue in the second half of 2012 and in the first quarter of 2013 was adversely affected, in part, by the overall weakness in the global economy and weak consumer demand for end-user PC products, which impacted sales. We believe that PC market conditions will remain challenging for the remainder of 2013.

In addition, during challenging economic times, our current or potential future customers may experience cash flow problems and as a result may modify, delay or cancel plans to purchase our products. Additionally, if our customers are not successful in generating sufficient revenue or are unable to secure financing, they may not be able to pay, or may delay payment of, accounts receivable that they owe us. Any inability of our current or potential future customers to pay us for our products may adversely affect our earnings and cash flow. Moreover, our key suppliers may reduce their output or become insolvent, thereby adversely impacting our ability to manufacture our products. In addition, uncertain economic conditions may make it more difficult for us to raise funds through borrowings or private or public sales of debt or equity securities.

If we cannot generate sufficient revenues and operating cash flow or obtain external financing, we may face a cash shortfall and be unable to make all of our planned investments in research and development or other strategic investments.

Our ability to fund research and development expenditures depends on generating sufficient cash flow from operations and the availability of external financing, if necessary. Our research and development expenditures, together with ongoing operating expenses, will be a substantial drain on our cash flow and may decrease our cash balances. If new competitors, technological advances by existing competitors or other competitive factors require us to invest significantly greater resources than anticipated in our research and development efforts, our operating expenses would increase. If we are required to invest significantly greater resources than anticipated in research and development efforts without an increase in revenue, our operating results could decline.

We believe that the challenging macroeconomic conditions that we experienced in the second half of 2012 and in the first quarter of 2013 will continue for the remainder of 2013. We regularly assess markets for external financing opportunities, including debt and equity financing. Additional debt or equity financing may not be available when needed or, if available, may not be available on satisfactory terms. The health of the credit markets may adversely impact our ability to obtain financing when needed. In addition, any downgrades from credit rating agencies such as Moody's or Standard & Poor's may adversely impact our ability to obtain external financing or the terms of such financing. Credit agency downgrades may also impact relationships with our suppliers, who may limit our credit lines. For example, in the first quarter of 2013, Moody's lowered our

senior unsecured debt rating to B2 from B1. Furthermore, in the first quarter of 2013, Standard & Poor lowered our senior unsecured debt rating from B to BB. Our inability to obtain needed financing or to generate sufficient cash from operations may require us to abandon projects or curtail planned investments in research and development or other strategic initiatives. If we curtail planned investments in research and development or abandon projects, our products may fail to remain competitive and our business would be materially adversely affected.

If we are unable to successfully implement our cost cutting efforts, our business could be materially adversely affected.

In the fourth quarter of 2012, we implemented a restructuring plan designed to improve our cost structure and to strengthen our competitiveness in core growth areas. The plan primarily involved a workforce reduction of approximately 14% as well as asset impairments and facility consolidations. We expect the restructuring action will result in operational savings, primarily in operating expenses, of approximately $190 million in 2013. We cannot assure you that we will be able to achieve the level of operational savings that we expect. If our headcount reductions are not effectively managed, we may experience unanticipated effects from these reductions causing harm to our business and customer relationships. In addition, we are currently evaluating further facility consolidations, and depending on the outcome of such evaluation, we may incur additional restructuring charges, which may be material.

We rely on third parties to manufacture our products, and if they are unable to do so on a timely basis in sufficient quantities and using competitive technologies, our business could be materially adversely affected.

We rely on third party wafer foundries to fabricate the silicon wafers for all of our products. We also rely on third party providers to assemble, test, mark and pack certain of our products. It is important to have reliable relationships with all of these third party manufacturing suppliers to ensure adequate product supply to respond to customer demand.

We cannot assure you that these manufacturers or our other third party manufacturing suppliers will be able to meet our near-term or long-term manufacturing requirements. If we experience supply constraints from our third party manufacturing suppliers, we may be required to allocate the affected products amongst our customers, which could have a material adverse effect on our relationships with these customers and on our financial condition. In addition, if we are unable to meet customer demand due to fluctuating or late supply from our manufacturing suppliers, it could result in lost sales and have a material adverse effect on our business.

We do not have long-term commitment contracts with some of our third party manufacturing suppliers. We obtain some of these manufacturing services on a purchase order basis and these manufacturers are not required to provide us with any specified minimum quantity of product beyond the quantities in an existing purchase order. Accordingly, we depend on these suppliers to allocate to us a portion of their manufacturing capacity sufficient to meet our needs, to produce products of acceptable quality and at acceptable manufacturing yields and to deliver those products to us on a timely basis and at acceptable prices. The manufacturers we use also fabricate wafers and assemble, test and package products for other companies, including certain of our competitors. They could choose to prioritize capacity for other users, increase the prices that they charge us on short notice or reduce or eliminate deliveries to us, which could have a material adverse effect on our business.

Other risks associated with our dependence on third-party manufacturers include limited control over delivery schedules and quality assurance, lack of capacity in periods of excess demand, misappropriation of our intellectual property, dependence on several small undercapitalized subcontractors, and limited ability to manage inventory and parts. Moreover, if any of our third party manufacturing suppliers suffer any damage to facilities, lose benefits under material agreements, experience power outages, lack sufficient capacity to manufacture our products, encounter financial difficulties, are unable to secure necessary raw materials from their suppliers, or suffer any other disruption or reduction in efficiency, we may encounter supply delays or disruptions. If we are unable to secure sufficient or reliable supplies of products, our ability to meet customer demand may be adversely affected and this could materially affect our business.

If we transition the production of some of our products to new manufacturers, we may experience delayed product introductions, lower yields or poorer performance of our products. If we experience problems with product quality or are unable to secure sufficient capacity from a particular third party manufacturing supplier, or if we for other reasons cease utilizing one of those suppliers, we may be unable to secure an alternative supply for any specific product in a short time frame. We could experience significant delays in the shipment of our products if we are required to find alternative third party manufacturing suppliers, which could have a material adverse effect on our business.

We rely on GF to manufacture most of our microprocessor and APU products. If GF is not able to satisfy our manufacturing requirements, our business could be adversely impacted.

The WSA governs the terms by which we purchase products manufactured by GF. Pursuant to the WSA, we are required to purchase all of our microprocessor and APU product requirements from GF with limited exceptions. If GF is unable to achieve anticipated manufacturing yields, remain competitive using advanced process technologies, manufacture our products on a timely basis, or meet our capacity requirements, then we may experience delays in product launches or supply shortages for certain products and our business could be materially adversely affected.

On December 6, 2012, we entered into a third amendment to the WSA with GF. Pursuant to the third amendment, we modified our wafer purchase commitments for the fourth quarter of 2012 under the second amendment to the WSA. In addition, we agreed to certain pricing and other terms of the WSA applicable to wafers for our microprocessor and APU products to be delivered by GF to us during 2013 and through December 31, 2013. Pursuant to the third amendment, we committed to purchase a fixed number of production wafers at negotiated prices in the fourth quarter of 2012 and through December 31, 2013. If GF encounters any problems that significantly reduce the number of functional die we receive from each wafer, then under our fixed wafer price arrangement, this will have the effect of increasing our per-unit cost for our products and could also reduce the number of products available for sale to our customers, which may have an adverse impact on our results of operations. In addition, if our requirements are less than the fixed number of wafers that we agreed to purchase, we could have excess inventory or higher inventory unit costs, both of which will adversely impact our gross margin and our results of operations.

In addition, GF relies on Advanced Technology Investment Company (ATIC) for its funding needs. If ATIC fails to adequately fund GF on a timely basis, or at all, GF's ability to manufacture products for us would be materially adversely affected.

Failure to achieve expected manufacturing yields for our products could negatively impact our financial results.

Semiconductor manufacturing yields are a result of both product design and process technology, which is typically proprietary to the manufacturer, and low yields can result from design failures, process technology failures, or a combination of both. Our third-party foundries are responsible for the process technologies used to fabricate silicon wafers. If our third-party foundries experience manufacturing inefficiencies or encounter disruptions, errors or difficulties during production, we may fail to achieve acceptable yields or experience product delivery delays. We cannot be certain that our third-party foundries will be able to develop, obtain or successfully implement leading-edge process technologies needed to manufacture future generations of our products profitably or on a timely basis or that our competitors will not develop new technologies, products or processes earlier. Moreover, during periods when foundries are implementing new process technologies, their manufacturing facilities may not be fully productive. A substantial delay in the technology transitions to smaller process technologies could have a material adverse effect on us, particularly if our competitors transition to more cost effective technologies before us. Any decrease in manufacturing yields could result in an increase in per unit costs, which would adversely impact our gross margin and/or force us to allocate our reduced product supply amongst our customers, which could harm our relationships with our customers and reputation and materially adversely affect our business.

We may not be able to successfully implement our long-term business strategy.

We are implementing a long-term business strategy to refocus our business to address markets beyond our core PC market to the faster growing low power or dense server, embedded, and ultraportable and ultra-low-power markets. Currently, a significant portion of our business is focused on the legacy PC portions of the market, projected to have slowing growth over the next several years. The goal of our long-term strategy is to drive more than 20% of our revenue from the semi-custom and embedded markets by the fourth quarter of 2013 and to drive 40% to 50% of our revenue from these and other faster growth markets in the long term. Despite our efforts, we may not be able to implement our strategy in a timely manner to exploit potential market opportunities or meet competitive challenges. Moreover, our business strategy is dependent on creating products that anticipate customer requirements and emerging industry trends. There can be no assurances that our new strategic direction will result in innovative products and technologies that provide value to our customers. In addition, we may be entering markets where current and new competitors may be able to adapt more quickly to customer requirements and emerging technologies. We cannot assure you that we will be able to compete successfully against current or new competitors who may have stronger positions in these new markets. We may face delays or disruptions in research and development efforts, or we may be required to significantly invest greater resources in research and development than anticipated.

In the fourth quarter of 2012, we implemented a restructuring plan designed to improve our cost structure and to strengthen our competitiveness in core growth areas. The plan primarily involved a workforce reduction of approximately 14% as well as asset impairments and facility consolidations. If we do not manage these headcount reductions or facility consolidations effectively, our ability to implement our new business strategy could be adversely impacted.

We may not be able to generate sufficient cash to service our debt obligations.

Our ability to make payments on and to refinance our debt will depend on our financial and operating performance, which may fluctuate significantly from quarter to quarter, and is subject to prevailing economic conditions and financial, business and other factors, many of which are beyond our control. We cannot assure you that we will be able to generate sufficient cash flow or that we will be able to borrow funds in amounts sufficient to enable us to service our debt or to meet our working capital requirements. If we are not able to generate sufficient cash flow from operations or to borrow sufficient funds

to service our debt, we may be required to sell assets or equity, reduce expenditures, refinance all or a portion of our existing debt or obtain additional financing. We cannot assure you that we will be able to refinance our debt, sell assets or equity or borrow more funds on terms acceptable to us, if at all.

We have a substantial amount of indebtedness which could adversely affect our financial position and prevent us from implementing our strategy or fulfilling our contractual obligations.

Our debt and capital lease obligations as of March 30, 2013 were $2.04 billion, which reflects the debt discount adjustment on our 6.00% Convertible Senior Notes due 2015 (6.00% Notes) and our 8.125% Senior Notes due 2017 (8.125% Notes).

Our substantial indebtedness may:

- make it difficult for us to satisfy our financial obligations, including making scheduled principal and interest payments;
- limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions and general corporate and other purposes;
- limit our ability to use our cash flow or obtain additional financing for future working capital, capital expenditures, acquisitions or other general corporate purposes;
- require us to use a substantial portion of our cash flow from operations to make debt service payments;
- place us at a competitive disadvantage compared to our less leveraged competitors; and
- increase our vulnerability to the impact of adverse economic and industry conditions.

Our debt instruments impose restrictions on us that may adversely affect our ability to operate our business.

The indentures governing our 8.125% Notes, 7.75% Senior Notes due 2020 (7.75% Notes) and 7.50% Senior Notes due 2022 (7.50% Notes) contain various covenants which limit our ability to:

- incur additional indebtedness;
- pay dividends and make other restricted payments;
- make certain investments, including investments in our unrestricted subsidiaries;
- create or permit certain liens;
- create or permit restrictions on the ability of certain restricted subsidiaries to pay dividends or make other distributions to us;
- use the proceeds from sales of assets;
- enter into certain types of transactions with affiliates; and
- consolidate or merge or sell our assets as an entirety or substantially as an entirety.

The agreements governing our borrowing arrangements contain cross-default provisions whereby a default under one agreement would likely result in cross defaults under agreements covering other borrowings. For example, the occurrence of a default with respect to any indebtedness or any failure to repay debt when due in an amount in excess of $50 million would cause a cross default under the indentures governing our 7.75% Notes, 8.125% Notes, 7.50% Notes and 6.00% Notes. The occurrence of a default under any of these borrowing arrangements would permit the applicable note holders to declare all amounts outstanding under those borrowing arrangements to be immediately due and payable. If the note holders or the trustee under the indentures governing our 7.75% Notes, 8.125% Notes, 7.50% Notes or 6.00% Notes accelerate the repayment of borrowings, we cannot assure you that we will have sufficient assets to repay those borrowings.

The markets in which our products are sold are highly competitive.

The markets in which our products are sold are very competitive, and delivering the latest and best products to market on a timely basis is critical to achieving revenue growth. We believe that the main factors that determine our product competitiveness are timely product introductions, product quality (including enabling state of the art visual experience), power consumption (including battery life), reliability, selling price, speed, size (or form factor), cost, adherence to industry standards (and the creation of open industry standards), software and hardware compatibility and stability and brand awareness.

We expect that competition will continue to be intense due to rapid technological changes, frequent product introductions by our competitors of products that may provide better performance or may include additional features that render our products uncompetitive and aggressive pricing by competitors, especially during challenging economic times. For instance, with the introduction of our APU products and other competing solutions, we believe that demand for additional discrete graphic cards may decrease in the future due to both the improvement of the quality of our competitor's integrated graphics and the graphics performance of our APUs. Using a more advanced process technology can contribute to lower product manufacturing costs and improve a product's performance and power efficiency. If competitors introduce competitive new products into the market before us, our business could be adversely affected. Some competitors may have greater access or rights to companion technologies, including interface, processor and memory technical information. Competitive pressures could adversely impact the demand for our products, which could harm our business.

The demand for our products depends in part on the market conditions in the industries and geographies into which they are sold. Fluctuations in demand for our products or a market decline in any of these industries or geographies would have a material adverse effect on our results of operations.

Our business is dependent upon the market for desktop and mobile PCs and servers. Form factors have increasingly shifted from desktop PCs to mobile PCs, with tablets being one of the fastest growing form factors. Historically, a significant portion of our Computing Solutions revenue has been related to desktop PCs. Currently, a significant portion of our business is focused on the legacy PC portions of the market, projected to have slowing growth over the next several years. Industry-wide fluctuations in the computer marketplace have materially adversely affected us in the past and may materially adversely affect us in the future. For example, our revenue in the second half of 2012 and the first quarter of 2013 was adversely affected, in part, by the overall weakness in the global economy and weak consumer demand for end-user PC products, which impacted sales. We believe that PC market conditions will remain challenging for the remainder of 2013.

Our ability to design and introduce new products in a timely manner is dependent upon third-party intellectual property.

In the design and development of new products and product enhancements, we rely on third-party intellectual property such as software development tools and hardware testing tools. Furthermore, certain product features may rely on intellectual property acquired from third parties. The design requirements necessary to meet consumer demand for more features and greater functionality from semiconductor products may exceed the capabilities of the third-party intellectual property or development tools available to us. If the third-party intellectual property that we use becomes unavailable or fails to produce designs that meet customer demands, our business could be materially adversely affected.

We depend on third-party companies for the design, manufacture and supply of motherboards, BIOS software and other computer platform components to support our microprocessor and graphics businesses.

We depend on third-party companies for the design, manufacture and supply of motherboards, BIOS software and other components that our customers utilize to support our microprocessor and GPU offerings. We also rely on our add-in-board partners (AIBs) to support our GPU business. In addition, our microprocessors are not designed to function with motherboards and chipsets designed to work with Intel microprocessors. If the designers, manufacturers, AIBs and suppliers of motherboards and other components decrease their support for our product offerings, our business could be materially adversely affected.

If we lose Microsoft Corporation's support for our products or other software vendors do not design and develop software to run on our products, our ability to sell our products could be materially adversely affected.

Our ability to innovate beyond the x86 instruction set controlled by Intel depends partially on Microsoft designing and developing its operating systems to run on or support our microprocessor products. With respect to our graphics products, we depend in part on Microsoft to design and develop its operating system to run on or support our graphics products. Similarly, the success of our products in the market, such as our APU products, is dependent on independent software providers designing and developing software to run on our products. If Microsoft does not continue to design and develop its operating systems so that they work with our x86 instruction sets or does not continue to develop and maintain their operating systems to support our graphics products, independent software providers may forego designing their software applications to take advantage of our innovations and customers may not purchase PCs with our products. In addition, some software drivers sold with our products are certified by Microsoft. If Microsoft did not certify a driver, or if we otherwise fail to retain the support of Microsoft or other software vendors, our ability to market our products would be materially adversely affected.

The loss of a significant customer may have a material adverse effect on us.

Collectively, our top five customers accounted for approximately 51% of our net revenue in the first quarter of 2013. On a segment basis, during the first quarter of 2013, five customers accounted for approximately 60% of the net revenue of our Computing Solutions segment and five customers accounted for approximately 54% of the net revenue of our Graphics segment. We expect that a small number of customers will continue to account for a substantial part of revenues of our microprocessor and graphics businesses in the future. If one of our top microprocessor or graphics business customers decided to stop buying our products, or if one of these customers were to materially reduce its operations or its demand for our products, our business would be materially adversely affected.

Our inability to continue to attract and retain qualified personnel may hinder our product development programs.

Much of our future success depends upon the continued service of numerous qualified engineering, marketing, sales and executive personnel. If we are not able to continue to attract, train, and retain qualified personnel necessary for our business, the progress of our product development programs could be hindered, and we could be materially adversely affected.

In the event of a change of control, we may not be able to repurchase our outstanding debt as required by the applicable indentures, which would result in a default under the indentures.

Upon a change of control, we will be required to offer to repurchase all of the 7.75% Notes, 8.125% Notes and 7.50% Notes then outstanding at 101% of the principal amount thereof, plus accrued and unpaid interest, if any, up to, but excluding, the repurchase date. Moreover, the indenture governing our 6.00% Notes also requires us to offer to repurchase these securities upon certain change of control events. As of March 30, 2013, the aggregate outstanding principal amount of the outstanding 8.125% Notes, 7.75% Notes, 7.50% Notes and 6.00% Notes was $2.1 billion. Future debt agreements may contain similar provisions. We may not have the financial resources to repurchase our indebtedness.

The semiconductor industry is highly cyclical and has experienced severe downturns that have materially adversely affected, and may in the future materially adversely affect, our business.

The semiconductor industry is highly cyclical and has experienced significant downturns, often in conjunction with constant and rapid technological change, wide fluctuations in supply and demand, continuous new product introductions, price erosion and declines in general economic conditions. We have incurred substantial losses in recent downturns, due to:

- substantial declines in average selling prices;
- the cyclical nature of supply/demand imbalances in the semiconductor industry;
- a decline in demand for end-user products (such as PCs) that incorporate our products; and
- excess inventory levels in the channels of distribution, including those of our customers.

Global economic uncertainty and weakness have also impacted the semiconductor market as consumers and businesses have deferred purchases, which negatively impacted demand for our products. Our financial performance has been, and may in the future be, negatively affected by these downturns. For example, our revenue in the second half of 2012 and the first quarter of 2013 was adversely affected, in part, by the overall weakness in the global economy and weak consumer demand for end-user PC products, which impacted sales. We believe that PC market conditions will remain challenging for the remainder of 2013.

The growth of our business is also dependent on continued demand for our products from high-growth, emerging global markets. Our ability to be successful in such markets depends in part on our ability to establish adequate local infrastructure, as well as our ability to cultivate and maintain local relationships in these markets. If demand from these markets is below our expectations, sales of our products may decrease, which would have a material adverse effect on us.

Our operating results are subject to quarterly and seasonal sales patterns.

A substantial portion of our quarterly sales have historically been made in the last month of the quarter. This uneven sales pattern makes prediction of revenues for each financial period difficult and increases the risk of unanticipated variations in quarterly results and financial condition. In addition, our operating results tend to vary seasonally. For example, historically, European sales have been weaker during the summer months. Many of the factors that create and affect seasonal trends are beyond our control.

If essential equipment or materials are not available to manufacture our products, we could be materially adversely affected.

We purchase equipment and materials for our internal back-end manufacturing operations from a number of suppliers and our operations depend upon obtaining deliveries of adequate supplies of equipment and materials on a timely basis. Our third party manufacturing suppliers also depend on the same timely delivery of adequate quantities of equipment and materials in the manufacture of our products. Certain equipment and materials that are used in the manufacture of our products are available only from a limited number of suppliers. We also depend on a limited number of suppliers to provide the majority of certain types of integrated circuit packages for our microprocessors, including APU products. Similarly, certain non-proprietary materials or components such as memory, printed circuit boards (PCBs), substrates and capacitors used in the manufacture of our graphics products are currently available from only a limited number of sources. Because some of the equipment and materials that we and our third party manufacturing suppliers purchase are complex, it is sometimes difficult to substitute one supplier for another.

From time to time, suppliers may extend lead times, limit supply or increase prices due to capacity constraints or other factors. Also, some of these materials and components may be subject to rapid changes in price and availability. Interruption of supply or increased demand in the industry could cause shortages and price increases in various essential materials. Dependence on a sole supplier or a limited number of suppliers exacerbates these risks. If we are unable to procure certain of these materials for our back-end manufacturing operations, or our third-party foundries or manufacturing suppliers are unable to procure materials for manufacturing our products, our business would be materially adversely affected.

Our issuance to West Coast Hitech L.P. (WCH) of warrants to purchase 35,000,000 shares of our common stock, if and when exercised by WCH, will dilute the ownership interests of our existing stockholders, and the conversion of the remainder of our 6.00% Notes may dilute the ownership interest of our existing stockholders.

The warrants issued to WCH became exercisable in July 2009. Any issuance by us of additional shares to WCH upon exercise of the warrants will dilute the ownership interests of our existing stockholders. Any sales in the public market by WCH of any shares owned by WCH could adversely affect prevailing market prices of our common stock, and the anticipated exercise by WCH of the warrants could depress the price of our common stock.

Moreover, the conversion of our remaining 6.00% Notes may dilute the ownership interests of our existing stockholders. The conversion of the 6.00% Notes could have a dilutive effect on our earnings per share to the extent that the price of our common stock exceeds the conversion price of the 6.00% Notes. Any sales in the public market of our common stock issuable upon conversion of the 6.00% Notes could adversely affect prevailing market prices of our common stock. In addition, the conversion of the 6.00% Notes into cash and shares of our common stock could depress the price of our common stock.

If our products are not compatible with some or all industry-standard software and hardware, we could be materially adversely affected.

Our products may not be fully compatible with some or all industry-standard software and hardware. Further, we may be unsuccessful in correcting any such compatibility problems in a timely manner. If our customers are unable to achieve compatibility with software or hardware after our products are shipped in volume, we could be materially adversely affected. In addition, the mere announcement of an incompatibility problem relating to our products could have a material adverse effect on our business.

Costs related to defective products could have a material adverse effect on us.

Products as complex as those we offer may contain defects or failures when first introduced or when new versions or enhancements to existing products are released. We cannot assure you that, despite our testing procedures, errors will not be found in new products or releases after commencement of commercial shipments in the future, which could result in loss of or delay in market acceptance of our products, material recall and replacement costs, delay in recognition or loss of revenues, writing down the inventory of defective products, the diversion of the attention of our engineering personnel from product development efforts, defending against litigation related to defective products or related property damage or personal injury, and damage to our reputation in the industry and could adversely affect our relationships with our customers. In addition, we may have difficulty identifying the end customers of the defective products in the field. As a result, we could incur substantial costs to implement modifications to correct defects. Any of these problems could materially adversely affect our business.

We could be subject to potential product liability claims if one of our products causes, or merely appears to have caused, an injury. Claims may be made by consumers or others selling our products, and we may be subject to claims against us even if an alleged injury is due to the actions of others. A product liability claim, recall or other claim with respect to uninsured liabilities or for amounts in excess of insured liabilities could have a material adverse effect on our business.

Our receipt of royalty revenues is dependent upon our technology being designed into third-party products and the success of those products.

Our graphics technology is used in game consoles. The revenues that we receive from these products generally are in the form of non-recurring engineering fees charged for design and development services as well as royalties paid to us by these third parties. Our royalty revenues are directly related to the sales of these products and reflective of their success in the market. If these third parties do not include our graphics technology in future generations of their game consoles, our revenues from royalties would decline significantly. Moreover, we have no control over the marketing efforts of these third parties and we cannot make any assurances that sales of those products will achieve expected levels in the current or future fiscal years. Consequently, the revenues from royalties expected by us from these products may not be fully realized, and our operating results may be adversely affected.

If we fail to maintain the efficiency of our supply chain as we respond to changes in customer demand for our products, our business could be materially adversely affected.

Our ability to meet customer demand for our products depends, in part, on our ability to deliver the products our customers want on a timely basis. Accordingly, we rely on our supply chain for the manufacturing, distribution and fulfillment of our products. As we continue to grow our business, acquire new customers and strengthen relationships with existing customers, the efficiency of our supply chain will become increasingly important because many of our customers tend to have specific requirements for particular products, and specific time-frames in which they require delivery of these products. If we are unable to consistently deliver the right products to our customers on a timely basis in the right locations, our customers may reduce the quantities they order from us, which could have a material adverse effect on our business.

We outsource to third parties certain supply-chain logistics functions, including portions of our product distribution, transportation management, and information technology support services.

We rely on third-party providers to operate our regional product distribution centers and to manage the transportation of our work-in-process and finished products among our facilities, our manufacturing suppliers and to our customers. In addition, we rely on third parties to provide certain information technology services to us, including helpdesk support, desktop application services, business and software support applications, server and storage administration, data center operations, database administration, and voice, video and remote access. We cannot guarantee that these providers will fulfill their respective responsibilities in a timely manner in accordance with the contract terms, in which case our internal operations and the distribution of our products to our customers could be materially adversely affected. Also, we cannot guarantee that our contracts with these third-party providers will be renewed, in which case we would have to transition these functions in-house or secure new providers, which could have a material adverse effect on our business if the transition is not executed appropriately.

We may be subject to disruptions, failures or cyber-attacks in our information technology systems and network infrastructures that could have a material adverse effect on us.

We maintain and rely extensively on information technology systems and network infrastructures for the effective operation of our business. We also hold large amounts of data in various data center facilities around the world about us, our customers, suppliers, partners and other third parties, which our business depends upon. A disruption, infiltration or failure of our information technology systems or any of our data centers as a result of software or hardware malfunctions, computer viruses, cyber-attacks, employee theft or misuse, power disruptions, natural disasters or accidents could cause breaches of data security and loss of critical data, which in turn could materially adversely affect our business. Our security procedures, such as virus protection software and our business continuity planning, such as our disaster recovery policies and back-up systems, may not be adequate or implemented properly to fully address the adverse effect of such events, which could adversely impact our operations. We could be subject to litigation and our reputation and brand could be harmed if our information technology systems are compromised and sensitive or confidential information about our customers, suppliers, partners and other third parties is lost or misappropriated. In addition, our business could be adversely affected to the extent we do not make the appropriate level of investment in our technology systems as our technology systems become out-of-date or obsolete and are not able to deliver the type of data integrity and reporting we need to run our business. Furthermore, when we implement new systems, modify or upgrade existing systems, we could be faced with temporary or prolonged disruptions that could adversely affect our business. Also, implementing new systems, modifying or upgrading our existing systems could be very costly.

Uncertainties involving the ordering and shipment of our products could materially adversely affect us.

We typically sell our products pursuant to individual purchase orders. We generally do not have long-term supply arrangements with our customers or minimum purchase requirements except that orders generally must be for standard pack quantities. Generally, our customers may cancel orders more than 30 days prior to shipment without incurring significant fees. We base our inventory levels in part on customers' estimates of demand for their products, which may not accurately predict the quantity or type of our products that our customers will want in the future or ultimately end up purchasing. Our ability to forecast demand is even further complicated when we sell indirectly through distributors, as our forecasts for demand are then based on estimates provided by multiple parties.

PC and consumer markets are characterized by short product lifecycles, which can lead to rapid obsolescence and price erosion. In addition, our customers may change their inventory practices on short notice for any reason. We may build inventories during periods of anticipated growth, and the cancellation or deferral of product orders or overproduction due to failure of anticipated orders to materialize, could result in excess or obsolete inventory, which could result in write-downs of inventory and an adverse effect on gross margins. Factors that may result in excess or obsolete inventory, which could result in write-downs of the value of our inventory, a reduction in the average selling price, and/or a reduction in our gross margin include:

- a sudden and significant decrease in demand for our products;
- a higher incidence of inventory obsolescence because of rapidly changing technology and customer requirements;

- a failure to accurately estimate customer demand for our older products as our new products are introduced; or
- our competitors taking aggressive pricing actions.

For example, gross margin in the third quarter of 2012 was adversely impacted by, among other things, an inventory write-down of $100 million. The inventory write-down was the result of lower anticipated future demand for certain products and mainly comprised of our Llano products. Because market conditions are uncertain, these and other factors could materially adversely affect our business.

Our reliance on third-party distributors and add-in-board partners subjects us to certain risks.

We market and sell our products directly and through third-party distributors and AIB partners pursuant to agreements that can generally be terminated for convenience by either party upon prior notice to the other party. These agreements are non-exclusive and permit both our distributors and AIBs to offer our competitors' products. We are dependent on our distributors and AIBs to supplement our direct marketing and sales efforts. If any significant distributor or AIB or a substantial number of our distributors or AIBs terminated their relationship with us, decided to market our competitors' products over our products, or decided not to market our products at all, our ability to bring our products to market would be impacted and we would be materially adversely affected. If we are unable to manage the risks related to the use of our third party distributors and AIB partners or offer the appropriate incentives to focus them on the sale of our products, our business could be materially adversely affected. For example, our revenue in the second quarter of 2012 was adversely affected by lower than expected desktop processor unit sales to our distributor customers, particularly in China and Europe.

Additionally, distributors and AIBs typically maintain an inventory of our products. In most instances, our agreements with distributors protect their inventory of our products against price reductions, as well as provide return rights for any product that we have removed from our price book and that is not more than twelve months older than the manufacturing code date. Some agreements with our distributors also contain standard stock rotation provisions permitting limited levels of product returns. Our agreements with AIBs protect their inventory of our products against price reductions. We defer the gross margins on our sales to distributors and AIBs, resulting from both our deferral of revenue and related product costs, until the applicable products are re-sold by the distributors or the AIBs. However, in the event of a significant decline in the price of our products, the price protection rights we offer would materially adversely affect us because our revenue and corresponding gross margin would decline.

Acquisitions could disrupt our business, harm our financial condition and operating results or dilute, or adversely affect the price of, our common stock.

Our success will depend, in part, on our ability to expand our product offerings and grow our business in response to changing technologies, customer demands and competitive pressures. In some circumstances, we may pursue growth through the acquisition of complementary businesses, solutions or technologies rather than through internal development, including, for example, our acquisition in March 2012 of SeaMicro. The identification of suitable acquisition candidates can be difficult, time-consuming and costly, and we may not be able to successfully complete identified acquisitions. Moreover, if such acquisitions require us to seek additional debt or equity financing, we may not be able to obtain such financing on terms favorable to us or at all. Even if we successfully complete an acquisition, we may not be able to assimilate and integrate effectively the acquired business, technologies, solutions, assets, personnel or operations, particularly if key personnel of the acquired company decide not to work for us. Acquisitions may also involve the entry into geographic or business markets in which we have little or no prior experience. Consequently, we may not achieve anticipated benefits of the acquisitions which could harm our operating results. In addition, to complete an acquisition, we may issue equity securities, which would dilute our stockholders' ownership and could adversely affect the price of our common stock, as well as incur debt, assume contingent liabilities or have amortization expenses and write-downs of acquired assets, which could adversely affect our results of operations. Acquisitions may also reduce our cash available for operations and other uses, which could harm our business.

Our worldwide operations are subject to political, legal and economic risks and natural disasters, which could have a material adverse effect on us.

We maintain operations around the world, including in the United States, Canada, Europe and Asia. We rely on third party wafer foundries in Europe and Asia. Nearly all product assembly and final testing of our products is performed at manufacturing facilities, operated by us as well as third party manufacturing facilities, in China, Malaysia and Taiwan. We also have international sales operations. International sales, as a percent of net revenue, were 92% in the first quarter of 2013. We expect that international sales will continue to be a significant portion of total sales in the foreseeable future.

The political, legal and economic risks associated with our operations in foreign countries include, without limitation:

- expropriation;

- changes in a specific country's or region's political or economic conditions;
- changes in tax laws, trade protection measures and import or export licensing requirements;
- difficulties in protecting our intellectual property;
- difficulties in managing staffing and exposure to different employment practices and labor laws;
- changes in foreign currency exchange rates;
- restrictions on transfers of funds and other assets of our subsidiaries between jurisdictions;
- changes in freight and interest rates;
- disruption in air transportation between the United States and our overseas facilities;
- loss or modification of exemptions for taxes and tariffs; and
- compliance with U.S. laws and regulations related to international operations, including export control and economic sanctions laws and regulations and the Foreign Corrupt Practices Act.

In addition, our worldwide operations (or those of our business partners) could be subject to natural disasters such as earthquakes, tsunamis, flooding, typhoons and volcanic eruptions that disrupt manufacturing or other operations. For example, our Sunnyvale operations are located near major earthquake fault lines in California. Any conflict or uncertainty in the countries in which we operate, including public health or safety, natural disasters, fire, disruptions of service from utilities, nuclear power plant accidents, or general economic or political factors, could have a material adverse effect on our business. Any of the above risks, should they occur, could result in an increase in the cost of components, production delays, general business interruptions, delays from difficulties in obtaining export licenses for certain technology, tariffs and other barriers and restrictions, potentially longer payment cycles, potentially increased taxes, restrictions on the repatriation of funds and the burdens of complying with a variety of foreign laws, any of which could ultimately have a material adverse effect on our business.

Worldwide political conditions may adversely affect demand for our products.

Worldwide political conditions may create uncertainties that could adversely affect our business. The United States has been and may continue to be involved in armed conflicts that could have a further impact on our sales and our supply chain. The consequences of armed conflict, political instability or civil or military unrest are unpredictable and we may not be able to foresee events that could have a material adverse effect on us. Terrorist attacks or other hostile acts may negatively affect our operations, or adversely affect demand for our products, and such attacks or related armed conflicts may impact our physical facilities or those of our suppliers or customers. Furthermore, these attacks or hostile acts may make travel and the transportation of our products more difficult and more expensive, which could materially adversely affect us. Any of these events could cause consumer spending to decrease or result in increased volatility in the United States economy and worldwide financial markets.

Unfavorable currency exchange rate fluctuations could continue to adversely affect us.

We have costs, assets and liabilities that are denominated in foreign currencies, primarily the Canadian dollar. As a consequence, movements in exchange rates could cause our foreign currency denominated expenses to increase as a percentage of revenue, affecting our profitability and cash flows. Whenever we believe appropriate, we hedge a portion of our short-term foreign currency exposure to protect against fluctuations in currency exchange rates. We determine our total foreign currency exposure using projections of long-term expenditures for items such as payroll. We cannot assure you that these activities will be effective in reducing foreign exchange rate exposure. Failure to do so could have an adverse effect on our business, financial condition, results of operations and cash flow. In addition, the majority of our product sales are denominated in U.S. dollars. Fluctuations in the exchange rate between the U.S. dollar and the local currency can cause increases or decreases in the cost of our products in the local currency of such customers. An appreciation of the U.S. dollar relative to the local currency could reduce sales of our products.

Our inability to effectively control the sales of our products on the gray market could have a material adverse effect on us.

We market and sell our products directly to OEMs and through authorized third-party distributors. From time to time, our products are diverted from our authorized distribution channels and are sold on the "gray market." Gray market products result in shadow inventory that is not visible to us, thus making it difficult to forecast demand accurately. Also, when gray market products enter the market, we and our distribution channels compete with these heavily discounted gray market products, which adversely affects demand for our products and negatively impact our margins. In addition, our inability to control gray market activities could result in customer satisfaction issues because any time products are purchased outside our authorized distribution channels there is a risk that our customers are buying counterfeit or substandard products, including products that may have been altered, mishandled or damaged, or are used products represented as new.

If we cannot adequately protect our technology or other intellectual property in the United States and abroad, through patents, copyrights, trade secrets, trademarks and other measures, we may lose a competitive advantage and incur significant expenses.

We rely on a combination of protections provided by contracts, including confidentiality and nondisclosure agreements, copyrights, patents, trademarks and common law rights, such as trade secrets, to protect our intellectual property. However, we cannot assure you that we will be able to adequately protect our technology or other intellectual property from third-party infringement or from misappropriation in the United States and abroad. Any patent licensed by us or issued to us could be challenged, invalidated or circumvented or rights granted there under may not provide a competitive advantage to us. Furthermore, patent applications that we file may not result in issuance of a patent or, if a patent is issued, the patent may not be issued in a form that is advantageous to us. Despite our efforts to protect our intellectual property rights, others may independently develop similar products, duplicate our products or design around our patents and other rights. In addition, it is difficult to monitor compliance with, and enforce, our intellectual property on a worldwide basis in a cost-effective manner. In jurisdictions where foreign laws provide less intellectual property protection than afforded in the United States and abroad, our technology or other intellectual property may be compromised, and our business would be materially adversely affected.

We are party to litigation and may become a party to other claims or litigation that could cause us to incur substantial costs or pay substantial damages or prohibit us from selling our products.

From time to time, we are a defendant or plaintiff in various legal actions. We also sell products to consumers, which could increase our exposure to consumer actions such as product liability claims. On occasion, we receive claims that individuals were allegedly exposed to substances used in our former semiconductor wafer manufacturing facilities and that this alleged exposure caused harm. Litigation can involve complex factual and legal questions, and its outcome is uncertain. Any claim that is successfully asserted against us may result in the payment of damages that could be material to our business.

With respect to intellectual property litigation, from time to time, we have been notified, or third parties may bring or have brought actions against us and/or against our customers, based on allegations that we are infringing or contributing to the infringement of the intellectual property rights of others. If any such claims are asserted, we may seek to obtain a license under the third parties' intellectual property rights. We cannot assure you that we will be able to obtain all of the necessary licenses on satisfactory terms, if at all. In the event that we do not obtain a license, these parties may file lawsuits against us or our customers seeking damages (potentially up to and including treble damages) or an injunction against the sale of products that incorporate allegedly infringed intellectual property or against the operation of our business as presently conducted, which could result in our having to stop the sale of some of our products or to increase the costs of selling some of our products or which could damage our reputation. The award of damages, including material royalty payments, or the entry of an injunction against the manufacture and sale of some or all of our products, could have a material adverse effect on us. We could decide, in the alternative, to redesign our products or to resort to litigation to challenge such claims. Such challenges could be extremely expensive and time-consuming regardless of their merit, could cause delays in product release or shipment, and/or could have a material adverse effect on us. We cannot assure you that litigation related to our intellectual property rights or the intellectual property rights of others can always be avoided or successfully concluded.

Even if we were to prevail, any litigation could be costly and time-consuming and would divert the attention of our management and key personnel from our business operations, which could have a material adverse effect on us.

Failures in the global credit markets have impacted and may continue to impact the liquidity of our auction rate securities.

As of March 30, 2013, the par value of all our auction rate securities, or ARS, was $22 million with an estimated fair value of $15 million. Our ARS consist of municipal and corporate ARS. The uncertainties in the credit markets have affected all of our ARS and auctions for these securities have failed to settle on their respective settlement dates since February 2008. The auctions failed because there was insufficient demand for these securities. A failed auction does not represent a default by the issuer of the ARS. For each unsuccessful auction, the interest rate is reset based on a formula set forth in each security, which is generally higher than the current market unless subject to an interest rate cap. When auctions for these securities fail, the investments may not be readily convertible to cash until a future auction of these investments is successful, a buyer is found outside of the auction process, the issuers of the ARS establish a different form of financing to replace these securities or redeem them, or final payment is due according to contractual maturities (currently, ranging from 2036 to 2050 for our ARS). Although we have had redemptions since the failed auctions began, the liquidity of these investments continues to be adversely impacted.

If market illiquidity worsens, we may be required to record additional impairment charges with respect to these investments in the future, which could adversely impact our results of operations.

The conflict minerals-related provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act as well as a variety of environmental laws that we are subject to could result in additional costs and liabilities.

Our operations and properties have in the past and continue to be subject to various United States and foreign environmental laws and regulations, including those relating to materials used in our products and manufacturing processes, discharge of pollutants into the environment, the treatment, transport, storage and disposal of solid and hazardous wastes, and remediation of contamination. These laws and regulations require us to obtain permits for our operations, including the discharge of air pollutants and wastewater. Although our management systems are designed to maintain compliance, we cannot assure you that we have been or will be at all times in complete compliance with such laws, regulations and permits. If we violate or fail to comply with any of them, a range of consequences could result, including fines, suspension of production, alteration of manufacturing processes, import/export restrictions, sales limitations, criminal and civil liabilities or other sanctions. We could also be held liable for any and all consequences arising out of exposure to hazardous materials used, stored, released, disposed of by us or located at, under or emanating from our facilities or other environmental or natural resource damage.

Certain environmental laws, including the U.S. Comprehensive, Environmental Response, Compensation and Liability Act of 1980, or the Superfund Act, impose strict, or under certain circumstances, joint and several liability on current and previous owners or operators of real property for the cost of removal or remediation of hazardous substances and impose liability for damages to natural resources. These laws often impose liability even if the owner or operator did not know of, or was not responsible for, the release of such hazardous substances. These environmental laws also assess liability on persons who arrange for hazardous substances to be sent to disposal or treatment facilities when such facilities are found to be contaminated. Such persons can be responsible for cleanup costs even if they never owned or operated the contaminated facility. We have been named as a responsible party at three Superfund sites in Sunnyvale, California. Although we have not yet been, we could be named a potentially responsible party at other Superfund or contaminated sites in the future. In addition, contamination that has not yet been identified could exist at our other facilities.

Environmental laws are complex, change frequently and have tended to become more stringent over time. For example, the European Union (EU) and China are two among a growing number of jurisdictions that have enacted restrictions on the use of lead and other materials in electronic products. Other countries have also implemented similar restrictions. These regulations affect semiconductor devices and packaging. As regulations restricting materials in electronic products continue to increase around the world, there is a risk that the cost, quality and manufacturing yields of products that are subject to these restrictions, may be less favorable compared to products that are not subject to such restrictions, or that the transition to compliant products may produce sudden changes in demand, which may result in excess inventory.

In August 2012, the SEC adopted its final rule to implement Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act regarding disclosure and reporting requirements for companies who use “conflict” minerals mined from the Democratic Republic of Congo and adjoining countries in their products, whether or not these products are manufactured by third parties. As there are many sources of these materials, these new requirements are unlikely to affect the sourcing of minerals used in the manufacture of semiconductor devices but will add additional costs associated with complying with the disclosure requirements, such as costs related to determining the source of any conflict minerals used in our products, auditing the process and reporting to our customers and the US government. Also, since our supply chain is complex, we may face reputational challenges if we are unable to sufficiently verify the origins of the subject minerals. Moreover, we may encounter challenges to satisfy those customers who require that all of the components of our products are certified as conflict free, and if we cannot satisfy these customers, they may choose a competitor’s products. Our first “conflict” minerals report covering the calendar year from January 1, 2013 to December 31, 2013 is due to the SEC on May 31, 2014.

A number of jurisdictions including the EU, Australia and China are developing or finalizing market entry or public procurement regulations for computers and servers based on ENERGY STAR specification as well as additional energy consumption limits. If such regulations do not contain recommended modifications as proposed by AMD or industry associations, there is the potential for certain of our microprocessor, chipset and GPU products, as incorporated in desktop and mobile PCs, workstations, servers and other information and communications technology products being excluded from some of these markets which could materially adversely affect us.

While we have budgeted for foreseeable associated expenditures, we cannot assure you that future environmental legal requirements will not become more stringent or costly in the future. Therefore, we cannot assure you that our costs of complying with current and future environmental and health and safety laws, and our liabilities arising from past and future releases of, or exposure to, hazardous substances will not have a material adverse effect on us.

Our business is subject to potential tax liabilities.

We are subject to income taxes in the United States, Canada and other foreign jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. Although we believe our tax estimates are

reasonable, we cannot assure you that the final determination of any tax audits and litigation will not be materially different from that which is reflected in historical income tax provisions and accruals. Should additional taxes be assessed as a result of an audit or litigation, there could be a material adverse effect on our cash, income tax provision and net income in the period or periods for which that determination is made.

ITEM 6. EXHIBITS

10.1	Agreement of Purchase and Sale dated March 11, 2013 between Advanced Micro Devices, Inc. and 7171 Southwest Parkway Holdings, L.P.
10.2	Sublease Agreement dated as of March 26, 2013 between Lantana HP, Ltd. and Advanced Micro Devices, Inc.
10.3	Master Landlord's Consent to Sublease dated March 26, 2013 between 7171 Southwest Parkway Holdings, L.P., Lantana HP, Ltd. and Advanced Micro Devices, Inc.
10.4	Lease Agreement dated as of March 26, 2013 between 7171 Southwest Parkway Holdings, L.P. and Lantana HP, Ltd.
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ADVANCED MICRO DEVICES, INC.

May 6, 2013

By: /S/ DEVINDER KUMAR
Devinder Kumar
Senior Vice President and Chief Financial Officer
Signing on behalf of the registrant and as the principal financial and accounting officer

AGREEMENT OF PURCHASE AND SALE

BETWEEN

ADVANCED MICRO DEVICES, INC.,
a Delaware corporation,

AS SELLER

AND

7171 SOUTHWEST PARKWAY HOLDINGS, LP,
a Delaware limited partnership

AS PURCHASER

covering and describing

THE AMD LONE STAR CAMPUS

Austin, Travis County, Texas

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE (this "Agreement") is made to be effective as of the date described in Section 9.16 of this Agreement (the "Effective Date"), by and between ADVANCED MICRO DEVICES, INC., a Delaware corporation ("Seller") and 7171 SOUTHWEST PARKWAY HOLDINGS, LP, a Delaware limited partnership ("Purchaser").

W I T N E S S E T H:

ARTICLE I
PURCHASE AND SALE

1.1 Agreement of Purchase and Sale. For the consideration and subject to the terms and conditions set forth and stated herein, Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller the following:

(a) All of Lot 1, Block "U," LANTANA LOT 1, BLOCK U, a subdivision in Travis County, Texas, according to the map or plat thereof recorded under Document No. 200600010 in Official Public Records of Travis County, Texas, together with all rights, tenements, hereditaments, easements, appendages, ways, privileges and appurtenances pertaining thereto, including, without limitation, any right, title and interest of Seller in and to the adjacent streets, alleys and rights-of-way, all minerals, oil, gas and other hydrocarbon substances on and under such real property, as well as all development rights, air rights, water, water rights, riparian rights and water stock relating to such real property (collectively, the "Land");

(b) All improvements and fixtures located on the Land, including, without limitation, all buildings, structures, facilities, electrical fixtures, systems and equipment, plumbing fixtures, systems and equipment, heating fixtures, systems and equipment, air conditioning fixtures, systems and equipment, owned by Seller and affixed or attached to said Land, buildings and structures (collectively, the "Improvements");

(c) All of Seller's right, title and interest in and to the tangible personal property used by Seller in connection with the upkeep, repair, maintenance or general operation of the Land or the Improvements as of the date hereof, including, without limitation, the tangible personal property described on Schedule 1 to the Bill of Sale (as defined in Section 4.2 below) as being conveyed to Purchaser (collectively, the "Tangible Personal Property"), but excluding the Excluded Property (as defined below);

(d) All of Seller's right, title and interest in and to all intangible personal property to the extent and only to the extent that the same is both assignable by Seller and used by Seller solely in connection with the ownership, use or general operation of the Land, Improvements or Tangible Personal Property as of the date hereof, including, without limitation, the intangible personal property described on Schedule 2 to the Bill of Sale, but excluding the Excluded Property; and

(e) All right, title and interest of Seller all development rights associated with the Land and the Improvements, including, without limitation, any rights to impervious cover, density, traffic trips or curb cuts that may be built upon or adjacent to the Land;

provided, however, the foregoing description of real and personal properties agreed to be sold and purchased under this Agreement does not include, and Seller expressly EXCEPTS HEREFROM and RESERVES unto Seller, for itself, its successors and assigns (1) the tangible personal property described on Schedule 1 to the Bill of Sale shown as being "Retained by Assignor" and (2) the intangible personal property described on Schedule 3 to the Bill of Sale (such excluded tangible and intangible personal property is collectively referred to herein as the "Excluded Property").

1.2 Property Defined. The property and interests described in Subsections 1.1(a) through 1.1(e) above, less and except the Excluded Property are herein sometimes referred to collectively as the "Property."

1.3 Permitted Exceptions. The Property is sold and purchased under this Agreement subject the matters deemed to be "Permitted Exceptions" pursuant to Section 2.3 of this Agreement.

1.4 Purchase Price. Seller agrees to sell the Property to Purchaser and Purchaser agrees to purchase the Property from Seller for a total cash purchase price of One Hundred Sixty-Six Million and 00/100 Dollars ($166,000,000.00) (the "Purchase Price").

1.5 Payment of Purchase Price. The Purchase Price shall be payable by Purchaser to Seller in cash at Closing.

1.6 Earnest Money. Within three (3) business days after the execution of this Agreement by Seller and Purchaser, Purchaser agrees to deposit with Heritage Title Company of Austin, Inc., 1500 Frost Bank Tower, 401 Congress Avenue, Austin, Travis County, Texas (the "Title Company"), the sum of Seven Million and 00/100 Dollars ($7,000,000) (the "Earnest Money") to be held by the Title Company in accordance with the terms and provisions of this Agreement. The Earnest Money shall be held and disbursed as provided in this Agreement. In the event the sale of the Property as contemplated hereunder is consummated, the Earnest Money plus interest accrued thereon shall be applied toward the payment at Closing of the Purchase Price. If the purchase and sale of the Property is not completed and this Agreement terminates for any reason other than a default by Purchaser of this Agreement, then the Earnest Money and all interest thereon less the Independent Contract Consideration shall be returned to Purchaser on demand upon such termination of this Agreement. The Title Company is hereby instructed to hold the Earnest Money in one or more interest bearing accounts in the name of the Title Company as escrow agent under this Agreement. All interest accruing on the said deposit of Earnest Money shall become a part of, and in addition to, the Earnest Money stated above and shall be held and disbursed by the Title Company as provided in this Agreement. Purchaser agrees to execute such escrow deposit forms as the Title Company shall require incident to the deposit of the Earnest Money with the Title Company. In the event

Purchaser fails to deposit said Earnest Money with the Title Company and said escrow deposit forms, within the time and as herein provided, this Agreement shall automatically terminate and neither party shall have any further obligations hereunder. Time is of the essence with respect to this obligation of Purchaser. Unless and until the interest earned on the Earnest Money is disbursed to Seller, the interest earned shall be deemed the income of Purchaser.

1.7 Independent Contract Consideration. In the event that this Agreement shall be terminated for any reason and the result thereof is the return of the Earnest Money to the Purchaser, nevertheless, the amount of One Hundred and No/100 Dollars ($100.00) thereof (the "Independent Contract Consideration"), shall be withheld from the Earnest Money and paid to Seller by the title Company, which amount Seller and Purchaser hereby acknowledge and agree has been bargained for and agreed to as consideration for Seller's execution and delivery of this Agreement with the provisions set forth herein that allow Purchaser the right to terminate this Agreement under the conditions provided in this Agreement. The Independent Contract Consideration is nonrefundable in all events.

ARTICLE II
TITLE AND SURVEY

2.1 Commitment for Title Insurance. Seller and Purchaser acknowledge their receipt from the Title Company of both (a) a title commitment (the "Preliminary Commitment") covering the Land and Improvements and binding the Title Company to issue to Purchaser at Closing a Form T-1 Owner's Policy of Title Insurance, such form being the standard form of policy prescribed by the Texas State Board of Insurance in the full amount of the Purchase Price and (b) legible copies of all instruments referenced in Schedules B and C of the Title Commitment and (c) a revised title commitment (the "Title Commitment") which includes all matters disclosed by the Survey that affect the title to the Property.

2.2 Survey. Purchaser, at Purchaser's sole cost and expense, has caused a current, "as built," ALTA survey (the "Survey") to be performed and completed on the Property and certified by a registered public surveyor (the "Surveyor") selected by Purchaser. The Survey is in a form acceptable to Purchaser and a signed original thereof has been delivered to each of Seller, Purchaser and the Title Company by or on behalf of Purchaser. The description by which the Land is conveyed to Purchaser hereunder shall be the description of the Land contained in Subsection 1.1(a) of this Agreement.

2.3 Title Review Period. Purchaser has reviewed (i) the Title Commitment, (ii) legible copies of all instruments referred to in Schedules B and C of the Title Commitment, and (iii) the Survey and agrees that each exception listed on Exhibit A attached to Exhibit A which is attached hereto and incorporated herein for all purposes shall be deemed a "Permitted Exception." In the event prior to Closing, Purchaser shall notify Seller of an objection to a title defect or encumbrance contained in any revision of the Title Commitment hereafter received from the Title Company prior to Closing, which was not contained in the Title Commitment, then Seller shall have ten (10) calendar days, or such greater period of time to which Seller and Purchaser may, in their sole discretion, then

agree (the "Cure Period"), within which Seller may (but shall in no event be required to) cure or remove defect or encumbrance which is the subject of such objection. If Seller fails to either cure or remove such defect or encumbrance to the reasonable satisfaction of Purchaser and the Title Company prior to the expiration of the Cure Period, Purchaser may either waive such objection and accept such title as Seller is able to convey without any reduction in the Purchase Price or, as Purchaser's sole and exclusive remedy, may terminate this Agreement by written notice to Seller and receive a refund of all Earnest Money less the Independent Contract Consideration. Notwithstanding anything contained herein to the contrary, Purchaser shall not be obligated to object to any mechanics liens or other monetary liens or charges against the Property, except for non-delinquent real property taxes and assessments that are prorated as of the Closing, and Seller will obtain a release of any and all said liens or charges at or prior to Closing (and none of the foregoing items shall be Permitted Exceptions). Failure of the Purchaser to send written notice of its election under this Section 2.3 within five (5) calendar days after the expiration of the Cure Period shall be deemed an election by Purchaser to waive its objection and accept such title as Seller is able to convey without any reduction in the Purchase Price.

2.4 Owner Policy of Title Insurance. At Closing, Seller will pay the Title Company the basic premium promulgated by the Texas State Board of Insurance for the Title Company to issue to Purchaser a Form T-1 Owner's Policy of Title Insurance (the "Title Policy") covering the Land and Improvements, in the full amount of the Purchase Price, on the form then prescribed by the Texas State Board of Insurance. Such policy may contain as exceptions the standard Schedule B exceptions, modified, if applicable, but any such modification shall be at Purchaser's sole cost and expense (the "Standard Exceptions") and the Permitted Exceptions. Notwithstanding anything contained herein to the contrary, except to the extent related to a Seller cure of an objected title condition under Section 2.3 above, if Purchaser requests the Title Company to modify any of the Standard Exceptions or to issue any endorsements to the Title Policy, all obligations, costs and expenses associated therewith shall be the sole cost and expense of Purchaser; Seller shall have no obligations and bear no costs or expenses in connection therewith; and the failure or inability of Purchaser to obtain any requested modifications or endorsements to the Title Policy shall not release or relieve Purchaser from its obligations to comply timely with closing the purchase of the Property from Seller as provided in this Agreement.

ARTICLE III
DISCLOSURE MATERIALS

3.1 Delivery of Disclosure Materials. Prior to the Effective Date, Seller has provided or made available to Purchaser, the following:

(a) all plans and specifications for the Property, if in Seller's possession;

(b) current year to November 30, 2012, statement and statements covering Seller's fiscal years 2011 and 2010, reflecting the costs and expenses incurred by Seller to operate, maintain and repair the Property;

(c) copies of all warranties and guaranties with respect to the Property;

(d) copies of material licenses and permits relating to the ownership, maintenance, operation or repair of the Property; and

(e) copies of the materials described on Exhibit D to the extent the same are in Seller's possession or control as of the Effective Date.

In addition to the statements, documents, instruments and agreements described above in this Section or which have been or may be provided to or acquired by Purchaser heretofore or hereafter, Purchaser acknowledges receipt from Seller, and its approval of the issuing vendor, of a Phase 1 environmental study of the Land and Improvements (the "Phase 1 Study") prepared and addressed to Seller by Environ International Corporation ("Seller's Environmental Consultant" and together with all said statements, documents, instruments and agreements described above in this Section or which have been or may be provided to or acquired by Purchaser heretofore or hereafter, are collectively the "Disclosure Materials" herein).

3.2 Right of Access. By its execution of this Agreement, Purchaser acknowledges that it has completed its due diligence investigations with respect to the Property. From the date of this Agreement until the Closing or the earlier termination of this Agreement, Seller hereby grants a nonexclusive irrevocable license to Purchaser, its employees, authorized agents and contractors, of ingress, egress, entry and access to the Property, as Purchaser deems necessary or desirable, to facilitate the Closing (as defined below) and transitioning of the Property to Purchaser post-Closing; provided that Purchaser (i) shall give Seller at least one (1) business day prior notice of the time, place, and purpose of any ingress or entry to the Property and shall permit a representative of Seller to accompany Purchaser; and (ii) at Seller's written request and at no cost to Seller, deliver to Seller copies of any reports, studies, or assessments relating to any tests conducted at the Property by Purchaser or its representatives. Purchaser shall not permit any destruction or material damage to the Property or any liens to attach to the Property by reason of the exercise of such rights. All inspections and examinations that require physical presence on the Land shall be conducted so as not to unreasonably interfere with use of the Property by Seller, subject to compliance by Purchaser with the security and safety policies and procedures of Seller. Purchaser hereby indemnifies and agrees to defend and hold harmless the Seller from and against any and all such destruction or material damage to the Property and from any and all liens by contractors, subcontractors, materialman, or laborers performing work, tests, and inspections for Purchaser under or pursuant to this Section, as well as any claims asserted by third parties for injuries or damages to said third parties or their property to the extent resulting from the negligence or willful misconduct of persons performing such work, tests, or inspections at the request of Purchaser. Purchaser further agrees to provide to Seller certificates of commercial general liability insurance showing Seller as an additional insured thereon with respect to injuries, death and property damage sustained by third parties from the performance of said work, tests, or inspections.

ARTICLE IV
CLOSING

4.1 Time and Place. The closing of this transaction (the "Closing") shall take place at the offices of the Title Company at 10:00 a.m. (Austin, Texas, time) on March 26, 2013 (the "Closing Date"), or at such other time and date as may be agreed upon by Seller and Purchaser in writing.

4.2 Seller's Obligations at Closing. At Closing, Seller shall:

(a) deliver to Purchaser a Special Warranty Deed (the "Deed") in the form of Exhibit A attached hereto and made a part hereof for all purposes, executed and acknowledged by Seller in recordable form, conveying the Land and Improvements to Purchaser free and clear of all encumbrances except the Permitted Exceptions;

(b) join with Purchaser in the execution and acknowledgment of a Blanket Conveyance, Bill of Sale and Assignment (the "Bill of Sale") in the form of Exhibit B attached hereto and made a part hereof for all purposes;

(c) deliver to Purchaser a standard or customary reliance letter issued by Seller's Environmental Consultant and addressed to Purchaser;

(d) deliver to Purchaser a FIRPTA Affidavit (the "FIRPTA Affidavit") in the form of Exhibit G attached hereto and made a part hereof for all purposes, duly executed by Seller, stating that Seller is not a "foreign person" as defined in the federal Foreign Investment in Real Property Tax Act of 1980 and the 1984 Tax Reform Act, and in the event Seller is unable or unwilling to deliver the FIRPTA Affidavit, in lieu thereof the funds payable to Seller shall be adjusted in such a manner as to comply with the withholding provisions of such statutes;

(e) deliver to Purchaser possession of the Property, subject only to the Permitted Exceptions;

(f) deliver to Purchaser tax certificates furnished by the taxing authorities having jurisdiction over the Property reflecting that all ad valorem taxes levied on the Property have been paid through the calendar year immediately preceding Closing;

(g) deliver to Purchaser such evidence as Purchaser's counsel and/or the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Seller and such other documents, instruments, and sums as may be necessary from Seller in order to permit Closing in accordance with this Agreement on or before the Closing Date;

(h) execute a sublease dated as of the date of Closing, that has been executed by Lantana HP Limited, LP, a Texas limited partnership ("Sublandlord"), as sublandlord, in the form of Exhibit E attached hereto and made a part hereof for all purposes;

(i) join with Purchaser and Sublandlord in the execution and acknowledgment of a Consent Agreement dated as of the date of Closing (the "Consent Agreement") in the form of Exhibit F attached hereto and made a part hereof for all purposes. The parties acknowledge that it shall be Purchaser's obligation to obtain Sublandlord's signature to the Consent Agreement; and

(j) deliver to Purchaser the letter of credit required under the Consent Agreement.

4.3 Purchaser's Obligations at Closing. At Closing, Purchaser shall:

(a) pay to Seller the amount of the Purchase Price in cash or other immediately available funds to Seller in Austin, Travis County, Texas, it being agreed that the Earnest Money shall be delivered to Seller at Closing and applied towards payment of the Purchase Price;

(b) join with Seller in execution of the Bill of Sale;

(c) provide to Seller an original, executed counterpart of a Master Lease Agreement dated as of the date of Closing, by and between Purchaser, as master landlord, and Sublandlord, as master tenant, covering all rentable square feet of space in the Property and in the form of Exhibit H attached hereto and made a part hereof for all purposes, which counterpart must be signed by both Purchaser and Sublandlord;

(d) join with Seller and Sublandlord in the execution and acknowledgment of the Consent Agreement; and

(e) deliver to Seller such evidence as Seller's counsel and/or the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Purchaser and such other documents, instruments, and sums as may be necessary from Purchaser in order to permit Closing in accordance with this Agreement on or before the Closing Date.

4.4 Prorations. All current taxes, assessments, utilities, maintenance charges and similar expenses of the Property, determined using the accrual method of accounting, shall be prorated between Seller and Purchaser as of the Closing Date and, based upon and to the extent of information then available, such prorations shall be made at the Closing. Seller and Purchaser shall use their best efforts prior to the Closing Date to prepare a schedule of prorations, which may be estimates to the extent applicable, covering as many items to be prorated as practicable so such prorations can be made at the Closing. Any proration which must be estimated at Closing shall be re-prorated and finally adjusted as soon as practicable after the Closing Date. Such expenses of the Property for the period before the Closing Date shall be for the account of Seller and the expenses for the period on and after the Closing Date shall be for the account of Purchaser. Seller shall pay all taxes, assessments, invoices for goods furnished or services supplied, and other expenses relating to the Property that are allocable to the period before the Closing Date. This Section 4.4 shall survive Closing.

4.5 Closing Costs. Seller shall pay (a) the fees of its counsel representing it in connection with this transaction, (b) the basic premium for the Title Policy to be issued to Purchaser by the Title Company at Closing (specifically excluding the additional premiums charged for modification of the "survey exception" or making other endorsements or modifications to the Title Policy, all of which additional premiums shall be borne by Purchaser if such modification is requested by Purchaser), (c) the fees for recording the Deed and any other instrument, and (d) one-half (1/2) of any escrow fee which may be charged by the Title Company in connection with this transaction. Purchaser shall pay (a) the fees of any counsel representing Purchaser in connection with this transaction, (b) the cost of the Survey, if Purchaser orders the Survey, (c) the additional premiums charged for modification of the "survey exception" or making other endorsements or modifications to the Title Policy, and (d) one-half (1/2) of any escrow fees charged by the Title Company in connection with this transaction. All other costs and expenses incident to this transaction and the closing thereof shall be paid by the party incurring same.

4.6 Conditions Precedent. The obligations of Purchaser under this Agreement are subject to satisfaction of all of the conditions set forth in this Section 4.6. Purchaser may waive any or all of such conditions in whole or in part but any such waiver shall be effective only if made in writing. After the Closing, any such condition that has not been satisfied shall be treated as having been waived in writing. No such waiver shall constitute a waiver by Purchaser of any of its rights or remedies if Seller defaults in the performance of any covenant or agreement to be performed by Seller or if Seller breaches any representation or warranty made by Seller in this Agreement on or before the Closing Date. If any condition set forth in this Section 4.6 is not fully satisfied or waived in writing by Purchaser, this Agreement shall terminate, but without releasing Seller from liability if Seller defaults in the performance of any such covenant or agreement to be performed by Seller or if Seller breaches any such representation or warranty made by Seller before such termination, and the Earnest Money, less the Independent Contract Consideration, shall be returned to Purchaser by the Title Company.

(a) On the Closing Date, Seller shall not be in default in the performance of any material covenant or agreement to be performed by Seller under this Agreement.

(b) On the Closing Date, all representations and warranties made by Seller in section 6.1 hereof shall be true and correct in all material respects as if made on and as of the Closing Date.

(c) On the Closing Date, no judicial or administrative suit, action, investigation, inquiry or other proceeding by any person shall have been instituted that challenges the validity or legality of any of the transactions contemplated by this Agreement.

(d) On the Closing Date, the Title Company shall be unconditionally and irrevocably committed to issue the Title Policy to Purchaser in the form prescribed herein, insuring Purchaser that fee simple absolute title to the Land and the Improvements

is vested in Purchaser subject only to the Permitted Exceptions and encumbrances granted or created by Purchaser, which Title Policy shall include the following endorsements: T-19.1 and T-23; provided that Purchaser shall pay for all additional premiums charged by the Title Company to issue said endorsements.

4.7 Possession. Subject to the terms of the Lease, Seller shall transfer possession of the Property to Purchaser on the Closing Date. If not previously delivered to Purchaser, Seller shall deliver to Purchaser on the Closing Date copies of all files, correspondence, maintenance records and operating manuals relating to the use, operation and or repair of the Property, and the master copy of keys and electronic access card keys (properly tagged or identified) to the Property in such amount as reasonably requested by Purchaser. Seller may retain originals of any or all of the foregoing items which cover or relate to the portions of the Property covered by the Lease or which are confidential or privileged information of Seller. On the Closing Date or as soon thereafter as practicable, Seller and Purchaser shall send notices to all vendors and contractors for the Property informing them that Seller sold the Property to Purchaser on the Closing Date.

ARTICLE V
REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 Representations and Warranties of Purchaser. Purchaser makes the representations and warranties set forth in this Section 5.1 to Seller, which representations and warranties are now and shall, in all material respects, at the Closing be true and correct and shall survive Closing. If Purchaser obtains actual knowledge that any of the representations and warranties contained in this Section 5.1 may cease to be true prior to the Closing, Purchaser shall give prompt notice to Seller (which notice shall include copies of the instrument, correspondence, or document, if any, upon which Purchaser's notice is based).

(a) Purchaser is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Delaware and is qualified (or will be qualified prior to the Closing) to do business and in good standing under the laws of the State of Texas.

(b) Purchaser has not engaged or dealt with any broker or finder in connection with the sale contemplated by this Agreement, except CBRE Group, Inc. (the "Seller's Broker").

(c) The consummation of this transaction shall constitute Purchaser's acknowledgment that it has independently inspected and investigated the Property and has made and entered into this Agreement based upon such inspection and investigation and its own examination of the condition of the Property and not on any representation or warranty by Seller that is not set forth in this Agreement.

(d) Purchaser is experienced in and knowledgeable about the ownership and management of real estate, and it has relied and will rely exclusively on its own consultants, advisors, counsel, employees, agents, principals and/or studies, investigations

and/or inspections with respect to the condition, value and potential financial gains from the Property. Purchaser agrees that, notwithstanding the fact that it has received certain information from Seller or its agents or consultants with respect to the condition, value and potential financial gains from the Property, Purchaser has relied solely upon and will continue to rely solely upon its own analyses, experience and resources and will not rely on any information provided by Seller or its agents or consultants, except as expressly provided in this Agreement.

(e) Purchaser represents, warrants and covenants that it is not using the assets of any (i) "employee benefit plan" (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), (ii) "plan" (within the meaning of Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the "Code")) or (iii) entity whose underlying assets include "plan assets" by reason of a plan's investment in such entity, to fund its purchase of the Property under this Agreement.

(f) Purchaser is in compliance with the requirements of Executive Order No. 133224, 66 Fed. Reg. 49079 (Sept. 25, 2001) (the "Order") and other similar requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury ("OFAC") and in any enabling legislation or other Executive Orders or regulations in respect thereof (the Order and such other rules, regulations, legislation, or orders are collectively called the "Orders"). Further, Purchaser covenants and agrees to make its policies, procedures and practices regarding compliance with the Orders, if any, available to Seller for its review and inspection during normal business hours and upon reasonable prior notice.

(g) Neither Purchaser nor any beneficial owner of Purchaser is listed on is listed on the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to the Order and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders (such lists are collectively referred to as the "Lists"), is a person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Orders, or is owned or controlled by, or acts for or on behalf of, any person or entity on the Lists or any other person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Orders. Notwithstanding anything contained herein to the contrary, for the purposes of this provision, the phrase "any beneficial owner of Purchaser" shall not include (x) any holder of a direct or indirect interest in a publicly traded company whose shares are listed and traded on a United States national stock exchange, or (y) any limited partner, unit holder or shareholder owning an interest of five percent (5%) or less in Purchaser or in the holder of any direct or indirect interest in Purchaser.

5.2 Representations and Warranties of Seller. Seller makes the representations and warranties to Purchaser set forth in this Section 5.2, which representations and warranties are now and (subject to matters contained in any notice given pursuant to the next succeeding sentence) shall, in all material respects, at the Closing be true and correct. If Seller obtains actual knowledge that any of the representations and warranties contained

in this Section 5.2 may cease to be true prior to the Closing, Seller shall give prompt notice to Purchaser (which notice shall include copies of the instrument, correspondence, or document, if any, upon which Seller's notice is based). As used in this Section 5.2, the phrase "to the extent of Seller's actual knowledge" and similar language shall mean the current, actual knowledge of Craig Garcia, Bill Montague and, with respect only to the representation in Section 5.2(e), Shaun Moore (collectively, "Seller's Representatives"). There shall be no duty imposed or implied under this Agreement to investigate, inquire, inspect, or audit any such matters (except as set forth in Section 5.2(e) below), and there shall be no personal liability on the part of any of Seller's Representatives. To the extent Purchaser has or acquires actual knowledge or is deemed to know prior to the Effective Date that these representations and warranties are inaccurate, untrue or incorrect in any way, Purchaser shall be obligated to promptly give Seller written notice of said discovery and said representations and warranties shall be deemed modified to reflect Purchaser's knowledge or deemed knowledge as of the Effective Date. Purchaser shall be deemed to know a representation or warranty is untrue, inaccurate or incorrect if this Agreement or any files, documents, materials, analyses, studies, tests, or reports disclosed or made available to Purchaser prior to the Effective Date contains information which is inconsistent with such representation or warranty.

(a) Seller is a corporation, duly organized, validly existing and in good standing under the laws of the State of Delaware and is qualified to do business and in good standing under the laws of the State of Texas;

(b) Seller has the legal right, power, and authority as a Delaware corporation to enter into this Agreement and to consummate the transactions contemplated hereby;

(c) Seller is not prohibited from consummating the transactions contemplated by this Agreement by any law, regulation, agreement, instrument, restriction, order or judgment binding upon Seller or to which Seller or the Property is subject;

(d) Seller has not received written notice from any governmental authority that the Property is not in material compliance with all applicable laws, except for such failures to comply, if any, which have been remedied and, to the extent of Seller's actual knowledge, the Property is, in material compliance with all applicable laws, except for such failures to comply, if any, which have been remedied;

(e) To the extent of Seller's actual knowledge, in this case, however, after inquiry of the General Counsel of Seller, there are no pending or contemplated condemnation proceedings involving the Property;

(f) there is no pending or to the extent of Seller's actual knowledge, threatened, litigation affecting the Property and Seller is not the subject of a bankruptcy or insolvency proceeding;

(g) there are no parties in possession of the Property except Seller;

(h) to the extent of Seller's actual knowledge, there is no condition that could result in the termination of current points of access between the Land and the currently existing roads abutting the Land or utility facilities servicing the Property;

(i) Seller has not engaged or dealt with any broker or finder in connection with the sale contemplated by this Agreement, except the Seller's Broker. Seller and Seller's Broker have entered into a separate written agreement between them with regard to payment of any commissions, fees or other compensation to Seller's Broker on account of this transaction.

(j) Seller is in compliance with the requirements of the Orders. Further, Seller covenants and agrees to make its policies, procedures and practices regarding compliance with the Orders, if any, available to Purchaser for its review and inspection during normal business hours and upon reasonable prior notice.

(k) Except as may be identified in the Phase 1 Report or in any additional environmental reports delivered to or obtained by Purchaser, Seller has not received any written notice from any governmental authority that the Property is in material violation of any federal, state, or local laws, ordinances or regulations applicable to the Property with respect to "hazardous waste", "toxic substances" or other similar or related terms as defined or used from time to time in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6921, et seq.) and regulations adopted thereunder and, to the extent of Seller's actual knowledge, no such violations exist.

(l) the copies of the Disclosure Materials provided to Purchaser by Seller via the electronic disclosure site maintained by Seller's Broker are true, correct and complete copies of such documents.

(m) at the time of Closing, all impact or other development fees payable for any improvements to the Property have been paid in full.

(n) Exhibit C contains a complete list of all management, lease, purchase option, service, supply or maintenance agreements or other contracts or agreements, to which Seller is a party relating to the leasing, design, construction, ownership, management, operation, maintenance or repair of the Property (collectively, "Operating Agreements"). Seller has delivered to Purchaser true and complete copies of all Operating Agreements.

The obligations of Seller for the accuracy of representations and warranties contained in this Section 5.2 on and as of the Closing Date shall survive Closing. Except as set forth in this Section 5.2, Seller has not made, does not make and has not authorized anyone to make, any warranty or representation as to the Property or any part thereof, any Disclosure Materials, the qualifications, skill or knowledge of the respective persons preparing such materials, the truth, accuracy or completeness of such materials, the present or future

physical condition, development potential, zoning, building or land use law or compliance therewith, the operation, income generated by, or any other matter or thing affecting or relating to the Property or any matter or thing pertaining to this Agreement. Purchaser expressly acknowledges that no such warranty or representation has been made and that Purchaser is not relying on any warranty or representation whatsoever other than as is expressly set forth in this Section. Purchaser shall accept the Property "AS IS" and in its condition on the date of Closing subject only to the express provisions of this Agreement and hereby acknowledges and agrees that **SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT, FUTURE OR OTHERWISE, OF, AS TO, CONCERNING OR WITH RESPECT TO, THE PROPERTY IF NOT SET FORTH IN THIS AGREEMENT**.

5.3 Covenants of Purchaser. Purchaser hereby covenants to Seller as follows:

(a) Purchaser will not acquire the Property with the assets of an employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended.

(b) If Purchaser obtains knowledge that Purchaser or any of its beneficial owners becomes listed on the Lists or is indicted, arraigned, or custodially detained on charges involving money laundering or predicate crimes to money laundering, Purchaser shall immediately notify Seller in writing, and in such event, Seller shall have the right to terminate this Agreement without penalty or liability to Purchaser immediately upon delivery of written notice thereof to Purchaser.

5.4 Covenants of Seller. Seller hereby covenants with Purchaser that subsequent to the Effective Date until Closing, or the earlier termination of this Agreement, Seller will:

(a) if Seller obtains knowledge that Seller or any of its beneficial owners becomes listed on the Lists or is indicted, arraigned, or custodially detained on charges involving money laundering or predicate crimes to money laundering, Seller shall immediately notify Purchaser in writing, and in such event, Purchaser shall have the right to terminate this Agreement without penalty or liability to Seller immediately upon delivery of written notice thereof to Seller and receive a return of the Earnest Money less the Independent Contract Consideration;

(b) operate the Property in the same manner Seller has operated the Property during the period of Seller's ownership thereof, including, without limitation, carrying the same insurance with respect to the Property and Seller's operations thereon as currently exists as of the date hereof;

(c) maintain the Property in its present condition and state of repair, subject to fire or other casualty and other events beyond Seller's control;

(d) advise Purchaser immediately of any litigation or administrative proceedings instigated or threatened against the Property;

(e) not enter into any new Operating Agreements or other service contracts, leases, easements, covenants or any other agreements that would be binding on the Property following the Closing or amend any such agreements existing as of the date hereof, other than as described in Section 5.4(f);

(f) terminate or modify to become inapplicable to the Property after Closing all Operating Agreements with respect to the Property effective as of the Closing (except those Operating Agreements that will survive closing as specifically described in Exhibit C) and pay any and all fees and penalties with respect to such terminations;

(g) from the date of this Agreement until the expiration or earlier termination of this Agreement, Seller and its officers, directors, affiliates, employees, representatives and agents shall not (i) directly or indirectly solicit, initiate or participate in any way in discussions or negotiations with, provide any information or assistance to, or enter into any agreement with, any person or group of persons (other than Purchaser or its representatives) concerning the purchase or sale of the Property, or (ii) assist or participate in, facilitate or encourage any effort or attempt by any person (other than Purchaser or its representatives) to do or seek to do any of the foregoing (the "Exclusive Covenant"). This Exclusive Covenant shall automatically be void and of no further force or effect as of the date immediately following the expiration or earlier termination of this Agreement.

ARTICLE VI
DEFAULT

6.1 Default by Purchaser. In the event that Purchaser should fail to consummate this Agreement for any reason, except Seller's default or the termination of this Agreement by either Seller or Purchaser as expressly provided for in this Agreement, Seller shall be entitled, as its sole and exclusive remedy, to terminate this Agreement and receive the Earnest Money, as liquidated damages for the breach of this Agreement, it being agreed between Seller and Purchaser that the actual damages to Seller in the event of such breach are impractical to ascertain and the amount of the Earnest Money is a reasonable estimate thereof.

6.2 Default by Seller. In the event that Seller should fail to consummate this Agreement for any reason, except Purchaser's default or the termination of this Agreement by either Seller or Purchaser as expressly provided for in this Agreement, Purchaser shall be entitled, as its sole and exclusive remedies, either (a) to the return of the Earnest Money, which return shall operate to terminate this Agreement and release Seller from any and all liability under this Agreement, or (b) to enforce specific performance of this Agreement; provided, however, that Purchaser must make the election to pursue the remedy of specific performance by giving Seller written notice within thirty (30) days following the date on which the default by Seller occurs that Purchaser elects to pursue specific performance. If Purchaser fails to timely give said written notice, Purchaser shall be deemed for all purposes to have elected to obtain the return of the Earnest Money and terminate this

Agreement thereby releasing Seller from any and all further liability under this Agreement (after such return of the Earnest Money). Notwithstanding anything contained herein to the contrary, Seller acknowledges that this Section 6.2 does not, in any way, reduce or otherwise eliminate any amounts owing to Purchaser pursuant to Section 9.11 below.

ARTICLE VII
RISK OF LOSS

7.1 Casualty. In the event of any damage or destruction to the Property subsequent to the Effective Date and prior to the date of Closing, the estimated cost of repair of which is in excess of Eight Million Dollars ($8,000,000), this Agreement shall terminate if Purchaser shall give Seller written notice within thirty (30) days following the occurrence of the event that Purchaser elects to terminate this Agreement. If this Agreement terminates under this Section 7.1, the Earnest Money less the Independent Contract Consideration shall be returned to Purchaser. In the event of any damage or destruction to the Property subsequent to the Effective Date and prior to the date of Closing, the estimated cost of repair of which is less than Eight Million Dollars ($8,000,000) or if Purchaser has the right to terminate this Agreement pursuant to this Section 7.1 but Purchaser does not exercise such right, then this Agreement shall remain in full force and effect and the repair and restoration cost (not to exceed Eight Million Dollars ($8,000,000)), as reasonably determined by Purchaser (subject to reasonable verification by Seller), shall be a credit to Purchaser against the total purchase price for the Property. Seller shall give notice to Purchaser immediately after the occurrence of any damage to the Property by any casualty. Purchaser shall have a period of thirty (30) days (or such shorter period as Purchaser may elect by giving notice to Seller) after Seller has given the notice to Purchaser required by this Section 7.1 to evaluate the extent of the damage and make the determination as to whether to terminate this Agreement. If necessary, the Closing Date shall be postponed until Seller has given the notice to Purchaser required by this Section 7.1 and the period of thirty (30) days described in this Section 7.1 has expired.

7.2 Condemnation. If, before the Closing Date, proceedings are commenced for the taking by exercise of the power of eminent domain of all or a material part of the Property which, as reasonably determined by Purchaser, would render the Property unsuitable for Purchaser's intended use or cause a material reduction in the value of the Property, Purchaser shall have the right, by giving notice to Seller within fifteen (15) days after Seller gives notice of the commencement of such proceedings to Purchaser, to terminate this Agreement, in which event this Agreement shall terminate. If this Agreement terminates under this Section 7.2, the Earnest Money less the Independent Contract Consideration shall be returned to Purchaser. If, before the Closing Date, proceedings are commenced for the taking by exercise of the power of eminent domain of less than such a material part of the Property, or if Purchaser has the right to terminate this Agreement pursuant to the preceding sentence but Purchaser does not exercise such right, then this Agreement shall remain in full force and effect and, on the Closing Date, the condemnation award (or, if not theretofore received, the right to receive such award) payable on account of the taking shall be transferred to Purchaser. Seller shall give notice to Purchaser reasonably promptly after Seller's receiving notice of the commencement of any proceedings for the taking by exercise of the power of eminent domain of all or any

part of the Property. If necessary, the Closing Date shall be postponed until Seller has given any notice to Purchaser required by this Section 7.2 and the period of thirty (30) days described in this Section 7.2 has expired.

ARTICLE VIII
COMMISSIONS

Seller agrees to pay to Seller's Broker a brokerage commission in accordance with a separate agreement between Seller and Seller's Broker, but not otherwise. Seller and Purchaser each represents to the other that there has been no broker or finder other than Seller's Broker engaged by them in connection with the sale and purchase of the Property between Seller to Purchaser as contemplated by this Agreement. Seller and Purchaser each agrees that should any claim be made for brokerage commissions or finder's fees by any broker or finder (other than for the commission agreed to be paid to Seller's Broker by Seller) that arises by, through or on account of any acts of Seller or Purchaser or their respective representatives, the party committing said acts or by, through or under whose acts said claim arises will hold the other party free and harmless from and defend the other party against any and all loss, liability, cost, damage and expense (including, attorneys' fees and court costs) in connection therewith. The provisions of this Article VIII shall survive Closing.

ARTICLE IX
MISCELLANEOUS

9.1 Assignment. Neither Seller nor Purchaser may assign its rights under this Agreement except with the prior written consent of the other, which consent may be given or withheld in the other's sole and absolute discretion; provided, however, that Purchaser may assign this Agreement to an affiliate or subsidiary of Purchaser without Seller's consent so long as (a) the assignee of Purchaser assumes all of Purchaser's obligations under this Agreement and agrees to timely perform same pursuant to an assignment agreement in form reasonably acceptable to Seller, (b) Purchaser delivers to Seller at least five (5) days prior to the Closing (i) written notice of said proposed assignment and (ii) a copy of the assignment agreement, and (c) the assignee of Purchaser unconditionally ratifies and remakes all covenants, indemnities, representations and warranties of Purchaser made in or in connection with this Agreement, all of the foregoing for the express benefit and reliance of Seller. No such assignment by Purchaser shall release or relieve the named "Purchaser" under this Agreement from the obligations of this Agreement undertaken by it.

9.2 Title Policy or Abstract. The Texas Real Estate License Act requires written notice to Purchaser that it should have an attorney examine an abstract of title to the property being purchased or obtain a title insurance policy. Notice to that effect is, therefore, hereby given to Purchaser.

9.3 Notices.

(a) Any notice to be given by either party to this Agreement shall be given in writing and may be effected by personal delivery, facsimile transmission or sent by Federal Express or another reliable overnight courier service, addressed as follows:

(i) If to Seller:

Advanced Micro Devices, Inc. 7171 Southwest Parkway,
Austin, TX 78735
Attention: General Counsel, B100.T.432
Facsimile No.: 512.602.4999

with a copy thereof to:

SRS Real Estate Partners
15660 North Dallas Parkway, Suite 1200
Dallas, TX 75248
Attention: Leslie Dunaway
Facsimile No.: 972.419.4291

With a copy thereof to:

Advanced Micro Devices, Inc
One AMD Place M/S 5
Sunnyvale, CA 94088
Attn: Lease Manager
Facsimile No. 408.774.7002

And with an additional copy to:

Fulbright & Jaworski L.L.P.
98 San Jacinto Blvd., Suite 1100
Austin, Texas 78701-4255
Attention: R. G. Converse
Facsimile No. 512.536.4598

(ii) If to Purchaser:

c/o Spear Street Capital
One Market Plaza, Spear Tower, Suite 4125
San Francisco, CA 94105
Attention: John S. Grassi
Facsimile: 415.856.0348

with a copy to:

c/o Spear Street Capital
1114 Avenue of the Americas, 31st Floor
New York, NY 10036
Attention: Zachary Resnick
Facsimile: 212.488.5520

And with an additional copy to:

Allen Matkins Leck Gamble Mallory & Natsis LLP
Three Embarcadero Center, 12th Floor
San Francisco, CA 94111-4074
Attention: Mark Mengelberg
Facsimile: 415.837.1516

(b) Any notice sent in compliance with the requirements of this Section 9.5 shall be deemed given and received on the date of receipt if sent by facsimile (evidenced by the facsimile confirmation sheet) or the date such notice is received by the party or parties to whom such notice is addressed if personally delivered or delivered by Federal Express or another reliable overnight courier service. Either party may change their address for the receipt of notices under this Agreement by giving written notice of the effective date of the change not less than five (5) days prior to the effective date of the change.

9.4 Modification. This Agreement cannot be modified or amended orally and no agreement shall be effective to waive, change, modify or discharge this Agreement in whole or in part unless such agreement is in writing and is signed by both Seller and Purchaser.

9.5 Confidentiality. Purchaser has heretofore executed and delivered to Seller a Confidentiality Agreement dated December 18, 2012 (the "Confidentiality Agreement"), and Purchaser acknowledges and agrees that it remains in effect and that this Agreement and information regarding the ownership, operation and management of the Property, including, specifically, without limitation, the information to be provided to Seller pursuant to Sections 3.1 and 3.2 hereof constitute Evaluation Materials as defined in said Confidentiality Agreement. Notwithstanding anything contained in the Confidentiality Agreement, the Confidentiality Agreement shall terminate as of the Closing as respects all Property-related information and Section 10 thereof, but shall not terminate with respect to any confidential information that relates to Tenant's proprietary business information. Purchaser and Seller agree not to make any public announcement regarding the sale of the Property prior to the Closing Date without first providing the other party a copy of the proposed public announcements no later than five (5) days prior to such announcement and receiving the consent of such other party; provided, however, that the foregoing provisions of this Section 9.5 shall not be construed to prevent either party from making (without the consent of, or review by, the other party) any disclosure required by any applicable law or regulation or judicial process or any disclosure to such party's agents, employees,

representatives, consultants, attorneys, accountants or lenders. Any party to this Agreement (and any employee, representative, or other agent of any party to this Agreement) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of any transaction contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure if that disclosure is not be made (i) until the date of the public announcement of the transaction by Purchaser and Seller and (ii) to the extent required to be kept confidential to comply with any applicable federal or state securities laws. The provisions of this paragraph are intended to comply with the requirements of the presumption set forth in Treasury Regulations Section 1.6011-4 (B)(3) and are not intended to permit the disclosure of any information that is not subject to the requirements of such presumption. Notwithstanding any other provision herein or in the Confidentiality Agreement, at any time after the Effective Date, (a) Seller reserves the right to issue a public announcement of this transaction, including the purchase price (without need for Purchaser's consent or approval, provided that Seller shall provide Purchaser with a courtesy copy of such announcement prior to its release (unless prohibited law); and (b) Seller may make any public disclosure as required by the Securities Exchange Commission or the New York Stock Exchange in Seller's reasonable discretion without prior consultation with, or approval by, Purchaser.

9.6 Time of Essence. Seller and Purchaser agree that time is of the essence with regard to this Agreement.

9.7 Successors and Assigns. The terms and provisions of this Agreement are to apply to and bind the permitted successors and assigns of the parties hereto.

9.8 Exhibits and Schedules. The following schedules or exhibits are attached hereto (collectively, the "Exhibits") and shall be deemed to be an integral part of this Agreement:

(a) Exhibit A – Form of Special Warranty Deed;

(b) Exhibit B – Form of Blanket Conveyance, Bill of Sale and Assignment;

(c) Exhibit C – List of all Operating Agreements

(d) Exhibit D – Due Diligence Materials;

(e) Exhibit E – Form of Sublease;

(f) Exhibit F – Consent Agreement;

(g) Exhibit G – Form of FIRPTA Affidavit; and

(h) Exhibit H – Form of Master Lease

9.9 Entire Agreement. This Agreement, including the Exhibits, contains the entire agreement between Seller and Purchaser pertaining to the transaction contemplated by this Agreement and fully supersedes all prior agreements and understandings between Seller and Purchaser pertaining to such transaction other than the Confidentiality Agreement referenced in Section 9.7.

9.10 Further Assurances. Both Seller and Purchaser agree that each will without further consideration execute and deliver such other documents and take such other action, whether prior or subsequent to Closing, as may be reasonably requested by the other party to consummate more effectively the transaction contemplated by this Agreement. The provisions to this Section 9.10 shall survive Closing.

9.11 Attorneys' Fees. In the event of any controversy, claim or dispute between Seller and Purchaser affecting or relating to the subject matter or performance of this Agreement, the prevailing party shall be entitled to recover from the nonprevailing party all of the prevailing party's reasonable expenses, including, without limitation, attorneys' fees, accountants' fees and court costs and costs of discovery.

9.12 Counterparts. This Agreement may be executed in multiple counterparts, and all such executed counterparts shall constitute the same agreement. It shall be necessary to account for only one such counterpart in proving the existence, validity or content of this Agreement. The execution of this Agreement may be effected by exchange of photocopies or electronic reproductions of this Agreement bearing the signature of one or more of the parties hereto.

9.13 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect.

9.14 Section Headings. Section headings contained herein are for convenience only and shall not be considered in interpreting or construing this Agreement.

9.15 Binding Effect. This Agreement shall not be binding upon either Seller or Purchaser unless and until both Seller and Purchaser have executed this Agreement or any counterpart hereof, the Earnest Money has been delivered with one or more counterparts of this Agreement to the Title Company and the Title Company shall have acknowledged receipt of the Earnest Money and said counterpart or counterparts by signing the receipt attached hereto.

9.16 Effective Date of Agreement. Upon execution of this Agreement by Purchaser, this Agreement shall constitute an offer by Purchaser. The offer by Purchaser contained herein shall automatically be withdrawn and become of no force or effect unless accepted and executed by Seller and delivered to the Title Company on or before 5:00 p.m. (Austin, Texas, time) on March 11, 2013; and such date of delivery to the Title Company, as evidenced by the Title Company's notation in the space set forth below, shall be deemed the effective date of this Agreement (the "Effective Date").

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Seller and Purchaser have executed this Agreement on the respective dates set forth below their signature lines to be effective, however, on the Effective Date.

PURCHASER:

7171 SOUTHWEST PARKWAY HOLDINGS, LP,
a Delaware limited partnership

By: 7171 Southwest Parkway Holdings GP, LLC, a Delaware limited liability company, its general partner

By: /s/ John S. Grassi
Name: John S. Grassi
Title: Authorized Signatory

Date of Signature: 3/11/13

SELLER:

ADVANCED MICRO DEVICES, INC.,
a Delaware corporation

By: /s/ Devinder Kumar
Name: Devinder Kumar
Title: Sr. VP & CFO

Date of Signature: March 11, 2013

TITLE COMPANY RECEIPT

The undersigned representative of the Title Company hereby acknowledges receipt of Earnest Money from Purchaser in the amount of $7,000,000 on March 11, 2013 and of a fully executed counterpart of this Agreement from Seller on March 11, 2013, which date shall be deemed the "Effective Date" of this Agreement.

TITLE COMPANY:

HERITAGE TITLE COMPANY OF AUSTIN, INC.

By: /s/ Amy L. Fisher
Name: Amy L. Fisher
Title: Vice President

Date of Signature: 03/12/2013

Exhibit 10.2

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (this "Sublease") is dated for reference purposes as of March 26, 2013 ("Effective Date"), and is made by and between LANTANA HP, LTD., a Texas limited partnership ("Sublandlord"), and ADVANCED MICRO DEVICES, INC., a Delaware corporation ("Subtenant"). Sublandlord and Subtenant hereby agree as follows:

1. Recitals: This Sublease is made with reference to the fact that 7171 Southwest Parkway Holdings, LP, a Delaware limited partnership, as "Landlord," ("Master Landlord") and Sublandlord, as "Tenant," are parties to that certain Lease Agreement dated March 26, 2013 (the "Master Lease"), with respect to those certain Premises located at 7171 Southwest Parkway, Austin, Texas more specifically described in the Master Lease (the "Master Premises"). A copy of the Master Lease is attached hereto as Exhibit A. Capitalized terms used and not defined herein shall have the meaning ascribed to them in the Master Lease. The use of the word "including" in this Sublease, shall mean "including, without limitation".

2. Subleased Premises: Subject to the terms and conditions of this Sublease, Sublandlord hereby subleases to Subtenant, and Subtenant hereby subleases from Sublandlord, the Master Premises, together with the rights set forth in the Master Lease to use the Common Areas, Building Exclusive Use Common Areas, the Property Amenities and the Parking Structures all as more particularly described in the Master Lease (the "Subleased Premises").

3. Initial Term:

A. Initial Term. The term of this Sublease shall be for the period commencing on March 26, 2013 (the "Commencement Date") and ending on March 31, 2025 unless this Sublease is sooner terminated pursuant to its terms or the Master Lease is sooner terminated pursuant to its terms (the "Expiration Date"). Subtenant, as the former owner of the Subleased Premises, will already be in possession of the Subleased Premises as of the Commencement Date.

B. Option to Extend. Subtenant shall have the option to extend the Term of this Sublease pursuant to the terms and conditions (including the amount of the Fair Market Rental Rate) of Section 3.2 of the Master Lease as such terms and conditions are incorporated into this Sublease in Section 18 below.

C. Early Expiration Spaces. Subtenant acknowledges that the Master Lease at Section 3.1(b) provides for the expiration of the Master Lease with respect to certain portions of the Master Premises. Subtenant agrees that Section 3.1(b) of the Master Lease shall apply to Sublandlord and Subtenant and that, accordingly, (i) this Sublease shall simultaneously terminate as to the portions of the Subleased Premises that are terminated as to the portions of the Master Premises pursuant to and described in said Section 3.1(b) and (ii) Subtenant shall comply with and perform the obligations of the "Tenant" under said Section 3.1, including, without limitation, vacating and surrendering the applicable portions of the Subleased Premises and performing the work that the "Tenant" is required to perform in connection with the surrender of such space, all in accordance with Section 3.1. Effective as of the date when this Sublease expires as to each Early Expiration Space, the rentable square footage of the Subleased Premises shall be reduced by the area set forth in the Master Lease and Base Rent and Sublease Additional Rent shall be adjusted accordingly.

4. Rent:

A. Base Rent. Commencing on the Commencement Date and continuing each month throughout the initial Term of this Sublease, Subtenant shall pay to Sublandlord as base rent ("Base Rent") for the Subleased Premises monthly installments as follows:

Period	Annual Base Rent Rate Per Rentable Square Foot	Rentable Square Footage of Subleased Premises	Monthly Installment of Base Rent
Commencement Date – September 30, 2013	$ 17.50	812,350	$1,184,677.08
October 1, 2013 – December 31, 2013	$ 17.50	637,209	$ 929,263.13
January 1, 2014 – March 31, 2014	$ 17.50	587,428	$ 856,665.83
April 1, 2014 – December 31, 2014	$ 18.00	587,428	$ 881,142.00
January 1, 2015 – March 31, 2015	$ 18.00	470,575	$ 705,862.50
April 1, 2015 – March 31, 2016	$ 18.50	470,575	$ 725,469.79
April 1, 2016 – March 31, 2017	$ 19.00	470,575	$ 745,077.08
April 1, 2017 – March 31, 2018	$ 19.50	470,575	$ 764,684.38
April 1, 2018 – March 31, 2019	$ 20.00	470,575	$ 784,291.67
April 1, 2019 – March 31, 2020	$ 20.50	470,575	$ 803,898.96
April 1, 2020 – March 31, 2021	$ 21.00	470,575	$ 823,506.25
April 1, 2021 – March 31, 2022	$ 21.50	470,575	$ 843,113.54
April 1, 2022 – March 31, 2023	$ 22.00	470,575	$ 862,720.83
April 1, 2023 – March 31, 2024	$ 22.50	470,575	$ 882,328.13
April 1, 2024 – March 31, 2025	$ 23.00	470,575	$ 901,935.42

The Base Rent shall be payable in equal monthly installments as set forth above and shall be due and payable in advance on or before the first day of each calendar month during the Term without deduction, offset, or prior notice or demand except as expressly provided in this Sublease or the Master Lease. If in any calendar month, the first day thereof shall fall on a Saturday, Sunday or Holiday, then the due date shall be extended to be the next day that is not a Saturday, Sunday or Holiday. Rent shall be paid to Sublandlord by wire transfer of immediately available federal funds to Wells Fargo Bank, N.A., 111 Congress Avenue, Suite 530, Austin, Texas 78701, for credit to Lantana HP, Ltd.,

or such other account written notice of which Sublandlord shall have given to Subtenant not less than sixty (60) days' prior to the first due date for Rent on which Sublandlord makes the change effective. The obligations of Subtenant to pay Rent to Sublandlord and the obligations of Sublandlord under this Sublease are independent obligations. Base Rent, adjusted as herein provided, shall be payable monthly in advance, without notice or demand. The first monthly installment of Base Rent is due on the Commencement Date; thereafter, Base Rent shall be payable on the first day of each calendar month from and after the Commencement Date; provided, however, that if the Commencement Date shall occur on other than the first day of a calendar month, then the first installment of Rent due on the Commencement Date shall be prorated for the partial calendar month in which the Commencement Date occurs.

B. Additional Rent. All monies other than Base Rent required to be paid by Subtenant under this Sublease shall be deemed additional rent ("Sublease Additional Rent"). Subtenant acknowledges that Sublandlord is required to pay to Master Landlord "Additional Rent" under the Master Lease, and estimated payments thereof and adjustments thereto under Article V of the Master Lease (collectively, "Master Lease Additional Rent"). Subtenant shall pay to Sublandlord as Sublease Additional Rent hereunder, all of such Master Lease Additional Rent and any other sums which are included in the definition of "Rent" under the Master Lease and that Sublandlord is required to pay to Master Landlord.

During the Term, Subtenant shall pay to Sublandlord monthly installments of Sublease Additional Rent in advance on the first day of each calendar month and otherwise on the same terms and conditions described above with respect to Base Rent. Unless a shorter time period is specified in this Sublease, all payments of miscellaneous Rent charges hereunder (that is, all Rent other than Base Rent and Master Lease Additional Rent) shall be due and payable within thirty (30) days following Master Landlord's delivery to Subtenant of an invoice therefor. Sublandlord and Subtenant agree that each provision of this Sublease for determining charges and amounts payable by Subtenant (including provisions regarding Sublease Additional Rent) is commercially reasonable and, as to each such charge or amount, constitutes a statement of the amount of the charge or a method by which the charge is to be computed for purposes of Section 93.012 of the Texas Property Code. Sublandlord shall promptly forward the Master Landlord's estimate of Master Lease Additional Rent (and any adjustments thereto by Master Landlord), any appropriate invoices received from Master Landlord, Master Landlord's Reconciliation Statements, and any other estimates, invoices or statements that Master Landlord provides to Sublandlord with respect to any Master Lease Additional Rent. Subtenant and Sublandlord agree, as a material part of the consideration given by Subtenant to Sublandlord for this Sublease, that this Sublease is intended to be a net sublease and in accordance therewith Subtenant shall pay any Rent owed by Sublandlord to Master Landlord under the Master Lease. Any overpayments or underpayments of Master Lease Additional Rent, shall be handled directly between Master Landlord and Subtenant in accordance with Section 5.4(a) of the Master Lease, and Sublandlord agrees to remit any refunds that it receives from Master Landlord for overpayments of Rent to Subtenant within ten (10) Business Days.

5. Omitted.

6. Holdover: Subtenant acknowledges that it is critical that Subtenant surrender the Subleased Premises on or before the expiration or earlier termination of the Sublease in accordance with the terms of this Sublease. If Subtenant does not surrender possession of the Subleased Premises at the end of the Term (or if the Term of this Sublease is extended, the end of such extended term), such action shall not extend the Term or extended term, Subtenant shall be a tenant at sufferance, and during such time of occupancy Subtenant shall pay to Sublandlord, as damages, an amount equal to one hundred twenty-five percent (125%) of the amount of Base Rent that was being paid immediately prior to the end of the initial Term (or the extended term, as applicable) for the first sixty (60) days of such holdover and, thereafter, an

amount equal to one hundred fifty percent (150%) of the amount of Base Rent that was being paid immediately prior to the end of the initial Term (or the extended term, as applicable). The provisions of this Section 7 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Sublandlord provided herein or at law. If Subtenant fails to surrender the Subleased Premises upon the termination or expiration of this Sublease, in addition to any other liabilities to Sublandlord accruing therefrom, Subtenant shall protect, defend, indemnify and hold Sublandlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including any claims made by Master Landlord or any succeeding subtenant of Sublandlord founded upon such failure to surrender, and any lost profits or other consequential damages to Master Landlord or to Sublandlord resulting therefrom.

7. "AS IS" Condition; Master Landlord's Obligations: The parties acknowledge and agree that Subtenant, as the former owner of the Subleased Premises, will already be in possession of the Subleased Premises as of the Commencement Date and that Subtenant is subleasing the Subleased Premises on an "AS IS" basis. **NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, ARE MADE REGARDING THE CONDITION OR SUITABILITY OF THE SUBLEASED PREMISES ON THE COMMENCEMENT DATE, INCLUDING, WITHOUT WARRANTY, ANY REPRESENTATION OR WARRANTY MADE BY THE MASTER LANDLORD UNDER THE MASTER LEASE, AND SUBTENANT HAS NOT RELIED ON ANY SUCH REPRESENTATIONS OR WARRANTIES. FURTHER, TO THE EXTENT PERMITTED BY LAW, SUBTENANT WAIVES ANY IMPLIED WARRANTY OF SUITABILITY, HABITABILITY, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OF THE SUBLEASED PREMISES OR OTHER IMPLIED WARRANTIES THAT SUBLANDLORD WILL MAINTAIN OR REPAIR THE SUBLEASED PREMISES OR ITS APPURTENANCES EXCEPT AS MAY BE CLEARLY AND EXPRESSLY PROVIDED IN THIS SUBLEASE**. Subtenant has fully inspected the Subleased Premises and is satisfied with the condition thereof. Subtenant is accepting the Subleased Premises in its then-existing, "AS IS" condition, without any representation or warranty whatsoever from Sublandlord with respect thereto.

8. Assignment and Subletting: Subtenant's rights to assign this Sublease or sublease all or a portion of the Subleased Premises shall be governed by the terms and provisions of Article VIII of the Master Lease, as incorporated herein by reference, except that Master Landlord's consent shall also be required for any such assignment or subletting other than Permitted Transfers that satisfy the criteria under Section 8.8 of the Master Lease and shared space arrangements that satisfy the criteria under Section 8.9 of the Master Lease.

9. Use: Subtenant may use the Subleased Premises for any use allowed under the Master Lease, including, the Permitted Uses. Subtenant's use of the Subleased Premises shall be subject to the terms and conditions of the Master Lease.

10. Effect of Conveyance: As used in this Sublease, the term "Sublandlord" means the holder of the Tenant's interest under the Master Lease. In the event of any Permitted Transfer or other Transfer consented to by Master Landlord of the Tenant's interest under the Master Lease and subject to the terms and conditions of Article VIII of the Master Lease, the proposed transferee shall deliver to Subtenant a written agreement whereby it expressly assumes Sublandlord's obligations hereunder. If Sublandlord is expressly released under the terms of the Master Lease of its obligations as Tenant under the Master Lease, Sublandlord shall be relieved of all covenants and obligations of Sublandlord which may accrue from and after the effective date of its release under the Master Lease.

11. Improvements: Subtenant shall not make any alterations, additions or improvements to the Subleased Premises except in accordance with the Master Lease.

12. Release and Waiver of Subrogation: Sublandlord and Subtenant agree that the waiver of subrogation set forth in Section 6.5(c) of the Master Lease shall apply to Sublandlord and Subtenant.

13. Insurance: Subtenant shall obtain and keep in full force and effect, at Subtenant's sole cost and expense, during the Term the insurance required to be carried by the "Tenant" under the Master Lease. Subtenant shall include Sublandlord and Master Landlord as an additional insured in any policy of insurance carried by Subtenant in connection with this Sublease to the extent that the Master Lease requires the "Tenant" to include the Master Landlord as an additional insured under the "Tenant's" policy and shall provide Sublandlord and Master Landlord with evidence of such insurance in the same manner and form as the "Tenant" is required to provide under the Master Lease.

14. Default: Subtenant shall be in default of its obligations under this Sublease if Subtenant fails to perform any act, or commits an act or omission, that would constitute an Event of Default under the Master Lease or fails to perform any of its obligations under this Sublease within the time period provided hereunder if a time period is provided in this Sublease or within the time period provided in the Master Lease if no time period is given herein and after the giving of any notice and the passage of any time required under the Master Lease before such event constitutes an Event of Default by Master Tenant under the Master Lease. Sublandlord shall be in default of its obligations under this Sublease if Sublandlord fails to perform any act, or commits an act or omission, that would constitute an Event of Default by Master Landlord under the Master Lease (to the extent Sublandlord is required to perform such obligation under this Sublease) or fails to perform any of its obligations under this Sublease within the time period provided hereunder if a time period is provided in this Sublease or within the time period provided in the Master Lease if no time period is given herein and after the giving of any notice and the passage of any time required under the Master Lease before such event constitutes an Event of Default by Master Landlord under the Master Lease.

15. Remedies: In the event of any default by Subtenant, Sublandlord shall have all remedies provided to the "Landlord" under Article IX of the Master Lease as if an "Event of Default" had occurred thereunder. In the event of any default by Sublandlord, Subtenant shall have all remedies provided to the "Tenant" under Section 9.5(b) of the Master Lease together with all other rights and remedies otherwise provided or available to Master Tenant under the Master Lease for an Event of Default by Master Landlord.

16. Surrender: On or before the Expiration Date or any sooner full or partial termination of this Sublease, Subtenant shall vacate and surrender (including repairing any damage to the Subleased Premises caused by Subtenant's vacating and surrendering) the Subleased Premises, or portion thereof, as applicable, in the condition required under the Master Lease. This Section 16 shall survive the expiration or earlier termination of this Sublease.

17. Notices: Any written notice, request, instruction, demand or other communication to be given hereunder by either party hereto to the other shall (A) also be given simultaneously to Master Landlord and (B) be given in writing and shall be delivered either (i) by hand, (ii) by facsimile during normal business hours followed by a confirmatory letter sent in another manner permitted hereunder within one (1) day of such facsimile), (iii) by a nationally recognized overnight courier service, or (iv) by registered or certified mail, postage prepaid, return receipt requested, as follows:

(a) If to Sublandlord, addressed to:

Lantana HP, Ltd.
c/o HPI Real Estate
3600 N. Capital of Texas Hwy.
Building B, Suite 250
Austin, Texas 78746
Attention: Sam Houston

with a copy thereof to:

Thompson & Knight, LLP
Burnett Plaza, Suite 1600
801 Cherry Street, Unit #1
Fort Worth, Texas 76102-6881
Attention: Susan E. Coleman
Fax No. (214) 999-1555
Phone: (817) 347-1713

(b) If to Subtenant, addressed to:

Advanced Micro Devices, Inc.
7171 Southwest Parkway
Austin, TX 78735
Attention: General Counsel, B100.T.432
Facsimile No.: 512.602.1252

with a copy thereof to:

SRS Real Estate Partners
15660 North Dallas Parkway, Suite 1200
Dallas, TX 75248
Attention: Leslie Dunaway
Facsimile No.: 972.419.4291

With a copy thereof to:

Advanced Micro Devices, Inc
One AMD Place. MS 5
Sunnyvale, CA 94088
Attn: Lease Manager

And with an additional copy to:

Fulbright & Jaworski L.L.P.
98 San Jacinto Blvd., Suite 1100
Austin, Texas 78701-4255
Attention: R. G. Converse
Facsimile No. 512/536-4598

(c) To Master Landlord, addressed to:

c/o Spear Street Capital
One Market Plaza, Spear Tower,
Suite 4125
San Francisco, CA 94105
Attention: John S. Grassi
Facsimile No.: 415.856.0348

with a copy thereof to:

c/o Spear Street Capital
One Market Plaza, Spear Tower, Suite 4125
San Francisco, CA 94105
Attention: Asset Manager - AMD Lone Star Campus
Facsimile No.: 415.856.0348

With an additional copy to:

c/o Spear Street Capital
1114 Avenue of the Americas, 31st Floor
New York, NY 10036
Attention: Asset Manager - AMD Lone Star Campus
Facsimile No.: 212.488.5520

or to such other address or number as either party shall have previously designated by written notice given to the other party in the manner hereinabove set forth. Any notice, request, instruction, demand or other communication under this Sublease may be given on behalf of a party by the attorney for such party.

18. Other Sublease Terms:

A. Incorporation By Reference. Except as set forth below and except as otherwise provided in this Sublease, the terms and conditions of this Sublease shall include all of the terms of the Master Lease including all of the exhibits attached thereto and such terms are incorporated into this Sublease as if fully set forth herein, except that: (i) each reference in such incorporated sections to "Lease" shall be deemed a reference to this "Sublease"; (ii) each reference to the "Premises" shall be deemed a reference to the "Subleased Premises"; (iii) each reference to "Landlord" shall be deemed a reference to "Sublandlord" except as set forth in subparagraph (b) below and each reference to "Tenant" shall be deemed a reference to "Subtenant", except as otherwise expressly set forth herein; (iv) with respect to work, services, utilities, electricity, repairs (or damage caused by Master Landlord), restoration, insurance, indemnities, reimbursements, representations, warranties or the performance of any other obligation of "Landlord" under the Master Lease, whether or not incorporated herein, Subtenant agrees to look solely to Master Landlord, and not to Sublandlord, for the performance thereof; provided that Sublandlord shall use Sublandlord's reasonable efforts (not including the payment of money, the incurring of any liabilities, or the institution of legal proceedings) to obtain Master Landlord's performance thereof, and Sublandlord, in enforcing performance of all such obligations of Master Landlord, shall (a) upon Subtenant's written request, immediately (within no more than twenty-four (24) hours) notify Master Landlord with a copy to Subtenant of its nonperformance under the Master Lease and request that Master Landlord perform its obligations under the Master Lease, and (b), if either Sublandlord fails to give such notice within the required time, or if Master Landlord fails to perform in response to such notice within the time period provided under the Master Lease, permit Subtenant to

enforce the Master Lease directly against Master Landlord, including, without limitation, commencing a lawsuit or other action in Subtenant's name (and Sublandlord hereby assigns to Subtenant any rights of Sublandlord required in connection therewith), or commencing a lawsuit or other action in Sublandlord's name, to obtain the performance required from Master Landlord under the Master Lease, provided that as between Subtenant and Sublandlord, Subtenant shall bear all costs and expenses incurred in connection with any such lawsuit or other action, but the foregoing shall not preclude Subtenant from recovering such costs from any third party to the extent permitted under the terms of the Master Lease, this Sublease or at law or in equity; (v) with respect to any obligation of Subtenant to be performed under this Sublease, wherever the Master Lease grants to "Tenant" a specified number of days to perform its obligations under the Master Lease (including, without limitation, curing any defaults), except as otherwise provided herein, Subtenant shall have the same number of days to perform the obligation but in no event shall Subtenant have additional time unless Master Landlord has expressly granted, in writing, in the Consent or otherwise, more time to perform; (vi) with respect to any approval required to be obtained from the "Landlord" under the Master Lease, the terms of the Consent shall control; (vii) in any case where the "Landlord" reserves or is granted the right to manage, supervise, control, repair, alter, regulate the use of, enter or use the Premises or any areas beneath, above or adjacent thereto, such reservation or grant of right of entry shall be deemed to be for the benefit solely of Master Landlord; (viii) in any case where "Tenant" is to indemnify, release or waive claims against "Landlord", such indemnity, release or waiver shall be deemed to run from Subtenant to both Master Landlord and Sublandlord; (ix) in any case where "Tenant" is to execute and deliver certain documents or notices to "Landlord", such obligation shall be deemed to run from Subtenant to both Master Landlord and Sublandlord and shall be required to be given in the form required under the Master Lease, it being agreed that, for purposes of Section 6.3(b)(iii) of the Master Lease, Sublandlord's designated representative for Service Failures and telephone number are as follows: Sam Houston, office phone number (512) 835-4455; and (x) the following modifications shall be made to the Master Lease as incorporated herein:

(a) the following provisions of the Master Lease are not incorporated herein: Sections 3.1(a), 4.1, 10.2, 10.4, 10.12, 10.13(b)(2nd and 3rd sentences only), 10.23 and Addendum I;

(b) reference to "Landlord" in the following provisions of the Master Lease shall be deemed a reference to "Master Landlord" only: in Section 1.1, the definitions "Building Exclusive Use Common Areas", "Common Areas", "Legal Requirements" (as to clause "(c)" only), "Permitted Restrictive Covenant" (as to clause "(c") only), "Superior Interest", Sections 2.2(a)(2nd sentence only), 2.2(b), 3.2, (only with respect to copying Sublandlord on the Extension Notice or the Additional Notice if and when Subtenant gives such notices to Master Landlord) 5.1(a), 5.1(b), 5.1(c)(2nd and 4th sentences only), Sections 5.2(a) and (b), 5.3, 5.4, 5.5, 5.6, 5.7, 6.2, 6.3(a), 6.3(b)(i), (ii), (iii) and (v), 6.3(c), 6.3(d) (1st sentence only), 6.3(e), 6.3(f), 6.4(a) (last sentence only), 6.4(c), 6.4(e), 6.4(f), 6.4(g), 6.6, 6.9(a)(i), 6.9(b), Articles VII and VIII, Sections 10.7, 10.14(a), (b), (c) and (d), 10.31, 10.33, 10.34(b) and (c), 10.35, and 10.36;

(c) reference to "Landlord" in the following provisions of the Master Lease shall be deemed a reference to "Master Landlord" and Sublandlord: in Section 1.1, the definition "Permits", Sections 2.2(a)(last sentence only), 6.4(a) (excluding the last sentence), 6.4(b) and (d), 6.4(i), 6.5(a), 6.5(c), 6.5(d), 6.5(e), 6.8, 6.9(a)(ii), (iii), and (iv), 6.10, 6.11(a), (c) and (d), 9.3(a) and (c)(last sentence only), 9.5(c), 10.13(a), 10.14(a), 10.15, 10.27, 10.32, 10.34(a) and (d), 10.37, 10.38, and 10.39; and

(d) In addition to any other rights granted under this Sublease or under the Consent, Subtenant shall have the right to deal directly with Master Landlord under the terms of the Consent with respect to any right to abate Rent provided to Subtenant through incorporation of the provisions of the Master Lease and with respect to collecting any Electrical Costs under Section 5.3(a)(iii) of the Master Lease.

The parties hereto expressly confirm that the following provision of the Master Lease is incorporated herein by reference and pertains to this Sublease and the Master Landlord, the Master Tenant and Subtenant: 10.26 [Confidentiality]. Each of the parties hereto agrees that it has read and understands the foregoing provision.

B. Assumption of Obligations. Subject to the terms of the Consent, this Sublease is and at all times shall be subject and subordinate to the Master Lease and the rights of Master Landlord thereunder. Subtenant hereby expressly assumes and agrees: (i) to comply with all provisions of the Master Lease that have been incorporated into this Sublease; and (ii) to perform all the obligations on the part of the "Tenant" to be performed under the terms of the Master Lease with respect to the Subleased Premises during the term of this Sublease which have been incorporated into the terms of this Sublease and which by their nature are imposed on the party in possession of the Subleased Premises. Sublandlord hereby expressly assumes and agrees to perform all the obligations on the part of the "Tenant" to be performed under the terms of the Master Lease with respect to the Subleased Premises during the term of this Sublease which by their nature are not imposed on the party in possession of the Subleased Premises. Subject to the terms and provisions of the Consent and unless otherwise provided in the Consent, if the Master Lease is terminated for any reason whatsoever, then this Sublease shall terminate simultaneously with such termination without any liability of Sublandlord to Subtenant. If there is a conflict between the terms and provisions of this Sublease, the Master Lease and the Consent, as among Sublandlord, Master Landlord and Subtenant, the terms and conditions of the Consent shall control and, as between Sublandlord and Subtenant, if there is a conflict between the terms and conditions of this Sublease and the Master Lease that it not addressed in the Consent, the terms and conditions of this Sublease shall control.

19. Master Landlord Consent: Simultaneously with Sublandlord and Subtenant's execution and delivery of this Sublease, Sublandlord, Subtenant and Master Landlord are entering into that certain Master Landlord's Consent to Sublease (the "Consent").

20. Amendment: This Sublease may not be amended except by the written agreement of all parties hereto. Sublandlord acknowledges that it has agreed not to amend the Master Lease without obtaining Subtenant's prior written consent pursuant to the terms of the Consent.

21. No Drafting Presumption: The parties acknowledge that this Sublease has been agreed to by both the parties, that both Sublandlord and Subtenant have consulted with attorneys with respect to the terms of this Sublease and that no presumption shall be created against Sublandlord because Sublandlord drafted this Sublease.

22. Entire Agreement: This Sublease and the Consent constitute the entire agreement between the parties with respect to the subject matter herein, and there are no binding agreements or representations between the parties except as expressed herein and in the Consent. No subsequent change or addition to this Sublease shall be binding unless in writing and signed by the parties hereto.

23. Counterparts: This Sublease may be executed in one (1) or more counterparts each of which shall be deemed an original but all of which together shall constitute one (1) and the same instrument. Signature copies may be detached from the counterparts and attached to a single copy of this Sublease physically to form one (1) document.

24. Quiet Enjoyment: Sublandlord covenants that Subtenant, on paying the Rent and performing and observing all of the covenants and agreements herein contained and provided to be performed by Subtenant, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Subleased Premises during the Term, and may exercise all of its rights hereunder, subject only to the provisions of this Sublease, the Consent, all applicable Legal Requirements and the Permitted

Encumbrances; and Sublandlord agrees to warrant and forever defend Subtenant's right to such occupancy, use, and enjoyment of the Subleased Premises against the claims of any and all Persons whomsoever lawfully claim the same, or any part thereof, by, through or under Sublandlord, but not otherwise, subject only to the provisions of this Sublease, the Consent, all applicable Legal Requirements and the Permitted Encumbrances.

25. Representations of Sublandlord: Sublandlord represents and warrants to Subtenant that (i) the copy of the Master Lease attached hereto as Exhibit A is a true and correct copy of the Master Lease and has not been modified in any way; (ii) the Master Lease is, as of the Effective Date, in full force and effect; (iii) Sublandlord has full corporate, partnership, trust, association or other appropriate power and authority to enter into this Sublease and to perform all Sublandlord's obligations under this Sublease; and (d) each person (and all of the persons if more than one signs) signing this document on behalf of Sublandlord is duly and validly authorized to do so.

26. Memorandum of Sublease: The parties acknowledge and agree that they shall execute and permit to be recorded a Memorandum which evidences certain provisions of this Sublease in the form attached to the Consent.

27. Governing Law: THIS SUBLEASE HAS BEEN EXECUTED IN THE STATE OF TEXAS AND SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF TEXAS AND THE LAWS OF THE UNITED STATES OF AMERICA APPLICABLE TO TRANSACTIONS WITHIN THE STATE OF TEXAS.

28. Consent to Jurisdiction and Service of Process: Any legal action, suit or proceeding in law or equity arising out of or relating to this Sublease and the transactions contemplated hereby may be instituted in any state or federal court in Travis County, Texas, and each party agrees not to assert, by way of motion, as a defense or otherwise, in any such action, suit or proceeding, any claim that it is not subject personally to the jurisdiction of such court, that its property is exempt or immune from attachment or execution, that the action, suit or proceeding is brought in an inconvenient forum, that the venue of the action, suit or proceeding is improper or that this Sublease, or the subject matter hereof may not be enforced in or by such court. Each party further irrevocably submits to the jurisdiction of any such court in any such action, suit or proceeding. Any and all service of process and any other notice in any such action, suit or proceeding shall be effective against either party if given by registered or certified mail, return receipt requested or by any other means of mail which requires a signed receipt, postage prepaid, mailed to such party at the address listed in Section 17 herein. Nothing herein contained shall be deemed to affect the right of either party to serve process in any manner permitted by applicable Legal Requirements or to commence legal proceedings or otherwise proceed against the other party in any jurisdiction other than Texas.

29. Waiver of Jury Trial; Attorney's Fees: TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, SUBLANDORD AND SUBTENANT (EACH ON BEHALF OF ITSELF AND ITS RESPECTIVE SUCCESSORS, ASSIGNS) EACH, AFTER CONSULTATION WITH COUNSEL, KNOWINGLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY LITIGATION OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE ARISING OUT OF OR WITH RESPECT TO THIS SUBLEASE OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO. If there is any legal or arbitration action or proceeding between any of the parties hereto to enforce any provision of this Sublease or to protect or establish any right or remedy of any party hereunder, the unsuccessful party to such action or proceeding will pay to the prevailing party all reasonable, actual out-of-pocket costs and expenses paid or payable to third parties, including reasonable attorneys' fees incurred by such prevailing party in such action or proceeding and in

any appeal in connection therewith, and if such prevailing party recovers a judgment in any such action, proceeding or appeal, such costs, expenses and attorneys' fees will be determined by the court or arbitration panel handling the proceeding and will be included in and as a part of such judgment.

30. Waiver of Landlord's Lien. Sublandlord waives its statutory lien rights under Section 54.021 of the Texas Property Code as well as any constitutional and contractual liens with respect to Subtenant's personal property located at the Subleased Premises. Notwithstanding anything to the contrary in this Section, Sublandlord does not waive, relinquish or subordinate any liens, rights or remedies that Sublandlord may now have, or shall ever enjoy, as a judgment creditor or under any warehouseman's lien in the event that Sublandlord is required by applicable law to store Subtenant's property if such property is abandoned by Subtenant following a default by Subtenant under this Sublease.

31. Brokerage. Neither Sublandlord nor Subtenant has dealt with any broker or agent in connection with the negotiation or execution of this Sublease. Subtenant and Sublandlord shall each indemnify the other against all costs, expenses, reasonable attorneys' fees, liens and other liability for commissions or other compensation claimed by any other broker or agent claiming the same by, through, or under the indemnifying party. This Section 31 shall survive the expiration or earlier termination of this Sublease.

[Signatures to appear on the following page]

IN WITNESS WHEREOF, the parties have executed this Sublease as of the day and year first above written.

SUBLANDLORD:

LANTANA HP, LTD.,
a Texas limited partnership

By: GP Lantana, Inc., a Texas Corporation, its general partner

By: /s/ Sam Houston
Print Name: SAM HOUSTON
Title: VICE PRESIDENT

SUBTENANT:

ADVANCED MICRO DEVICES, INC.,
a Delaware corporation

By: /s/ Devinder Kumar
Print Name: Devinder Kumar
Title: SR. VP & CFO

Exhibit 10.3

MASTER LANDLORD'S CONSENT TO SUBLEASE

7171 SOUTHWEST PARKWAY HOLDINGS, L.P., a Delaware limited partnership ("Master Landlord"), and LANTANA HP, LTD., a Texas limited partnership ("Master Tenant"), are "Master Landlord" and "Master Tenant", respectively, under that certain Lease Agreement dated of even date herewith (the "Master Lease"), pursuant to which Master Tenant leases from Master Landlord certain premises at a suburban office/product research and development laboratory campus located at 7171 Southwest Parkway, Austin, Texas 78735 (the "Property"), which includes space in five separate Buildings as follows: (i) B100 containing approximately 106,275 rentable square feet; (ii) B200 containing approximately 224,734 rentable square feet; (iii) B300 containing approximately 217,798 rentable square feet; (iv) B400 containing approximately 224,922 rentable square feet; and (v) a portion of B500 containing approximately 38,621 rentable square feet and the use of Common Areas and Building Exclusive Use Common Areas (the "Premises"), all as more particularly described in the Master Lease to which reference is here made for the description of the Property and the Premises. Under the provisions of the Master Lease, Master Landlord must consent to the subleasing of the Premises by Master Tenant, which Master Tenant and ADVANCED MICRO DEVICES, INC., a Delaware corporation ("Subtenant"), propose to do pursuant to that certain Sublease Agreement by and between Master Tenant and Subtenant of even date herewith (the "Sublease") covering the Premises. Accordingly, Master Tenant and Subtenant have requested Master Landlord to consent and agree to the Sublease, which Master Landlord has agreed to do subject to and upon the terms and provisions of this Master Landlord's Consent to Sublease (this "Consent"); and in connection therewith, Master Landlord, Master Tenant and Subtenant have reached certain additional agreements among them relating to the Sublease, the Master Lease and their respective rights and obligations under those agreements, all as more specifically set forth in this Consent.

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements of the Master Landlord, Master Tenant and Subtenant set forth in this Consent, the parties hereto hereby agree each with the others as follows (with capitalized terms used but not defined in this Consent having the respective meanings set forth in the Master Lease):

1. Master Landlord hereby (a) consents to the subleasing of the entire Premises (the "Subleased Premises") upon and subject to the terms and provisions of, and as more particularly set forth in the Sublease, (b) covenants and agrees that Subtenant and Master Tenant shall have, hold and enjoy the additional rights, titles, interests, in respect thereof (as stated in the Master Lease, the Sublease and this Consent), (c) covenants and agrees that Master Landlord shall pay and perform the obligations of Master Landlord set forth in the Master Lease to and for the benefit of the Subtenant, which shall include negotiation of the Fair Market Rental Rate for the Renewal Term of the Master Lease and Sublease, the making by Master Landlord of refunds of any overpayments made by Master Tenant or Subtenant, and the negotiation and consideration of proposed improvements to the Subleased Premises by Subtenant, (d) acknowledges and agrees that Subtenant may enforce the obligations of Master Landlord under and in connection with the Master Lease, as incorporated into the Sublease, directly against Master Landlord, without the necessity for the joinder of Master Tenant in any action or proceeding by Subtenant to so enforce said payment and performance by Master Landlord of its obligations under the Master Lease, (e) reserves the right to waive (by express written notice given to the party to be charged) any default by Subtenant under the Sublease and thereby prevent Master Tenant from pursuing any remedy on account thereof provided that Master Landlord also waives performance by Master Tenant of such terms and conditions of the Master Lease which are subject to the Subtenant default, and (f) notwithstanding anything to the contrary set forth in the Master Lease or this Consent, agrees that Master Tenant shall have no liability to Master Landlord on account of the exercise by Subtenant of its rights pursuant to Section 15 of the Sublease. Notwithstanding anything to the contrary set forth in the Sublease, Master

Tenant's and Subtenant's rights under the Sublease are subordinate to the Master Lease to the extent and with the limitations stated herein. If the Master Lease terminates in its entirety prior to expiration of the term of the Sublease for any reason (other than due to a termination right exercised by Master Landlord with respect to a Casualty or condemnation or pursuant to Section 8.6 of the Master Lease) and provided that the Sublease is not otherwise terminated by Master Tenant or Subtenant pursuant to an express termination right granted to Master Tenant or Subtenant contained in the Sublease (including, but not limited to, a termination right due to a casualty or condemnation as provided in the Sublease) and so long as no default by Subtenant exists under either the Sublease or this Consent, which in either case is either beyond any applicable notice and cure periods or has not been waived (by express written notice given to the party to be charged), then Master Landlord and Subtenant covenant and agree that (i) the Sublease shall nevertheless continue in full force and effect as a direct lease between Master Landlord and Subtenant upon all of the terms, covenants and conditions of the Sublease, including the same terms, covenants and conditions contained in the Master Lease to the extent stated in the Sublease, (ii) Master Landlord shall, and hereby does agree (x) to recognize Subtenant's tenancy in and to, and right to possession of, the Subleased Premises as provided in the Sublease, (y) to assume, pay and perform all obligations of Master Tenant, which accrue after the date of the termination of the Master Leases, as provided in the Sublease, and (z) to not disturb Subtenant's right to possession, use and enjoyment of the Subleased Premises as stated in the Sublease, and (iii) Subtenant shall attorn to and recognize Master Landlord as its landlord under the Sublease. Master Landlord, Master Tenant and Subtenant each shall cooperate with the others to effect recognition of Subtenant's rights and obligations (and attornment to Master Landlord) under the Sublease as a direct lease between Master Landlord and Subtenant; provided, however, said cooperation by Subtenant shall not require Subtenant to incur any costs or liabilities beyond its obligations set forth in the Sublease or in Section 21 and Exhibit B of this Consent. Master Landlord and Master Tenant hereby agree not to modify or amend the Master Lease without the prior written consent of Subtenant, which consent shall not be unreasonably withheld, conditioned or delayed, it being stipulated by Master Landlord and Master Tenant that a delay, withholding or conditioning of the consent by Subtenant will be deemed to be reasonable if granting its consent as requested would diminish or impair any right or power, or increase any obligation, of Subtenant under the provisions of either the Sublease or this Consent; provided that in no event shall Subtenant be entitled to withhold or condition its consent for any amendment (aa) that provides solely for the extension of the Master Lease for the Renewal Term or the expansion of the Subleased Premises through the exercise of the Right of First Offer or (bb) is reasonably necessary as a result of any casualty or condemnation affecting the Premises provided that the terms of such amendment are consistent with the terms of the casualty and condemnation provisions of the Master Lease. Notwithstanding anything to the contrary set forth in the Master Lease, in no event shall Master Tenant be required to pay any excess compensation pursuant to Section 8.7 of the Master Lease with respect to the Sublease.

2. Subtenant hereby agrees to comply with all of the provisions, covenants, and conditions set forth in the Master Lease which are applicable to the Subleased Premises during the term of the Sublease (including, without limitation, those, which, by their terms, expressly survive the expiration or sooner termination of the Sublease), to be jointly and severally liable with Master Tenant for performance of the same and for the payment of rent pertaining to the Subleased Premises in the amount set forth in the Sublease, and Master Landlord may enforce all of the foregoing obligations directly against Subtenant; provided, however, said joint and several liability of Subtenant with Master Tenant and the right of Master Landlord to enforce all the foregoing obligations directly against Subtenant are subject to the provisions of this Consent so that Subtenant shall not be obligated to pay any Base Rent or Additional Rent directly to Master Landlord if Subtenant has made (in accordance with the terms of the Sublease or this Consent, as applicable) the corresponding payment of Base Rent or Additional Rent under the Sublease. Neither the Sublease nor this Consent shall release or discharge Master Tenant from any liability under the Master Lease, except to the extent that Subtenant has performed the obligation under the Master Lease, and Master Tenant shall remain liable and responsible for the full performance

and observance of all of the provisions, covenants, and conditions set forth in the Master Lease on the part of Master Tenant to be performed and observed except to the extent performed directly by Subtenant. If Subtenant causes an Event of Default by Master Tenant under the Master Lease, subject to the terms and conditions of this Consent, Master Landlord shall be entitled to enforce its rights and remedies for an Event of Default by Master Tenant under the Master Lease against both Master Tenant and Subtenant.

3. In addition to, and not in limitation of, the foregoing agreements and notwithstanding anything to the contrary in the Master Lease or the Sublease, Master Landlord, Master Tenant and Subtenant further agree as follows:

(a) Master Landlord agrees to provide Subtenant with a copy of any notice required or permitted to be given under the Master Lease, the Sublease or this Consent that Master Landlord provides to, or receives from, Master Tenant regarding Master Tenant's failure to perform any of Master Tenant's obligations under the Master Lease or the Sublease (i) at the same time as Master Landlord gives any such notice to Master Tenant or (ii) within three (3) Business Days after Master Landlord receives any such notice from, Master Tenant. Master Landlord shall have the right at any time upon written notice to Subtenant to replace Master Tenant with another entity (which entity shall be subject to Subtenant's prior written consent, not to be unreasonably withheld, conditioned or delayed) to act as the "Master Tenant" under the Master Lease, provided that the replacement for Master Tenant expressly assumes and agrees in writing in favor of Subtenant to pay and perform and be bound by the obligations of Master Tenant under the Master Lease, the Sublease and hereunder that, in each case, accrue from and after the effective date of such assignment and assumption. Subtenant acknowledges that any replacement of the Master Tenant under the Master Lease would result in a replacement of Master Tenant as "Sublandlord" under the Sublease. Subtenant agrees to cooperate with Master Landlord and the replacement master tenant/sublandlord in effecting such substitution, without cost or liability to Subtenant;

(b) If Master Tenant defaults in the performance or observance of any of Master Tenant's obligations under the Sublease, Master Landlord shall, on behalf of Master Tenant, cure any default which is reasonably susceptible to cure (or if not so susceptible, shall mitigate any demonstrable loss to Subtenant), and of which Master Landlord has notice within the time available to Master Tenant to cure or mitigate any such default under the Sublease, and Subtenant shall allow such cure or applicable mitigation from Master Landlord. Subtenant agrees to provide Master Landlord with a copy of any notice that Subtenant provides to Master Tenant under the Sublease with respect to Master Tenant's failure to perform any of Master Tenant's obligations under the Sublease at the same time that Subtenant gives any such notice to Master Tenant. If Master Tenant defaults under the Sublease in a manner that can be cured by the removal of Master Tenant and the substitution, in the then-Master Tenant's place, of a different entity, such as, but not limited to, a default caused by the bankruptcy of Master Tenant, then Subtenant agrees to provide Master Landlord with up to ninety (90) days to effect such a substitution, and Subtenant will not seek to terminate the Sublease on account of such breach during such 90-day time period if, but only if, Master Landlord has commenced and is diligently pursuing all commercially reasonable actions to pay and perform the obligations that Master Tenant has failed to perform. Subtenant agrees to cooperate with Master Landlord and the replacement master tenant/sublandlord in effecting such substitution, without cost or liability to Subtenant;

(c) Master Landlord may at any time (upon advance notice to Subtenant as set forth below and notice to Master Tenant) terminate the Master Lease (regardless of any default by Master Tenant thereunder or any contrary provision of the Master Lease), in which event, provided that Subtenant is not then in default under the Sublease beyond any applicable notice and cure periods or in breach of this Consent (that, in any case, has not been waived by Master Landlord by written notice given to the party to be charged), Master Landlord shall do one of the following:

(i) without terminating the Sublease, Master Landlord and Subtenant shall recognize the Sublease as a direct lease between Master Landlord and Subtenant pursuant to Section 1 above. Master Landlord shall give Subtenant written notice of said election by Master Landlord, which notice shall (a) state the effective date of the Sublease becoming a direct lease and (b) the address or account to which Subtenant should make payment of rent, and, if such notice is not given more than ten (10) Business Days prior to the stated effective date of the Sublease becoming a direct lease between Master Landlord and Subtenant, then Master Landlord agrees to forbear from enforcing the provisions of the direct lease against Subtenant for a period of ten (10) Business Days after such effective date in order to give Subtenant time to make the adjustments necessary as a result of the Sublease becoming a direct lease (e.g., adjusting the destination of the rent payments) and, in that regard, Subtenant shall be credited with all amounts theretofore paid to Master Tenant under the Sublease and shall not be liable for any amounts Subtenant pays to Master Tenant prior to the expiration of the 10-Business Day adjustment period;

(ii) within twenty-five (25) days following the date on which Master Landlord gives Subtenant written notice of its election to proceed under this clause (ii), simultaneously terminate and replace the Sublease with a new lease between the Master Landlord, as landlord, and Subtenant, as the direct tenant of Master Landlord (the "Direct Lease") which shall be on all of the same terms, provisions and conditions as the Master Lease except (A) the "Commencement Date" of the Direct Lease shall be the effective date of the termination of the Sublease, (B) the "Base Rent" under the Direct Lease shall be at the rate in effect under the "Base Rent" schedule in the Sublease as of the effective date of the Direct Lease (for the purposes of clarification, if, for example, the Direct Lease is effective as of March 1, 2015, then the Base Rent rate under the Direct Lease shall be the rate in effect as of March 1, 2015 under the Sublease's schedule, with increases thereafter in accordance with the schedule), (C) Addendum 1 to the Master Lease shall not apply; (D) the Direct Lease shall be amended to include the terms of Exhibit A to this Consent, as Exhibit W to the Direct Lease; and (E) Subtenant shall provide to Master Landlord, but at Master Landlord's cost and expense, not to exceed one thousand dollars ($1,000.00), a new letter of credit to secure Subtenant's obligations under the Direct Lease in the form required by Section 21 below and Exhibit B of this Consent (and upon such delivery to Master Landlord of such new letter of credit for the Direct Lease, Master Landlord shall return to Subtenant the letter of credit provided by Subtenant to Master Landlord pursuant to Exhibit B attached hereto or the remaining proceeds thereof). Subtenant shall execute and deliver the Direct Lease (and all other "Tenant" deliverables required under the Direct Lease) and the replacement letter of credit within said period of twenty-five (25) days after the date on which Master Landlord delivers the Direct Lease to Subtenant. Master Landlord shall promptly (and in any event within five (5) Business Days after Subtenant delivers the signed Direct Lease [and all "Tenant" deliverables thereunder] to Master Landlord) counter-sign and deliver to Subtenant the Direct Lease and all other "Landlord" deliverables required under the Direct Lease. Subtenant shall not be obligated to incur any cost or liability in connection with said termination of the Master Lease and Subtenant shall be credited with all amounts theretofore paid to Master Tenant under the Sublease and shall not be liable for any amounts unpaid by Master Tenant under the Master Lease. Additionally, Master Landlord and Subtenant acknowledge that as a condition to the issuance of the new letter of credit required by the foregoing provisions, the issuer thereof may require the physical surrender of the letter of credit being replaced and Master Landlord and Subtenant agree to cooperate in complying with any such requirement of said issuer; or

(iii) within twenty-five (25) days following the date on which Master Landlord gives Subtenant written notice of its election to proceed under this clause (iii), simultaneously terminate the Sublease and enter into a new lease (the "New Third Party Lease") with a new third party entity (which entity shall be subject to Subtenant's prior written consent, not to be unreasonably withheld, conditioned or delayed), as tenant, on all of the same terms and conditions of the Master Lease, have such new third party entity enter into a new sublease (the "New Sublease") with Subtenant on all of the same

terms and conditions of the Sublease, and Master Landlord, Subtenant and such new third party shall enter into a new sublease consent on all of the same terms and conditions as this Consent except (A) the "Commencement Date" of the New Third Party Lease and the New Sublease shall be the effective date of the termination of the existing Sublease, (B) the "Base Rent" under the New Third Party Lease and the New Sublease shall be at the rates in effect under the "Base Rent" schedule in the Master Lease and the Sublease, respectively, as of the effective date of the Direct Lease; and (C) Subtenant shall provide to Master Landlord, but at Master Landlord's cost and expense, not to exceed one thousand dollars ($1,000.00), a new letter of credit to secure Subtenant's obligations under the New Sublease in the form required by Section 21 below and Exhibit B to this Consent (and upon such delivery to Master Landlord of such new letter of credit for the New Sublease, Master Landlord shall return to Subtenant the letter of credit provided by Subtenant to Master Landlord pursuant to Exhibit B attached hereto or the remaining proceeds thereof). Master Landlord shall give Subtenant not less than ten (10) Business Days advance notice of the name and other reasonable identification information regarding the identity of the new third party, following which Subtenant shall give written notice within three (3) Business Days stating either Subtenant's approval or disapproval of the proposed new third party and if disapproving, the reason or reasons therefor, which must be commercially reasonable. If Subtenant consents, then Subtenant shall execute and deliver the New Sublease and the new consent (and all other "Subtenant" deliverables required under the New Sublease and the new consent) and the replacement letter of credit within said period of twenty-five (25) days after the date on which Master Landlord delivers the New Sublease and a fully executed counterpart of the New Third Party Lease to Subtenant. Master Landlord shall promptly (and in any event within five (5) Business Days after Subtenant delivers the New Sublease [and all "Subtenant" deliverables thereunder] to Master Landlord) counter-sign and deliver to Subtenant all other "Landlord" deliverables required under the New Third Party Lease, the New Sublease and the new sublease consent and executed counterparts of all other deliverables required under all such agreements. Additionally, Master Landlord and Subtenant acknowledge that as a condition to the issuance of the new letter of credit required by the foregoing provisions, the issuer thereof may require the physical surrender of the letter of credit being replaced and Master Landlord and Subtenant agree to cooperate in complying with any such requirement of said issuer.

Master Tenant specifically acknowledges Master Landlord's right to terminate the Master Lease as set forth in this Section 3(c) above regardless of any default by Master Tenant thereunder or any contrary provision in the Master Lease. In the event that Master Landlord at any time makes any of the elections under clauses (i), (ii) or (iii) above, Master Landlord and Master Tenant covenant and agree that Master Tenant shall automatically and without the need for any further action (a) be deemed to have surrendered the Premises in accordance with the terms of the Master Lease, or (b) be deemed to have Transferred the leasehold estate of Master Tenant to Subtenant (whichever is applicable based on the election of Master Landlord among clauses (i), (ii) and (iii) above), and (c) Master Tenant shall be released of all obligations under the Master Lease accruing from and after the date of such termination or Transfer (except for any obligations that survive expiration of the Master Lease).

(d) Master Tenant hereby assigns and transfers to Master Landlord all of Master Tenant's interest in all amounts payable by Subtenant under the Sublease (including, without limitation, any damages payable by Subtenant in the event of a termination of the Sublease), and Master Landlord may collect the same and apply it toward Master Tenant's obligations under the Master Lease; provided, however, that until Master Landlord gives Subtenant a notice in which Master Landlord instructs Subtenant to pay such amounts to Master Landlord, Master Tenant may collect and retain such amounts. Upon receipt of a written notice from Master Landlord directing Subtenant to pay all amounts payable by Subtenant under the Sublease to Master Landlord, Master Tenant hereby irrevocably authorizes and directs Subtenant to pay to Master Landlord all amounts payable by Subtenant under the Sublease that are due and that become due; provided that Master Landlord shall pay to Sublandlord any amounts received from Subtenant in excess of the amounts payable by Master Tenant under the Master Lease within ten

(10) days after receipt of such amounts from Subtenant. Subtenant shall rely upon any such notice from Master Landlord and shall pay all such Sublease amounts to Master Landlord, notwithstanding any claim from Master Tenant to the contrary; provided however, if Subtenant receives such notice from Master Landlord less than ten (10) Business Days prior to the next date on which rent is due and payable, then Master Landlord and Master Tenant agree to forebear from enforcing the Base Rent and Additional Rent payment provisions of the Sublease and of the Master Lease, as imposed on Subtenant through the Sublease and this Consent, for a period of ten (10) Business Days after the date said notice from Master Landlord is received by Subtenant in order to give Subtenant time to make the necessary adjustments in the destination of rent payments; and in that regard, Subtenant shall be credited with all amounts theretofore paid to Master Tenant under the Sublease and shall not be liable for any amounts Subtenant pays to Master Tenant prior to the expiration of the 10-Business Day adjustment period. Master Tenant shall not have any right or claim against Subtenant for any such amounts or any other sums so paid by Subtenant to Master Landlord. Master Landlord shall credit Master Tenant with any rent or other amounts (including proceeds of any letter of credit held by Master Landlord securing Subtenant's obligations under the Sublease) received by Master Landlord from Subtenant under this Section 3(d); provided, however, neither Master Landlord's acceptance of any payment on account of rent or any other amounts from Subtenant (whether or not as the result of any such default and regardless of the circumstances or reasons therefor) nor Master Landlord's acceptance of performance by Subtenant of any obligations of Master Tenant under the Master Lease shall in any manner whatsoever (i) be deemed a waiver by Master Landlord of any provision of the Master Lease and subject, however to Subtenant's rights under this Consent, or (ii) serve to release Master Tenant from any liability under the terms, covenants, conditions, provisions or agreements under the Master Lease. Master Landlord and Master Tenant agree that Master Tenant shall not be entitled to retain any additional compensation from any Transfer by Subtenant, it being agreed that only Master Landlord shall be entitled to such additional compensation as set forth in Section 8.7 of the Master Lease. Subtenant agrees to pay Master Landlord the additional compensation directly.

(e) All agreements by Subtenant set forth in this Section 3 for its cooperation and its payment and performance are subject to the condition that it shall not be obligated to perform as stated herein if a bankruptcy court or other court or judicial body shall order otherwise.

(f) Master Tenant agrees to give Master Landlord not less than five (5) Business Days advance written notice of any action (whether an act or the withholding of or refraining to act) that Master Tenant intends to take as "Sublandlord" under the Sublease with respect to Subtenant, including, without limitation, enforcement of any default by Subtenant under the Sublease. Master Tenant shall not take or refrain from taking the action described in Master Tenant's notice unless and until Master Landlord provides its approval of such matter to Master Tenant; provided that Master Tenant shall not be responsible for or liable to Master Landlord under the Master Lease for any Event of Default under the Master Lease caused by Subtenant until Master Landlord provides approval for Master Tenant to enforce its remedies against Subtenant for a breach of the Sublease. If, at the time Sublandlord takes such action, Sublandlord does not provide Subtenant with a written notice signed by Sublandlord and Master Landlord describing the proposed action, then Subtenant shall have the right to request, by written notice to Master Landlord, a written notice from Master Landlord in which Master Landlord confirms its approval of Sublandlord's action with respect to Subtenant. Until Subtenant receives such jointly-signed notice or a separate written notice from Master Landlord confirming its approval of the applicable Sublandlord action, Subtenant shall not be obligated to perform the requested action.

(g) In connection with any change in Control of Master Landlord or Transfer of Master Landlord's right, title and interest in the Premises to a third party (including without limitation, a foreclosure by any mortgagee or a deed in lieu of foreclosure), Master Landlord shall give Master Tenant and Subtenant at least ten (10) Business Days advance written notice of the scheduled effective date of

any such change in Control or closing date of any such Transfer. Master Landlord shall have up to and including the effective date or the closing date, as applicable, to revoke such notice or extend the effective date of the closing date by, in either case, not less than three (3) Business Days by means of a written notice to Master Tenant and Subtenant. In connection with any such change in Control of Master Landlord or Transfer, Master Landlord shall seek, at Subtenant's request, to cause the new entity or transferee to enter into a Direct Lease (on the same terms as the "Direct Lease" described in Section 3(c)(ii) above) with Subtenant within a reasonable period of time (not to exceed thirty (30) days following either the effective date of the change in Control of Master Landlord or the closing date of the Transfer, as applicable). In the event that after the expiration of said thirty-day period a Direct Lease between Subtenant and the then Master Landlord shall not have become effective between them, then Subtenant shall have the option and right to require the then Master Landlord to enter into a Direct Lease (on the same terms as the "Direct Lease" described in Section 3(c)(ii) above) with Subtenant within a reasonable period of time (not to exceed thirty (30) days following the date on which Subtenant gives written notice of its election to the then Master Landlord). In the event that the then Master Landlord fails, for any reason other than the failure of Subtenant to sign and make available said Direct Lease (and all "Tenant" deliverables thereunder) to the then Master Landlord at least ten (10) days prior to the expiration of said thirty-day period of time, to enter into said Direct Lease with Subtenant within said thirty-day period of time following the date on which Subtenant gives written notice of its election to the then Master Landlord, then the Direct Lease shall be deemed to have been executed and delivered by the then Master Landlord in the form submitted by Subtenant to the then Master Landlord and with effect. If a Direct Lease is not entered into or deemed to have been entered into as set forth above in this paragraph within sixty (60) days following the Change in Control of Master Landlord or Transfer of Master Landlord's right, title and interest in the Premises to a third party, then Master Tenant shall have the option and right to terminate the Master Lease upon thirty (30) days' notice to Master Landlord and Subtenant, in which event the Master Lease shall terminate at the expiration of said thirty (30) day period and Master Tenant shall be released from all obligations under the Master Lease and the Sublease accruing thereafter (except for any obligations that survive expiration of the Master Lease or the Sublease, as the case may be). If a Direct Lease is entered into as set forth above in this paragraph or if Master Tenant exercises its right to terminate the Master Lease as provided in this paragraph, then Master Landlord and Master Tenant covenant and agree that Master Tenant shall automatically and without the need for any further action be deemed to have surrendered the Premises in accordance with the terms of the Master Lease, and in the case in which the Master Tenant exercised the right to terminate the Master Lease, the provisions of Section 3(c)(ii) above shall apply.

(h) Master Landlord and Master Tenant agree with and in favor of Subtenant that Master Tenant shall not have the right to transfer or assign Master Tenant's leasehold estate in and to the Subleased Premises without the express prior written consent of Master Landlord and that Master Landlord agrees that it will not consent to any request from or on behalf of Master Tenant to permit any such transfer or assignment unless Subtenant consents to the transfer or assignment. Subtenant shall consent, or reasonably withhold its consent, to any such transfer or assignment within ten (10) Business Days after submission to Subtenant of all of items required to be submitted to Master Landlord under Article 8 of the Master Lease with respect to any Master Tenant request to transfer or assign the Master Lease.

(i) Notwithstanding anything to the contrary set forth in the Master Lease, Master Tenant shall be entitled to deduct from the Base Rent payable to Master Landlord under the Master Lease on May 1 of each year during the Term of the Master Lease, including any extended Term, an amount equal to the Texas margin tax and/or any other business tax imposed under Texas Tax Code Chapter 171 and/or any successor or replacement statutory provision ("Margin Taxes") payable by Master Tenant for the prior calendar year in connection with the Sublease (such tax payment, the "Margin Tax Payment"); provided that in the event the Margin Tax Payment is due on a date other than May 15 in any calendar

year, Master Tenant shall be entitled to deduct from Base Rent payable to Master Landlord under the Master Lease during the calendar month in which such Margin Tax Payment is due the amount of the Margin Tax Payment to be paid by Master Tenant in such calendar month. Further, (i) if the Master Lease is terminated by Master Landlord, (ii) Master Landlord and Subtenant enter into a direct lease of the Premises, (iii) the holder of a Superior Interest forecloses on the Property or takes a deed in lieu of such foreclosure, or (iv) there is a sale or other disposition of the Property by the original named Master Landlord under the Master Lease (including a change of Control), then: (A) with respect to the events described in parts (i) or (ii), within ten (10) Business Days after receipt of an invoice from Master Tenant, Master Landlord shall refund to Master Tenant the Base Rent paid under the Master Lease by Master Tenant to Master Landlord in an amount equal to the amount of Margin Taxes payable by Master Tenant in connection with the Sublease with respect to rents received by Master Tenant under the Sublease prior to the effective date of the events described in parts (i) or (ii) above, as shown on such invoice, or (B) with respect to the events described in parts (iii) and (iv), Master Tenant shall be entitled to deduct from Base Rent next accruing under the Master Lease the amount of Margin Taxes which will be due and payable by Master Tenant in connection with rents received by Master Tenant under the Sublease through the date which is the earlier of (x) the date on which a new Direct Lease is mutually executed and delivered or (y) one hundred twenty (120) days after such occurrence. In the event Master Landlord has elected to collect Base Rent payable under the Sublease directly from Subtenant pursuant to Master Landlord's rights set forth in this Consent, Master Landlord agrees to remit within five (5) Business Days after receipt of Master Tenant's request, such Margin Tax Payments which are subject to deduction hereunder from the Base Rent. Further, in the event Subtenant defaults in payment of Base Rent under the Sublease resulting in Master Tenant having insufficient funds from Subtenant to pay the Margin Tax Payment next due in connection with the Sublease, within ten (10) days after receipt of written notice of such default from Master Tenant, Master Landlord agrees to either refund to Master Tenant such amount of Base Rent previously paid by Subtenant to Master Landlord an amount equal to the Margin Tax Payment payable by Master Tenant with respect to the Sublease prior to Subtenant's default, or draw on the L-C in an amount equal to the Margin Tax Payment payable by Master Tenant with respect to the Sublease prior to Subtenant's default and pay such proceeds to Master Tenant.

4. At any time that Subtenant seeks Master Tenant's consent or approval to any item under the Sublease, Subtenant shall provide a copy of such request for consent or approval simultaneously to Master Landlord, and Master Landlord shall, notwithstanding anything contained in the Master Lease to the contrary, be subject to the same consent standards regarding such matter as Master Tenant is subject under the Sublease and Master Landlord shall communicate in writing its approval or disapproval of such item to both Subtenant and Master Tenant within the time periods, if any, specified in the Sublease (which approval or disapproval shall be binding on Master Tenant).

5. Master Landlord, Master Tenant and Subtenant each acknowledges and agrees that there are certain rights granted to Master Tenant as "Original Tenant" under the Master Lease (the "Personal Rights") in the following sections of the Master Lease: (a) the Option to Extend set forth in Section 3.2; (b) the right to contest (or force Master Landlord to contest) Imposition as set forth in Sections 5.2(c)(i) and (ii); (c) all "Special Rights for Service Related Provisions" as such term is defined in Section 6.3(f) and the right to move lab space as set forth in Section 6.4(c); (d) the right to enter into shared space arrangements set forth in Section 8.9; (e) the restrictions on Master Landlord's ability to modify the Common Areas as provided in Section 10.14(c)(ii); (f) the restrictions on Master Landlord's ability to modify the Property Amenities as provided in Section 10.33; and (g) the Right of First Offer set forth in Exhibit I. In order to induce Subtenant to enter into the Sublease, Master Tenant has agreed to relinquish all of the Personal Rights to Subtenant and Master Landlord has consented thereto. Accordingly, the parties agree that (1) for all purposes under the Master Lease, as pertains the Personal Rights, all references to "Original Tenant" shall be deemed to be amended to refer to Advanced Micro Devices, Inc., a Delaware corporation and any Permitted Transferee of Advanced Micro Devices, Inc.'s

interests under the Sublease that meets the requirements of Sections 8.8(a)-(d) of the Master Lease (with all references therein to Tenant being deemed references to Advanced Micro Devices, Inc., (2) from and after the date hereof, Master Tenant shall not have any right to exercise any of the Personal Rights independent of Subtenant exercising such rights, (3) all references to an "Event of Default" contained within any of the provisions of the Personal Rights shall be deemed a reference to a default by Subtenant under the Sublease beyond all applicable notice and cure periods unless waived by Master Landlord (by express written notice given to the party to be charged), and (4) at any time that Subtenant does not satisfy any of the requirements of the Personal Rights, then such Personal Rights may not be exercised by either Subtenant or Master Tenant. In addition to the foregoing, Master Landlord, Master Tenant and Subtenant hereby acknowledge and agree that any provision of the Master Lease providing Master Tenant a right or responsibility based on its occupancy of a certain portion of the Property shall be interpreted to mean either Master Tenant's or Subtenant's occupancy of such portion of the Property.

6. Subtenant agrees to provide Master Landlord, from time to time, within ten (10) Business Days after Master Landlord's written request, an estoppel certificate, in the form attached to the Master Lease with such non-substantive revisions as are necessary to make it a Sublease estoppel. At Master Landlord's request, such estoppel certificate may be certified to Master Landlord, any lenders to Master Landlord, any substitute for Master Tenant, or any prospective purchasers or assignees of Master Landlord, Master Landlord's interests in the Premises or of Master Landlord's rights under the Master Lease. Upon the request of Master Landlord or any of the foregoing entities, Master Tenant and Subtenant shall execute any similar amendment to the Sublease that may be needed in light of an amendment to the Master Lease, so long as such Sublease amendment does not, in the opinion of Master Tenant and its counsel and Subtenant and its counsel, respectively, adversely affect Master Tenant's or Subtenant's rights or result in any change in obligations, risk, liabilities or costs, respectively, of Subtenant under the Sublease. Subtenant shall provide to Master Landlord the financial statements required to be provided to Master Tenant pursuant to the Sublease, and Master Landlord shall have the right to request the same directly from Subtenant pursuant to the terms of the Sublease.

7. Master Landlord agrees that, in order to facilitate administration of the Master Lease in an efficient manner, Subtenant may, on Master Tenant's behalf, exercise the following rights of Master Tenant under the Master Lease and deal directly with Master Landlord in the carrying out of the terms and conditions of such rights under the Master Lease: Section 2.1(b) [Measurement Standards; Remeasurement Right], 3.2 [Renewal Term], 4.2 [Renewal Rent], 5.2(c) [Tax Contests and Appeals], 5.3(a) [Electrical Costs], 5.5 [Tenant Inspection Rights], Section 5.6 [Cap on Operating Costs], Section 5.7 [Gross-Up], Section 6.3(f)[Special Rights for Service Related Provisions], 6.3(b) [Responses to Outages and Restoration of Services; Abatement], Article VII [Casualty; Condemnation], Section 9.5(b) [Tenant's Self-Help] and Exhibit J [Utility Exhibit].]

8. The parties hereto agree that:

(a) The "Tenant's" insurance requirements under the Master Lease shall be satisfied if Subtenant obtains and maintains all insurance and related materials in the manner required of the "Tenant" under the Master Lease and provided that, in addition to such parties as the "Tenant" is required to name as additional insureds under the Master Lease, Subtenant names Master Tenant as an additional insured in each instance where the "Tenant" is required to name additional insureds under the Master Lease. Subtenant shall provide to Master Landlord and Master Tenant evidence of such insurance in the same manner and form as the "Tenant" is required to provide under the Master Lease.

(b) The Non-Disturbance Agreement that Master Landlord agrees to obtain and provide to Tenant under the Master Lease shall also be provided to Subtenant and grant to Subtenant the same rights and benefits to Subtenant in respect of the Sublease, the subleasehold interest granted to it

thereunder and this Consent as said Non-Disturbance Agreement provides to the Master Tenant in respect of the Master Lease and the leasehold interest granted to it thereunder; and Subtenant agrees that under said Non-Disturbance Agreement it shall be subject to the same obligations in favor of the Superior Interest in respect of the Sublease, the subleasehold interest granted thereunder and this Consent as the Master Tenant is obligated thereunder in respect of the Master Lease and the leasehold interest granted to it under the Master Lease.

9. Subtenant agrees to indemnify, defend and hold Master Landlord harmless from and against any loss, cost, expense, damage or liability to the same extent as Subtenant is required to indemnify, defend and hold Master Tenant harmless from and against any loss, cost, expense, damage or liability to the extent Subtenant is obligated therefor under the Sublease. Without limiting the generality of the foregoing, the waivers and hold harmless provisions of the Master Lease, as incorporated by reference into the Sublease, shall be deemed to extend to, and be binding on, Master Landlord and Subtenant. Notwithstanding anything in the Sublease or this Consent to the contrary, Master Tenant shall have no liability to Subtenant for a breach of the Master Lease by Master Landlord and in no event shall Master Tenant indemnify Subtenant for any loss, cost, expense, damage or liability suffered by Subtenant resulting from Master Landlord's breach of the Master Lease or for the acts or omissions of Master Landlord or its agents, employees or contractors. Master Landlord agrees to indemnify, defend and hold Subtenant harmless from and against any loss, cost, expense, damage or liability suffered by Subtenant as a result of Master Tenant's breach of its obligations under: (i) this Consent or (ii) as "Sublandlord" under the Sublease. Subtenant and Master Tenant agree that the limitation on Master Landlord's liability set forth in Section 9.5(c) of the Master Lease shall apply to Master Landlord's obligations under this Consent and shall so limit Master Landlord's liability to Subtenant and Master Tenant with respect to any matters set forth in this Consent or with respect to the Sublease or Subleased Premises; provided, however, said limit on Master Landlord's liability shall not be deemed or construed to prevent seeking an injunction against Master Landlord.

10. The foregoing Consent shall apply only to the subject subletting and shall not be deemed to be consent to any other subletting nor to any sub-subletting under the Sublease to which Subtenant must obtain a consent under the Sublease (but as to any sublease that does not require consent under the Sublease, this Consent also is a consent thereto), nor shall this Consent be construed to release Master Tenant from any of its obligations under the Master Lease. Any other subletting or sub-subletting that does require consent of the Master Landlord shall be subject to Master Landlord's consent in accordance with the terms and provisions of the Master Lease; provided, however, that Master Landlord's consent shall not be required for any Permitted Transfers (as such term is defined in the Sublease). In no event may Master Tenant or Subtenant amend or modify the Sublease without first obtaining Master Landlord's written consent, which Master Landlord may withhold subject to the applicable standards under the Sublease with respect to said matter. In no event, however, shall Master Tenant be allowed to deny consent to subletting or any sub-subletting in the event that Master Landlord has afforded its consent.

11. If Subtenant is a corporation, partnership, trust, association or other entity, Subtenant and each person executing this document on behalf of Subtenant, hereby covenants and warrants that (a) Subtenant is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation, (b) Subtenant has and is duly qualified to do business in the State in which the Subleased Premises are located, (c) Subtenant has full corporate, partnership, trust, association or other appropriate power and authority to enter into this agreement and to perform all Subtenant's obligations under this agreement, and (d) each person (and all of the persons if more than one signs) signing this document on behalf of Subtenant is duly and validly authorized to do so. If Master Tenant is a corporation, partnership, trust, association or other entity, Master Tenant and each person executing this document on behalf of Master Tenant, hereby covenants and warrants that (a)

Master Tenant is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation, (b) Master Tenant has and is duly qualified to do business in the State in which the Subleased Premises are located, (c) Master Tenant has full corporate, partnership, trust, association or other appropriate power and authority to enter into this agreement and to perform all Master Tenant's obligations under this agreement, and (d) each person (and all of the persons if more than one signs) signing this document on behalf of Master Tenant is duly and validly authorized to do so. If Master Landlord is a corporation, partnership, trust, association or other entity, Master Landlord and each person executing this document on behalf of Master Landlord, hereby covenants and warrants that (a) Master Landlord is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation, (b) Master Landlord has and is duly qualified to do business in the State in which the Subleased Premises are located, (c) Master Landlord has full corporate, partnership, trust, association or other appropriate power and authority to enter into this agreement and to perform all Master Landlord's obligations under this agreement, and (d) each person (and all of the persons if more than one signs) signing this document on behalf of Master Landlord is duly and validly authorized to do so.

12. Regarding notices and payment of monies:

(a) Any notice, request, instruction, demand or other communication to be given hereunder by any party hereto (including, without limitation, any copies of notices pursuant to Sections 5 and 7 above) to the other(s) shall be given in writing and shall be delivered either (i) by hand, (ii) by facsimile during normal business hours followed by a confirmatory letter sent in another manner permitted hereunder within one (1) day of such facsimile), (iii) by a nationally recognized overnight courier service, or (iv) by registered or certified mail, postage prepaid, return receipt requested, as follows:

i. If to Master Landlord, addressed to:

c/o Spear Street Capital
One Market Plaza, Spear Tower,
Suite 4125
San Francisco, CA 94105
Attention: John S. Grassi
Facsimile No.: 415.856.0348

with a copy thereof to:

c/o Spear Street Capital
One Market Plaza, Spear Tower, Suite 4125
San Francisco, CA 94105
Attention: Asset Manager - AMD Lone Star Campus
Facsimile No.: 415.856.0348

With an additional copy to:

c/o Spear Street Capital
1114 Avenue of the Americas, 31st Floor
New York, NY 10036
Attention: Asset Manager - AMD Lone Star Campus
Facsimile No.: 212.488.5520

ii. If to Master Tenant, addressed to:

Lantana HP, Ltd.
c/o HPI Real Estate
3600 N. Capital of Texas Hwy.
Building B, Suite 250
Austin, Texas 78746
Attention: Sam Houston

With a copy to:

Susan Coleman, Esq.
Thompson & Knight, LLP
Burnett Plaza, Suite 1600
801 Cherry Street, Unit #1
Fort Worth, Texas 76102-6881
Fax No. (214) 999-1555
Phone: (817) 347-1713

iii. If to Subtenant, addressed to:

Advanced Micro Devices, Inc.
7171 Southwest Parkway
Austin, TX 78735
Attention: General Counsel, B100.T.432
Facsimile No.: 512.602.1252

with a copy thereof to:

SRS Real Estate Partners
15660 North Dallas Parkway, Suite 1200
Dallas, TX 75248
Attention: Leslie Dunaway
Facsimile No.: 972.419.4291

With a copy thereof to:

Advanced Micro Devices, Inc.
One AMD Place. MS 5
Sunnyvale, CA 94088
Attn: Lease Manager

And with an additional copy to:

Fulbright & Jaworski L.L.P.
98 San Jacinto Blvd., Suite 1100
Austin, Texas 78701-4255
Attention: R. G. Converse
Facsimile No.: 512/536-4598

or to such other address or number as party shall have previously designated by written notice given to the other parties in the manner hereinabove set forth. Any notice, request, instruction, demand or other communication shall be deemed given when received, if sent by facsimile, and when delivered and receipted for, if mailed, sent by nationally recognized overnight courier service or hand delivered. If any such notice, request, instruction, demand or other communication cannot be delivered because the receiving party changed its address and did not previously give notice of such change to the sending party or because the receiving party refuses to accept such communication, such communication shall be effective on the date delivery is attempted. Any notice, request, instruction, demand or other communication under this Consent may be given on behalf of a party by the attorney for such party.

(b) Whenever the provisions of this Consent require or permit the payment of any sum of money (including Rent and Additional Rent) by one party to another, the paying party shall be deemed to have made said payment if the amount concerned is sent to the account of the payee by wire transfer using the following wire instructions:

If to the account of Master Landlord:	Wells Fargo Bank, N.A. 420 Montgomery Street San Francisco, California 94104 Beneficiary Name: SSC IV, L.P.
If to the account of the Master Tenant:	Wells Fargo Bank, N.A. 111 Congress Avenue, Suite 530 Austin, Texas 78701 Beneficiary Name: Lantana HP, Ltd.
If to the account of the Subtenant:	Bank of America North America Division, Corporate Service Center Branch 1233 San Francisco, California 94137 Beneficiary Name: Advanced Micro Devices, Inc.

Any party may change the above wire instructions for said party's receipt of moneys paid by any of the other parties by giving not less than thirty (30) days' prior written notice of the change in wire instructions to all other parties; provided, however, that the 10-Business Day provisions of Sections 3(c)(i) and 3(d) above with respect to a change in the payment address or account information shall control in the event the specific conditions described in said sections are applicable.

13. None of Master Landlord, Master Tenant or Subtenant has dealt with any broker or agent in connection with the negotiation or execution of this Sublease except to the extent that Subtenant engaged CBRE Group, Inc., in connection with the Property and Subtenant shall pay commissions owed by it to CBRE Group, Inc., pursuant to separate written agreements. The parties hereto shall each indemnify the other against all costs, expenses, reasonable attorneys' fees, liens and other liability for commissions or other compensation claimed by any other broker or agent claiming the same by, through, or under the indemnifying party. Further, Subtenant shall indemnify, defend and hold Master Landlord and Master Tenant harmless against all costs, expenses, reasonable attorneys' fees, liens and other

liability claimed by CBRE Group, Inc. for any payment owed by Subtenant to CBRE Group, Inc. in connection with the Property. Promptly following Master Landlord's or Master Tenant's request, Subtenant shall provide or cause CBRE Group, Inc. to provide Master Landlord and Master Tenant with a waiver of any brokerage lien available to CBRE Group, Inc. under applicable Legal Requirements in connection with its representation of Subtenant in connection with the Property. This Consent is conditioned upon the signed acceptance by Master Tenant and Subtenant of the terms and conditions set forth herein.

14. The parties hereto expressly consent and agree that the following provision of the Master Lease is incorporated herein by reference and pertains to this Consent and the Master Landlord, the Master Tenant and Subtenant: 10.26 [Confidentiality]. Each of the parties hereto agrees that it has read the foregoing provision. Notwithstanding any other provision in this Consent, the Master Lease or the Sublease, at any time after the date of this Consent, (a) Subtenant reserves the right to issue a public announcement of the transaction contemplated under this Consent; and (b) Subtenant may make any public disclosure including, without limitation, disclosure of the terms of this Consent, the Master Lease and the Sublease, as required by the Securities Exchange Commission or the New York Stock Exchange in Subtenant's reasonable discretion without prior consultation with, or approval by, Master Landlord or Master Tenant.

15. Concurrently with the execution and delivery of this Consent, Master Landlord, Master Tenant and Subtenant are executing and filing for record in the Office of the County Clerk of Travis County, Texas, a declaration and memorandum of the Master Lease, the Sublease and this Consent, in the form as that which is attached hereto as Exhibit C and made a part hereof for all purposes; and each party to this Consent agrees to execute and deliver a counterpart of said form to the other parties to this Consent accordingly.

16. This Consent shall bind, and shall inure to the benefit of, the successors and assigns of the parties hereto. This Consent constitutes the entire agreement between the parties hereto with respect to the subject matter contained herein and supersedes any and all prior and/or contemporaneous oral or written negotiations, agreements or understandings. This Consent may not be amended except by the written agreement of all parties hereto. No provisions of this Consent shall be deemed waived by any party hereto unless such waiver is given in a written notice given to the party to be charged and signed by the party to whom the performance is owed. The waiver by any party hereto of any breach of any provision of this Consent shall not be deemed a waiver of any subsequent breach of the same or any other provision of this Consent. No delay or omission in the exercise of any right or remedy of a party upon any default by the other party shall impair such right or remedy or be construed as a waiver. This Consent may be executed in counterparts (including by facsimile or .pdf signature) with the same effect as if the parties had executed one instrument, and each such counterpart shall constitute an original of this Consent. No provision of this Consent that is held to be inoperative, unenforceable or invalid shall affect the remaining provisions, and to this end all provisions of this Consent shall be severable.

17. The parties agree that this Consent overrides the provisions of Section 8.5 of the Master Lease.

18. THIS CONSENT HAS BEEN EXECUTED IN THE STATE OF TEXAS AND SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF TEXAS AND THE LAWS OF THE UNITED STATES OF AMERICA APPLICABLE TO TRANSACTIONS WITHIN THE STATE OF TEXAS.

19. Any legal action, suit or proceeding in law or equity arising out of or relating to this Consent and the transactions contemplated hereby may be instituted in any state or federal court in Travis County, Texas, and each party agrees not to assert, by way of motion, as a defense or otherwise, in any such action, suit or proceeding, any claim that it is not subject personally to the jurisdiction of such court, that its property is exempt or immune from attachment or execution, that the action, suit or proceeding is brought in an inconvenient forum, that the venue of the action, suit or proceeding is improper or that this Consent, or the subject matter hereof may not be enforced in or by such court. Each party further irrevocably submits to the jurisdiction of any such court in any such action, suit or proceeding. Any and all service of process and any other notice in any such action, suit or proceeding shall be effective against either party if given by registered or certified mail, return receipt requested or by any other means of mail which requires a signed receipt, postage prepaid, mailed to such party at the address listed in Section 12 herein. Nothing herein contained shall be deemed to affect the right of either party to serve process in any manner permitted by applicable Legal Requirements or to commence legal proceedings or otherwise proceed against the other party in any jurisdiction other than Texas.

20. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, MASTER TENANT AND SUBTENANT (EACH ON BEHALF OF ITSELF AND ITS RESPECTIVE SUCCESSORS, ASSIGNS AND SUBTENANTS) AND MASTER LANDLORD EACH, AFTER CONSULTATION WITH COUNSEL, KNOWINGLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY LITIGATION OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE ARISING OUT OF OR WITH RESPECT TO THIS CONSENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO. If there is any legal or arbitration action or proceeding between any of the parties hereto to enforce any provision of this Consent or to protect or establish any right or remedy of any party hereunder, the unsuccessful party to such action or proceeding will pay to the prevailing party(ies) all reasonable, actual out-of-pocket costs and expenses paid or payable to third parties, including reasonable attorneys' fees incurred by such prevailing party(ies) in such action or proceeding and in any appeal in connection therewith, and if such prevailing party(ies) recovers a judgment in any such action, proceeding or appeal, such costs, expenses and attorneys' fees will be determined by the court or arbitration panel handling the proceeding and will be included in and as a part of such judgment.

21. Notwithstanding anything in the Master Lease, the Sublease or this Consent to the contrary, the liability of Master Tenant (and its successors, partners, shareholders, members, employees, officers, and agents) to Master Landlord or Subtenant (or any person claiming by, through or under Master Landlord or Subtenant) for any default by Master Tenant under the terms of the Master Lease, the Sublease or the Consent or any matter relating to or arising out of the occupancy or use of the Premises and/or other areas of the Property shall be limited to Master Landlord's and/or Subtenant's actual direct, but not consequential, damages therefor and shall be recoverable only from the interest of Master Tenant in the Sublease and Master Tenant (and its partners, shareholders, members, officers, employees and agents) shall not be personally liable for any deficiency (except Master Tenant shall be personally liable for the payments of rent received by Master Tenant from Subtenant under the Sublease if Master Tenant thereafter fails to pay Master Landlord such amounts to pay the corresponding obligations of Master Tenant under the Master Lease).

22. Concurrently with Subtenant's execution of this Consent, Subtenant shall deliver to Master Landlord the letter of credit described in Exhibit B to this Consent.

Dated: March 26, 2013

MASTER LANDLORD:

7171 SOUTHWEST PARKWAY HOLDINGS, L.P.,
a Delaware limited partnership

By: 7171 Southwest Parkway Holdings GP, LLC,
a Delaware limited liability company,
its general partner

By: /s/ John S. Grassi
Name: John S. Grassi
Title: Authorized Signatory

AGREEMENT AND ACCEPTANCE BY MASTER TENANT AND BY SUBTENANT:

SUBLANDLORD:

LANTANA HP, LTD.,
a Texas limited partnership

By: GP Lantana, Inc., a Texas Corporation,
its general partner

By: /s/ Sam Houston
Name: SAM HOUSTON
Title: VICE PRESIDENT

SUBTENANT:

ADVANCED MICRO DEVICES INC.,
a Delaware corporation

By: /s/ Devinder Kumar
Name: Devinder Kumar
Title: SR. VP & CFO

Exhibit 10.4

LEASE AGREEMENT

BETWEEN

7171 SOUTHWEST PARKWAY HOLDINGS, L.P., a Delaware limited partnership,
AS LANDLORD

AND

LANTANA HP, LTD., a Texas limited partnership,
AS TENANT

DATED AS OF MARCH 26 2013

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List of Exhibits:

LEASE AGREEMENT

This **LEASE AGREEMENT** (this "Lease") is dated as of this 26th day of March, 2013 (the "Commencement Date"), by and between 7171 SOUTHWEST PARKWAY HOLDINGS, L.P., a Delaware limited partnership ("Landlord"), and LANTANA HP, LTD., a Texas limited partnership ("Tenant").

R E C I T A L S :

In consideration of the premises, the mutual benefits to be derived from this Lease and the representations, warranties, covenants and conditions herein contained, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, Landlord and Tenant agree as follows:

ARTICLE I
DEFINITIONS

1.1. **Definitions**. Unless otherwise defined herein or unless the context otherwise requires, the capitalized terms listed below shall have the meanings stated for those terms when used in this Lease:

"ADA" shall mean the Americans with Disabilities Act of 1990, as amended, and the rules, regulations and pronouncements issued in connection therewith.

"Additional Rent" shall mean (i) Tenant's Proportionate Share of Operating Costs, (ii) Tenant's Proportionate Share of Impositions, (iii) Tenant's Separate Electrical Costs, (iv) Shared Electrical Costs, (v) Common Area Electrical Costs, (vi) Tenant's Separate Chilled Water Costs, and (vii) Common Area Chilled Water Costs.

"Affiliate" shall mean any Person that, directly or indirectly, controls, or is controlled by or under common control with, another Person. For purposes of this definition, "control" (including the terms "controlled by" and "under common control with"), as used with respect to any Person, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities or by contract or otherwise.

"After Business Hours" means (a) any time other than between 7:00 a.m. to 7:00 p.m. on weekdays or between 8:00 a.m. to 1:00 p.m. on Saturdays, (b) Sundays and (c) Holidays.

"Base Rent" shall have the meaning stated in Section 4.1 herein.

"BOMA Study" shall mean that certain study and the report attached hereto as **Exhibit K** covering the Property.

"Building" shall mean any one of the buildings designated as B100, B200, B300, B400 or B500 on **Exhibit A-1**, which is attached hereto and made a part hereof, and the plural form shall refer to one or more of said buildings.

"Building Code" shall mean the City of Austin Building Code.

"Building Exclusive Use Common Areas" shall mean those areas and the facilities in those areas designated by Landlord from time to time for the common use of all tenants of a particular Building only. The Building Exclusive Use Common Areas as they currently exist of the date of this Lease are described in **Exhibit A-1**. Notwithstanding anything contained herein to the contrary, in no event shall the lobbies or other Common Areas of B500 (other than the unenclosed portion of the loading dock of B500) be designated as Building Exclusive Use Common Area.

"Building's Structure" means with respect to each Building the roof and roof membrane, elevator shafts, footings, foundations, structural portions of load-bearing walls, structural floors and subfloors, structural columns and beams, curtain walls, and thermal moisture systems of that Building.

"Building's Systems" for a Building means the fixtures and equipment located in or on that Building which have the function and include the components described on **Exhibit L**, attached hereto and made a part hereof; and for a "Parking Structure" (defined below) means the fixtures and equipment located in or on that Parking Structure which have the function and include the components described on said **Exhibit L**; in each case of a Building or a Parking Structure, including, without limitation, the HVAC, life-safety, plumbing, electrical, electronic data, communications, security, mechanical and elevator systems, if any.

"Business Day" shall mean any day other than a Saturday, Sunday, or a "Holiday".

"CERCLA" shall have the meaning stated in Section 6.11(c) herein.

"Chilled Water Costs" shall have the meaning stated in Section 5.3 herein.

"Commencement Date" means March 26, 2013.

"Common Areas" shall mean those areas and the facilities in those areas (including the Property Amenities) designated by Landlord from time to time for the common use of all tenants of the Property (such as driveways, sidewalks, cafeterias, fitness centers, Parking Structures, loading areas and access roads) and not leased to or allocated for the exclusive use of Tenant or any other single tenant of the Property; provided that references to the Common Areas herein shall include references to Building Exclusive Use Common Areas.

"Core Portions" shall have the meaning stated in Section 6.9(b) herein.

"Default" shall mean any event or condition which with the passage of time or the giving of notice, or both, would constitute an Event of Default under this Lease.

"Early Expiration Space" shall mean those portions of the Premises shown on **Exhibit H-1** (the "First Early Expiration Space"), **Exhibit H-2** (the "Second Early Expiration Space"), and **Exhibit H-3** (the "Third Early Expiration Space").

"Electrical Costs" shall have the meaning stated in Section 5.3 herein.

"Environmental Laws" shall have the meaning stated in Section 6.11(c) herein.

"Expiration Date" means March 31, 2025.

"Event of Default" shall have the meaning stated in Sections 9.1 and 9.5 herein, as the case may be.

"Fair Market Rental Rate" means the amount of rent (expressed as an annual per square foot amount payable in monthly installments) charged to tenants in arm's-length transactions for non-sublease, non-encumbered space comparable to the Premises (or the portion thereof that is subject to such rent determination) in comparable buildings (age, number of stories, total size, and comparable location) in the area commonly known as the Southwest Submarket of Austin, Texas, taking into account all financial terms, including, without limitation, base rent, free rent and rental abatement, escalations, length of the term, the cost of any landlord-performed tenant improvement work and any tenant improvement allowances. Fair Market Rental Rate shall be computed based on transactions occurring within twelve (12) months prior to the date of the Rental Notice provided by Landlord pursuant to Section 4.2 below, provided that in making such computation, timing adjustments shall be made to take into account the fact that the term and rent schedule in such comparable transaction may begin before or after the term and rent schedule applicable to this Lease for the Renewal Term. Notwithstanding any contrary provision hereof, in determining the Fair Market Rental Rate, no consideration shall be given to (a) any period between the effective date and the rent commencement date of the comparable lease if the tenant thereunder is not paying rent during such period due to its design, permitting and construction of improvements, or (b) any commission paid or not paid in connection with such comparable transaction. The Fair Market Rental Rate shall include adjustment of the stated size of the Premises (or the portion thereof that is subject to such rent determination) based upon the standards of measurement utilized in the comparable transactions.

"GAAP" shall mean United States generally accepted accounting principles consistently applied to the accounts to which the principles are then to be applied; provided, however, in the event that public reporting companies are required by the US Securities and Exchange Commission to apply different accounting principles to its books of account, then the term shall mean the accounting principles required by the US Securities and Exchange Commission to be applied in reporting financial information by the public reporting company.

"Governmental Entity" shall mean any court or any federal, state, or local legislative body or municipality, or governmental department, commission, board, bureau, agency or authority.

"Hazardous Materials" shall have the meaning stated in Section 6.11(b) herein.

"Holiday" means any of the following days: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Friday after Thanksgiving Day, Christmas Day, New Year's Eve Day and other recognized holidays which are observed by national banking institutions.

"Impositions" shall have the meaning stated in Section 5.2 herein.

"Initial Measurement Standard" shall mean the standard of measurement utilized in the BOMA Study and as more particularly described on **Exhibit K**.

"Initial Term" shall have the meaning stated in Section 3.1 herein.

"Interest Rate" shall have the meaning stated in Section 4.5 herein.

"Land" shall mean all of Lot 1, Block "U," LANTANA LOT 1, BLOCK U, a subdivision in Travis County, Texas, according to the map or plat thereof recorded under Document No. 200600010 in Official Public Records of Travis County, Texas.

"Legal Requirements" shall mean all orders, injunctions, writs, statutes, rulings, rules, regulations, requirements, permits, certificates, ordinances of any Governmental Entity, including, without limitation, the ADA, the Building Code, zoning laws, all restrictive covenants affecting the Property and all Environmental Laws, applicable to the Property, Landlord, or Tenant, whether foreseen or unforeseen; provided that with respect to (i) changes after the Commencement Date to any private restrictive covenants (i.e., restrictive covenants entered into with non-governmental third parties as opposed to covenants that may be imposed by a Governmental Entity) affecting the Property that are within Landlord's control or (ii) imposition of any new such private restrictive covenants after the Commencement Date (a) such changes or new restrictive covenants must be provided to Tenant in writing and be generally applicable to all tenants of the Property whose leases require such compliance; (b) such changes or new restrictive covenants shall not unreasonably interfere with Tenant's Permitted Uses of the Premises or materially increase the burdens or obligations upon Tenant; and (c) such changes or new restrictive covenants shall be enforced by Landlord in a non-discriminatory manner among all tenants whose leases require such compliance.

"Liens" shall mean all mortgages, deeds of trust, liens, security interests, pledges, conditional sale contracts, claims, rights of first refusal, options, charges, liabilities, obligations, easements, rights-of-way, limitations, reservations, restrictions, ground lease, and other encumbrances of any kind.

"Non-Disturbance Agreement" shall have the meaning stated in Section 10.12 herein.

"Operating Costs" shall have the meaning stated in Section 5.1 herein.

"Original Tenant" shall mean the tenant originally named herein and any Permitted Transferee of such tenant.

"Parking Structure" means any of the multi-level structures designated as P100, P300 and P400 on **Exhibit A-1**, which is attached hereto and made a part hereof and the plural form shall refer to one or more of said parking structures.

"Permits" shall mean all permits, licenses, registrations, franchises, concessions, orders, certificates, consents, accreditations, authorizations and approvals applicable to the Property or any portion thereof (including the Premises), Landlord, Tenant or any other Person from time to time in possession of all or any portion of the Property and imposed or required by any Governmental Entity on account of the ownership, possession or use of the Property or some portion thereof.

"Permitted Encumbrances" shall mean the Liens set forth on **Exhibit B** attached hereto.

"Permitted Restrictive Covenant" shall mean any private restrictive covenants (i.e., restrictive covenants entered into with non-governmental third parties as opposed to covenants that may be imposed by a Governmental Entity) affecting the Property as of the Commencement Date or new such private restrictive covenants entered into after the Commencement Date provided that Permitted Restrictive Covenants shall not include any amendment to any restrictive covenants that exists as of the Commencement Date or any new restrictive unless the following conditions are satisfied: (a) such changes or new restrictive covenant must be provided to Tenant in writing and be generally applicable to all tenants of the Property whose leases require such compliance; (b) such changes or new restrictive covenant shall not unreasonably interfere with Tenant's Permitted Uses of the Premises or materially increase the burdens or obligations upon Tenant; and (c) such changes or new restrictive covenant shall be enforced by Landlord in a non-discriminatory manner among all tenants whose leases require such compliance.

"Permitted Uses" shall have the meaning stated in Section 6.1 herein.

"Person" shall mean an individual, partnership, joint venture, limited liability company, corporation, bank, trust, unincorporated organization or a Governmental Entity.

"Premises" shall mean such portion or portions of the Buildings shown on **Exhibit A-2**.

"Property" shall mean collectively the Land, all of the Buildings, all of the Parking Structures, all of the Property Amenities, all of the Common Areas and all other improvements and facilities located on the Land.

"Property Amenities" shall mean collectively the portion or portions of the Property listed on **Exhibit M** attached hereto (and as shown on the Site Plan), as the same may be modified and altered as provided in this Lease.

"RCRA" shall have the meaning stated in Section 6.11(c) herein.

"Renewal Term" shall have the meaning stated in Section 3.2(a) herein.

"Rent" shall mean collectively the Base Rent, the Additional Rent, and all other sums that Tenant may owe to Landlord under this Lease.

"Rules and Regulations" shall have the meaning set forth in Section 10.31.

"Site Plan" shall mean the site plan of the Property attached hereto as **Exhibit A-1**.

"Sublease" shall mean any sublease, covering space in a Building, hereafter executed by Tenant, as the sublandlord thereunder, other than this Lease.

"Superior Interest" shall mean any mortgage, deed of trust, ground lease, underlying lease or like encumbrance affecting any part of the Property or any interest of Landlord therein which is now existing or hereafter executed or recorded, any present or future modification, amendment or supplement to any of the foregoing, and to any advances made thereunder, provided that no such encumbrance shall be a Superior Interest under this Lease unless Tenant has been provided a Non-Disturbance Agreement from the holder of such Superior Interest which satisfies the requirements of this Lease.

"Taxes" shall mean all ad valorem or other real or personal property taxes, assessments, fees, levies, duties (including customs duties and similar charges), deductions or other charges of any nature whatsoever (including interest and penalties) imposed by any Governmental Entity on the Property.

"Tenant Party" means any of the following persons: Tenant; any assignees claiming by, through, or under an agreement with Tenant as to this Lease; any subtenants claiming by, through, or under a Sublease with Tenant; and any of their respective agents, contractors, employees, licensees, guests and invitees.

"Tenant's Permits" shall have the meaning stated in Section 6.2 herein.

"Tenant Maintained Off-Premises Equipment" means the personal property and/or equipment listed on **Exhibit N** attached hereto or any of Tenant's or any subtenant's other equipment or other property that may be located from time to time on or about the Property (other than inside the Premises) and used in connection with the Premises. The Tenant Maintained Off-Premises Equipment shall not be removed by Landlord during the Term of this Lease unless agreed by Tenant.

"Tenant's Proportionate Share" on the Commencement Date means 100% and at any point in time thereafter, means the percentage obtained by dividing (a) the rentable square footage included in the Premises at said point in time by (b) the rentable square footage in the Property.

"Term" shall mean the Initial Term and the Renewal Term if effectively exercised by Tenant pursuant to the terms of this Lease, subject to earlier termination as provided in this Lease.

"Visible Premises" shall have the meaning stated in Section 6.9(a)(ii) herein.

ARTICLE II
LEASE OF PROPERTY

2.1. Lease.

(a) Grant. In consideration of the Rents, covenants, and agreements to be performed by Tenant in this Lease, and the other conditions set forth in this Lease to which Tenant hereby agrees shall be paid, kept, and performed, Landlord hereby does lease exclusively unto Tenant, and Tenant hereby does rent and lease from Landlord, the Premises, as the same shall be determined under the provisions of this Lease from time to time, subject to all applicable Legal Requirements and all Permitted Encumbrances.

(b) Measurement Standards; Remeasurement Right.

(i) On the Commencement Date, the Premises shall consist of approximately 812,350 rentable square feet situated within the Buildings. The rentable square footage of the Premises shall decrease as described in Section 3.1(b) below at such times as the term of this Lease expires with respect to the Early Expiration Spaces. Except as otherwise provided in Section 2.1(b)(iii) below, Landlord and Tenant stipulate that the number of rentable square feet in the Premises set forth in the BOMA Study shall be binding upon them for the Initial Term.

(ii) Notwithstanding anything contained in this Lease to the contrary, if the Term of this Lease is extended for the Renewal Term (as defined in Section 3.2(a) below), Tenant hereby acknowledges and agrees that Landlord shall have the right, at Landlord's sole cost and expense, to have a reputable licensed architect engaged by Landlord re-measure the rentable square footage of the Premises in accordance with the Building Owners and Managers Association's then-current Standard Method of Floor Measurement for Office Buildings and its accompanying guidelines ("Current BOMA Standards") and that, subject to the terms hereof, any such revised rentable square footage applicable as of the commencement of the Renewal Term shall be applicable to this Lease and Tenant's obligations hereunder during the Renewal Term (including, without limitation, the computation of Base Rent and Additional Rent payable by Tenant during the Renewal Term). Landlord shall deliver notice of any such re-measurement (a "Remeasurement Notice") pursuant to this Section 2.1(b)(ii) concurrently with Landlord's delivery of the Rental Notice (as defined in Section 4.2 below).

(iii) Notwithstanding anything contained in this Section 2.1(b) to the contrary, if at any time during the Term of this Lease the size of the Common Area within a Building in which any portion of the Premises are located are modified due to new improvements or alterations or if new Common Areas are otherwise constructed at the Property that directly benefit Tenant, then the Premises shall be subject to re-measurement. Any such re-measurements of the Premises conducted during the Initial Term shall be conducted by a reputable licensed architect engaged by Landlord in accordance with the Initial Measurement Standard and any such remeasurement following the Initial Term shall

be conducted in accordance with the Current BOMA Standards. Landlord shall deliver a Remeasurement Notice to Tenant promptly following completion of any such remeasurement pursuant to this Section 2.1(b)(iii).

(iv) Tenant shall have the right, within thirty (30) days following receipt from Landlord of a Remeasurement Notice pursuant to either Section 2.1(b)(ii) or Section 2.1(b)(iii) above (the "Tenant Confirmation Period") (A) to request Landlord provide a reasonably detailed explanation of the methods used for Landlord's determination of the rentable square footage set forth in such Remeasurement Notice (which Landlord shall thereafter provide within ten (10) Business Days), and (ii) at Tenant's sole cost and expense, to retain a qualified architect to remeasure the rentable square footage of the Premises pursuant to the Initial Measurement Standard or, after the Initial Term, the Current BOMA Standards, as the case may be. If Tenant thereafter disputes the rentable square footage set forth in the subject Remeasurement Notice, then, prior to the expiration of the Tenant Confirmation Period, Tenant shall deliver notice thereof to Landlord (the "RSF Dispute Notice"), which shall be accompanied by (1) the rentable square footage of the Premises, as determined by Tenant's architect's measurement of the Premises pursuant to the Initial Measurement Standard or, after the Initial Term, the Current BOMA Standards, as the case may be, and (2) a reasonably detailed explanation of the methods used by Tenant's architect for its determination of such rentable square footage. If Tenant fails to timely provide an RSF Dispute Notice, the rentable square footage shall be as determined by Landlord in the subject Remeasurement Notice and shall not be subject to dispute or challenge by Tenant. If Tenant shall timely deliver an RSF Dispute Notice, the parties shall thereafter meet in good faith and attempt to agree upon the rentable square footage of the Premises pursuant to the Initial Measurement Standard or, after the Initial Term, the Current BOMA Standards, as the case may be. If the parties fail to reach agreement with respect thereto within thirty (30) days following Landlord's receipt of the RSF Dispute Notice, then the parties shall mutually and reasonably select a qualified third-party architect (the cost of whom shall be shared equally by Landlord and Tenant) to determine the rentable square footage of the Premises based on the Initial Measurement Standard or, after the Initial Term, the Current BOMA Standards, as the case may be. If the parties are unable to agree on such architect, either party may request that the Austin chapter of the Texas Society of Architects furnish to Landlord and Tenant a list of three (3) architects with relevant experience. Upon receiving such list, first, Landlord shall strike a name from the list, then Tenant shall strike a name from the list, and the remaining architect shall make the determination of rentable square footage. Such third party architect's ruling shall be binding upon Landlord and Tenant. Upon resolution of any dispute as to the rentable square footage of the Premises pursuant to the terms hereof, the final rentable square footage shall be deemed to be applicable as of (x) with respect to re-measurements conducted in accordance with Section 2.1(b)(ii) above, the commencement of the Renewal Term and (y) with respect to re-measurements conducted in accordance with Section 2.1(b)(iii) above, the date of substantial completion of the subject improvements or alterations to the Common Areas (notwithstanding the timing of such determination) and all necessary adjustments to the terms of this Lease resulting from such remeasurement shall be documented in writing by Landlord and Tenant (and any necessary payments or reimbursements resulting from such final determination, as applicable, shall be promptly made following such final determination of the Premises rentable square footage).

(v) Notwithstanding anything contained herein to the contrary, if the Building Owners and Managers Association ceases to publish the current Standard Method of Floor Measurement for Office Buildings, or if such standard is otherwise renamed, revised, discontinued or superseded, the parties agree that the Building Owners and Managers Association or any successor organization thereto will be sole judge of the comparability of successive measurement standards, but if no such organization supplies and designates a comparable measurement standard, or if no succeeding standard is published, then the calculations under this Lease based on the Current BOMA Standard shall be based on the comparable measurement standard then most prevalently utilized by comparable office building projects in the Southwest Submarket of Austin, Texas.

(c) **"AS IS". TENANT ACKNOWLEDGES THAT LANDLORD HAS MADE NO, AND IS NOT MAKING ANY, REPRESENTATIONS OR WARRANTIES (EXPRESS OR IMPLIED) REGARDING THE PHYSICAL CONDITION OF THE PROPERTY OR ITS HABITABILITY OR ITS SUITABILITY FOR ANY PARTICULAR PURPOSE AND TENANT AGREES THAT THE PREMISES ARE LEASED BY TENANT IN ITS PRESENT CONDITION, "AS IS, WHERE IS AND WITH ALL FAULTS."**

(d) Net Lease. This Lease is a net lease and, except as provided in this Lease otherwise, the Rent payable by Tenant hereunder is not subject to any abatement, reduction, set-off, counterclaim defense or deduction except for any abatements which are expressly permitted under this Lease. Except as otherwise expressly provided in this Lease, the obligations of the Tenant contained in this Lease shall not be affected by reason of (i) any damage to or destruction of the Property or any part thereof by any cause whatsoever (including fire, casualty, act of God or enemy, or any other force majeure event), or (ii) any condemnation, including a temporary condemnation, of the Property or any part thereof.

2.2. Common Areas; Conduit.

(a) Common Area License. During the Term, Tenant shall have the non-exclusive right to use only for their intended purposes, the Common Areas. Tenant shall faithfully observe and fully comply with all Rules and Regulations from time to time made by Landlord pursuant (and subject) to the terms and conditions of Section 10.31 below for the safety, care, use and cleanliness of the Common Areas and the preservation of good order therein. Notwithstanding the foregoing, Tenant shall only be entitled to use those Building Exclusive Use Common Areas serving Buildings in which Tenant is an occupant (it being agreed by Landlord and Tenant that each Building Exclusive Use Common Area shall only be subject to use by the occupants of the Building that such Building Exclusive Use Common Areas serve).

(b) Conduit

(i) Survey. Tenant agrees that as a portion of the work to be performed by Tenant pursuant to Section 3.1(b)(iv) and at its expense, Tenant will proceed to perform a survey of the existing conduit, during which survey Tenant will document and mark each conduit (and the inner ducts therein) then in use at the Property by type and the route of cabling installed in all said conduit and its inner ducts (both conduits within the Buildings (other than B100 and B200) and the conduit running from Building to Building).

(ii) Inner-Building Conduit. The risers, raceways, shafts and conduits within each Building shall be Common Areas to be utilized for the installation and maintenance of conduits, risers, cables, ducts, and other devices for communications, and data processing devices by Landlord and/or the occupants of each such Building and managed and maintained by Landlord. In connection with Tenant's use of such risers, raceways, shafts and conduits, Tenant shall use Landlord's riser management vendor provided that if Tenant reasonably objects to Landlord's riser management vendor, Landlord and Tenant shall cooperate to have Landlord provide alternative riser management vendors that are reasonably acceptable to Landlord and Tenant. For Buildings where Tenant does not lease 100% of the rentable square footage of such Building, Tenant shall only be permitted to utilize its proportionate share (based on the amount of rentable square footage in such Building by Tenant compared to the total rentable square footage of such Building) of the total aggregate available conduit within such Building, as reasonably determined by Landlord and after Landlord reserves its share necessary to operate Building Systems and perform Landlord's obligations under this Lease. Tenant agrees to consolidate its existing conduit usage within B500 by July 31, 2013 and its existing conduit usage within B300 by December 31, 2014 so that Tenant is not utilizing more than its proportionate share of the conduit within each respective Building. In addition, to the extent any of the cabling within either B500 or B300 has been abandoned and is no longer used either for Building Systems or used by Tenant, then Tenant shall remove such cabling from the conduit in such Buildings. Tenant's proportionate share of such conduit shall in all instances be located within the minimum number of conduits reasonably possible (for example, if a Building has 4 conduits for Common Area use and Tenant's proportionate share of such conduit is 50%, then Tenant shall receive use of 2 full conduits (as opposed to, for instance, receiving 50% use of each of the 4 conduits)). Tenant's proportionate share of a Building's utility shafts shall, as reasonably agreed by Tenant and Landlord based on the use of such shafts as of the Commencement Date, be based on either: (i) the minimum number of utility shafts reasonably possible (for example, if a Building has 4 shafts for Common Area use and Tenant's proportionate share of such shafts is 50%, then Tenant shall receive use of 2 full shafts (as opposed to, for instance, receiving 50% use of each of the 4 shafts)) or (ii) the overall capacity of the utility shafts (for example, if a Building has 4 shafts for Common Area use and Tenant's proportionate share of such shafts is 50%, then Tenant shall receive 50% use of each of the 4 shafts).

(iii) Inter-Building Conduit. The risers, raceways, shafts and conduits running from Building to Building and/or located on the Property outside of a Building ("Inter-Building Conduit") shall be Common Areas to be utilized for the installation and

maintenance of conduits, risers, cables, ducts, and other devices for communications, and data processing devices by Landlord and/or the occupants of the Property and managed and maintained by Landlord; provided, however, that the conduit described in **Exhibit O** as "Landlord's Reserved Conduit" shall be reserved by Landlord to utilize for the Building Systems (including, without limitation, security, life safety, and BMS controls) as well as use for other tenants of the Property, and the conduit described in **Exhibit O** as "Tenant's Reserved Conduit" shall be reserved by Tenant to utilize. Tenant shall consolidate its existing cabling within the Inter-Building Conduit to be within Tenant's Reserved Conduit by July 31, 2013 (and any of Tenant's cabling that is otherwise located in the Inter-Building Conduit shall be removed and appropriate pull strings shall be left in each such conduit for future re-use). In connection with Tenant's use of such risers, raceways, shafts and conduits, Tenant shall use Landlord's riser management vendor provided that if Tenant reasonably objects to Landlord's riser management vendor, Landlord and Tenant shall cooperate to have Landlord provide alternative riser management vendors that are reasonably acceptable to Landlord and Tenant.

ARTICLE III
TERM

3.1. Initial Term.

(a) Commencement Date. Subject to and upon the terms and conditions set forth in this Lease, the initial term of this Lease shall commence on the Commencement Date and, as respects all of the Premises other than the Early Expiration Space, shall expire at 11:59 PM on the Expiration Date (the "Initial Term").

(b) Early Expiration Spaces.

(i) Notwithstanding anything contained herein to the contrary, the term of this Lease shall expire as to (A) the First Early Expiration Space shown on **Exhibit H-1** attached hereto as of September 30, 2013, (B) the Second Early Expiration Space shown on **Exhibit H-2** attached hereto as of December 31, 2013, and (C) the Third Early Expiration Space shown on **Exhibit H-3** attached hereto as of December 31, 2014.

(ii) This Lease shall automatically terminate and be of no further force or effect with respect to an Early Expiration Space and Landlord and Tenant shall be relieved of their respective obligations under this Lease with respect to such Early Expiration Space as of the applicable expiration date set forth in Section 3.1(b)(i) above, except those obligations set forth in this Lease which relate to the term of Tenant's lease of such Early Expiration Space and/or that specifically survive the expiration or earlier termination of this Lease, including, without limitation, the payment by Tenant of all amounts owed by Tenant under this Lease with respect to such Early Expiration Space, up to and including the date the term of this Lease expires as to such Early Expiration Space. Tenant shall vacate and surrender each Early Expiration Space, and deliver exclusive possession thereof to Landlord, on or before the applicable expiration date set forth in Section 3.1(b)(i) above in accordance with all of the provisions of this Lease pertaining to the expiration or termination of this Lease, including, without limitation, Sections 6.4 and

10.13(a). If Tenant fails to vacate and surrender an Early Expiration Space as required by the terms of this Section 3.1(b) on or before the applicable expiration date set forth in Section 3.1(b)(i) above, the terms of Section 10.13(b) of this Lease shall apply. Effective upon the date that this Lease expires as to any Early Expiration Space in accordance with the terms of this Section 3.1(b), the "Premises" shall mean and refer to the remaining portions of the Premises other than the applicable Early Expiration Space and all references in this Lease to the "Premises" shall be deemed to no longer include references to such Early Expiration Space.

(iii) Effective as of the date when this Lease expires as to the First Early Expiration Space, the rentable square footage of the Premises shall be 637,209 and Tenant's Proportionate Share shall be 78.44%. Effective as of the date when the Lease expires as to the Second Early Expiration Space, the rentable square footage of the Premises shall be 587,428 and Tenant's Proportionate Share shall be 72.31%. Effective as of the date when the Lease expires as to the Third Early Expiration Space, the rentable square footage of the Premises shall be 470,575 and Tenant's Proportionate Share shall be 57.92%. Tenant's Proportionate Share shall be adjusted if the rentable square footage of the Property has been modified since the Commencement Date.

(iv) In connection with the surrender of the Early Expiration Space and the conversion of the Property into a multi-tenant project, Landlord and Tenant shall each perform certain improvements to the Property described on **Exhibit H-4** within the time frames set forth in **Exhibit H-4**. All such work shall be performed using Building standard materials and finishes except as otherwise provided in **Exhibit H-4**. All such work by Landlord shall be deemed Renovations for purposes of this Lease and shall be subject to the terms of Section 10.14 of this Lease. All such work by Tenant shall be performed in accordance with Section 6.4 below. In addition, no later than thirty (30) days prior to the Lease expiration date for each Early Expansion Space, Landlord shall provide Tenant with a re-estimate of Additional Rent that reflects the adjustment of Additional Rent as of the first day following the date when this Lease expires as to each Early Expansion Space and the Additional Rent owed under this Lease shall be adjusted effective as of each such date based on the square footage reduction in the Premises even if Landlord fails to deliver such re-estimates.

3.2. Renewal Term.

(a) Provided no Event of Default then exists, Tenant shall have the right (the "Option to Extend"), but not the obligation, to extend the term of the Lease for one (1) additional term (the "Renewal Term") of ten (10) years. If and to the extent that the option to renew the Term is exercised by Tenant as herein provided, the Renewal Term shall commence at the expiration of the Initial Term and shall expire on the last day of the one hundred twentieth (120th) full calendar month following the commencement of the Renewal Term.

(b) Tenant may either extend the term of this Lease with respect to either (i) the entire Premises or (ii) in the alternative, the entire portion of the Premises located within Buildings B100, B200 and B500 (the "Reduced Renewal Space"). In order

to exercise the Option to Extend, Tenant must give written notice of Tenant's election to extend the term of this Lease (the "Extension Notice") no later than twenty-one (21) months and no more than twenty-four (24) months prior to the expiration of the Initial Term of this Lease. Following Tenant's delivery of the Extension Notice, Tenant shall notify Landlord in writing at least eighteen (18) months prior to the expiration of the term of this Lease (the "Additional Notice") as to whether the Extension Notice will apply to the entire Premises or apply only with respect to the Reduced Renewal Space. If Tenant does not timely deliver the Additional Notice, then it shall be deemed that the Extension Notice will apply to the entire Premises.

(c) Tenant's lease of the Premises during the Renewal Term shall be on all of the then existing terms and conditions of this Lease, except that the Base Rent shall be in accordance with Section 4.2 and the Premises shall be subject to remeasurement as provided in Section 2.1(b)(ii) above. If Tenant exercises the Option to Extend for the Renewal Term in accordance with this section, Landlord and Tenant each shall, on or before the first day of the Renewal Term, execute and deliver to the other an amendment to this Lease, which confirms the extension of the term of this Lease for the Renewal Term, sets forth the Base Rent (as determined in accordance with Section 4.2 below) during the Renewal Term and the rentable square footage of the Premises (as determined in accordance with Section 2.1(b) above), but the term of this Lease shall be extended for the Renewal Term and the Base Rent so determined in accordance with Section 4.2 and the rentable square footage of the Premises so determined in accordance with Section 2.1(b) above shall be effective during the Renewal Term whether or not such amendment is executed.

(d) Tenant's rights under this Section 3.2 shall terminate, at Landlord's option, if (i) an Event of Default exists as of the date of Tenant's exercise of its rights under this Section 3.2 or as of the commencement date of the Renewal Term, (ii) this Lease is terminated in accordance with the provisions of this Lease, (iii) Original Tenant assigns its interest in this Lease other than to a Permitted Transferee, (iv) Original Tenant ceases to lease at least 370,000 rentable square feet of space in the Property, (v) Original Tenant has sublet to a third party more than twenty-five percent (25%) of the premises leased by Original Tenant at the Property except pursuant to a Permitted Transfer, (vi) Original Tenant does not (as of the date of Tenant's exercise of its rights under this Section 3.2 or as of the commencement date of the Renewal Term) occupy at least sixty-five percent (65%) of the premises that is being renewed, or (vii) Tenant fails to timely exercise its option under this Section 3.2, time being of the essence with respect to Tenant's exercise thereof.

ARTICLE IV
RENT

4.1. Base Rent. Subject to Section 4.2 herein, commencing on the Commencement Date and continuing thereafter throughout the Term, Tenant shall pay to Landlord the following amounts as the "Base Rent" under this Lease:

Period	Annual Base Rent Rate Per Rentable Square Foot	Rentable Square Footage of Premises	Monthly Installment of Base Rent
Commencement Date – September 30, 2013	$ 17.44	812,350	$1,180,510.41
October 1, 2013 – December 31, 2013	$ 17.42	637,209	$ 925,096.46
January 1, 2014 – March 31, 2014	$ 17.41	587,428	$ 852,499.16
April 1, 2014 – December 31, 2014	$ 17.91	587,428	$ 876,975.33
January 1, 2015 – March 31, 2015	$ 17.89	470,575	$ 701,695.83
April 1, 2015 – March 31, 2016	$ 18.39	470,575	$ 721,303.12
April 1, 2016 – March 31, 2017	$ 18.89	470,575	$ 740,910.41
April 1, 2017 – March 31, 2018	$ 19.39	470,575	$ 760,517.71
April 1, 2018 – March 31, 2019	$ 19.89	470,575	$ 780,125.00
April 1, 2019 – March 31, 2020	$ 20.39	470,575	$ 799,732.29
April 1, 2020 – March 31, 2021	$ 20.89	470,575	$ 819,339.58
April 1, 2021 – March 31, 2022	$ 21.39	470,575	$ 838,946.87
April 1, 2022 – March 31, 2023	$ 21.89	470,575	$ 858,554.16
April 1, 2023 – March 31, 2024	$ 22.39	470,575	$ 878,161.46
April 1, 2024 – March 31, 2025	$ 22.89	470,575	$ 897,768.75

The Base Rent shall be payable in equal monthly installments as set forth above and shall be due and payable in advance on or before the first day of each calendar month during the Term without deduction, offset, or prior notice or demand. If in any calendar month, the first day thereof shall fall on a Saturday, Sunday or Holiday, then the due date shall be extended to be the next day that is not a Saturday, Sunday or Holiday. Rent shall be paid to Landlord by wire transfer of immediately available federal funds to Wells Fargo Bank, N.A., 420 Montgomery Street, San Francisco, California 94104, for credit to SSC IV, L.P., or such other account written notice of which Landlord shall have given to Tenant not less than sixty (60) days' prior to the first due date for Rent on which Landlord makes the change effective. The obligations of Tenant to pay Rent to Landlord and the obligations of Landlord under this Lease are independent obligations. Base Rent, adjusted as herein provided, shall be payable monthly in advance, without notice or demand. The first monthly installment of Base Rent is due on

the Commencement Date; thereafter, Base Rent shall be payable on the first day of each calendar month from and after the Commencement Date; provided, however, that if the Commencement Date shall occur on other than the first day of a calendar month, then the first installment of Rent due on the Commencement Date shall be prorated for the partial calendar month in which the Commencement Date occurs.

4.2. Renewal Rent. The Base Rent payable during the Renewal Term shall be ninety-five percent (95%) of the Fair Market Rental Rate as of the commencement of the Renewal Term (subject to customary, market rate annual escalations). Provided that Tenant has delivered the Extension Notice as required under Section 3.2(b), no later than eighteen (18) months prior to the expiration of the Initial Term, Landlord shall deliver to Tenant written notice (the "Rental Notice") of Landlord's determination of the Fair Market Rental Rate and shall advise Tenant of the required adjustment to Base Rent, if any. Tenant may accept the Fair Market Rental Rate set forth in the Rental Notice by written notice (the "Acceptance Notice") to Landlord given within 15 days after receipt of the Rental Notice. If Tenant fails to timely to deliver its Acceptance Notice, unless Tenant shall have timely delivered Landlord the Rejection Notice (as defined below), then Tenant's Option to Extend shall automatically expire and be of no further force or effect and this Lease shall not be extended for the Renewal Term. If Tenant, within fifteen (15) days after receipt of the Rental Notice, provides Landlord with written notice confirming its exercise of its option to extend for the Renewal Term, but rejection of the terms set forth in the Rental Notice (the "Rejection Notice"), then for a period of fifteen (15) days thereafter Landlord and Tenant shall work together in good faith to agree upon the Base Rent for the Renewal Term. If Landlord and Tenant do not agree in writing upon the Base Rent for the Renewal Term within such fifteen (15)-day period, then Tenant shall have been deemed to have rescinded its exercise of its Option to Extend (and the Option to Extend shall be deemed void and of no further force or effect and Tenant shall have no right to exercise the same), unless Tenant gives Landlord written notice within five (5) days after the expiration of such fifteen (15)-day period that the Base Rent shall be at 95% of the Fair Market Rental Rate, as determined by arbitration pursuant to **Exhibit C** of this Lease (which notice shall be binding on Tenant and irrevocably commit Tenant to extend the Term for the Renewal Term).

4.3. Additional Rent. During the Term, Tenant shall pay to Landlord monthly installments of Additional Rent in advance on the first day of each calendar month and otherwise on the same terms and conditions described above with respect to Base Rent. Unless a shorter time period is specified in this Lease, all payments of miscellaneous Rent charges hereunder (that is, all Rent other than Base Rent and Additional Rent) shall be due and payable within 30 days following Landlord's delivery to Tenant of an invoice therefor. Landlord and Tenant agree that each provision of this Lease for determining charges and amounts payable by Tenant (including provisions regarding Additional Rent) is commercially reasonable and, as to each such charge or amount, constitutes a statement of the amount of the charge or a method by which the charge is to be computed for purposes of Section 93.012 of the Texas Property Code.

4.4. Proration. If the Commencement Date is other than the first day of a calendar month or if this Lease terminates on other than the last day of a calendar month,

then the monthly installment of Base Rent and the Additional Rent and all other Rent for such month or months shall be appropriately prorated on a daily basis and paid in advance. The monthly installment of Base Rent and Additional Rent for any partial month at the beginning of the Term shall equal the product of 1/365 of the annual Base Rent and Additional Rent in effect during the partial month and the number of days in the partial month. Payments of Base Rent or Additional Rent for any fractional calendar month at the end of the Term shall be similarly prorated.

4.5. Past-Due Rent. All Rent owed by Tenant to Landlord under this Lease shall bear interest from the date due until paid at an interest rate (the "Interest Rate") equal to the lesser of (a) ten percent (10%) per annum, or (b) the maximum rate permitted by applicable Legal Requirements; additionally, Landlord, in addition to all other rights and remedies available to it, may charge Tenant a late fee equal to three percent (3%) of the delinquent payment to reimburse Landlord for its cost and inconvenience incurred as a consequence of Tenant's delinquency. In no event, however, shall the charges permitted under this Section 4.5 or elsewhere in this Lease, to the extent they are considered to be interest under Legal Requirements, exceed the maximum lawful commercial rate of interest that may be contracted for, charged or received by Landlord thereon under Legal Requirements. Notwithstanding the foregoing, the late fee referenced above shall not be charged with respect to the first two occurrences (but not any subsequent occurrence) during any 12-calendar month period that Tenant fails to make payment when due, until five (5) Business Days after Landlord delivers written notice of such delinquency to Tenant.

4.6. Letter of Credit. Upon execution of this Lease, Tenant shall deliver to Landlord a letter of credit in accordance with the terms of **Exhibit BB** attached hereto.

ARTICLE V
ADDITIONAL RENT

5.1. Operating Costs.

(a) Operating Costs Defined. The term "Operating Costs" means, without duplication, all actual costs, expenses and disbursements (subject to the limitations set forth below) that Landlord incurs in connection with the ownership, operation, and maintenance of the Property and performing Landlord's obligations under this Lease, in each case, determined in accordance with generally accepted property management practices consistent with those of comparable office building projects in the Southwest Submarket of Austin, Texas, consistently applied, including, without limitation, the following costs: (A) wages and salaries of all on-site employees at or below the grade of general manager engaged in the operation, maintenance or security of the Property (together with Landlord's reasonable allocation of expenses of off-site employees at or below the grade of general manager who perform a portion of their services in connection with the operation, maintenance or security of the Property including accounting personnel), including taxes, insurance and benefits relating thereto that shall not materially exceed wages and salaries for employees performing similar functions in the operation, maintenance or security of comparable office building projects in the Southwest Submarket of Austin, Texas; (B) all supplies and materials used in the operation,

maintenance, repair, replacement, and security of the Property; (C) costs for improvements made to the Property which, although capital in nature (1) are expected to reduce the normal operating costs (including all utility costs) of the Property, as amortized using a commercially reasonable interest rate over the time period reasonably estimated by Landlord to recover the costs thereof taking into consideration the anticipated cost savings, as determined by Landlord using its good faith, commercially reasonable judgment, or (2) are made in order to comply with any Legal Requirement hereafter promulgated by any Governmental Entity, or any amendment to or any interpretation hereafter rendered with respect to any existing Legal Requirement that have the effect of changing the Legal Requirements applicable to the Property from those in effect as of the Commencement Date (such new Legal Requirements, amendments or interpretations, "After-Enacted Legal Requirements"), as amortized using a commercially reasonable interest rate over the useful economic life of such improvements as determined by Landlord using its good faith, commercially reasonable judgment (provided, however, that, with regard to capital improvements or assets designed to reduce other Operating Costs, upon Tenant's written request, Landlord shall deliver to Tenant a written statement and explanation of Landlord's estimation of the annual saving in Operating Costs that would result from such expenditure showing that such savings equal or exceed the annual amortized amount of the cost to be included in Operating Costs pursuant to this clause (C)); (D) cost of all utilities (at the actual cost paid by Landlord to the third party utility providers), except Electrical Costs, Chilled Water Costs and the cost of other utilities reimbursable to Landlord by the Property's tenants or other third parties other than pursuant to a provision similar to this Section 5.1(a); (E) insurance expenses, including the cost of any deductibles (provided that such deductible amount shall not materially exceed the market range of insurance deductibles for comparable office building projects in the Southwest Submarket of Austin, Texas); (F) repairs, replacements, and general maintenance of the Property; (G) fair market rental and other costs with respect to the management office for the Property (provided that if such management office is designated as Common Area and included in the load factor for purposes of computing the rentable square footage of the Premises, then no such rental shall be imposed as part of Operating Costs); (H) service, maintenance and management contracts and fees payable to Landlord, Landlord's Affiliate or a third-party management company (provided that any costs paid to Landlord or Landlord's Affiliate for management services shall exclude amounts paid in excess of the competitive rates for management services of comparable quality in an arm's length transaction rendered by persons or entities of similar skill, competence and experience in Austin, Texas) for the operation, maintenance, management, repair, replacement, or security of the Property (including alarm service, window cleaning, janitorial, security, landscape maintenance and elevator maintenance); provided that in no event shall the property management fees for the management of the Property (not including reimbursements or other amounts payable in addition to the standard set management fee provided in the subject property management agreement) exceed 1.5% of the gross revenues of the Property excluding (1) revenues from reimbursement of the management fee paid pursuant to this Section 5.1(a)(H), (2) any charges for security services in excess of $1.00 per rentable square foot (as such amount shall increase by 10% every 5 years), (3) any charges for Electrical Costs and the actual electrical cost component of Chilled Water Costs (i.e., the amount paid to the appropriate utility provider for electricity related to chilled water, but not including the other cost

components that comprise Chilled Water Costs) which exceed, in the aggregate, $2.50 per rentable square foot (as such amount shall increase by 10% every 5 years), and (4) the costs of services and charges that are self-performed by Tenant and paid directly by Tenant to the appropriate service provider (the "Permitted Management Fees"); and (I) all costs and expenses incurred to operate, maintain, clean and manage the Property Amenities (including, without limitation, reasonable subsidies, if any), whether operated by Landlord or a third party operator.

Operating Costs shall not include costs for (i) capital improvements made to the Property, other than capital improvements described above in Section 5.1(a)(C) above and except for items which are generally considered maintenance and repair items, such as painting and wall covering of Common Areas, replacement of carpet or other floor coverings in elevator lobbies and Common Areas, and the like; (ii) repair, replacements and general maintenance paid by proceeds of insurance (or which would have been covered by insurance if Landlord had carried the insurance required under Section 6.5(a) of this Lease) or condemnation or by Tenant or other third parties including other tenants of the Property; (iii) interest, amortization or other payments on loans to Landlord; (iv) depreciation; (v) leasing commissions; (vi) legal expenses for services, other than those that benefit the all tenants of the Property generally (e.g., ad valorem tax disputes); (vii) renovating or otherwise improving space for occupants of the Property or vacant leasable space in the Property or for the preservation, protection or maintenance of non-standard features or equipment of vacant leasable space in the Property; (viii) Impositions; (ix) federal or state or local income taxes imposed on or measured by the income of Landlord from the operation of the Property; (x) any advertising, marketing or promotional expenses in connection with the leasing of any available space for prospective tenants; (xi) that portion of the property management fee in excess of the Permitted Management Fees; (xii) reserves for Operating Costs; (xiii) costs associated with litigation regarding other tenants or prospective tenants in the Property; (xiv) the cost to Landlord of any work or services performed in any instances for any tenant (including Tenant) at the sole cost of such tenant; (xv) expenses incurred by Landlord to resolve disputes, enforce or negotiate lease terms with prospective or existing tenants; (xvi) expenses incurred in connection with any financing, sale or syndication of the Property or in connection with any Superior Interest; (xvii) Landlord's general corporate overhead and general administrative expenses not directly related to the operation, management or maintenance of the Property; (xviii) any fines or penalties incurred due to violations by Landlord or any other tenant of any Legal Requirement; (xix) costs of investigation, remediation or removal of Hazardous Materials in existence as of the Commencement Date; (xx) cost of repairs, alterations or replacements caused by the exercise of rights of condemnation or eminent domain; (xxi) any expense or costs associated with bringing the Property into compliance with any Legal Requirement in effect and applicable to the Property as of the Commencement Date; (xxii) compensation paid to any employee of Landlord above the grade of general manager at the property level; (xxiii) costs relating to maintaining Landlord's corporate existence and right to do business in any jurisdiction; (xxiv) any base rent or percentage rent payments under any ground lease; (xxv) the cost of repairs due to the sole negligence, gross negligence or willful misconduct of Landlord, its employees, agents or contractors; (xxvi) fees or other compensation paid to subsidiaries or Affiliates of Landlord for services on or to the Property to the extent that the costs of such services exceed competitive costs of such

services; (xxvii) political and charitable contributions; (xxviii) feasibility and development costs in connection with (1) modifications to Buildings or Common Areas on the Property as of the Commencement Date other than capital improvements described above in Section 5.1(a)(C) above or (2) construction of additional square footage of rentable area on the Property; (xxix) to the extent that Tenant is providing security services or janitorial services or any other service for its own Premises at its own direct cost, security services or janitorial costs or said other services relating to other leased space in the Property (if any) (but the foregoing shall not limit Landlord's ability to include security services or janitorial costs related to the Common Areas in Operating Costs); (xxx) deductibles materially exceeding the market range of insurance deductibles for comparable office building projects in the Southwest Submarket of Austin, Texas); or (xxxi) any costs or expenses covered by any warranty, rebate, guarantee, trade discounts and/or volume discounts.

Following the Commencement Date, Landlord shall be performing the deferred maintenance items described in **Exhibit CC** attached hereto and made a part hereof (the "Landlord Repair Items") during the calendar year 2013. Notwithstanding anything contained herein to the contrary, none of the costs of the Landlord Repair Items shall be included in Operating Costs; provided, however, that if, after performing the Landlord Repair Items initially, in the future such items or similar types of items are performed by Landlord, then such future repairs may be included in Operating Costs (subject to the limitations generally applicable to Operating Costs set forth herein).

(b) Additional Limitations on Operating Costs. Landlord shall (i) not make a profit by including items to Operating Costs that are otherwise also charged separately to others and (ii) Landlord shall not collect Operating Costs from Tenant and all other tenants/occupants in the Property in an amount in excess of what Landlord incurred for Operating Costs.

(c) Tenant's Obligation for Operating Costs. Tenant shall pay to Landlord Tenant's Proportionate Share of Operating Costs from and after the Commencement Date. Landlord may make a good faith estimate of Operating Costs to be due by Tenant for each calendar year or part thereof during the Term and shall deliver the estimate to Tenant not later than December 31 of each calendar year prior to which said estimate is applicable. During each calendar year or partial calendar year of the Term, Tenant shall pay to Landlord, in advance concurrently with each monthly installment of Base Rent, an amount equal to Tenant's Proportionate Share of the estimated Operating Costs for such calendar year or part thereof divided by the number of months therein. From time to time (but no more frequently than two (2) times in any twelve (12) month period), Landlord may re-estimate the Operating Costs to be due by Tenant and deliver a copy of the re-estimate to Tenant not later than sixty (60) days prior to the date on which said re-estimate is be effective. Thereafter, the monthly installments of Operating Costs payable by Tenant shall be appropriately adjusted in accordance with the estimations so that, by the end of each calendar year, Tenant shall have paid all of the Operating Costs for that calendar year as Tenant has been notified by Landlord. Any amounts paid based on such an estimate or re-estimate shall be subject to adjustment as herein provided when actual Operating Costs for that calendar year are reasonably certain.

5.2. Impositions.

(a) Impositions Defined. As used in this Lease, "Impositions" shall mean (without duplication of any item included in Operating Costs or other items to be reimbursed by Tenant under this Lease) all Taxes, excises, levies, license and permit fees, and other charges general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind or nature whatsoever, which shall or may during the Term be assessed, levied, charged, confirmed or imposed by any Governmental Entity or any non-governmental assessments for common charges under a Permitted Restrictive Covenant upon (i) the Property or any part thereof, (ii) the appurtenances thereto or the sidewalks, streets, or vaults adjacent thereto, (iii) such Permits as may exist as a condition to the use of the Property, or (iv) any documents to which the Tenant is a party creating or transferring an interest or estate in the Premises. Impositions shall not include any income tax, capital levy (except as provided below), estate, succession, inheritance or transfer taxes, or similar tax of Landlord; any tax imposed with respect to the sale, exchange or other disposition by Landlord of all or any portion of the Landlord's interest in the Property or the proceeds thereof; or any income, profits, or revenue tax, assessment, or charge imposed upon the rents or revenues derived by Landlord from the Property by any Governmental Entity; provided, however, if the present method of taxation changes so that in lieu of or in addition to the whole or any part of any Impositions, there is levied on Landlord a capital tax directly on the rents or revenues received therefrom or a franchise tax, margin tax, assessment, or charge based, in whole or in part, upon such rents or revenues for the Property, then all such taxes, assessments, or charges, or the part thereof so based, shall be deemed to be included within the term "Impositions" for purposes hereof. Impositions shall not include Permit fees payable by Tenant or any subtenant of Tenant pursuant to Section 6.2 below or taxes payable by Tenant or any subtenant of Tenant pursuant to Section 6.8 below. Notwithstanding anything to the contrary contained herein (including without limitation, any of the exclusions set forth in the immediately preceding sentence), Impositions shall include the Texas margin tax and/or any other business tax imposed under Texas Tax Code Chapter 171 and/or any successor or replacement statutory provision; provided, however for purposes of determining the Impositions hereunder, (i) the calculation of the margin tax shall exclude any and all of Landlord's revenue related to the sale, exchange, transfer or financing of the Property or portion thereof, and (ii) if Landlord is part of a combined group for purposes of determining margin tax, or Landlord otherwise incurs liability for margin tax by reason of revenue derived from the Property and revenue derived from any other projects or businesses, then the amount of the margin tax to be included in Impositions shall be only that portion directly attributable to the revenue derived from the Property. Impositions shall include the reasonable costs of consultants retained in an effort to lower taxes and all costs incurred in disputing any taxes or in seeking to lower the tax valuation of the Property. Impositions shall not include taxes on the trade fixtures, equipment, furniture, and other personal property of any other tenant or occupant of the Property (other than of Landlord to the extent set forth above) or Permit fees solely attributable to the operation of another tenant's business at the Property.

(b) Tenant's Obligation for Impositions. From and after the Commencement Date, Tenant shall also pay Tenant's Proportionate Share of Impositions.

Tenant shall pay Tenant's Proportionate Share of Impositions in the same manner as provided above for Tenant's Proportionate Share of Operating Costs. From time to time during any calendar year but no more frequently than two (2) times in any twelve (12) month period, Landlord may estimate or re-estimate the Impositions to be due by Tenant for that calendar year and deliver a copy of the estimate or re-estimate to Tenant. Thereafter, the monthly installments of Impositions payable by Tenant shall be appropriately adjusted in accordance with the estimations. No later than twenty (20) days after the Commencement Date, Landlord and Tenant shall each notify the appropriate Governmental Entities (including the Travis Central Appraisal District) that the Property has been sold to Landlord and that such Governmental Entities should thereafter send to Landlord and Tenant all notices of valuation, determination of value, determination of issues contested or appealed or otherwise relating in any manner to Impositions. Any Impositions that are payable for the tax year in which the Term commences or ends shall be apportioned so that Tenant shall pay its proportionate share of the Impositions payable for such periods of time that this Lease is in effect during that first or final tax year and Landlord shall pay its proportionate share for the remainder of said tax years.

(c) Tax Contests and Appeals.

(i) Tenant's Right to Contest. Tenant may, at its sole cost and expense and if diligently prosecuted according to the procedure therefor and upon posting adequate security as required under Legal Requirements, contest the validity or amount of the assessed valuation for Taxes on the Property with respect to calendar year 2013; provided that such actions by Tenant are at no cost to Landlord. If Tenant desires to contest the validity or amount of the assessed valuation for Taxes on the Property with respect to calendar year 2013 or to appeal any decision by the Travis Central Appraisal District regarding the validity or amount of the assessed valuation for Taxes on the Property with respect to calendar year 2013, Tenant shall so notify Landlord in writing at least thirty (30) days before the deadline to file the contest or appeal. If such Impositions become due while the contest or an appeal is pending, Tenant shall deposit with Landlord the full amount of such Impositions less any portion thereof paid under protest to the tax assessor-collector and Landlord shall reimburse Tenant the amount of any reimbursement following such contest or appeal. Nothing herein contained, however, shall be construed to allow any Imposition to remain unpaid for such length of time as would permit the Property, or any part thereof, to be sold or seized by any Governmental Entity for the nonpayment of the Imposition or that would cause a default by Landlord under any loan secured by the Property. If at any time, in the judgment of Landlord, reasonably exercised, it shall become necessary to do so, Landlord may, after written notice to Tenant, under protest if so requested by Tenant, direct the application of the amounts so deposited or so much thereof as may be required to prevent the Impositions from becoming delinquent or to prevent a default under any loan encumbering the Property. Tenant shall promptly furnish Landlord with copies of all proceedings and documents relating to any tax contest or appeal. At Landlord's election, Landlord, at Landlord's cost which may not be included in Operating Costs, may join as a party to any proceeding initiated by Tenant to contest the validity or amount of any Imposition or to obtain a lowering of the valuation of the Property. Upon the final determination of any proceeding or contest, Tenant shall immediately pay the Impositions due, together with all costs, charges, interest and

penalties incidental to the proceedings except that Landlord shall be required to pay such amounts to the extent that Landlord has collected the amount owed by Tenant for such Impositions pursuant to Section 5.2(b) or this Section 5.2(c). Tenant's right to contest property taxes pursuant to this Section 5.2(c) shall only apply to the 2013 tax year. From and after the 2014 tax year, the terms of this Section 5.2(c) shall terminate and be of no further force or effect.

(ii) Tenant's Right to Cause Landlord to Contest Taxes. If Landlord elects not to file, or not later than sixty (60) days prior to the bar date for filing, fails to file, a contest or appeal with respect to Taxes payable for any tax year following 2013, then Tenant shall have the right to require Landlord to file said contest or appeal pursuant to the terms of this Section 5.2(c)(ii). Any such election by Tenant to cause Landlord to file and diligently pursue to conclusion a contest or appeal of Impositions for any calendar year must be made by written notice given by Tenant no later than thirty (30) days prior to the last date on which such Taxes may be appealed or protested (and then only if Landlord has not previously commenced its appeal or protest of the subject Taxes). Any such contest or appeal shall be conducted diligently and in good faith by Landlord; provided, however, that Landlord shall provide Tenant status updates upon request with respect to such contest or appeal. Tenant shall pay to Landlord 100% of Landlord's costs in connection with proceedings to contest, determine or reduce Taxes (including, without limitation, reasonable attorneys' and professional fees, costs and disbursements) requested by Tenant under this Section 5.2(c)(ii), less the amount of the savings in Taxes, if any, ultimately resulting from such proceedings, within thirty (30) days following written demand from Landlord. Notwithstanding anything contained herein to the contrary, in the event that any contest or appeal requested by Tenant pursuant to this Section 5.2(c)(ii) results in an increase in Impositions over what such Impositions would have been had the contest or appeal not been pursued at Tenant's request, then Tenant shall bear 100% of the amount of such increase in Impositions for the entire Property (which amounts shall be paid by Tenant to Landlord no later than 30 days following written demand (or such earlier date that such increased amount is owed to the applicable taxing authority)).

(iii) Tenant's rights under this Section 5.2(c) shall terminate, at Landlord's option, if (A) an Event of Default exists as of the date of Tenant's exercise of its rights under this Section 5.2(c), (B) this Lease is terminated in accordance with the provisions of this Lease, (C) Original Tenant assigns its interest in this Lease other than to a Permitted Transferee, or (D) Original Tenant ceases to lease at least 300,000 rentable square feet of space in the Property which includes at least one laboratory space.

(iv) For Taxes, except as specifically provided in Sections 5.2(c)(i) and (ii) above, Tenant waives all rights to protest or appeal the appraised value of the Premises, as well as the Property, and all rights to receive notices of reappraisement as set forth in Sections 41.413 and 42.015 of the Texas Tax Code; provided that Landlord shall, upon Tenant's request, provide copies of said notices to Tenant.

5.3. Electrical Costs and Chilled Water.

(a) Electrical Costs.

(i) From and after the Commencement Date, subject to Section 5.3(a)(iii) below, Tenant shall pay to Landlord (A) all Electrical Costs consumed within the Premises that are separately metered or submetered ("Tenant's Separate Electrical Costs"), (B) all Electrical Costs consumed within the Premises that are not separately metered or submetered from other portions of the Property ("Shared Electrical Costs"), and (C) Tenant's Proportionate Share of all Electrical Costs consumed within the Common Areas ("Common Area Electrical Costs"). As used herein, "Electrical Costs" means the cost of electricity, which shall include all generation, transmission and distribution costs and sales, use, excise or other taxes assessed by Governmental Entities on such electrical services and included in the bill from the utility provider to Landlord. As respects Tenant's Separate Electrical Costs, Landlord charge for Tenant's electrical consumption based on the rate per kilowatt hour (KWH) and kilowatt demand (KW) charged to Landlord by the provider of electrical service to the Property during the same period of time. As respects Shared Electrical Costs, Landlord shall make a reasonable allocation of the amount of electricity Landlord estimates is consumed within the Premises vis-à-vis the other portions of the Property with which such portions of the Premises are metered or submetered by reasonable hand metering and calculation and shall reasonably allocate such costs in an equitable manner between such portions of the Property using a commercially reasonable methodology consistently applied. As respects Common Area Electrical Costs, Landlord shall utilize the readings from the separate submeters, if any, for the Common Areas and otherwise shall, using a commercially reasonable methodology consistently applied, make a reasonable and equitable allocation of the amount of electricity Landlord estimates is consumed within the Common Areas vis-à-vis the other portions of the Property with which such portions of the Common Areas are submetered or by reasonable hand metering and calculation. Landlord shall provide Tenant upon request with a written explanation of the methodology used by Landlord in making such allocation together with back-up documentation reasonably sufficient for Tenant to verify the allocation and the methodology. If Tenant reasonably disagrees with such methodology with respect to Shared Electrical Costs with respect to B500, Tenant shall have the right, upon written notice to Landlord, to require Landlord to install a submeter covering the portion of the Premises in B500. Landlord and Tenant shall each pay fifty percent (50%) of the cost of such submeter.

(ii) In order to more accurately estimate Electrical Costs as provided in Section 5.3(a)(i) above, Landlord shall perform the following submetering work at Landlord's cost which may not be included in Operating Costs: (A) no later than September 30, 2013, Landlord shall install a submeter to measure the amount of electricity used by the first floor of B400; (B) no later than December 31, 2013, Landlord shall install a submeter to measure the amount of electricity used in the kitchen of Building B500; and (C) no later than December 31, 2014, Landlord shall install a submeter to measure the amount of electricity used on floors 3 and 4 of Building B300.

(iii) Landlord and Tenant agree that the existing contract currently in place with Austin Energy shall remain in place for the provision of electrical to the entire Property through December 31, 2013, unless mutually agreed otherwise. From the Commencement Date through September 30, 2013 or the first normal utility billing date after September 30, 2013, Tenant shall pay all of the Electrical Costs for the Property directly to Austin Energy. During the period from October 1, 2013 or the first normal utility billing date after September 30, 2013 through December 31, 2013 or the first normal utility billing date after December 31, 2013, Tenant shall continue to pay all of the Electrical Costs for the Property to Austin Energy, but Landlord shall reimburse Tenant for all of the Electrical Costs consumed within B400 for such period, save and except the Electrical Costs for the submetered electricity for the first floor of B400 (and a reasonable allocation of any Common Area usage that is on the same submeter as B400). Effective as of January 1, 2014, Tenant shall terminate such contract with Austin Energy and Landlord shall purchase electricity for the Property through a separate contract with Austin Energy. Landlord shall reimburse Tenant for the Electrical Costs owed by Landlord to Tenant hereunder within thirty (30) days after receipt of an invoice for such costs.

(b) Chilled Water. From and after the Commencement Date, Tenant shall pay to Landlord (i) Tenant's Proportionate Share of all Chilled Water Costs with respect to the Common Areas ("Common Area Chilled Water Costs") and (ii) 100% of the Chilled Water Costs with respect to chilled water consumed by Tenant within the Premises ("Tenant's Separate Chilled Water Costs"). As used herein, "Chilled Water Costs" shall mean the cost of all chilled water supplied to the Premises and/or the Common Areas, as the case may be, for the HVAC systems of the Property and tenant specific cooling systems (which are using chilled water) and shall include all costs to generate the pro-rata share of used BTU's including the cost of electricity, water, sewage, water treatment, labor, metering, filtering, and maintenance including but not limited to service and testing contracts, water treatment, parts and consumables and sales, use, excise or other taxes assessed by Governmental Entities on such chilled water. In order to more accurately estimate Chilled Water Costs as provided in this Section 5.3(b), Landlord shall perform the following submetering work at Landlord's cost, which cost may not be included in Operating Costs: (A) no later than December 31, 2013, Landlord shall install a submeter to measure the amount of chilled water used by B400 and B500; (B) no later than December 31, 2014, Landlord shall install a submeter to measure the amount of chilled water used by B300. As respects the allocation of Chilled Water Costs, Landlord shall utilize the readings from the separate submeters, if any, and otherwise shall, using a commercially reasonable methodology consistently applied, make a reasonable and equitable allocation of the amount of chilled water Landlord estimates is consumed by the Premises vis-à-vis the other portions of the Property.

(c) Payment. The amounts payable under Sections 5.3(a) and 5.3(b) above with respect to Electrical Costs and Chilled Water Costs shall be payable in monthly installments on the Commencement Date and on the first day of each calendar month thereafter. Each installment shall be based on Landlord's estimate of the amount due for each month. On or before December 31 of each calendar year, Landlord shall provide Tenant with Landlord's estimate of the amount due for Electrical Costs and Chilled Water Costs for the following calendar year. Thereafter, from time to time during such calendar

year (but no more than two (2) times in any twelve (12) month period), Landlord may re-estimate the Electrical Costs and/or Chilled Water Costs to be due by Tenant for that calendar year and deliver a copy of the estimate or re-estimate to Tenant. Thereafter, the monthly installments of Electrical Costs and/or Chilled Water Costs payable by Tenant shall be appropriately adjusted in accordance with the estimations. Landlord shall reconcile and submit that reconciliation to Tenant in accordance with Section 5.4 below.

5.4. Reconciliation Statement.

(a) Annual Statement. By June 30 of each calendar year, Landlord shall furnish to Tenant a statement of Operating Costs, Impositions, Electrical Costs and Chilled Water Costs for the previous year (the "Reconciliation Statement") (which shall include the readings taken from said submeters and the method of allocation of the Electrical Costs and Chilled Water Costs). If Tenant's estimated payments of Operating Costs, Taxes, Electrical Costs or Chilled Water Costs under this Article V for the year covered by the Reconciliation Statement exceed the amount actually owed by Tenant for such items as indicated in the Reconciliation Statement, then Landlord shall credit or reimburse Tenant for such excess within 60 days after Landlord furnishes the Reconciliation Statement to Tenant; likewise, if Tenant's estimated payments of Operating Costs, Taxes, Electrical Costs or Chilled Water Costs under this Article V for such year are less than the amount actually owed by Tenant for such items as indicated in the Reconciliation Statement, then Tenant shall pay Landlord such deficiency within 60 days after invoice from Landlord.

(b) Quarterly Updates. For the calendar years 2013 and 2014, Tenant may request (which notice may be made by email notice with a telephone confirmation) from Landlord updates on the actual amounts incurred by Landlord for Operating Costs, Impositions, Electrical Costs and Chilled Water Costs for the previous calendar quarter, which statements shall be provided by Landlord no later than fifteen (15) days following Tenant's request (but in no event shall Landlord be required to deliver such statements for a calendar quarter any earlier than forty (40) days following the end of such calendar quarter). The level of detail of such statements shall be the same level of detail that Landlord normally prepares in the ordinary course of its quarterly budgeting process and shall include Landlord's budgeting forecast for the next quarter and/or the remaining calendar year to the extent such forecast was prepared by Landlord during such budgeting process.

5.5. Tenant Inspection Right. Provided no Event of Default then exists, after receiving an annual Reconciliation Statement and giving Landlord 60-days' prior written notice thereof, Tenant may inspect or audit Landlord's records relating to Additional Rent for the period of time covered by such Reconciliation Statement in accordance with the following provisions. If Tenant fails to object to the calculation of Additional Rent on an annual Reconciliation Statement within 120 days after the statement has been delivered to Tenant, or if Tenant fails to conclude its audit or inspection within 180 days after the statement has been delivered to Tenant (subject to extension in the event of Landlord's delay in providing access or information required for the audit), then Tenant shall have waived its right to object to the calculation of Additional Rent for the year in question and

the calculation of Additional Rent set forth on such statement shall be final. Tenant's audit or inspection shall be conducted where Landlord maintains its books and records containing the information regarding the Operating Costs, Impositions, Electrical Costs and Chilled Water Costs, shall not unreasonably interfere with the conduct of Landlord's business, and shall be conducted only during business hours reasonably designated by Landlord (to be not less than 9:00 AM through 5:00 PM Mondays through Fridays, Holidays excepted). Tenant shall pay the cost of such audit or inspection, unless the total Additional Rent for the period in question is determined to be overstated by more than 3% in the aggregate and Landlord concurs with such findings (or, in the absence of such concurrence, such overstatement is confirmed by a court of competent jurisdiction or such other dispute resolution mechanism as to which the parties mutually agree in writing), in which case Landlord shall pay Tenant's actual out-of-pocket costs incurred with respect to such audit (not to exceed the lesser of (1) $15,000 or (2) 150% of the amount Tenant was overcharged for the period in question). Tenant may not conduct an inspection or have an audit performed more than once during any calendar year. Tenant or the accounting firm conducting such audit shall, at no charge to Landlord, submit its audit report in draft form to Landlord for Landlord's review and comment before the final approved audit report is submitted to Landlord, and any reasonable comments by Landlord shall be considered for inclusion in the final audit report. If such inspection or audit reveals that an error was made in the Additional Rent previously charged to Tenant and Landlord concurs in such findings (or, in the absence of such concurrence, such overstatement is confirmed by a court of competent jurisdiction or such other dispute resolution mechanism as to which the parties mutually agree in writing), then Landlord shall refund to Tenant any overpayment of any such costs, or Tenant shall pay to Landlord any underpayment of any such costs, as the case may be, within 30 days after notification thereof. To the extent Tenant may do so without violation of Legal Requirements applicable to Tenant, Tenant shall maintain the results of each such audit or inspection confidential and shall not be permitted to use any third party to perform such audit or inspection, other than a nationally recognized independent certified public accounting firm which is not compensated on a contingency fee basis or in any other manner which is dependent upon the results of such audit or inspection (and Tenant shall deliver the fee agreement or other similar evidence of such fee arrangement to Landlord upon request), and which agrees with Landlord in writing to maintain the results of such audit or inspection confidential. Nothing in this Section 5.5 shall be construed to limit, suspend or abate Tenant's obligation to pay Rent, including Additional Rent, when due.

5.6. Cap on Operating Costs. For purposes of calculating Tenant's Proportionate Share of Operating Costs under Section 5.1, the maximum increase in the amount of Controllable Operating Costs (defined below) that may be included in calculating Tenant's Proportionate Share of Operating Costs for each calendar year after the Cap Base Year (defined below) shall be limited to 5% per calendar year on a cumulative, compounded basis; for example, the maximum amount of Controllable Operating Costs that may be included in the calculation of Tenant's Proportionate Share of Operating Costs for each calendar year after the Cap Base Year shall equal the product of the Controllable Operating Costs during the Cap Base Year and the following percentages for the following calendar years: 105% for the first calendar year following the Cap Base Year; 110.25% for the second calendar year following the Cap Base Year; 115.76% for the

third calendar year following the Cap Base Year, etc. However, any increases in Operating Costs not recovered by Landlord due to the foregoing limitation shall be carried forward into succeeding calendar years during the Term (subject to the foregoing limitation) to the extent necessary until fully recouped by Landlord. "Cap Base Year" means the calendar year 2014. There shall be no cap on the amount of Operating Costs payable by Tenant for the calendar years 2013 and 2014. Prior to the date hereof, Landlord has provided to Tenant a good faith estimate of Operating Costs, Electrical Costs and Chilled Water Costs for the calendar year 2013 of $11.33 per rentable square foot of the Premises per year; provided, however, that Tenant specifically acknowledges that such amount is merely an estimate based on the information Landlord has been provided for the Property as of the Commencement Date as well as its experience with its other assets in Austin, Texas, and that such amount is not a representation or warranty by Landlord as to the actual amount of Operating Costs for which Tenant shall be responsible for the calendar year 2013 and/or calendar year 2014. "Controllable Operating Costs" means all Operating Costs which are within the reasonable control of Landlord; thus, Controllable Operating Costs excludes taxes (to the extent any taxes are included within a component of Operating Costs), insurance, utilities (to the extent any utility costs are included within a component of Operating Costs), snow removal costs, costs incurred to comply with After-Enacted Legal Requirements, and other costs beyond the reasonable control of Landlord. Controllable Operating Costs shall not include costs for janitorial or security services provided to the Premises, it being agreed that Tenant's right to separately contract for such services pursuant to Section 6.3(c) below is a reasonable price control on such services.

5.7. Gross Up; Cost Pools. With respect to any calendar year or partial calendar year in which the Property is not occupied to the extent of 95% of the rentable area thereof, or Landlord is not supplying comparable services to 95% of the rentable area thereof, the Operating Costs, Electrical Costs, and Chilled Water Costs for such period which vary with the occupancy of the Property or level of service shall, for the purposes hereof, be increased to the amount which would have been incurred had the Property been occupied to the extent of 95% of the rentable area thereof and Landlord had been supplying comparable services to 95% of the rentable area thereof. Landlord expressly agrees that it shall not have the right to gross up any Electrical Costs and Chilled Water Costs for electricity and chilled water that are being separately submetered to the Premises. In addition, Operating Costs, Impositions, Electrical Costs (other than Tenant's Separate Electrical Costs) and Chilled Water Costs (other than Tenant's Separate Chilled Water Costs) shall generally be computed on a Property-wide basis provided that Landlord shall have the right, from time to time, to equitably allocate some or all of the Operating Costs, Impositions, Electrical Costs and/or Chilled Water Costs for the Property among different portions or occupants of the Property based on the extent to which Landlord, in its reasonable, good faith discretion, determines that such tenants benefit from such services or the use of the Property; provided that the costs within each such cost pool shall be allocated and charged to the tenants within such cost pool in an equitable manner over all expense years in accordance with sound property management practices consistently applied; provided further that in no event shall the Operating Costs, Impositions, Electrical Costs (other than Tenant's Separate Electrical Costs) and/or Chilled Water Costs (other than Tenant's Separate Chilled Water Costs) in connection with the Property Amenities be allocated on other than a Property-wide basis to all rentable square feet in the Property. If

requested by Tenant, Landlord shall provide back-up documentation on the methodology used in making any such cost pool allocations. In no event shall Landlord be entitled to recover more than 100% of actual Operating Costs pursuant to this Section 5.7.

ARTICLE VI
COVENANTS

6.1. Use of the Property; Density Limits.

(a) Use of Real Property. Tenant may use the Premises only for the purposes described on **Exhibit P** (the "Permitted Uses"). Notwithstanding anything contained herein, during the Term, allocation of permitted and accessory uses in the Premises shall be restricted to the Permitted Uses and respective percentage allocations existing as of the date of this Lease unless otherwise consented to in writing by Landlord. In the event that Tenant requests the right to use the Premises for other than the Permitted Uses, Landlord shall not unreasonably withhold its consent so long as such requested use or allocations are consistent with those permitted by right without variance or conditional use permit by applicable Legal Requirements; otherwise, Landlord may withhold or deny its consent in its sole and absolute discretion. Tenant shall at all times operate the Premises in compliance with all applicable Legal Requirements and shall comply with all Legal Requirements relating to the use, condition, access to, and occupancy of the Premises and will not commit waste, overload the Building's Structure or the Building's Systems or subject the Premises to use that would damage the Premises. In addition, Tenant may not use or occupy, nor permit the Premises to be used or occupied, in any manner which would in any way void or make voidable any insurance then in force with respect thereto. The Premises shall not be used for any use which is disreputable, creates extraordinary fire hazards, or results in an increased rate of insurance on the Property or its contents, or for the storage of any Hazardous Materials (other than the Hazardous Materials in the quantities allowed pursuant to Section 6.11 below and then only in compliance with all Legal Requirements and in a reasonable and prudent manner). Tenant shall not use any portion of the Premises for a call center or any other telemarketing use, or any credit processing use. Tenant may use any existing wiring or cabling in the Premises in its current "AS-IS" condition; however, any additional wiring or cabling installed by Tenant or modifications made to the existing wiring or cabling shall be at Tenant's sole cost and expense. During the Term, Tenant shall leave any pre-existing but unused wiring and cabling undamaged and in a neat and organized fashion, labeled, and comparable to its current condition. Tenant shall conduct its business and use commercially reasonable efforts to control each other Tenant Party so as not to create any nuisance or unreasonably interfere with other tenants or Landlord in its management of the Property.

(b) Density Limits. The occupancy within the Premises shall at no time exceed the following (the "Density Limit"): (i) with respect to the Premises as a whole, occupancy by more than one (1) person for each 200 rentable square feet of the Premises and (ii) with respect to each increment of space within the Premises, an occupancy that is supported by the system design of the applicable HVAC system serving such increment. The occupancy levels within the Premises shall be reasonably determined by Landlord using verifiable methods. In the event Tenant wishes to have an increment of

space occupied by more than one (1) person for each 120 rentable square feet of such increment of the Premises, Tenant will be allowed to increase the occupancy within such increment provided that: (1) Tenant submits to Landlord engineering plans (prepared for Tenant by a professional engineer registered in the state of Texas) that adhere to applicable codes and that demonstrate that the relevant HVAC system will support the proposed occupancy level while maintaining space conditions as defined in the Utility Exhibit and conforming to all relevant code requirements or (2) Tenant submits to Landlord engineering plans (prepared for Tenant by a professional engineer registered in the state of Texas) that adhere to applicable codes and that demonstrate that the relevant HVAC system will need to be modified or additional equipment installed to support the proposed occupancy level (without adverse affect to any Building System) while maintaining space conditions as defined in the Utility Exhibit and Tenant agrees to cover the costs associated with such modifications, including, without limitation, the procurement and installation of additional equipment. All such engineering plans shall be subject to reasonable review and confirmation by Landlord's preferred professional engineer registered in the State of Texas, at Tenant's reasonable expense, such review to be completed within ten (10) Business Days of Tenant's submission of engineering plans. For the avoidance of doubt, in no event shall the occupancy level across the Premises as a whole exceed one (1) person for each 200 rentable square feet of the Premises. Notwithstanding the foregoing, population density may from time to time exceed the Density Limit on a temporary basis for meetings, conferences and other events and circumstances of a temporary nature provided that Tenant shall be responsible for addressing any excess utility requirements as set forth in Section 6.3 hereof, and all third-party costs incurred by Landlord as a result of such increased population density.

6.2. Maintenance of Permits. Tenant shall, at Tenant's sole cost and expense, be responsible for, obtain and maintain in Tenant's (or any subtenant of Tenant's) own name, the Permits solely related to Tenant's (or such subtenant's) business and the operation thereof on, from and in the Premises and the permits related to the use and operation Tenant Maintained Off-Premises Equipment ("Tenant's Permits"). The Tenant's Permits as of the Commencement Date are listed on **Exhibit R** attached hereto and made a part hereof, all of which shall be held by Tenant or its subtenant(s). All Permits other than the Tenant's Permits required to be obtained and maintained with respect to the Property or that are necessary to operate and/or occupy the Property generally, shall be in Landlord's name. Landlord shall assist Tenant, at no cost to Landlord, in Tenant's efforts to maintain the Tenant's Permits and to obtain additional Permits, if any, hereafter required of Tenant related to Tenant's business and the operation thereof on, from and in the Premises; provided, however, that (a) any such Permit must be related to a use and/or activity allowed as part of the Permitted Use, (b) no such Permit shall interfere with Landlord or any other tenant of the Property otherwise obtaining Permits necessary for Landlord to operate the Property or such tenant's respective premises and (c) to the extent such Permit relates to a use or activity that is subject to a limitation, then Tenant may not use more than Tenant's Proportionate Share of such limitation. Notwithstanding the foregoing, in no event shall the limitations set forth in the immediately preceding sentence impair Tenant's ability to maintain the laboratories located in the Premises as of the Commencement Date and/or relocate the laboratory currently located in B400 as provided in Section 6.4(c) below. If requested by Tenant, Landlord will assist Tenant to obtain and maintain the direct or

indirect benefit of any and all Tenant's Permits and, to the extent that Tenant is unable to obtain or maintain the direct or indirect benefit of all of such Tenant's Permits, Landlord shall assist Tenant in connection with Tenant's efforts to obtain and maintain those Tenant's Permits that Tenant is required to obtain in Tenant's name; provided, however, that Tenant shall reimburse Landlord for Landlord's reasonable out-of-pocket expenses incurred in connection therewith.

6.3. Services and Utilities.

(a) Services. Landlord shall furnish to Tenant: (1) domestic water that meets or exceeds the respective performance levels and capacities, and at those points of supply, for domestic water as set forth on the "**Utility Exhibit**" (herein so called) being **Exhibit J** attached hereto and made a part hereof for all purposes; (2) the equipment to provide heated and refrigerated air conditioning ("HVAC") as appropriate, at such temperatures and in such amounts as are adequate and sufficient to meet or exceed the respective performance levels and capacities for HVAC supplied to each of the Buildings, as set forth on the **Utility Exhibit**; (3) subject to Section 6.3(c) below, janitorial service and bulb and tube lighting replacement in and to, and window washing of the exterior window surfaces of, the Premises, as set forth on **Exhibit Z**; (4) elevators for ingress and egress to each floor of the Buildings in which a portion of the Premises are located, in common with other tenants; (5) electrical current for the Premises at or above the levels, quality and reliability of service that meets or exceeds the respective performance levels and capacities set forth on the **Utility Exhibit**; and (6) a multi-function card-key building access system to the exterior entrance to each Building in which the Premises is located that is not fully leased to, and occupied by, Tenant and Common Area entrances. The provision of the foregoing services is in all events subject to Tenant utilizing the Premises at or below the Density Limit; provided that if the actual occupancy density in excess of the applicable Density Limit occurs with respect to an increment of space in the Premises but does not affect or impair Landlord's ability to provide services to the other portions of the Premises, then Landlord's provision of services shall not be relieved or otherwise affected with respect to the portions of the Premises unaffected by such occupancy density in excess of the applicable Density Limit. Furthermore, to the extent that Landlord's service obligations are suspended due to occupancy in excess of the applicable Density Limit, such obligations shall be reinstated with respect to the Premises and/or an applicable increment of the Premises on and after the date that Tenant becomes compliant with the Density Limit. Tenant shall pay to Landlord the cost of such services, either as part of Operating Costs or as Electrical Costs or Chilled Water Costs or by separate invoice, as applicable.

(b) Responses to Outages and Restoration of Services; Abatement.

(i) Landlord shall respond to alarms, warnings and monitored abnormal conditions concerning Building Systems being operated by Landlord at the Property at the times and in the manner as described on the **Utility Exhibit**.

(ii) Landlord shall use best efforts to ensure that the direct contractor(s) (i.e., contractors entering into a direct contract with Landlord as opposed to subcontractors with whom Landlord has no direct contractual relationship) that provide the

services set forth in Section 6.3(a) shall have the contractual obligation in their respective service contracts to meet or exceed the service levels set forth in Section 6.3(a) above and the **Utility Exhibit** (including the response times set forth in Paragraph 2 of the **Utility Exhibit**); provided however, that (A) if any contractor charges an extra fee or charge in order to have the contractual obligation in their respective service contracts to meet or exceed the service levels set forth in Section 6.3(a) and the **Utility Exhibit**, then Tenant shall pay 100% of such extra charge and (B) if, despite its best efforts, Landlord is not able to locate a reasonably acceptable contractor willing to have the contractual obligation in their respective service contracts to meet or exceed the service levels set forth in Section 6.3(a) and the **Utility Exhibit**, then Landlord shall use its best efforts to get such service provider to agree to as much of the **Utility Exhibit** as reasonably possible (but Landlord shall not be deemed in default hereunder due to such failure by the service provider to agree to the **Utility Exhibit** if Landlord has otherwise satisfied its obligations under this Section 6.3(b)(ii)).

(iii) Notwithstanding anything contained herein to the contrary (A) if any Service Failure (as defined below) with respect to Critical Utilities to an RDS Floor (as such terms are defined in the **Utility Exhibit**) is caused by matters within Landlord's (or its contractor's or subcontractor's) reasonable control and continues for two (2) or more full consecutive Business Days after Tenant's notice thereof to Landlord (which notice may be made by email notice with a telephone confirmation to Landlord's designated representative for Service Failures, ABM FACILITY SERVICES, INC., a California corporation (telephone number (512) 924-6617) and any other email address or telephone number that Landlord may provide in a written notice to Tenant but in no event more than two total contact persons), and during the entirety of such two (2) Business Day period either the equipment in such portion of the Premises is rendered inoperable or, due to the circumstances, Tenant is unable to operate and does not operate its equipment in such portion of the Premises being served by the Critical Utilities that have been interrupted, then Tenant shall be entitled to a proportionate abatement of monthly Base Rent and Additional Rent, which abatement shall commence as of the first day of the Service Failure and terminate upon the cessation of such Service Failure, and which abatement shall be based upon the extent to which the Service Failure prevents Tenant from conducting, and Tenant does not conduct, its business in the portions of the Premises being served by the Critical Utilities that are subject to such Service Failure, and (B) if any Service Failure with respect to Critical Utilities is caused by matters not within Landlord's reasonable control and continues for five (5) or more full consecutive Business Days after Tenant's notice thereof to Landlord Tenant's notice thereof to Landlord (which notice may be made by email notice with a telephone confirmation to Landlord's designated representative for Service Failures, ABM FACILITY SERVICES, INC., a California corporation (telephone number (512) 924-6617) and any other email address or telephone number that Landlord may provide in a written notice to Tenant but in no event more than two total contact persons), and during the entirety of such five (5) Business Day period either the equipment in such portion of the Premises is rendered inoperable or, due to the circumstances, Tenant is unable to operate and does not operate its equipment in such portion of the Premises being served by the Critical Utilities that have been interrupted, then Tenant shall be entitled to a proportionate abatement of monthly Base Rent and Additional Rent, which abatement shall commence as of the first day of the Service Failure

and terminate upon the cessation of such Service Failure, and which abatement shall be based upon the extent to which the Service Failure prevents Tenant from conducting, and Tenant does not conduct, its business in the portions of the Premises being served by the Critical Utilities that are subject to such Service Failure, provided, however, that, in the case of this clause (B), such abatement shall be limited to the extent covered by proceeds of Landlord's rental interruption insurance (or, to the extent that Landlord is required to carry rental interruption insurance pursuant to **Exhibit D**, but fails to carry such insurance, then the amount that would have been covered by the rental interruption insurance that Landlord was required pursuant to **Exhibit D)**. The abatement rights of Tenant set forth above shall be inapplicable to any Service Failure that is (1) not for a service to be provided by Landlord to Tenant pursuant to the requirements of this Lease (e.g., Tenant contracts directly with a service provider for such service), (2) caused by damage from a Casualty or a condemnation (it being acknowledged that such situations shall be governed by Sections 7.1 and 7.2 below, as applicable), (3) caused by the sole negligence, gross negligence or willful misconduct of Tenant or any other Tenant Parties, or (4) caused by a breach by Tenant of the terms of this Lease, including, without limitation, the utilization of the Premises in excess of the Density Limit or in excess of the electrical load as specified in the **Utility Exhibit**; provided, however, that in the case of clauses (3) and (4) above, the abatement provisions set forth above shall nevertheless be applicable so long as the Service Failure was not caused by the gross negligence or willful misconduct of Tenant or any Tenant Parties, but only to the extent and for so long as Landlord is reimbursed for the so abated rent pursuant to Landlord's rental loss insurance.

(iv) In the event of a Service Failure of Critical Utilities, in addition to the abatement rights set forth above, Tenant shall also have the self-help remedies set forth in Section 9.5(b) below.

(v) For purposes of this Lease, a "Service Failure" shall mean any interruption, suspension or termination of Tenant's reasonable access to the Premises, or of services being provided to Tenant by Landlord or by third-party providers, whether engaged by Tenant or pursuant to arrangements by such providers with Landlord, which are due to (1) the failure, interruption or malfunctioning of any electrical or mechanical equipment, utility or other service to any Building or the Property; (2) the performance of repairs, maintenance, improvements or alterations; or (3) the occurrence of any other event or cause whether or not within the reasonable control of Landlord; provided, however, that Service Failures shall not include interruptions due to the application of Legal Requirements. Except as set forth in the preceding subsections (iii) and (iv), no Service Failure shall in and of itself render Landlord liable to Tenant, constitute a constructive eviction of Tenant, give rise to an abatement of Rent or a right of Tenant to terminate this Lease, or relieve Tenant from the obligation to fulfill any covenant or agreement.

(c) Janitorial and Security Services.

(i) Commencing on the Commencement Date and continuing until September 30, 2013, the security services for the Property shall continue to be supplied under that certain Scope of Work for Contract Security Services dated March 1, 2011 with Command Security Corporation, as amended. Landlord and Tenant shall each

perform the work to the Property set forth on **Exhibit V** within the time frames set forth in **Exhibit V**. Notwithstanding anything contained herein to the contrary, from and after October 1, 2013, Landlord shall contract for security services for the Property with such security provider as selected by Landlord. In lieu of receiving janitorial and security services for the Premises from Landlord as part of Operating Costs, Tenant, at its sole expense, shall from the Commencement Date, until further written notice to Landlord, provide its own (i) janitorial services to the Premises and (ii) security services to the Premises (but only in Buildings 100% occupied by Tenant Parties or on floors 100% occupied by Tenant Parties). If Tenant so elects to perform its own janitorial and/or security services, Tenant shall maintain the Premises in a clean and safe condition consistent with the level of janitorial and/or security services being provided to the other portions of the Property and Tenant shall be responsible for all security and access issues solely related to such portions of the Premises. Tenant's janitorial and/or security contractor shall satisfy the requirements for outside vendors of said services reasonably established by Landlord and applicable to Landlord's vendors, including reasonable insurance requirements. Tenant shall store all trash and garbage within the area and in receptacles and arrange for the regular pickup of such trash and garbage as provided by Landlord to the remainder of the Property. If Tenant fails to provide janitorial and/or security services to the Premises or trash removal services in compliance with the foregoing, Landlord shall provide Tenant written notice of such non-compliance. If Tenant fails to cure such non-compliance within thirty (30) days after the notice (or such longer period of time if the non-compliance can't be remedied within such thirty (30) day period as long as Tenant is diligently commencing to cure same), then Landlord shall have the right to take over the performance of the applicable service upon giving Tenant five (5) days prior written notice in which event, Tenant shall thereafter have no further right to provide such service to the Premises (and such service shall thereafter be provided by Landlord as part of Operating Costs).

(ii) Until and unless Tenant shall provide its own janitorial services to its Premises, Landlord agrees that Tenant may obtain, at Tenant's expense, a background check on all janitorial personnel which is to have access to the Premises. Landlord shall provide the information (as well as any consents or waivers from the affected personnel) to enable Tenant to conduct said background checks (such information to be provided without any representation or warranty by Landlord to Tenant regarding the accuracy or completeness of such information).

(iii) Notwithstanding anything contained herein to the contrary, Landlord shall in all events from and after October 1, 2013, control the security systems allowing access from the exterior of any Building to the interior of such Building subject to the terms of **Exhibit V**. Tenant acknowledges that some or all of the security systems serving the Building exteriors and the Common Areas (and, if Tenant elects to have Landlord provide security services to the Premises, the Premises) are located within portions of the Premises. Tenant and Landlord shall cooperate to provide adequate space within the IDF closets in the Premises for such security equipment. Tenant, at Tenant's sole cost and expense, shall be responsible for securing or caging off its equipment in such IDF closets from Landlord's systems and equipment in such closets.

(d) Other Utilities/Services. If Tenant desires any service which Landlord has not specifically agreed to provide in this Lease, such as telecommunications services serving the Premises, Tenant shall procure such service directly from a reputable third party service provider ("Provider") for Tenant's own account. Each Provider shall be subject to Landlord's prior written approval, which shall not be unreasonably withheld or delayed. Tenant shall require each Provider to comply with the Property's Rules and Regulations, all Legal Requirements, and Landlord's reasonable policies and practices for the Property (which policies and practices shall be non-discriminatory and consistently applied). Tenant acknowledges that Landlord shall not be required to provide or arrange for the installation and operation of telecommunications systems, including voice, video, data, Internet, and any other services provided over wire, fiber optic, microwave, wireless, and any other transmission systems ("Telecommunications Services") and that Landlord shall have no liability to any Tenant Party in connection with the installation, operation or maintenance of Telecommunications Services or any equipment or facilities relating thereto. Tenant, at its cost and for its own account, shall be solely responsible for obtaining all Telecommunications Services.

(e) Site Practices Related to Sustainability. Landlord acknowledges that the Property is currently operated utilizing certain site practices and amenities related to sustainability. In Landlord's management and operation of the Property throughout the Term, Landlord shall, in the exercise of its good faith discretion and to the extent practicable using its good faith business judgment, continue the site practices and amenities related to sustainability described on **Exhibit S** attached hereto (the "Sustainability Practices") subject to the following: (i) the increased costs in operating the Property due to the Sustainability Practices shall in all instances be included in Operating Costs but shall not be deemed "Controllable Operating Costs" for purposes of this Lease; (ii) Landlord shall not be required to follow the Sustainability Practices and may cease all or any of the Sustainability Practices to the extent such practices materially increase, in Landlord's reasonable business judgment, the cost to own and operate the Property (unless Tenant agrees to bear 100% of such costs); (iii) Tenant shall in all events comply with the Sustainability Practices and shall not allow any use which may affect the continued effectiveness of the Sustainability Practices; and (iv) upon consultation with Tenant, Landlord may make such alterations to the Sustainability Practices as Landlord deems necessary in its commercially reasonable judgment to make such practices more cost effective or more efficient. Landlord hereby agrees that it will purchase electricity through the City of Austin's green choice program at Tenant's request for any Building which is leased entirely by Tenant; provided that Tenant the Electrical Costs payable by Tenant under Section 5.1(a)(i) shall in all instances include 100% of the costs of all such electricity related to the green choice program, including electricity provided to parts of the Common Areas that are on the same meter as such Building.

(f) Special Rights for Service Related Provisions. Notwithstanding anything contained herein to the contrary, all of the Special Rights for Service Related Provisions shall terminate, at Landlord's option, if (i) an Event of Default exists and has not been waived in writing by Landlord, (ii) this Lease is terminated in accordance with the provisions of this Lease, (iii) Original Tenant assigns its interest in this Lease other than to a Permitted Transferee, or (iv) Original Tenant ceases to lease at least 300,000 rentable

square feet of space in the Property including at least one (1) laboratory space. As used herein, "Special Rights for Service Related Provisions" shall mean the following provisions of this Lease: Section 6.3(b); Section 6.3(c); Section 6.3(e); Section 6.4(c); Section 9.5(b); and Paragraphs 2, 3, 4, 7.c., and 7.d. of the **Utility Exhibit**.

6.4. Alterations by Tenant

(a) Improvements to the Premises shall be installed at Tenant's expense only in accordance with plans and specifications which have been previously submitted to and, to the extent required below, approved in writing by Landlord. Except for Cosmetic Changes (as defined below), no changes, alterations or additions shall be made to the Property by Tenant without the prior approval of Landlord, which approval shall not be unreasonably withheld, delayed or conditioned by Landlord, if said prior approval is required. Landlord shall respond to any request from Tenant to approve any proposed improvements to the Premises within ten (10) Business Days following Tenant's request for such approval (which request shall be accompanied by the plans, specifications and other materials to be provided by Tenant to Landlord pursuant to this Section 6.4 with respect to any proposed alterations or improvements). If Landlord fails to respond to Tenant's request within such ten (10) Business Day period, then Tenant may provide a second request to Landlord for Landlord's approval that conspicuously states to the effect that, IF LANDLORD DOES NOT MAIL LANDLORD'S APPROVAL OR DISAPPROVAL OF THE REQUESTED IMPROVEMENTS WITHIN 5 BUSINESS DAYS AFTER LANDLORD RECEIVES THIS SECOND REQUEST FOR APPROVAL, LANDLORD'S APPROVAL OF THE IMPROVEMENTS WILL BE DEEMED GIVEN, and if Landlord fails to notify Tenant that it approves or disapproves the requested improvements within five (5) Business Days after submission of such second request for approval, then Landlord shall be deemed to have approved such improvements. Landlord and Tenant shall cooperate with each other to develop and maintain a list (the "Approved Vendor List") of the contractors and subcontractors that are pre-approved to be utilized by Tenant for construction work at the Property, which approval shall not be unreasonably withheld, conditioned or delayed. The Approved Vendor List shall not be an exclusive list, and Tenant may use contractors and subcontractors not appearing on such list as long as such additional contractors and/or subcontractors are approved in advance by Landlord. The Approved Vendor List shall be subject to change from time to time by Landlord upon no less than ten (10) days' written notice to Tenant; provided, however, that Tenant shall not be required to alter any contracts that it has in place for construction work in progress at the Property if the contractor or subcontractor then performing such work is removed from the Approved Vendor List unless such removal by Landlord was for "cause" due to the acts or omissions of such contractor or subcontractor in violation of this Lease.

(b) As used herein, "Cosmetic Changes" shall mean any changes, alterations or additions that (i) cost less than two hundred thousand dollars ($200,000.00) in any single instance or series of related alterations performed within a consecutive six-month period (provided that Tenant shall not perform any improvements, alterations or additions to the Premises in stages as a means to subvert this provision), (ii) do not adversely affect (in the reasonable discretion of Landlord) (A) the Building's Structure or the Building's Systems (including the Property's restrooms or mechanical rooms), or (B)

the (1) exterior appearance of the Property, (2) appearance of the Common Areas or elevator lobby areas, or (3) provision of services to other occupants of the Property, and (iii) the installation thereof does not involve any core drilling or the configuration or location of any exterior or interior walls of a Building. With respect to Cosmetic Changes, Tenant will deliver to Landlord written notice thereof, a list of contractors and subcontractors to perform the work (and certificates of insurance for each such party) and any plans and specifications therefor prior to commencing any such Cosmetic Changes (for informational purposes only and no consent is required by Landlord under the provisions of this Lease for approval of any plans and specifications covering Cosmetic Changes).

(c) Landlord acknowledges that Tenant shall be relocating the lab currently located on the first floor of B400 to another location on one of the other RDS Floors (as defined in the **Utility Exhibit**) that Tenant designates in written notice to Landlord and also, from time to time, reconfigures its lab space at the Property (collectively, the "Lab Reconfigurations"). Landlord's consent (not to be unreasonably withheld, conditioned or delayed) shall be required as to any improvement work associated with the Lab Reconfigurations except that (i) Landlord will not disapprove the plans and specifications for the Lab Reconfigurations unless a Design Problem (defined below) exists; (ii) Landlord will not disapprove the contractors for the Lab Reconfigurations if such contractors are on the Approved Vendor List; and (iii) Landlord shall notify Tenant of Landlord's approval or disapproval of the proposed improvements within five (5) Business Days following Tenant's request for such approval (which request shall be accompanied by the plans, specifications and other materials to be provided by Tenant to Landlord pursuant to this Section 6.4 with respect to any proposed alterations or improvements). A "Design Problem" is defined as, and will be deemed to exist if such improvement or alteration will: (1) affect the exterior appearance of a Building or the Common Areas; (2) adversely affect the Building Structure provided that Tenant shall be entitled to install an exhaust fan required for the Lab Reconfigurations on the roof of the applicable Building without such installation constituting a Design Problem so long as Tenant otherwise complies with the requirements of Section 10.32 below, including the installation of a screening device as required by Landlord to the extent such equipment is visible from space within the Property other than the Premises (provided that such screening as relates to the initial relocation of the lab currently located on the first floor of B400 shall be at Landlord's expense and not passed through as an Operating Cost) and Tenant addresses any vibration or sound issues reasonably raised by Landlord; (3) adversely affect the Building Systems; (4) unreasonably interfere with any other occupant's normal and customary office operation; (5) fail to comply with Legal Requirements; (6) involve core drilling or the alteration of the configuration or location of any exterior of a Building; or (7) expand the rentable square footage of the subject laboratory.

(d) All alterations, additions, and improvements shall be constructed, maintained, and used by Tenant, at its risk and expense, in accordance with all Legal Requirements; Landlord's consent to or approval of any alterations, additions or improvements (or the plans therefor) shall not constitute a representation or warranty by Landlord, nor Landlord's acceptance, that the same comply with sound architectural and/or engineering practices or with all applicable Legal Requirements, and Tenant shall be solely responsible for ensuring all such compliance with Legal Requirements in respect thereof.

Except as otherwise set forth herein, all alterations, additions or installations, including without limitation, to partitions, air conditioning ducts or equipment (except movable furniture and fixtures put in at the expense of Tenant and removable without irreparably defacing or injuring the Property), shall become the property of Landlord at the expiration or any earlier termination of the Term. Landlord, however, reserves the option to require Tenant, at Tenant's sole cost and expense, to remove all fixtures, alterations, additions, decorations or installations installed by Tenant after the Commencement Date, collectively in this Section called "Alterations" and to restore the Property to the same condition as when originally leased to Tenant, reasonable wear and tear excepted, if Landlord gives Tenant a written notice electing to require said removal and restoration prior to the expiration or other termination of the Term; provided, however, that Tenant may, at such time as it requests Landlord's approval for Tenant to make Alterations, request that Landlord either allow such Alterations to remain upon expiration of the Lease, or that Landlord requires such Alterations to be removed by Tenant upon expiration of the Term, and Landlord agrees to provide Landlord's decision with respect to such change at the time of a request by Tenant for that decision. Any such request from Tenant regarding removal of Alterations shall conspicuously state in bold, uppercase typeface that Tenant will not be required to remove the Alterations in question at the end of the Term unless, contemporaneously with Landlord's notice of approval to Tenant with respect to the Alterations in question, Landlord notifies Tenant in writing that Landlord will require Tenant to remove such alterations prior to the expiration of the Term.

(e) Notwithstanding the foregoing to the contrary, as respects any of the lab space within the Premises (whether such lab space existed in the Premises prior to the Commencement Date or was constructed following the Commencement Date, including the lab space located on the first floor of B400 that is being relocated by Tenant), Tenant shall perform the restoration work described on **Exhibit Y**, and Tenant's restoration obligations shall be limited to such items shown on **Exhibit Y** subject to the following (i) the foregoing shall in no way limit Tenant's obligations or responsibilities under Section 6.11 hereof (including, without limitation, the obligation to remediate Hazardous Materials and indemnify Landlord for Hazardous Materials conditions, all subject to, and to the extent provided in, said Section 6.11) and (ii) to the extent that, due to laboratory relocations or expansions occurring after the Commencement Date, the total square footage of the Premises configured as laboratory space increases over what it was as of the Commencement Date, then Tenant shall be required to restore (or convert) so much of the Premises from laboratory space to useable office space (using Building standard materials and finishes and otherwise as generally configured as the other office space within the Premises) as may be required so that the total square footage of the Premises configured as laboratory space as of the Expiration Date is no greater than the total square footage of the Premises configured as laboratory space as of the Commencement Date.

(f) All work (whether alterations or maintenance and repair work) performed by Tenant or Tenant's contractors shall be done: (i) in a good and workmanlike manner, (ii) with materials of the quality and appearance comparable to those on the Property at the Commencement Date or thereafter permitted or allowed under this Lease, (iii) in compliance with all Legal Requirements, (iv) by contractors, subcontractors or mechanics fully licensed by all applicable Governmental Entities and approved in writing

by Landlord (or otherwise included on the Approved Vendor List) and (v) in such manner as to cause a minimum of disruption to the other occupants of the Property (if any) and interference with other construction in progress and with the transaction of business in the Property. Landlord may designate reasonable written rules, regulations and procedures for the performance of all such work in the Property and, to the extent reasonably necessary to avoid disruption to the occupants of the Property, shall have the right to designate reasonable times when such work may be performed. Prior to commencement of any work by or for Tenant, Tenant shall furnish to Landlord plans and specifications (to the extent that Tenant has prepared such plans and specifications or should reasonably be expected to prepare plans and specifications given the type or nature of such alterations or improvements), and construction contracts. For all work requiring Landlord's approval hereunder, Landlord shall reserve the right to make such additional requirements as may be commercially reasonable to insure completion of any and all work. All such work which may affect the Building's Structure or the Building's Systems must be approved by the Landlord's engineer, at Tenant's reasonable expense. All work affecting the roof of a Building must be performed in coordination with Landlord's roofing contractor so as not to void or reduce the warranty on the roof. Tenant shall cause all contractors and subcontractors to procure and maintain reasonable insurance coverage naming Landlord, any holder of a Superior Interest designated by Landlord, Landlord's property management company and Landlord's asset management company as additional insureds against such risks, in such amounts and with such companies as Landlord may reasonably require. Prior to the commencement of any work by or for Tenant, Tenant shall furnish to Landlord certificates evidencing the existence of worker's compensation insurance covering all Persons employed for such work and with respect to whom death or bodily injury claims could be asserted against Landlord, Tenant, or the Premises. Upon full completion of all such work, Tenant shall furnish Landlord with accurate reproducible "as-built" CADD files of the improvements as constructed.

(g) If Tenant requests that Landlord supervise any work by Tenant in the Premises, Tenant shall pay to Landlord a construction management fee equal to the construction management fee charged by Landlord's third party management company to perform such work (not to exceed 5% of the cost of such work). If Tenant has not requested that Landlord supervise such work, but such work affects the Building's Systems or Building's Structure or is being performed in connection with an assignment or subletting thus requiring Landlord's participation, Tenant shall pay to Landlord a construction management fee equal to the construction management fee charged by Landlord's third party management company to perform such work (not to exceed 3% of the cost of such work) affecting the Building's Systems or Building's Structure.

(h) Tenant's trade fixtures, goods and materials used in Tenant's business shall at all times remain personal property of Tenant and may be removed from time to time by Tenant or other occupants of the Property provided that Tenant repairs any resulting damage to the Property from such removal.

(i) Tenant shall pay, when due, all bills for labor or materials furnished to or for Tenant in connection with any work performed by Tenant at the Property, which bills are or may be secured by any mechanic's or materialman's lien against the Property or

any interest therein. Tenant shall give Landlord not less than ten (10) Business Days' notice prior to the commencement of any work on the Property and Landlord shall have the right to post notices of non-responsibility in or on the Property as provided or permitted by applicable Legal Requirements. Upon completion of any such work, Tenant shall deliver to Landlord final unconditional lien waivers from all contractors, subcontractors and materialmen who performed such work. If such a lien is filed, then Tenant shall, within ten (10) Business Days after Landlord has delivered notice of the filing thereof to Tenant (or such earlier time period as may be necessary to prevent the forfeiture of the Premises, the Property or any interest of Landlord therein or the imposition of a civil or criminal fine with respect thereto), either (1) pay the amount of the lien and cause the lien to be released of record, or (2) diligently contest such lien and deliver to Landlord a bond or other security reasonably satisfactory to Landlord. If Tenant fails to timely take either such action, then Landlord may pay the lien claim, and any amounts so paid, including expenses and interest, shall be paid by Tenant to Landlord within ten (10) Business Days after Landlord has invoiced Tenant therefor. Landlord and Tenant acknowledge and agree that their relationship is and shall be solely that of "landlord-tenant" (thereby excluding a relationship of "owner-contractor," "owner-agent" or other similar relationships) and that Tenant is not authorized to act as Landlord's common law agent or construction agent in connection with any work performed in the Premises. Accordingly, all materialmen, contractors, artisans, mechanics, laborers and any other Persons now or hereafter contracting with Tenant, any contractor or subcontractor of Tenant or any other Tenant Party for the furnishing of any labor, services, materials, supplies or equipment with respect to any portion of the Premises, at any time from the date hereof until the end of the Term, are hereby charged with notice that they look exclusively to Tenant to obtain payment for same. Nothing herein shall be deemed a consent by Landlord to any liens being placed upon the Premises, the Property or Landlord's interest therein due to any work performed by or for Tenant or deemed to give any contractor or subcontractor or materialman any right or interest in any funds held by Landlord to reimburse Tenant for any portion of the cost of such work.

6.5. Insurance; Indemnity.

(a) Landlord and Tenant will at all times during the Term of this Lease maintain or cause to be maintained the risk management program and types and amounts of insurance with respect to Landlord, Tenant and the Property covering such risks as set forth and described on **Exhibit D** which is attached hereto and made a part hereof for all purposes.

(b) All insurance policies for the insurance to be provided by Tenant to Landlord pursuant to **Exhibit D** with respect to this Lease (the "Tenant's Insurance") shall be issued on forms reasonably satisfactory to Landlord and Tenant shall use its best efforts to have all Tenant's Insurance policies contain a provision giving Landlord thirty (30) days' prior notice of material change or cancellation (other than cancellation for non-payment of premiums, as to which 10 days' advance written notice shall apply). All Tenant's Insurance policies shall have a Best's rating of A-:VIII or better. All-risk policies carried by Tenant shall have loss payable clauses in favor of Landlord and any holder of any Superior Interest designated by Landlord in writing to Tenant at least thirty (30) days in advance of the

requirement, with all loss proceeds payable to Landlord and such holder of a Superior Interest with regard to the Property. Certificates of insurance, evidencing the required insurance coverage, shall be delivered to Landlord at the time of execution of this Lease and certificates of insurance evidencing each renewal or substitute policy (and corresponding certificate) shall be delivered to Landlord at least five (5) Business Days before the termination of the policy it renews or replaces (and Tenant shall make certified copies of each renewal or substitute policy available within forty-five (45) days after the termination of the policy it renews or replaces upon Landlord's written request). Tenant shall pay all premiums on Tenant's Insurance as they become due and payable and promptly deliver to Landlord evidence satisfactory to Landlord of the timely payment thereof. Tenant shall furnish to Landlord upon request at reasonable intervals a certificate or certificates from the respective insurer(s) of Tenant's Insurance setting forth the nature and extent of all insurance maintained by Tenant in accordance with this Lease. Tenant shall comply or cause compliance at all times with the provisions of Tenant's Insurance. Notwithstanding the provisions of this Section 6.5, Tenant shall have the right to change the carriers, coverage terms, limits, forms, insuring mechanisms and lines of coverage during the Term as it deems necessary and appropriate for reasons including, without limitation, the availability of commercially reasonable, affordable coverage, relief from liability under state and federal tort reform programs, and changing operational needs; provided, however, that Tenant shall maintain coverage that at all times complies with the terms of this Section 6.5 and **Exhibit D**. If Tenant fails to comply with the foregoing insurance requirements or to deliver to Landlord the certificates or evidence of coverage required herein and in either case or event, Landlord shall have given Tenant at least five (5) Business Days' prior written notice of Landlord's intention to do so, Landlord, in addition to any other remedy available pursuant to this Lease or otherwise, may, but shall not be obligated to, obtain such insurance and Tenant shall pay to Landlord on demand the premium costs thereof, plus an administrative fee of 10% of such cost (not to exceed $5,000).

(c) Anything in this Lease to the contrary notwithstanding, Landlord and Tenant hereby waive any and all rights of recovery, claim, action, or cause of action against the other party, its agents, employees, partners, or shareholders and the holder of any Superior Interest for any loss or damage that may occur to the Property or any personal property therein by reason of fire, the elements, or any other cause which loss or damage is (or would have been, had the insurance required by this Lease been maintained) covered by insurance, regardless of cause or origin, including negligence of either party or the holder of any Superior Interest, or their agents, employees, partners or shareholders and Landlord and Tenant covenant and agree that no insurer shall hold any right of subrogation against either party. Landlord and Tenant shall advise their respective insurers of this waiver of subrogation and such waiver shall be incorporated by appropriate endorsement into and made a part of each party's insurance policies maintained with respect to this Lease and/or the properties and interests described herein (other than worker's compensation coverage). Notwithstanding any provision in this Lease to the contrary, Landlord, the holder of any Superior Interest or any of their respective agents, directors, officers, shareholders, employees, invitees and contractors shall not be liable to Tenant or to any party claiming by, through or under Tenant for (and Tenant hereby releases Landlord, the holder of any Superior Interest or any of their respective servants, agents, contractors, employees and

invitees from any claim or responsibility for) any damage to or destruction, loss, or loss of use, or theft of any property of any Tenant Party located in or about the Property, caused by casualty, theft, fire, third parties or any other matter or cause, **regardless of whether the negligence of any party caused such loss in whole or in part**. Tenant acknowledges that Landlord shall not carry insurance on, and shall not be responsible for damage to, any property of any Tenant Party located in or about the Property. **IT IS THE INTENTION OF THE PARTIES HERETO, BOTH TENANT AND LANDLORD, THAT THE WAIVER PROVIDED FOR IN THIS PARAGRAPH APPLY TO ALL MATTERS DESCRIBED HEREIN, INCLUDING, WITHOUT LIMITATION, ANY OF THE SAME CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF LANDLORD OR TENANT OR THE HOLDER OF ANY SUPERIOR INTEREST OR THEIR RESPECTIVE AGENTS, DIRECTORS, OFFICERS, SHAREHOLDERS, EMPLOYEES, INVITEES AND CONTRACTORS**.

(d) To the fullest extent permitted by applicable Legal Requirements, Tenant agrees to indemnify and hold harmless Landlord, the holder of any Superior Interest and their respective agents, directors, officers, shareholders, employees, invitees and property managers from all claims, losses, costs, damages, demands, liabilities, causes of action, suits, judgments, and expenses (including but not limited to attorneys' fees) arising from any injury to or death of any Person or the damage to or theft, destruction, loss, or loss of use of, any property or inconvenience (a "Loss") (i) as a result of pollution, libel, slander, false arrest, discrimination, violations of any Legal Requirements or breach of this Lease, any and all injuries or death of any Person, or damage to any property, to the extent the foregoing is caused by any act, omission, or negligence of Tenant or Tenant's directors, officers, employees or agents, (ii) the failure by any Tenant Party to pay for any work performed, materials furnished, or obligations incurred by or at the request of a Tenant Party or (iii) occurring in the Premises, regardless of whether or not it is caused in whole or in part by a party indemnified hereunder. **IT IS THE INTENTION OF THE PARTIES HERETO, BOTH TENANT AND LANDLORD, THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH IS AN INDEMNITY BY TENANT TO INDEMNIFY AND PROTECT LANDLORD, THE HOLDER OF ANY SUPERIOR INTEREST AND THEIR RESPECTIVE AGENTS, DIRECTORS, OFFICERS, SHAREHOLDERS, EMPLOYEES, INVITEES, AND CONTRACTORS ("INDEMNIFIED PARTIES") FROM THE CONSEQUENCES OF LANDLORD'S OR THE HOLDER OF ANY SUPERIOR INTEREST'S OWN NEGLIGENCE AS WELL AS THE NEGLIGENCE OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, INVITEES, AND CONTRACTORS, WHETHER THAT NEGLIGENCE IS JOINT, COMPARATIVE, CONTRIBUTING OR A CONCURRING CAUSE OF THE INJURY, DEATH, OR DAMAGE, AND EVEN THOUGH ANY SUCH CLAIM, CAUSE OF ACTION OR SUIT IS BASED UPON OR ALLEGED TO BE BASED UPON THE STRICT LIABILITY OF LANDLORD OR THE HOLDER OF ANY SUPERIOR INTEREST OR THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, INVITEES, AND CONTRACTORS; HOWEVER, SUCH INDEMNITY SHALL NOT APPLY TO THE SOLE NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY INDEMNIFIED PARTY**. The indemnities set forth in this Lease shall survive termination or expiration of this Lease. As a condition to

Tenant's obligations to indemnify Landlord and the holders of Superior Interest and each of their respective agents, directors, officers, shareholders and employees under this Lease, the party claiming the right to be indemnified shall (1) deliver to Tenant a notice describing the facts underlying its indemnification claim which shall be delivered promptly to Tenant after such party receives notice of such claim; (2) tender the defense of such claim to Tenant; and (3) reasonably cooperate with Tenant, at Tenant's expense, in the defense of such claim.

(e) No indemnity by Tenant contained in this Section 6.5 shall be deemed or construed to apply to or cover any claims, losses, costs, damages, demands, liabilities, causes of action, suits, judgments, and expenses (including but not limited to attorneys' fees) of or sustained by Landlord, the holder of any Superior Interest or any of their respective agents, directors, officers, shareholders and employees arising from the sole negligence or gross negligence or willful misconduct of Landlord, the holder of any Superior Interest or any of their respective agents, directors, officers, shareholders and employees, or any one or more of them.

6.6. Compliance with Legal Requirements. Tenant shall, at Tenant's sole cost and expense, take whatever action is required to cause the Premises to comply with all Legal Requirements during the Term. Notwithstanding anything in this Lease to the contrary, as between Landlord and Tenant, (a) Tenant shall bear the risk of complying with Title III of the ADA, any state laws governing handicapped access or architectural barriers, and all rules, regulations, and guidelines promulgated under such laws, as amended from time to time (the "Disabilities Acts") in the Premises, and (b) Landlord shall bear the risk of complying with the Disabilities Acts in the Common Areas of the Property, other than compliance that is necessitated by the use of the Premises for other than the Permitted Use or as a result of any alterations or additions made by or on behalf of a Tenant Party after the Commencement Date (which risk and responsibility shall be borne by Tenant).

6.7. Other Liens. Tenant shall keep the Property free and clear of any and all Liens other than the Liens that constitute Permitted Encumbrances and the Liens provided for in Section 10.12 herein.

6.8. Tenant's Personal Property Taxes. Tenant shall be liable for, and shall pay prior to delinquency, all taxes levied or assessed against personal property, furniture, fixtures, betterments, improvements, and alterations placed by any Tenant Party in the Premises or in or on the Property. If any taxes for which Tenant is liable are levied or assessed against Landlord or Landlord's property and Landlord elects to pay the same, or if the assessed value of Landlord's property is increased by inclusion of such personal property, furniture, fixtures, betterments, improvements, and alterations and Landlord elects to pay the taxes based on such increase, then Tenant shall pay to Landlord, within 30 days following written request therefor, the part of such taxes for which Tenant is primarily liable hereunder; however, Landlord shall not pay such amount if Tenant notifies Landlord that it will contest the validity or amount of such taxes before Landlord makes such payment, and thereafter diligently proceeds with such contest in accordance with Legal Requirements and if the non-payment thereof does not pose a threat of loss or seizure of the Property or interest of Landlord therein or impose any fee or penalty against Landlord.

6.9. Maintenance of the Property.

(a) Tenant's Obligations.

(i) Subject to Landlord's maintenance and repair obligations provided in Section 6.9(b) below, Tenant will keep and maintain the Premises in a clean, safe, and operable condition and in substantially the same condition it was in on the Commencement Date, customary and normal wear and tear and acts of god and damage from Casualty excepted. Tenant will pay the cost of so keeping and maintaining the Premises. If the Premises include, now or hereafter, one or more floors of either B100 or B200 in their entirety, all corridors, lobbies and restroom facilities located on such full floor(s) shall be considered to be a part of the Premises. Additionally, Tenant, at its sole expense, shall repair, replace and maintain in good condition and in accordance with all Legal Requirements and the equipment manufacturer's suggested service programs, all portions of the Building Systems located within and exclusively serving the Premises and all other areas, improvements and systems exclusively serving the Premises (excluding the Core Portion of the Building's Systems, which shall be maintained by Landlord pursuant to Section 6.9(b)), including, without limitation, the branch lines of the plumbing, electrical and HVAC systems (and related duct work), chemical exhaust hoods, and any dedicated or supplemental heating, ventilating and/or air conditioning systems, computer power, telecommunications and/or other special units or systems of Tenant (provided that Landlord shall give Tenant access for such repairs). Without limiting the generality of the foregoing, Tenant shall be responsible for maintenance, repair and, in Tenant's discretion, replacement of the components of the Building Systems described in Paragraph C of **Exhibit L**.

(ii) With respect to any portion of the Premises reasonably visible from any Common Area inside or outside of a Building (the "Visible Premises"), Tenant shall (1) maintain such Visible Premises and furniture, fixtures and equipment located therein in a neat and orderly condition throughout the Term and any extension thereof, (2) not use the Visible Premises for storage, (3) obtain Landlord's prior written consent as to the interior paint color, signage, carpeting, furniture and equipment contained in the Visible Premises (provided that this clause (3) shall not apply to lab space unless such space is visible from a Common Area lobby), (4) complete within the Visible Premises any reasonably requested cleaning within five (5) Business Days after Landlord's written request therefor, and (5) complete within the Visible Premises any requested reasonable repairs, alterations or changes within five (5) Business Days after Landlord's written request therefor (or if the repair cannot by its nature be cured within the five (5) Business Day period, if Tenant fails to commence to cure such noncompliance within the five (5) Business Day period and thereafter diligently prosecute such cure to completion).

(iii) In addition to the Premises, Tenant will keep and maintain Tenant Maintained Off-Premises Equipment in good condition and in accordance with all Legal Requirements and all Rules and Regulations. Without limiting the generality of the foregoing, as respects the waste water systems that are part of Tenant Maintained Off-Premises Equipment, Tenant shall be responsible for testing, monitoring and treatment of Tenant's effluent, and all associated permitting and reporting, subject in all instances to

Landlord oversight and approval. Landlord shall provide Tenant reasonable access to any of Tenant Maintained Off-Premises Equipment that is located within secured areas, subject in all cases to Landlord's reasonable Rules and Regulations and security procedures regarding access to such areas. Tenant shall provide to Landlord copies of all permits and communications with the appropriate Governmental Entities for Tenant Maintained Off-Premises Equipment upon written request from Landlord. Tenant shall be responsible for any and all costs, if any, incurred by Landlord as a result of or in connection with Tenant's installation, operation, use and/or removal of the Tenant Maintained Off-Premises Equipment. If required by Landlord in connection with any Off-Premises Equipment installed after the Commencement Date, Tenant, at Tenant's sole cost and expense, shall install screening, landscaping or other improvements satisfactory to Landlord (in Landlord's reasonable discretion) in order to satisfy Landlord's aesthetic requirements in connection with any of Tenant Maintained Off-Premises Equipment. Without limitation of the foregoing, all conditions relating to the installation, connection, use, repair and removal of Tenant Maintained Off-Premises Equipment shall be subject to the prior approval of Landlord, which approval shall not be unreasonably withheld and otherwise subject to the provisions of Section 6.4 related to the performance of improvements within the Premises and all indemnities, covenants and obligations of Tenant as respects the Premises shall also be applicable to Tenant Maintained Off-Premises Equipment (with the same force and effect as if Tenant Maintained Off-Premises Equipment were part of the Premises).

(iv) Tenant shall repair or replace, subject to Landlord's reasonable direction and supervision, any damage to the Property caused by a Tenant Party. If (A) Tenant fails to commence to make any repairs or replacements for which Tenant is responsible pursuant to this Section 6.9(a) within 30 days after the occurrence of such damage and thereafter diligently pursue the completion thereof (or, in the case of an emergency, such shorter period of time as is reasonable given the circumstances), or (B) notwithstanding such diligence, Tenant fails to complete such repairs or replacements within 60 days after the occurrence of such damage (or, in the case of an emergency, such shorter period of time as is reasonable given the circumstances), then Landlord may make the same at Tenant's cost. If any such damage occurs outside of the Premises, or if such damage occurs inside the Premises but affects the Building's Systems and/or Building's Structure or any other area outside the Premises, then Landlord may elect to repair such damage at Tenant's expense, rather than having Tenant repair such damage. The cost of all maintenance, repair or replacement work performed by Landlord under this Section 6.9(a), in each case plus an administrative fee of 5% of such cost, shall be paid by Tenant to Landlord within 60 days after Landlord has invoiced Tenant therefor.

(b) Landlord's Obligations. Landlord shall maintain and repair the Common Areas of the Property, Building's Structure, the Core Portions (defined below) of the Building's Systems, the Parking Structures (excluding any electric car charging stations and related electrical equipment and apparatus located in P100 and P300, which shall all be maintained by Tenant as long as Tenant elects to continue to keep such charging stations on the Property) and other exterior areas of the Property, including driveways, alleys, landscape and grounds of the Property and utility lines in a good condition, consistent with the operation of comparable office building projects in the Southwest Submarket of Austin, Texas, including maintenance, repair and replacement of the exterior of the Property

(including painting), landscaping, sprinkler systems and any items normally associated with the foregoing. As used herein, "Core Portions" shall mean those portions of any Building's System or component which are within the core and/or common to and/or intended to serve or exist for the benefit of other tenants in the Property, and shall not include so-called "branch lines" or "branch systems" which serve to connect or extend the Core Portions of Building Systems into the Premises. All costs in performing the work described in this Section shall be included in Operating Costs except to the extent excluded by Section 5.1. In no event shall Landlord be responsible for alterations to the Building's Structure required by applicable Legal Requirements because of Tenant's use of the Premises or alterations or improvements to the Premises made by or for a Tenant Party after the Commencement Date (which alterations shall be made by Landlord at Tenant's sole cost and expense and on the same terms and conditions as Landlord performed repairs as described in Section 6.9(a) above). Notwithstanding anything to the contrary contained herein, Landlord shall, in its commercially-reasonable discretion, determine whether, and to the extent, repairs or replacements are the appropriate remedial action. Landlord shall provide, maintain, service and test all fire and life safety systems components, and equipment of and in the Premises and the remainder of the Property, such as for example, fire alarm panels and sensing and notification devices, fire sprinkler systems, hydrants, and fire extinguishers, in accordance with all Legal Requirements; provided, however that Tenant, not Landlord, shall be responsible for such items that are dedicated or special units or systems of Tenant, such as pre-action systems or dry chemical fire suppression systems and their associated monitoring and alarm panels.

(c) Nothing in this Section shall affect, diminish or impair the provisions of Article VII.

6.10. Financial Reports. If Tenant is an entity that is domiciled in the United States of America, and whose securities are funded through a public securities exchange subject to regulation by the United States of America publicly traded over exchanges based in the United States and whose financial statements are readily available, the terms of this Section 6.10 shall not apply. Otherwise, within 15 days after Landlord's request, Tenant will furnish Tenant's most recent audited financial statements (including any notes to them) to Landlord, or, if no such audited statements have been prepared, such other financial statements (and notes to them) as may have been prepared by an independent certified public accountant or, failing those, Tenant's internally prepared financial statements. Tenant will discuss its financial statements with Landlord and, following the occurrence of an Event of Default hereunder, if no audited financials were provided to Landlord, will give Landlord access to Tenant's books and records in order to enable Landlord to verify the financial statements upon execution and delivery to Tenant of its standard non-disclosure agreement by all parties participating in the review. Landlord will not disclose any aspect of Tenant's financial statements that Tenant designates to Landlord as confidential except (1) to the holder of any Superior Interest or prospective mortgagees or purchasers of the Building, (2) in litigation between Landlord and Tenant, and/or (3) if required by Legal Requirements or court order. Tenant shall not be required to deliver the financial statements required under this Section 6.10 more than once in any 12-month period unless requested by a prospective buyer or an existing or prospective lender of the Property or an Event of Default occurs.

6.11. Environmental Law Compliance and Indemnity.

(a) Tenant shall promptly pay and discharge when due all debts, claims, liabilities, and obligations and perform all duties necessary for Tenant to comply with all Environmental Laws. Subject to Tenant's compliance with Environmental Laws relating to Tenant's use, storage and/or disposal of Hazardous Materials, Tenant may keep and use within the interior of the Premises the following: (i) ordinary office supplies (such as, for example, liquid paper, printer and copier toner, and glue) which may contain Hazardous Materials; and (ii) the types and quantities of the Hazardous Materials listed on **Exhibit Q** attached hereto; provided that Tenant may, subject to Landlord's prior approval (which approval shall not be unreasonably withheld, conditioned or delayed) bring additional Hazardous Materials on to the Property in addition to those shown on **Exhibit Q** (or additional quantities of the Hazardous Materials shown on **Exhibit Q**) that are necessary for the ordinary performance of Tenant's business. If Tenant breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Materials on the Property caused or permitted by Tenant results in the exposure of any Person to Hazardous Materials or damage to or contamination of the Property, or if the exposure of any Person to Hazardous Materials or damage to or contamination of the Property otherwise occurs for which Tenant is legally liable to Landlord, then Tenant shall indemnify, defend, and hold Landlord and the holder of any Superior Interest harmless from any and all claims, judgments, damages, penalties, fines, costs, government orders, liabilities, or losses (including sums paid in settlement of claims, attorneys' fees, consultant fees, and expert fees) which arise during or after the Term as a result of such exposure, damage or contamination. This indemnification of Landlord and the holder of any Superior Interest by Tenant includes costs incurred in connection with any ongoing monitoring or medical care for Persons exposed to Hazardous Materials, any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental agency of political subdivision because of Hazardous Materials present in the soil, soil gas or ground water on, under or emanating from the Property. Without limiting the foregoing, if the presence of any Hazardous Materials on the Property caused or permitted by Tenant results in any damage to or contamination of the Property, Tenant shall promptly take all actions at its sole expense as are necessary to return the Property to the condition existing prior to the introduction of any such Hazardous Materials to the Property; provided that Landlord's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld, delayed or conditioned so long as such actions would not potentially have any material adverse long-term or short-term effect on the Property. As a condition to Tenant's obligations to indemnify Landlord and the holders of any Superior Interest under this Section 6.11(a), the party claiming the right to be indemnified shall (1) deliver to Tenant a notice describing the facts underlying its indemnification claim which shall be delivered promptly to Tenant after such party receives notice of such claim; (2) tender the defense of such claim to Tenant; and (3) reasonably cooperate with Tenant, at Tenant's expense, in the defense of such claim. This indemnity provision is intended to allocate responsibility between Landlord and Tenant under Environmental Laws and shall survive termination or expiration of this Lease.

(b) As used herein, the term "Hazardous Materials" shall mean any hazardous or toxic substance, material, or waste which is or becomes regulated by any

Governmental Entity and shall include any material or substance that is (i) defined as a "hazardous substance" under the Texas Solid Waste Disposal Act, (ii) petroleum and petroleum products not intended for immediate use in internal combustion engines, (iii) friable asbestos, (iv) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. §1321), (v) defined as a "hazardous waste" pursuant to RCRA, (vi) defined as a "hazardous substance" pursuant to CERCLA, or (vii) defined as a "regulated substance" pursuant to Subchapter IX, Solid Waste Disposal Act (Regulation of Underground Storage Tanks), 42 U.S.C. §6991 et seq. As used herein, the term "Environmental Laws" shall mean any and all laws, statutes, ordinances, rules, regulations, orders or determinations of any Governmental Entity (including common law duties established by courts or other Governmental Entities) pertaining to the protection of human health and the environment in effect on the date of or that become effective during the Term of this Lease in any jurisdiction, federal, state or local, in which the Leased Assets are located, including, without limitation, the Clean Air Act, as amended; the Comprehensive Environmental Response, Compensation and Liability Act, as amended ("CERCLA"); the Federal Water Pollution Control Act, as amended; the Resource Conservation and Recovery Act, as amended ("RCRA"); the Safe Drinking Water Act, as amended; and the Toxic Substances Control Act, as amended.

(c) To the extent Tenant or its agents or employees discover any material water leakage, water damage or mold in or about the Premises, Tenant shall promptly notify Landlord thereof in writing.

(d) Tenant shall promptly provide Landlord with complete copies of all material documents, correspondence and other written materials directed to or from, or relating to, Tenant concerning all allegations of Tenant's non-compliance or violation of Environmental Laws at the Premises or the Property, including, without limitation, documents relating to the release, potential release, investigation, compliance, cleanup and abatement of Hazardous Materials, and any claims, causes of action or other legal documents related to same. Upon vacating any laboratory space, Tenant shall provide documentation to Landlord to demonstrate that such portion of the Premises has been cleaned, disinfected, decontaminated and decommissioned in accordance with applicable industry standards sufficient to establish that there is an acceptable level of risk for reoccupancy of such portion of the Premises.

ARTICLE VII
CASUALTY; CONDEMNATION

7.1. Damage or Destruction.

(a) In case of damage to or destruction of the Property or any part thereof by fire or other casualty (a "Casualty"), Tenant will promptly give written notice thereof to Landlord. Landlord shall, within 60 days after such Casualty, deliver to Tenant a good faith estimate (the "Damage Notice") of the time needed to repair the damage caused by such Casualty. Landlord shall use commercially reasonable efforts to commence repair of the Premises or the Property, as applicable, within 30 days after delivery of the Damage Notice.

(b) If the Premises is damaged by Casualty such that Tenant is prevented from conducting its business in the entire portion of the Premises located in a particular Building in a manner reasonably comparable to that conducted immediately before such Casualty and Landlord estimates that the damage caused thereby for which Landlord is responsible to repair under this Lease pursuant to Section 7.1(d) below cannot be repaired within (1) 270 days after the commencement of repairs, (2) 60 days after the date of the Casualty if the Casualty occurs between 365 days and 180 days before the expiration of the Term, or (3) 30 days after the date of the Casualty if the Casualty occurs during the last six months of the Term (as applicable, the "Repair Period"), then Tenant may terminate this Lease as to the entire portion of the Premises located in such Building by delivering written notice of its election to terminate within 30 days after the Damage Notice has been delivered to Tenant. In the event of any partial termination pursuant to this Section 7.1(b), Landlord and Tenant shall amend this Lease to provide for such reduction in the size of the Premises, including a reduction in the Base Rent payable hereunder in the proportion that the area of the Premises terminated due to such Casualty bears to the total area of the Premises.

(c) If a Casualty occurs with respect to any Building and (1) a Qualified Contractor (defined below in this Section 7.1(c)) retained by Landlord estimates that the damage cannot be repaired within the Repair Period, (2) the damage exceeds 50% of the replacement cost thereof (excluding foundations and footings), as estimated by such Qualified Contractor, and such damage occurs during the last two years of the Term, (3) regardless of the extent of damage, more than $500,0000 of the damage is not covered by Landlord's insurance policies (unless the lack of coverage is the result of Landlord failing to carry the property insurance required to be carried by Landlord pursuant to the terms of this Lease in which event Landlord shall not have the right to terminate) or Landlord makes a good faith determination that restoring the damage is not permitted by Legal Requirements, or (4) Landlord is required to pay so much of the insurance proceeds arising out of the Casualty to a holder of a Superior Interest that the remaining proceeds plus any applicable deductible under the insurance policy are less than the cost to repair the damage, as estimated by reputable contractors, by more than $500,000, then Landlord may terminate this Lease as to the portion of the Premises located in such Building by giving written notice of its election to terminate within 30 days after the Damage Notice has been delivered to Tenant. In the event of any partial termination pursuant to this Section 7.1(c), Landlord and Tenant shall amend this Lease to provide for such reduction in the size of the Premises, including a reduction in the Base Rent payable hereunder in the proportion that the area of the Premises terminated due to such Casualty bears to the total area of the Premises. As used in this Section 7.1(c), the term "Qualified Contractor" shall mean a general contracting company which has significant experience in the construction and reconstruction of improvements to real property of the nature and scope as the portion of the Premises or Property damaged selected by Landlord and which is not affiliated with Landlord and to which Tenant does not reasonably object. Landlord shall provide Tenant with written notice of its selected Qualified Contractor and Tenant shall have the right to object to such designation by providing written notice to Landlord within ten (10) Business Days, which notice shall state the reasonable basis for Tenant's objection. If Tenant reasonably objects to Landlord's designation, Landlord and Tenant shall work together to select a mutually acceptable Qualified Contractor. If Tenant does not respond within such 10 Business Day period, Tenant shall be deemed to have approved Landlord's selected Qualified Contractor.

(d) If neither party elects to terminate this Lease following a Casualty, then Landlord shall, in accordance with the provisions of this Section and all other applicable provisions of this Lease, restore the same as nearly as possible to its value, condition and character that existed immediately prior to the occurrence of said damage or destruction; provided, however, Landlord shall not be required to repair or replace any improvements, alterations or betterments within the Premises (which shall be promptly and with due diligence repaired and restored by Tenant at Tenant's sole cost and expense following completion of Landlord's repair of the Premises) or any furniture, equipment, trade fixtures or personal property of Tenant or others in the Premises or the Property. Such restoration shall be commenced promptly (but no later than 120 days after the occurrence of such damage or destruction) and shall be prosecuted and completed diligently but subject to any force majeure events. Tenant, its agents and mortgagees, may, from time to time, inspect the restoration without notice in the event of an emergency or, in other cases, upon reasonable advance notice to Landlord during normal business hours and subject to Landlord's safety and security policies and procedures.

(e) In the event of any damage or destruction of the Premises or any part thereof by Casualty, Landlord agrees to provide to Tenant at least ten (10) days before the commencement of the restoration of such damage or destruction, the following:

(i) complete plans and specifications for such restoration prepared by a licensed and reputable architect (the "Architect"), which plans and specifications shall not require prior consent or approval of Tenant so long as the work of restoration returns the portions of the Premises for which Landlord is responsible pursuant to Section 7.1(c) to substantially the same condition as existed prior to the occurrence of the Casualty and otherwise said plans and specifications must be approved by Tenant, which Tenant agrees not to unreasonably withhold, condition or delay;

(ii) the approval of the plans and specifications for the restoration by all applicable Governmental Entities then exercising jurisdiction with regard to such work; and

(iii) contracts then customary in the trade with (a) the Architect, and (b) with a reputable and responsible contractor, providing for the completion of such restoration in accordance with said plans and specifications.

(f) If this Lease is terminated under the provisions of this Section 7.1, Landlord shall be entitled to the full proceeds of the insurance policies providing coverage for all alterations, improvements and betterments in the Premises (and, if Tenant has failed to maintain insurance on such items as required by this Lease, Tenant shall pay Landlord an amount equal to the proceeds Landlord would have received had Tenant maintained insurance on such items as required by this Lease).

(g) To the extent the provisions of this Article or otherwise in this Lease shall conflict with the provisions of any Legal Requirements of the State of Texas, or any agency or political subdivision thereof, controlling the rights and obligations of parties to leases or other contracts in the event of damage by Casualty to leased space, the provisions of this Section and this Lease shall govern and control and such conflicting Legal Requirements shall be deemed expressly waived by the parties hereto.

(h) If the Premises are damaged by Casualty, Base Rent and Additional Rent for the portion of the Premises rendered untenantable by the damage shall be abated on a reasonable basis from the date of damage until the completion of Landlord's repairs (or until the date of termination of this Lease by Landlord or Tenant as provided above, as the case may be), unless a Tenant Party caused such damage, in which case, Base Rent and Additional Rent shall be abated only to the extent Landlord is compensated for such Rent by loss of rents insurance proceeds, if any (or, to the extent that Landlord is required to carry rental interruption insurance pursuant to **Exhibit D**, but fails to carry such insurance, then the amount that would have been covered by the rental interruption insurance that Landlord was required pursuant to **Exhibit D)**.

7.2. Condemnation.

(a) If any part of the Premises is taken or condemned for a public or quasi-public use (a sale in lieu of condemnation to be deemed a taking or condemnation), this Lease shall, as to the part taken, terminate as of the date title shall vest in the condemnor and continue in full force as to the remainder and in the event of such a partial taking, the Base Rent and Additional Rent shall be reduced in proportion that the area of the Premises so taken bears to the total area of the Premises. If this Lease is not terminated as provided below by such taking, then Landlord, at its cost and expense, shall proceed to restore the remaining portion of the Premises, whether or not the net condemnation award is sufficient to pay in full the cost of such restoration. Such, restoration work shall be performed in the same manner and pursuant to the same conditions as set forth in Section 7.1 hereof with respect to restoration as a result of a fire or casualty. Landlord shall be entitled to receive any and all awards paid by the condemning authority in connection with such partial taking (other than for any taking of the personal property of Tenant or for moving or dislocation expenses of Tenant).

(b) Notwithstanding the foregoing provisions of Section 7.2(a), in the case of a partial taking of less than all of the Premises in a particular Building and Tenant reasonably determines that the remaining portion of the Premises located in such Building would not be suitable for its business in such Building in a manner reasonably comparable to that conducted immediately before such taking, then Tenant may terminate this Lease as to all of the Premises in such Building by delivering written notice thereof to Landlord within 30 days after such taking, in which case the Base Rent and Additional Rent shall be reduced in proportion that the area of the Premises so taken bears to the total area of the Premises; provided that if more than 50% of the Premises is taken, Landlord shall have the right to terminate this Lease in its entirety. In addition, notwithstanding the foregoing provisions of Section 7.2(a), in the case of any taking where either (i) Landlord is required to pay any of the proceeds arising from such taking to a lender of the Property, or (ii) the

net condemnation award is not sufficient to pay in full the cost of such restoration, then Landlord may terminate this Lease with respect to the portion of the Premises that is subject to such taking by delivering written notice thereof to Tenant within 30 days after such taking and the Base Rent and Additional Rent shall be reduced in proportion that the area of the Premises so taken bears to the total area of the Premises; provided that if more than 50% of the Premises is taken, Landlord shall have the right to terminate this Lease in its entirety. If either Landlord or Tenant exercises such right to terminate this Lease in accordance with this Section 7.2(b), then this Lease shall terminate as of the date of such taking.

(c) In the event of total condemnation (a sale in lieu of condemnation to be deemed a taking or condemnation) of any Building, this Lease shall terminate as to such Building as of the date title shall vest in the condemnor and, upon such termination, the Base Rent and Additional Rent shall be reduced in proportion that the area of the Premises so terminated bears to the total area of the Premises.

(d) Landlord shall be entitled to receive any and all awards paid by the condemning authority in connection with any condemnation other than for any taking of Tenant's personal property and for Tenant's moving expenses.

ARTICLE VIII
ASSIGNMENT AND SUBLETTING

8.1. General Restriction. Except as provided in Sections 8.8 and 8.9 herein, Tenant may not, without Landlord's prior written consent, which shall not be unreasonably withheld, delayed or conditioned, (a) assign, transfer, or encumber this Lease or any estate or interest herein, whether directly or by operation of law, (b) permit any other entity to become Tenant hereunder by merger, consolidation, or other reorganization, (c) if Tenant is an entity other than a corporation whose stock is publicly traded, permit the transfer of an ownership interest in Tenant so as to result in a change in Control of Tenant, (d) sublet any portion of the Premises, (e) grant any license, concession, or other right of occupancy of any portion of the Premises, (f) permit the use of the Premises by any parties other than Tenant, or (g) sell or otherwise transfer, in one or more transactions, a majority of Tenant's assets (any of the events listed in Section 8.1(a) through 8.1(g) being a "Transfer"). Any such Transfer which is not expressly permitted pursuant to this Lease shall be void and of no force or effect. "Control" shall mean direct or indirect ownership of 50% or more of all of the voting stock of a corporation or 50% or more of the legal or equitable interest in any other business entity, or the power to direct the operations of any entity (by equity ownership, contract or otherwise).

8.2. Consent Standards. Landlord shall not unreasonably withhold, delay or condition its consent to any assignment of Tenant's entire interest in this Lease or subletting of the Premises, provided that the proposed transferee (1) has a financial condition that meets the reasonable criteria Landlord uses to select tenants for the Property having similar leasehold obligations, (2) will use the Premises for the Permitted Use and will not use the Premises in any manner that would conflict with any exclusive use agreement or other similar agreement entered into by Landlord with any other tenant of the

Property that remains in effect, (3) will not use the Premises, Building or Property in a manner that would materially increase the pedestrian or vehicular traffic to the Premises, Building or Property, (4) is not a Governmental Entity or quasi-Governmental Entity, or subdivision or agency thereof, (5) is not another occupant of the Property or an Affiliate of such occupant, (6) is not currently and has not in the past been involved in litigation with Landlord or any of its Affiliates, (7) is otherwise compatible with the character of the occupancy of the Property, and (8) is not a Person with whom Landlord is or an Affiliate of Landlord then, or has been within the six-month period prior to the time Tenant seeks to enter into such assignment or subletting, negotiating to lease space in the Property or any Affiliate of any such Person; otherwise, Landlord may withhold its consent in its sole discretion. Additionally, Landlord may withhold its consent in its sole discretion to any proposed Transfer if any Event of Default by Tenant then exists. Any Transfer made while an Event of Default exists hereunder, irrespective whether Landlord's consent is required hereunder with respect to the Transfer, shall be voidable by Landlord in Landlord's sole discretion. In agreeing to act reasonably, Landlord is agreeing to act in a manner consistent with the standards followed by large institutional owners of commercial real estate and Landlord is permitted to consider the financial terms of the Transfer and the impact of the Transfer on Landlord's own leasing efforts and the value of the Property. Landlord shall not be required to act reasonably in considering any request to pledge or encumber this Lease or any interest therein. For the purposes of clause (8) above, "negotiating to lease space" shall mean any of the following: Landlord has received and responded to (not necessarily in writing) a request for proposal from a prospective tenant or its broker, Landlord has submitted a written lease proposal or Landlord has initiated space planning for a prospective tenant.

8.3. Request for Consent. If Tenant requests Landlord's consent to a Transfer, then, at least ten (10) Business Days prior to the effective date of the proposed Transfer, Tenant shall provide Landlord with a written description of all terms and conditions of the proposed Transfer, copies of the proposed documentation, and the following information about the proposed transferee: name and address of the proposed transferee and any Persons who own, control or direct the proposed transferee; reasonably satisfactory information about its business and business history; its proposed use of the Premises; banking, financial, and other credit information; and general references sufficient to enable Landlord to determine the proposed transferee's creditworthiness and character. Concurrently with Tenant's notice of any request for consent to a Transfer, Tenant shall pay to Landlord a fee of $500 to defray Landlord's expenses in reviewing such request, and Tenant shall also reimburse Landlord immediately upon request for its reasonable attorneys' fees and other expenses incurred in connection with considering any request for consent to a Transfer (which shall not exceed $2,500 for consents to subleases provided Landlord's standard consent to sublease form is used without material modification or negotiation). If Landlord fails to notify Tenant that it approves or disapproves the requested Transfer within ten (10) Business Days after submission to Landlord of all of the items required under this Section 8.3, then Tenant may provide a second request to Landlord for Landlord's approval that conspicuously states to the effect that, IF LANDLORD DOES NOT MAIL LANDLORD'S APPROVAL OR DISAPPROVAL OF THE REQUESTED TRANSFER WITHIN 5 BUSINESS DAYS AFTER LANDLORD RECEIVES THIS SECOND REQUEST FOR CONSENT, LANDLORD'S APPROVAL

OF THIS TRANSFER WILL BE DEEMED GIVEN, and if Landlord fails to notify Tenant that it approves or disapproves the requested Transfer within five (5) Business Days after submission of such second request for approval, then Landlord shall be deemed to have approved such Transfer.

8.4. Conditions to Consent. If Landlord consents, or is deemed to have consented, to a proposed Transfer, then the proposed transferee shall deliver to Landlord a written agreement whereby it expressly assumes Tenant's obligations hereunder; however, any transferee of less than all of the space in the Premises shall be liable only for obligations under this Lease that are properly allocable to the space subject to the Transfer for the period of the Transfer. No Transfer shall release Tenant from its obligations under this Lease, but rather Tenant and its transferee shall be jointly and severally liable therefor. Landlord's consent to any Transfer shall not waive Landlord's rights as to any subsequent Transfers and no subtenant of any portion of the Premises shall be permitted to further sublease any portion of its subleased space. If an Event of Default occurs while the Premises or any part thereof are subject to a Transfer, then Landlord, in addition to its other remedies, may collect directly from such transferee all rents becoming due to Tenant and apply such rents against Rent. Tenant authorizes its transferees to make payments of rent directly to Landlord upon receipt of notice from Landlord to do so following the occurrence of an Event of Default hereunder. Tenant shall pay for the cost of any demising walls or other improvements necessitated by a proposed subletting or assignment.

8.5. Attornment by Subtenants. Each sublease by Tenant hereunder shall be subject and subordinate to this Lease and to the matters to which this Lease is or shall be subordinate, and each subtenant by entering into a sublease is deemed to have agreed that in the event of termination, re-entry or dispossession by Landlord under this Lease, Landlord may, at its option, take over all of the right, title and interest of Tenant, as sublandlord, under such sublease, and such subtenant shall, at Landlord's option, attorn to Landlord pursuant to the then executory provisions of such sublease, except that Landlord shall not be (1) liable for any previous act or omission of Tenant under such sublease, (2) subject to any counterclaim, offset or defense that such subtenant might have against Tenant, (3) bound by any previous modification of such sublease not approved by Landlord in writing or by any rent or additional rent or advance rent which such subtenant might have paid for more than the current month to Tenant, and all such rent shall remain due and owing, notwithstanding such advance payment, (4) bound by any security or advance rental deposit made by such subtenant which is not delivered or paid over to Landlord and with respect to which such subtenant shall look solely to Tenant for refund or reimbursement, or (5) obligated to perform any work in the subleased space or to prepare it for occupancy, and in connection with such attornment, the subtenant shall execute and deliver to Landlord any instruments Landlord may reasonably request to evidence and confirm such attornment. Each subtenant or licensee of Tenant shall be deemed, automatically upon and as a condition of its occupying or using the Premises or any part thereof, to have agreed to be bound by the terms and conditions set forth in this Section 8.5. The provisions of this Section 8.5 shall be self-operative, and no further instrument shall be required to give effect to this provision.

8.6. Cancellation. Landlord may, within ten (10) Business Days after submission of Tenant's written request for Landlord's consent to an assignment or subletting, cancel this Lease as to the portion of the Premises proposed to be sublet or assigned as of the date the proposed Transfer is to be effective. If Landlord cancels this Lease as to any portion of the Premises, then this Lease shall cease for such portion of the Premises and Tenant shall pay to Landlord all Rent accrued through the cancellation date relating to the portion of the Premises covered by the proposed Transfer. Thereafter, Landlord may lease such portion of the Premises to the prospective transferee (or to any other Person) without liability to Tenant. Notwithstanding the foregoing, if Landlord provides written notification to Tenant of its election to cancel this Lease as to any portion of the Premises as provided above, Tenant may rescind its proposed assignment or subletting of the Premises by notifying Landlord in writing within three (3) Business Days following Landlord's written cancellation notice. The provisions of this Section 8.6 shall not apply to (1) a Permitted Transfer, (2) subleases by Tenant of less than 2,500 rentable square feet, or (3) any other sublease by Tenant so long as such sublease does not extend (or contain any options to extend) into the last 24 months of the then current Term of this Lease.

8.7. Additional Compensation. While no Event of Default exists, Tenant shall pay to Landlord, immediately upon receipt thereof, twenty-five percent (25%) of the excess of (1) all compensation received by Tenant for a Transfer less the actual out-of-pocket costs reasonably incurred by Tenant with unaffiliated third parties (i.e., brokerage commissions, tenant finish work and any other reasonable and customary out-of-pocket costs, including test fits, marketing costs, free rent, and other tenant inducements) in connection with such Transfer (such costs shall be amortized on a straight-line basis over the term of the Transfer in question) over (2) the Rent allocable to the portion of the Premises covered thereby. While any Event of Default exists, Tenant shall pay to Landlord, immediately upon receipt thereof, one hundred percent (100%) of the excess of (A) all compensation received by Tenant for a Transfer over (B) the Rent allocable to the portion of the Premises covered thereby.

8.8. Assignment to Permitted Transferees. Provided no Default or Event of Default then exists, Tenant may Transfer all or part of its interest in this Lease or all or part of the Premises (a "Permitted Transfer") to the following types of entities (a "Permitted Transferee") without the written consent of Landlord:

(a) an Affiliate of Tenant;

(b) any corporation, limited partnership, limited liability partnership, limited liability company or other business entity in which or with which Tenant, or its corporate successors or assigns, is merged or consolidated, in accordance with applicable statutory provisions governing merger and consolidation of business entities, so long as (1) Tenant's obligations hereunder are assumed by the entity surviving such merger or created by such consolidation; and (2) the proposed transferee's net worth as of the effective date of the Permitted Transfer is not less than Tenant's net worth as of the date immediately prior to the assignment or subletting (or series of transactions of which the same is a part);

(c) any corporation, limited partnership, limited liability partnership, limited liability company or other business entity acquiring all or substantially all of Tenant's assets, so long as (1) Tenant's obligations hereunder are assumed by the entity acquiring such assets; and (2) the proposed transferee's net worth as of the effective date of the Permitted Transfer is not less than Tenant's net worth as of the date immediately prior to the assignment or subletting (or series of transactions of which the same is a part); or

(d) (1) an initial or subsequent public offering or distribution or equity or debt securities by Tenant, and/or (2) the sale of equity or convertible debt securities of Tenant in any transaction, so long as Tenant's net worth as of the effective date of the Permitted Transfer is not less than Tenant's net worth as of the date immediately prior to the assignment or subletting (or series of transactions of which the same is a part).

Tenant shall promptly notify Landlord of any such Permitted Transfer. Tenant shall remain liable for the performance of all of the obligations of Tenant hereunder, or if Tenant no longer exists because of a merger, consolidation, or acquisition, the surviving or acquiring entity shall expressly assume in writing the obligations of Tenant hereunder. Additionally, the Permitted Transferee shall comply with all of the terms and conditions of this Lease, including the Permitted Use, and the use of the Premises by the Permitted Transferee may not violate any other agreements affecting the Premises or the Property, Landlord or other tenants of the Property. No later than ten (10) days after the effective date of any Permitted Transfer, Tenant agrees to furnish Landlord with (A) copies of the instrument effecting any of the foregoing Transfers, (B) documentation establishing Tenant's satisfaction of the requirements set forth above applicable to any such Transfer, and (C) evidence of insurance as required under this Lease with respect to the Permitted Transferee. The occurrence of a Permitted Transfer shall not waive Landlord's rights as to any subsequent Transfers, and any subsequent Transfer by a Permitted Transferee shall be subject to the terms of this Section 8.

8.9. Shared Space Arrangement. Notwithstanding anything to the contrary in this Section 8, Tenant may from time to time permit third parties with whom Tenant is working on particular projects and with whom Tenant will share office or lab services to use a portion of the Premises and such use shall not be deemed to be a sublease so long as (a) no more than fifteen percent (15%) of the rentable square footage of the portion of the Premises located in any Building is so used at any one time and (b) the space occupied by such parties is not separately demised from the balance of the Premises (i.e. separated from the balance of the space by a wall or other constructed device and having separate entrances to the common areas) and (c) the use of the space is not a use which increases (i) the operating costs for the Building, (ii) the burden on the Building services, or (iii) the foot traffic, elevator usage or security concerns in the Building, or creates an increased probability of the comfort and/or safety of the Landlord and other tenants in the Building being unreasonably compromised or reduced and (iv) Tenant does not realize a profit with respect to the space so used. The rights set forth in this paragraph shall only apply to the portions of the Premises, if any, leased or subleased by Original Tenant. Tenant shall be fully responsible for the conduct of such parties within the Premises and the Property, and Tenant's indemnification obligations set forth in this Lease shall apply with respect to the conduct of such parties. Tenant shall supply Landlord with the terms of any such space

sharing arrangement no later than ten (10) days prior to the effective date thereof. Tenant shall not permit such party to occupy space in the Premises or conduct business in the Premises until Tenant delivers to Landlord a fully executed counterpart of Landlord's waiver and acknowledgement form for space sharing arrangements and Landlord's reasonable processing fee in connection with each such space sharing arrangement.

ARTICLE IX
DEFAULT AND REMEDIES

9.1. Default. Each of the following shall be deemed an "Event of Default" by Tenant hereunder and a material breach of this Lease:

(a) Tenant shall fail to pay any installment of Base Rent or Additional Rent when due which failure continues for five (5) days after written notice from Landlord to Tenant specifying such failure; provided, however, in any one calendar year, Landlord shall be obligated to give this notice not more than on two separate instances;

(b) Tenant shall fail to pay any Rent other than Base Rent or Additional Rent when due, which failure continues for fifteen (15) days after written notice from Landlord to Tenant specifying such failure in detail and setting forth Landlord's detailed computation of the Rent then due; provided, however, if any such amount shall be disputed in good faith, and Tenant shall have paid the undisputed amount within said fifteen (15) day period, then Tenant shall not be in default of its obligations hereunder until final resolution of such dispute;

(c) Tenant fails to provide any estoppel certificate, documentation regarding the subordination of this Lease or financial reports after Landlord's written request therefor pursuant to hereto, and such failure shall continue for five (5) Business Days after Landlord's second written notice thereof to Tenant;

(d) Tenant fails to procure, maintain and deliver to Landlord evidence of the insurance policies and coverages as required hereunder within ten (10) Business Days following Landlord's written request for said evidence;

(e) Tenant fails to pay and release of record, or diligently contest and bond around, any mechanic's or construction lien filed against the Premises or the Property for any work performed, materials furnished, or obligation incurred by or at the request of a Tenant Party, within the time and in the manner required herein;

(f) Tenant shall fail to materially keep, perform, or observe any of the other covenants, agreements, terms, or provisions contained in this Lease that are to be kept or performed by Tenant other than with respect to payment of Rent, and Tenant shall fail to commence and take such steps as are necessary to remedy the same within thirty (30) days after Tenant shall have been given a written notice specifying the same, or having so commenced, shall thereafter fail to proceed diligently and with continuity to remedy the same;

(g) a court of competent jurisdiction shall enter a decree or order for relief over Tenant in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) for Tenant or for any substantial part of Tenant's property, or ordering the winding up or liquidation of Tenant's affairs and such decree or order is not vacated within one hundred twenty (120) days;

(h) the execution after entry of a judgment or other judicial seizure of all or substantially all of Tenant's assets or the Property, if such attachment or other seizure remains undismissed or undischarged for a period of one hundred twenty (120) days after the levy thereof; or

(i) Tenant shall commence a voluntary case under the federal bankruptcy laws, as now constituted or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or Tenant consents to the appointment of or the taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) for Tenant or any substantial part of Tenant's property.

9.2. Remedies. Upon the occurrence and during the continuation of any Event of Default, Landlord may, in addition to all other rights and remedies afforded Landlord hereunder or by applicable Legal Requirements or equity, take any one or more of the following actions:

(a) Termination of Lease. Terminate this Lease by giving Tenant written notice thereof, in which event Tenant shall pay to Landlord the sum of (i) all Rent accrued hereunder through the date of termination, (ii) all amounts due under Section 9.3(a), and (iii) an amount equal to (but in no event less than zero) (1) the total Rent that Tenant would have been required to pay for the remainder of the Term discounted to present value at a per annum rate equal to the "Prime Rate" as published on the date this Lease is terminated by *The Wall Street Journal* in its listing of "Money Rates", minus (2) the then present fair rental value of the Premises for such period, similarly discounted;

(b) Termination of Possession. Terminate Tenant's right to possess the Premises without terminating this Lease by giving written notice thereof to Tenant, in which event Tenant shall pay to Landlord (i) all Rent and other amounts accrued hereunder to the date of termination of possession, (ii) all amounts due from time to time under Section 9.3(a), and (iii) all Rent and other net sums required hereunder to be paid by Tenant during the remainder of the Term, diminished by any net sums thereafter received by Landlord through reletting the Premises during such period, after deducting all costs incurred by Landlord in reletting the Premises. If Landlord elects to terminate Tenant's right to possession without terminating this Lease, and to retake possession of the Premises (and Landlord shall have no duty to make such election), Landlord shall use reasonable efforts to relet the Premises as further described in Section 9.3(d) below. Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished because of, Landlord's failure to relet the Premises or to collect rent due for such reletting. Tenant shall

not be entitled to the excess of any consideration obtained by reletting over the Rent due hereunder. Reentry by Landlord in the Premises shall not affect Tenant's obligations hereunder for the unexpired Term; rather, Landlord may, from time to time, bring an action against Tenant to collect amounts due by Tenant, without the necessity of Landlord's waiting until the expiration of the Term. Unless Landlord delivers written notice to Tenant expressly stating that it has elected to terminate this Lease, all actions taken by Landlord to dispossess or exclude Tenant from the Premises shall be deemed to be taken under this Section 9.2(b). If Landlord elects to proceed under this Section 9.2(b), it may at any time elect to terminate this Lease under Section 9.2(a).

(c) Perform Acts on Behalf of Tenant. Perform any act Tenant is obligated to perform under the terms of this Lease (and enter upon the Premises in connection therewith if necessary) in Tenant's name and on Tenant's behalf, without being liable for any claim for damages therefor, and Tenant shall reimburse Landlord on demand for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease (including, but not limited to, collection costs and legal expenses), plus interest thereon at the Interest Rate;

(d) Suspension of Services. Suspend any above Building-standard services required to be provided by Landlord hereunder without being liable for any claim for damages therefor.

9.3. Payment by Tenant; Non-Waiver; Cumulative Remedies; Mitigation of Damage.

(a) Payment by Tenant. Upon any Event of Default, Tenant shall pay to Landlord all amounts, costs, losses and/or expenses incurred, abated or foregone by Landlord (including court costs and reasonable attorneys' fees and expenses) in (1) obtaining possession of the Premises, (2) removing, storing and/or disposing of Tenant's or any other occupant's property, (3) repairing, restoring, altering, remodeling, or otherwise putting the Premises into condition acceptable to a new tenant, (4) if Tenant is dispossessed of the Premises and this Lease is not terminated, reletting all or any part of the Premises (including brokerage commissions, cost of tenant finish work, and other costs incidental to such reletting), (5) performing Tenant's obligations which Tenant failed to perform, (6) enforcing, or advising Landlord of, its rights, remedies, and recourses arising out of the default, and (7) securing this Lease, including all commissions, allowances, reasonable attorneys' fees, and if this Lease or any amendment hereto contains any abated Rent granted by Landlord as an inducement or concession to secure this Lease or amendment hereto, the full amount of all Rent so abated, multiplied by a fraction, the numerator of which is the number of full calendar months remaining in the Term as of the date of the Event of Default and the denominator of which is the number of months in the Term (and such abated amounts shall be payable immediately by Tenant to Landlord, without any obligation by Landlord to provide written notice thereof to Tenant, and Tenant's right to any abated rent accruing following such Event of Default shall immediately terminate). To the full extent permitted by applicable Legal Requirements, Landlord and Tenant agree the federal and state courts of the state in which the Premises are located shall have exclusive jurisdiction over any matter relating to or arising from this Lease and the parties' rights and obligations under this Lease.

(b) No Waiver. Landlord's acceptance of Rent following an Event of Default shall not waive Landlord's rights regarding such Event of Default. No waiver by Landlord of any violation or breach of any of the terms contained herein shall waive Landlord's rights regarding any future violation of such term. Landlord's acceptance of any partial payment of Rent shall not waive Landlord's rights with regard to the remaining portion of the Rent that is due, regardless of any endorsement or other statement on any instrument delivered in payment of Rent or any writing delivered in connection therewith; accordingly, Landlord's acceptance of a partial payment of Rent shall not constitute an accord and satisfaction of the full amount of the Rent that is due.

(c) Cumulative Remedies. Any and all remedies set forth in this Lease: (1) shall be in addition to any and all other remedies Landlord may have at law or in equity, (2) shall be cumulative, and (3) may be pursued successively or concurrently as Landlord may elect. The exercise of any remedy by Landlord shall not be deemed an election of remedies or preclude Landlord from exercising any other remedies in the future. Additionally, Tenant shall defend, indemnify and hold harmless Landlord, the holder of any Superior Interest and their respective representatives and agents from and against all claims, demands, liabilities, causes of action, suits, judgments, damages and expenses (including reasonable attorneys' fees) arising from Tenant's failure to perform its obligations under this Lease, **regardless of whether the negligence of any party contributed to such loss**.

(d) Mitigation of Damage. The parties agree any duty imposed by Legal Requirements on Landlord to mitigate damages after a default by Tenant under this Lease shall be satisfied in full if Landlord uses reasonable efforts to lease the Premises to another tenant (a "Substitute Tenant") in accordance with the following criteria: (1) Landlord shall have no obligation to solicit or entertain negotiations with any Substitute Tenant for the Premises until 60 days following the date upon which Landlord obtains full and complete possession of the Premises, including the relinquishment by Tenant of any claim to possession of the Premises by written notice from Tenant to Landlord; (2) Landlord shall not be obligated to lease or show the Premises on a priority basis or offer the Premises to any prospective tenant when other space in the Property is or soon will be available; (3) Landlord shall not be obligated to lease the Premises to a Substitute Tenant for less than the current fair market value of the Premises, as determined by Landlord in its sole but reasonable discretion, nor will Landlord be obligated to enter into a new lease for the Premises under other terms and conditions that are unacceptable to Landlord under Landlord's then-current leasing policies; (4) Landlord shall not be obligated to enter into a lease with a Substitute Tenant: (A) whose use would violate any restriction, covenant or requirement contained in the lease of another tenant in the Property; (B) whose use would adversely affect the reputation of the Property; (C) whose use would require any addition to or modification of the Premises or Property in order to comply with applicable Legal Requirements, including the Building Code; (D) who does not have, in Landlord's sole but reasonable opinion, the creditworthiness to be an acceptable tenant; (E) that is a Governmental Entity; or (F) that does not meet Landlord's reasonable standards for tenants

of the Property or is otherwise incompatible with the character of the occupancy of the Property, as reasonably determined by Landlord; and (5) Landlord shall not be required to expend any amount of money to alter, remodel or otherwise make the Premises suitable for use by a Substitute Tenant unless: (A) Tenant pays any such amount to Landlord prior to Landlord's execution of a lease with such Substitute Tenant (which payment shall not relieve Tenant of any amount it owes Landlord as a result of Tenant's default under this Lease); or (B) Landlord, in Landlord's sole but reasonable discretion, determines any such expenditure is financially prudent in connection with entering into a lease with the Substitute Tenant.

9.4. Tenant's Liability. Except for any damages for which Tenant may be liable under Section 10.13 because of Tenant's holding over in the Premises following the expiration of the Term (for which Landlord may recover consequential damages from Tenant under the terms of Section 10.13), the liability of Tenant to Landlord for any monetary damages arising from any default by Tenant under the terms of this Lease shall be limited to Landlord's actual direct, but not consequential, damages therefor. Nothing in this Section 9.4 shall affect or limit Landlord's rights to file legal actions to recover possession of the Premises, or for injunctive relief against Tenant, or any other non-monetary relief as provided in Sections 9.2 or 9.3 of this Lease, and, for the avoidance of doubt, Tenant acknowledges and agrees that the costs and expenses recoverable by Landlord under Sections 9.2(a) and 9.3(a) above constitute direct, not consequential, damages.

9.5. Landlord's Default; Tenant's Self-Help; Landlord's Liability.

(a) Landlord's Default. Each of the following shall be deemed an "Event of Default" by Landlord hereunder and a material breach of this Lease: (i) Landlord's failure to pay any money owing to Tenant within fifteen (15) days after written notice of such failure and (ii) Landlord shall fail to materially keep, perform, or observe any of the other covenants, agreements, terms, or provisions contained in this Lease that are to be kept or performed by Landlord other than with respect to payment of money, and Landlord shall fail to commence and take such steps as are necessary to remedy the same within thirty (30) days after Landlord shall have been given a written notice specifying the same, or having so commenced, shall thereafter fail to proceed diligently and with continuity to remedy the same.

(b) Tenant's Self-Help for Service Failures. If a Service Failure occurs with respect to Critical Utilities on any RDS Floor, the following shall apply:

(i) As soon as reasonably possible following the Service Failure (but no later than two (2) Business Days following the Service Failure), Landlord shall have its service provider for the subject Critical Utility provide to Landlord and Tenant a root cause analysis regarding the Service Failure. As soon as reasonably possible following the Service Failure (but no later than five (5) Business Days following the Service Failure), Landlord shall have its service provider for the subject Critical Utility provide to Tenant a commercially reasonable plan of corrective action regarding the Service Failure for Tenant's approval (which approval shall not be unreasonably withheld, conditioned or delayed). Landlord and Tenant shall meet and confer regarding such plan of corrective action as reasonably requested by either party.

(ii) Promptly following approval of the plan of corrective action, Landlord shall commence to take such corrective action to cure the Service Failure in accordance with the approved plan and thereafter diligently prosecute such corrective action to completion within the time frames agreed in the approved plans. If Landlord has not completed such cure of the Service Failure within five (5) Business Days following approval of the plan of corrective action (or, if the approved plan provided for a time frame longer than five (5) Business Days, such later time frame as agreed in the corrective action plan), then Landlord and Tenant shall meet and confer to develop any necessary changes or modifications to the corrective action plan. After Landlord and Tenant have agreed on any such necessary changes, Landlord shall promptly implement such changes to the plan of corrective action and thereafter diligently prosecute such corrective action to completion within ten (10) Business Days following approval of such changes (or, if the approved plan provided for a time frame longer than ten (10) Business Days, such later time frame as agreed in the corrective action plan).

(iii) If either (1) Landlord and Tenant do not agree on a plan of corrective action pursuant to Section 9.5(b)(i) within ten (10) Business Days following the Service Failure due to either Landlord's failure to deliver such plan or Landlord's and Tenant's failure to agree on such plan due to Landlord not reasonably accommodating Tenant's commercially reasonable requests with respect to such plan or (2) Landlord fails to cure the Service Failure within the time frame required under Section 9.5(b)(ii) above, then Tenant may, upon notice to Landlord, commence to perform the work reasonably necessary to cure the Service Failure subject to the following:

(A) such work cannot be performed in any other tenant's leased premises;

(B) all work shall be performed in accordance with all Legal Requirements and the provisions of Sections 6.4(f) and 6.4(i) (provided, however, that any provisions therein requiring Landlord's approval shall not apply but the materials to be provided Landlord therein shall be provided solely for informational purposes);

(C) such work shall not materially and adversely affect the Building's Structure nor any of the Building's Systems;

(D) performance by Tenant of such obligation does not involve any Hazardous Materials other than those listed on **Exhibit Q**; and

(E) if the work involves the Building's Systems, Tenant shall use only those contractors used by Landlord for work on such items in the Property unless such contractors are unwilling or unable to perform, or timely perform, such work, in which event Tenant may utilize the services of any other qualified contractor which normally and regularly performs similar work in comparable buildings.

(iv) All costs reasonably incurred by Tenant in connection with the performance by Tenant of such obligation of Landlord shall be payable by Landlord within thirty (30) days after receipt of written demand therefor, together with documentation reasonably supporting such costs; provided, however, in the event that Tenant has exercised its self-help right pursuant to Section 9.5(b)(iii)(1) due to Landlord's and Tenant's ability to agree on a corrective action plan, the amounts reimbursable to Tenant hereunder shall in no event exceed the estimated amount that would have been incurred under Landlord's proposed plan. In no event shall Landlord be obligated to reimburse Tenant for costs in excess of reasonably competitive rates for the work performed. In the event that Landlord shall fail to timely pay such amounts, and Tenant shall obtain a final non-appealable judgment for the same which remains unpaid by Landlord for thirty (30) days after written demand by Tenant, Tenant may offset the amount of such judgment against the Base Rent and other amounts payable by Tenant pursuant to this Lease (but not to exceed fifty (50%) of the Base Rent payable by Tenant hereunder in any given month).

(v) Tenant's rights under this Section 9.5(b) are in addition to, but not in limitation of, Tenant's abatement rights due to a Service Failure under Section 6.3(b)(iii) and nothing herein shall limit the express rights of Tenant under said section.

(c) Landlord's Liability. The liability of Landlord (and its successors, partners, shareholders or members) to Tenant (or any Person claiming by, through or under Tenant) for any default by Landlord under the terms of this Lease or any matter relating to or arising out of the occupancy or use of the Premises and/or other areas of the Property shall be limited to Tenant's actual direct, but not consequential, damages therefor and shall be recoverable only from the interest of Landlord in the Property and Landlord (and its partners, shareholders or members) shall not be personally liable for any deficiency; provided, however, that in any case Tenant shall also be allowed to execute any final non-appealable judgment against all insurance proceeds and condemnation awards then held by Landlord or thereafter receivable by Landlord in respect of its interest in the Property, but only to the extent that such insurance proceeds or condemnation awards are not used or to be used for the repair or replacement of any portion of the Property damaged or destroyed, in each case subject to any superior claims thereto, including claims of any holder of a Superior Interest. Additionally, Tenant hereby waives its statutory lien under Section 91.004 of the Texas Property Code. The provisions of this Section shall survive any expiration or termination of this Lease.

9.6. Fees and Expenses. If either party defaults in the performance of any of the terms, agreements, or conditions contained in this Lease and the other party places the enforcement of this Lease, the collection of any Rent due or to become due hereunder, or recovery of the possession of the Property in the hands of an attorney who files suit upon the same, then the defaulting party agrees to pay the other party's reasonable attorneys' fees, accountants' fees, consultants' fees, court costs and related expenses.

ARTICLE X
MISCELLANEOUS

10.1. Waivers and Amendments. Any waiver of any term or condition of this Lease, or any amendment or modification of this Lease, shall be effective only if set forth in a written document executed by a duly authorized officer of each of the parties.

10.2. Notices. Any notice, request, instruction, demand or other communication to be given hereunder by either party hereto to the other shall be given in writing and shall be delivered either (i) by hand, (ii) by facsimile during normal business hours followed by a confirmatory letter sent in another manner permitted hereunder within one (1) day of such facsimile), (iii) by a nationally recognized overnight courier service, or (iv) by registered or certified mail, postage prepaid, return receipt requested, as follows:

(a) If to Landlord, addressed to:

c/o Spear Street Capital
One Market Plaza, Spear Tower,
Suite 4125
San Francisco, CA 94105
Attention: John S. Grassi
Facsimile No.: 415.856.0348

with a copy thereof to:

c/o Spear Street Capital
One Market Plaza, Spear Tower, Suite 4125
San Francisco, CA 94105
Attention: Asset Manager - Austin Lone Star Campus
Facsimile No.: 415.856.0348

With an additional copy to:

c/o Spear Street Capital
1114 Avenue of the Americas, 31st Floor
New York, NY 10036
Attention: Asset Manager- Austin Lone Star Campus
Facsimile No.: 212.488.5520

(b) If to Tenant, addressed to:

Lantana HP, Ltd.
c/o HPI Real Estate
3600 N. Capital of Texas Hwy.
Building B, Suite 250
Austin, Texas 78746
Attention: Sam Houston

with a copy thereof to:

Susan Coleman, Esq.
Thompson & Knight, LLP
Burnett Plaza, Suite 1600
801 Cherry Street, Unit #1
Fort Worth, Texas 76102-6881
Fax No. (214) 999-1555
Phone: (817) 347-1713

or to such other address or number as either party shall have previously designated by written notice given to the other party in the manner hereinabove set forth. Any notice, request, instruction, demand or other communication shall be deemed given when received, if sent by facsimile, and when delivered and receipted for, if mailed, sent by nationally recognized overnight courier service or hand delivered. If any such notice, request, instruction, demand or other communication cannot be delivered because the receiving party changed its address and did not previously give notice of such change to the sending party or because the receiving party refuses to accept such communication, such communication shall be effective on the date delivery is attempted. Any notice, request, instruction, demand or other communication under this Lease may be given on behalf of a party by the attorney for such party.

10.3. Headings; Terminology. The Article and Section headings herein are for convenience only and shall not affect the construction hereof. Unless the context of this Lease clearly requires otherwise, (a) pronouns, wherever used herein, and whatever gender, shall include natural persons and corporations and associations of every kind and character, (b) the singular shall include the plural and the plural shall include the singular wherever and as often as may be appropriate, (c) the word “includes” or “including” shall mean “including without limitation”, (d) the word “or” shall have the inclusive meaning represented by the phrase “and/or”, and (e) the words “hereof”, “herein”, “hereunder”, and similar terms in this Lease shall refer to this Lease as a whole and not any particular section or article in which such words appear. All accounting terms not specifically defined herein shall be construed in accordance with GAAP unless the US Securities and Exchange Commission shall hereafter require public, reporting companies to follow principles based on a different accounting convention. Unless otherwise specified, all references to a specific time of day in this Lease shall be based upon central standard time or central daylight savings time, as applicable on the date in question in Austin, Travis County, Texas.

10.4. Transfer by Landlord. It is expressly and understood that in the event of the sale, assignment, or transfer by Landlord of its interest in the Property to a third party who provides Tenant with a written document assuming Landlord's obligations under this Lease, Landlord shall thereupon be released and discharged from all covenants and obligations of Landlord hereunder or thereafter accruing; but such covenants and obligations shall run with the Property and be binding upon each new Landlord during the period of its ownership of the Property.

10.5. Entire Agreement. This Lease and the Exhibits hereto constitute the entire agreement between the parties pertaining to the subject matter hereof and supersede all other prior and contemporaneous agreements and understandings, both oral and written, of the parties in connection therewith. No covenant or condition not expressed in this Lease shall affect or be effective to interpret, change or restrict this Lease.

10.6. Severability. If any term, provision, covenant or condition of this Lease is held by any court of competent jurisdiction to be invalid, void or unenforceable in any respect, the remainder of such term, provision, covenant or condition in every other respect and the remainder of the terms, provisions, covenants or conditions of this Lease shall continue in full force and effect and shall in no way be affected, impaired or invalidated.

10.7. Quiet Enjoyment. Landlord covenants that Tenant, on paying the Rent and performing and observing all of the covenants and agreements herein contained and provided to be performed by Tenant, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Premises during the Term, and may exercise all of its rights hereunder, subject only to the provisions of this Lease, all applicable Legal Requirements and the Permitted Encumbrances; and Landlord agrees to warrant and forever defend Tenant's right to such occupancy, use, and enjoyment and the title to the Premises against the claims of any and all Persons whomsoever lawfully claim the same, or any part thereof, by, through or under Landlord, but not otherwise, subject only to the provisions of this Lease, all applicable Legal Requirements and the Permitted Encumbrances.

10.8. Governing Law. THIS AGREEMENT HAS BEEN EXECUTED IN THE STATE OF TEXAS AND SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF TEXAS AND THE LAWS OF THE UNITED STATES OF AMERICA APPLICABLE TO TRANSACTIONS WITHIN THE STATE OF TEXAS.

10.9. Successors and Assigns. Subject to Article VIII of this Lease, this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

10.10. Counterparts. This Lease may be executed simultaneously in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.11. Estoppel Certificate.

(a) Tenant. From time to time (but no more than twice in any calendar year unless some event has occurred that necessitates Landlord's request of such estoppel certificate, including a possible sale or financing of the Property), Tenant shall furnish to any party designated by Landlord, within ten (10) Business Days after Landlord has made a request therefor, a certificate signed by Tenant confirming and containing such factual certifications and representations as to this Lease as Landlord may reasonably request. Unless otherwise required by a prospective purchaser or mortgagee of the Property, the initial form of estoppel certificate to be signed by Tenant is attached hereto as **Exhibit E**. If Tenant does not deliver to Landlord the certificate signed by Tenant within such required time period, Landlord, the holder of any Superior Interest and any prospective purchaser or mortgagee, may conclusively presume and rely upon the following facts: (1) this Lease is in full force and effect; (2) the terms and provisions of this Lease have not been changed except as otherwise represented by Landlord; (3) not more than one monthly installment of Base Rent and other charges have been paid in advance; (4) there are no claims against Landlord nor any defenses or rights of offset against collection of Rent or other charges; and (5) Landlord is not in default under this Lease. In such event, Tenant shall be estopped from denying the truth of the presumed facts.

(b) Landlord. Landlord shall execute and deliver to Tenant, promptly upon any request therefor by Tenant, an estoppel certificate stating:

(i) whether or not this Lease is in full force and effect;

(ii) whether or not this Lease has been modified or amended in any respect, and submitting copies of such modifications or amendments;

(iii) whether or not there are any existing defaults hereunder known to the party executing the certificate, and specifying the nature thereof; and

(iv) such other matters of fact as may be reasonably requested by Tenant.

10.12. Superior Interest. Contemporaneously with the execution of this Lease, Landlord shall provide Tenant with a written agreement (a "Non-Disturbance Agreement"), in form and content reasonably acceptable to Tenant, from all holders of Superior Interests, if any, recognizing Tenant's rights under this Lease and providing that this Lease is subordinate to such mortgage, deed of trust or ground lease, as the case may be, but Tenant's possession of the Property and other rights hereunder shall not be disturbed or impaired in the event of any foreclosure or other action by or on behalf of such Person. Tenant will (a) subordinate its rights under this Lease to the Liens of any future holder of a Superior Interest pursuant to a subordination, non-disturbance and attornment agreement in such holder of a Superior Interest's standard form therefor with such changes thereto as may be agreed upon by Tenant and such holder of a Superior Interest (provided that any commercially reasonable fees charged by such future holder of a Superior Interest associated with obtaining such subordination, non-disturbance and attornment agreement

shall be paid by Tenant within 15 days after Landlord's written request therefor and, if previously received by Landlord, accompanied by a reasonably detailed itemization of such fees and costs), and (b) agrees to attorn to such holder of a Superior Interest or other purchaser in the event of a foreclosure by such holder of a Superior Interest. Any holder of a Superior Interest may elect, at any time, unilaterally, to make this Lease superior to its mortgage or other interest in the Premises by so notifying Tenant in writing. Tenant will agree to be prompt and reasonable in approving and entering into any such agreements with any holder of a Superior Interest. Tenant shall provide to any holder of a Superior Interest for which it has been provided a written notice of address a copy of all defaults or notices of non-performance Tenant delivers to Landlord pursuant to this Lease. Any holder of a Superior Interest may cure a default by Landlord within the time period afforded Landlord (but in no event shall any such period be less than thirty (30) days from receipt of such notice) before Tenant may exercise any remedies for such default.

10.13. Surrender of Premises; Holding Over.

(a) Upon the termination or the expiration of this Lease, Tenant shall: (a) peaceably quit, deliver up, and surrender the Premises to Landlord broom-clean with all improvements located therein in good repair and condition, normal wear and tear excepted (except for condemnation and Casualty damage, as to which Sections 7.1 and 7.2 shall control), free of all claims and Liens other than the Permitted Encumbrances existing on the date of this Lease or others that Landlord has specifically consented to in writing and free of all Hazardous Materials existing or placed on the Premises during the Term by any Tenant Party; (b) deliver to Landlord all keys to the Premises and all access cards to the Property; (c) remove all unattached trade fixtures, furniture, and personal property placed in the Premises or elsewhere in the Property by a Tenant Party and unattached equipment located in the Premises (but Tenant may not remove any such item which was paid for, in whole or in part, by Landlord unless Landlord requires such removal); (d) abandon and leave in place, without additional payment to Tenant or credit against Rent, any and all cabling (including conduit) installed in the Premises or elsewhere in the Property by or on behalf of a Tenant Party, including all connections for such cabling, in a neat and safe condition in accordance with the requirements of all applicable Legal Requirements, including the National Electric Code or any successor statute, and terminated at both ends of a connector, properly labeled at each end and in each electrical closet and junction box; (e) subject to Sections 6.4(d) and 6.4(e) above, remove such Alterations made after the Commencement Date as Landlord may require (however, Tenant shall not be required to remove (1) the Alterations installed by Tenant in conjunction with demising the portion of the Premises on the third and fourth floors of B300 from the balance of the Premises or (2) any alterations, additions or improvements made to the Premises prior to the Commencement Date); and (f) subject to Sections 6.4(d) and 6.4(e) above, remove such Tenant Maintained Off-Premises Equipment and any dedicated or supplemental heating, ventilating and/or air conditioning systems, computer power, telecommunications and/or other special units or systems of exclusively serving the Premises and installed following the Commencement Date (whether such items are deemed Off-Premises Equipment, personal property or Alterations and regardless of whether such items are attached or not attached to the Premises or the Property) as Landlord may require. Tenant shall repair all damage caused by the removal of the items described in Section 10.13(a) above. If Tenant

fails to remove any property required to be removed by Tenant under the terms of this Lease, Landlord may, at Landlord's option, (1) deem such items to have been abandoned by Tenant, the title thereof shall immediately pass to Landlord at no cost to Landlord, and such items may be appropriated, sold, stored, destroyed, or otherwise disposed of by Landlord without notice to Tenant and without any obligation to account for such items; any such disposition shall not be considered a strict foreclosure or other exercise of Landlord's rights in respect of the security interest granted hereunder or otherwise, (2) remove such items, perform any work required to be performed by Tenant hereunder, and repair all damage caused by such work, and Tenant shall reimburse Landlord on demand for any expenses which Landlord may incur in effecting compliance with Tenant's obligations hereunder (including reasonable collection costs and attorneys' fees), plus interest thereon at the Interest Rate, or (3) elect any of the actions described in clauses (1) and (2) above as Landlord may elect in its sole discretion. The provisions of this Section 10.13(a) shall survive the end of the Term.

(b) Upon such termination or expiration Landlord may, without further notice, enter upon, reenter, possess, and repossess itself of the Property by force, summary proceedings, ejectment, or otherwise, and, subject to applicable law, may dispossess and remove Tenant from the Property, which actions may include but shall not be limited to changing the locks or security devices to the Premises, and may have, hold, and enjoy the Property and all rental and other income therefrom, free of any claim by Tenant with respect thereto. If Tenant does not surrender possession of the Property at the end of the Term, such action shall not extend the Term, Tenant shall be a tenant at sufferance, and during such time of occupancy Tenant shall pay to Landlord, as damages, an amount equal to one hundred twenty-five percent (125%) of the amount of Base Rent that was being paid immediately prior to the end of the Term for the first sixty (60) days of such holdover and, thereafter, an amount equal to one hundred fifty percent (150%) of the amount of Base Rent that was being paid immediately prior to the end of the Term. The provisions of this Section 10.13(b) shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including any claims made by any succeeding tenant founded upon such failure to surrender, and any lost profits or other consequential damages to Landlord resulting therefrom

(c) Landlord shall not be deemed to have accepted a surrender of the Property by Tenant, or to have extended the Term, other than by execution of a written agreement specifically so stating.

10.14. Entry by Landlord; Reserved Rights; Modification to Common Areas; Renovations.

(a) Entry by Landlord. Landlord shall have the right to enter upon the Premises at all reasonable times upon reasonable advance notice (which notice may be oral except where written notice is required below), provided that no advance notice need be

given if an emergency (as determined by Landlord in its good faith judgment) necessitates an immediate entry or prior to entry to provide routine janitorial services, to (i) inspect same, (ii) to show the Premises (other than the Designated Secure Areas (as defined below)) to prospective purchasers, lenders or (during the last 21 months of the term of this Lease unless Tenant has exercised its Option to Extend) tenants (upon two (2) Business Days' prior written notice except in the case of touring the Early Expiration Space, in which case no more than one (1) Business Days' notice shall be necessary), (iii) supply janitorial, engineering and any other service Landlord is required to provide hereunder, (iv) access any of Landlord security or other equipment that is located within the Premises (or which requires entry within the Premises to access such equipment) or (v) upon two (2) Business Days' prior written notice, to perform Renovations (as defined in Section 10.14(c) below). Landlord's inspection shall not imply any duty on the part of Landlord to repair any part of the Premises, nor shall such inspection relieve Tenant of any of its obligations hereunder. Subject to the requirements of this Section 10.14, Landlord shall be entitled to enter upon the Premises to conduct and prepare all tests (including environmental audits) and surveys reasonably required by Landlord in connection with Landlord's ownership, sale or financing of the Property. The reasonable cost of any surveys and tests (including environmental audits) shall be borne by Landlord and shall not be included in Operating Costs. Landlord shall use good faith efforts to cause all entries to be done in such a manner as to cause as little interference to Tenant as reasonably possible without incurring additional expense. Landlord shall at all times retain a key or cardkey with which to unlock and/or access all of the doors in the Premises. If an emergency necessitates immediate access to the Premises, Landlord may use whatever force is necessary to enter the Premises and any such entry to the Premises shall not constitute a forcible or unlawful entry into the Premises, a detainer of the Premises, or an eviction of Tenant from the Premises, or any portion thereof. Except in the case of emergency (as determined by Landlord in good faith), Landlord shall not enter the Premises (other than routine janitorial services or engineering related service calls) unless accompanied by a representative of Tenant. Tenant agrees to make such representative available to Landlord at all times upon reasonable advance request by Landlord (which request may be by email notice with a telephone confirmation to Sam Houston (telephone number (512) 835-4455) and any other email address and telephone number that Tenant may provide in a written notice to Landlord but in no event more than two total contact persons). If Tenant shall fail to make such a representative available upon such request, Landlord may enter the Premises without Tenant's representative. Landlord shall at all times be provided with a means of entry to all areas within the Premises in the event of an emergency or Tenant's failure to provide a representative as aforesaid. Tenant may also elect that a representative accompany the provider of janitorial and/or engineering services to the Premises so long as the same does not require rescheduling of such services or hinder, interfere with or delay the performance of the same and is permitted under Landlord's applicable contracts with the provider of such service providers. Tenant may require persons providing services to the Premises to sign in, wear identification badges, and to submit to a background check with a vendor selected by Tenant, at Tenant's cost. In any entrance into the Premises pursuant to the provisions of this Section 10.14, Landlord shall endeavor in good faith to comply with Tenant's reasonable security procedures previously detailed by Tenant to Landlord, except to the extent Landlord or its agents determine that an emergency makes

compliance with such procedures impracticable. Notwithstanding the foregoing, Tenant may from time to time upon thirty (30) days' advance written notice to Landlord designate, as secured areas of the Premises, areas where unusually confidential information is kept (so long as Landlord in all events has access to its equipment located within any Building) (the "Designated Secured Areas"; the Designated Secured Areas as of the Commencement Date are shown on **Exhibit AA** attached hereto. Landlord shall not be required to provide janitorial services to any of the Designated Secured Areas unless Tenant grants Landlord such access. With respect to the Designated Secured Areas, the following conditions shall apply: (1) Tenant may require Landlord and all other parties to sign in, wear identification badges, be accompanied by an authorized employee or agent of Tenant (except in case of emergency), and to submit to a background check with a vendor selected by Tenant, at Tenant's cost; provided, however, current and prospective lenders and investors, prospective purchasers and tenants, and, in each case, their respective agents, shall not be required to submit to a background check, but Landlord or its authorized agent shall at all times accompany any such party in such secured areas; and (2) Tenant and Landlord shall reasonably cooperate in establishing emergency entry protocols such that Landlord may enter such Designated Secured Areas in an emergency in such a way as to accommodate, to the extent reasonably practical under the circumstances, Tenant's security and confidentiality concerns. Tenant hereby agrees that any entry into the Premises by Landlord pursuant to this Section 10.14(a) shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent. Landlord shall have no responsibility and shall not be liable to Tenant for any injury to or interference with Tenant's business arising from such entries pursuant to this Section 10.14(a), nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from such entry, or for any inconvenience or annoyance occasioned by such entry, provided that the foregoing shall not limit Landlord's liability, if any, pursuant to applicable Legal Requirements for personal injury and property damage to the extent caused by the gross negligence or willful misconduct of Landlord, its agents, employees or contractors. Any non-public confidential information obtained regarding Tenant's proprietary business information as a result of any entry upon the Premises by Landlord or a party under Landlord's control shall be deemed to be confidential information subject to the requirements of Section 10.26 below.

(b) Reserved Rights. Landlord shall have the following rights: (i) To decorate and to make inspections, repairs, alterations, additions, changes, or improvements, whether structural or otherwise, in and about the Property, or any part thereof (exclusive of the Premises); (ii) to interrupt or temporarily suspend Building services and facilities subject to the provisions contained in the **Utility Exhibit** and this Lease; (iii) to change the name of the Building; (iv) to take such reasonable measures as Landlord deems advisable for the security of the Property and its occupants subject to the provisions of the **Utility Exhibit**; (v) evacuating all or any portion of the Property for cause, suspected cause, or for drill purposes (provided, however, Tenant's security office shall be provided no less than five (5) Business Days' prior notice of any such drills unless Legal Requirements or any Governmental Entity do not allow notice or require shorter notice); (vi) temporarily denying access to all or any portion of the Property to the extent required by Legal Requirements or for security purposes directly related to the Property or

due to strikes, lockouts, labor disputes, fire or other casualty, acts of God, acts of terror, or other causes beyond the reasonable control of Landlord and directly related to the Property; (vii) restricting ingress to or egress from any portion of the Property After Business Hours, subject, however, to Tenant's right to enter when a Building is closed After Business Hours under such reasonable security measures as Landlord may prescribe from time to time in writing to Tenant, which may include, by way of example but not limitation, that Persons entering or leaving such Building, whether or not during normal business hours, present a valid access badge or otherwise identify themselves to a security officer by registration or otherwise and that such Persons establish their right to enter or leave such Building; and (viii) subject to Section 10.14(c) below, to change the arrangement and location of entrances or passageways, doors, and doorways, corridors, elevators, stairs, restrooms, of the Common Areas or other public parts of the Property.

(c) Modifications of Common Areas. Landlord shall have the right from time to time to change the size, location, configuration, character or use of any Common Areas, construct additional improvements or facilities in any such Common Areas, or temporarily or permanently close any such Common Areas (it being specifically acknowledged by Tenant that Landlord currently contemplates that the basketball courts at the Property may be closed and converted to parking or other improvements or uses); provided, however, that the foregoing shall not apply to Building Exclusive Use Common Areas while Tenant leases the entire Building which such Building Exclusive Use Common Area serves unless such changes are required by Legal Requirements. Upon the surrender of any portion of a Building to Landlord by Tenant for any reason, Tenant shall also be required to surrender the main lobby (including Common Area access corridors and hallways to access such lobby) of such Building to Landlord and such lobby or lobbies shall thereafter be deemed a Building Exclusive Use Common Area. Notwithstanding anything contained herein to the contrary, Landlord agrees that, except as may be required by Legal Requirements:

(i) as long as Original Tenant leases or subleases at least 300,000 rentable square feet of space in the Property and such 300,000 square feet includes at least one laboratory space (A) the size of the Common Area entrance lobbies in any Building (other than B500) that is occupied in whole or in part (but at least 25%) by Original Tenant shall not be modified so as to (1) materially impede ingress or egress to and from the Premises or (2) materially reduce the size and utility of such lobby and (B) provided Original Tenant is leasing space within B500, the size of the Common Area main lobby on the second floor of B500 shall not be modified so as to (1) materially impede ingress or egress to and from the Premises or (2) materially reduce the size and utility of such lobby, without, in each case, the prior written consent of Tenant that may be withheld in Tenant's sole discretion;

(ii) as long as the Premises includes any portion of B300, Landlord shall not materially modify the B300 loading dock without Tenant's consent, which consent shall not be unreasonably withheld;

(iii) as long as the Premises includes any portion of B100, Landlord shall not materially modify the B100 circular drive or the P100 entrance without Tenant's consent, which consent shall not be unreasonably withheld; and

(iv) as long as the Premises includes at least 25% of the rentable square footage of B300, Landlord shall not materially modify the P300 entrances from the location as of the Commencement Date without Tenant's consent, which consent shall not be unreasonably withheld.

(d) Renovations. Tenant hereby acknowledges that Landlord may during the Term renovate, improve, alter, or modify (collectively, the "Renovations") the Property and/or each Building. Notwithstanding the foregoing, except for improvements, alterations or modifications that are required by Legal Requirements or in order for Landlord to meet its obligations under this Lease regarding maintenance, repair and the provision of services, so long as Tenant leases 100% of the space within either B100 or B200, Landlord shall not make any Renovations to such Building. Landlord shall use commercially reasonable efforts to complete any Renovations in a manner which does not materially, adversely affect Tenant's use of or access to the Premises; provided, however, (i) Landlord shall perform any work within the Premises involving core drilling or excessive noise or excessive dust, After Business Hours to the extent allowable under Legal Requirements and (ii) Landlord shall at all times use commercially reasonable efforts to cause all Renovations to be done in such a manner as to cause as little interference to Tenant's use of and access to the Premises as reasonably possible without incurring material additional expense. Notwithstanding the foregoing, Tenant hereby agrees that any entry into the Premises by Landlord to perform Renovations or any noise or other disruption outside the Premises related to Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent. Landlord shall have no responsibility and shall not be liable to Tenant for any injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from the Renovations, or for any inconvenience or annoyance occasioned by such Renovations, provided that the foregoing shall not limit Landlord's liability, if any, pursuant to applicable Legal Requirements for personal injury and property damage to the extent caused by the gross negligence, or willful misconduct of Landlord, its agents, employees or contractors.

10.15. Signage.

(a) Tenant, at Tenant's sole cost and expense (including, without limitation, costs and expenses to construct any such signage to the extent the same does not exist as of the date of this Lease), and subject to Tenant's compliance with applicable Legal Requirements, shall be entitled to the signage described on **Exhibit T** (collectively, "Tenant's Signage"). Tenant's right to use Tenant's Signage shall remain in place only so long as no Event of Default has occurred and is continuing under this Lease. Except for Tenant's Signage, Tenant shall have no other right to maintain any signage at any other location in, on or about the exterior of the Premises or the Property except as otherwise provided in **Exhibit T**.

(b) Tenant's Signage, and any changes to Tenant's Signage, shall be subject to Landlord's reasonable approval as to the design, size, color, material, content, location and illumination, shall be appropriate for the Property, shall be in conformity with the overall design and ambiance of the Property, and shall comply with all applicable Legal Requirements. Tenant shall be responsible for obtaining any governmental permits or approvals required for Tenant's Signage (and, if approved by Landlord, any new Tenant signage), all at Tenant's sole cost and expense; provided, however, that Landlord, at no cost to Landlord, shall reasonably cooperate with Tenant as reasonably required for obtaining any governmental permits or approvals required for Tenant's Signage (and, if approved by Landlord, any new Tenant signage). Tenant's repair, maintenance, construction and/or improvement of Tenant's Signage (and, if approved by Landlord, any new Tenant signage) shall be at its sole cost and expense and shall comply with all applicable Legal Requirements, the requirements applicable to construction of alterations pursuant to Section 6.4 of this Lease, and such other reasonable rules, procedures and requirements as Landlord shall impose with respect to such work, including insurance coverage in connection therewith. Any cost or reimbursement obligations of Tenant under this Section 10.15, including with respect to the installation, maintenance or removal of Tenant's Signage, shall survive the expiration or earlier termination of this Lease.

(c) Upon the expiration or earlier termination of this Lease, or the earlier termination of Tenant's right to have Tenant's Signage by Landlord's written notice to Tenant by reason of Tenant's failure to meet the occupancy or other requirements applicable thereto pursuant to the foregoing or as set forth in **Exhibit T**, Tenant shall remove any of Tenant's Signage that is Tenant's responsibility to remove under **Exhibit T** (and any other signage subsequently installed by Tenant) at Tenant's sole cost and expense, and repair and restore to good condition the areas of the Building or Property on which the signage was located or that were otherwise affected by such signage or the removal thereof, or at Landlord's election, Landlord may perform any such removal and/or repair and restoration and Tenant shall pay Landlord the reasonable cost thereof within thirty (30) days after Landlord's written demand. If any signs, projections, awnings, signals or advertisements is installed by Tenant in violation of this Section 10.15, or done by Tenant through any Person not approved by Landlord, Landlord shall notify Tenant in writing and if Tenant fails to remove such signage within ten (10) Business Days after Landlord's notice, Landlord shall have the right to remove such signs, projections, awnings, signals or advertisements without being liable to the Tenant by reason thereof and to charge the cost of such removal to Tenant, payable within thirty (30) days of Landlord's demand therefor.

10.16. Consent to Jurisdiction and Service of Process. Any legal action, suit or proceeding in law or equity arising out of or relating to this Lease and the transactions contemplated hereby may be instituted in any state or federal court in Travis County, Texas, and each party agrees not to assert, by way of motion, as a defense or otherwise, in any such action, suit or proceeding, any claim that it is not subject personally to the jurisdiction of such court, that its property is exempt or immune from attachment or execution, that the action, suit or proceeding is brought in an inconvenient forum, that the

venue of the action, suit or proceeding is improper or that this Lease, or the subject matter hereof may not be enforced in or by such court. Each party further irrevocably submits to the jurisdiction of any such court in any such action, suit or proceeding. Any and all service of process and any other notice in any such action, suit or proceeding shall be effective against either party if given by registered or certified mail, return receipt requested or by any other means of mail which requires a signed receipt, postage prepaid, mailed to such party at the address listed in Section 10.2 herein. Nothing herein contained shall be deemed to affect the right of either party to serve process in any manner permitted by applicable Legal Requirements or to commence legal proceedings or otherwise proceed against the other party in any jurisdiction other than Texas.

10.17. Interpretation. Both Landlord and Tenant and their respective legal counsel have participated extensively in the preparation, negotiation, and drafting of this Lease. Accordingly, no presumption will apply in favor of either Landlord or Tenant in the interpretation of this Lease or in the resolution of any ambiguity of any provision hereof.

10.18. Memorandum of Lease. Contemporaneously with the execution of this Lease, Landlord and Tenant shall execute and acknowledge a Memorandum of Lease (the "Memorandum"), in form and content reasonably satisfactory to Tenant, evidencing the Term and certain other provisions of this Lease, including, without limitation, the Right of First Offer (as set forth in **Exhibit I** attached hereto). Tenant shall be permitted to record the Memorandum in the Official Public Records of Travis County, Texas. Tenant grants to Landlord a power of attorney to execute and record a release releasing any such recorded instrument of record that was recorded without the prior written consent of Landlord.

10.19. Consents and Approvals. In any instance in which this Lease requires the prior written consent, prior written approval or other consent or approval from either party, such party agrees that such approval or consent shall not be unreasonably withheld, delayed or conditioned.

10.20. Further Assurances. Both Landlord and Tenant agree that it will without further consideration execute and deliver all such other documents and take such other action, whether prior or subsequent to the effective date of this Lease, as may be reasonably requested by the other party to consummate more effectively the transaction contemplated hereby.

10.21. Joint and Several Liability. If Tenant consists of more than one party, each such party shall be jointly and severally liable for Tenant's obligations under this Lease. All unperformed obligations of Tenant hereunder not fully performed at the end of the Term shall survive the end of the Term, including payment obligations with respect to Rent and all obligations concerning the condition and repair of the Premises.

10.22. No Third Party Beneficiary. The provisions of this Lease are and will be for the benefit of Landlord and Tenant only and are not for the benefit of any third party. No third party shall have the right to enforce the provisions hereof.

10.23. Brokerage. Neither Landlord nor Tenant has dealt with any broker or agent in connection with the negotiation or execution of this Lease. Tenant and Landlord shall each indemnify the other against all costs, expenses, reasonable attorneys' fees, liens and other liability for commissions or other compensation claimed by any other broker or agent claiming the same by, through, or under the indemnifying party.

10.24. No Merger. There shall be no merger of the leasehold estate hereby created with the fee estate in the Premises or any part thereof if the same Person acquires or holds, directly or indirectly, this Lease or any interest in this Lease and the fee estate in the leasehold Premises or any interest in such fee estate.

10.25. Waiver of Jury Trial; Attorneys' Fees. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, TENANT (ON BEHALF OF ITSELF AND ITS RESPECTIVE SUCCESSORS, ASSIGNS AND SUBTENANTS) AND LANDLORD EACH, AFTER CONSULTATION WITH COUNSEL, KNOWINGLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY LITIGATION OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE ARISING OUT OF OR WITH RESPECT TO THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO. If there is any legal or arbitration action or proceeding between Landlord and Tenant to enforce any provision of this Lease or to protect or establish any right or remedy of either Landlord or Tenant hereunder, the unsuccessful party to such action or proceeding will pay to the prevailing party all reasonable, actual out-of-pocket costs and expenses paid or payable to third parties, including reasonable attorneys' fees incurred by such prevailing party in such action or proceeding and in any appeal in connection therewith, and if such prevailing party recovers a judgment in any such action, proceeding or appeal, such costs, expenses and attorneys' fees will be determined by the court or arbitration panel handling the proceeding and will be included in and as a part of such judgment.

10.26. Confidentiality. Tenant and Landlord acknowledge that the terms and conditions of this Lease, (b) any non-public, confidential proprietary information regarding Tenant's business obtained by Landlord or a party under Landlord's control pursuant to Landlord's right of entry into the Premises and (c) financial information provided by Tenant are to remain confidential for their benefit, and may not be disclosed by either of them to anyone, by any manner or means, directly or indirectly, without the prior written consent of the non-disclosing party; however, Landlord and Tenant may disclose the terms and conditions of this Lease to its attorneys, accountants, employees and existing or prospective financial partners, or if required by Legal Requirements or court order or reporting requirements applicable to Landlord or Tenant, provided all parties to whom a disclosing party is permitted hereunder to disclose such terms and conditions are advised by the disclosing party of the confidential nature of such terms and conditions and agree to maintain the confidentiality thereof (in each case, prior to disclosure). Tenant and Landlord shall be liable for any disclosures made in violation of this Section by them or by any entity or individual to whom the terms of and conditions of this Lease were disclosed or made available by them. The consent by Landlord or Tenant to any disclosures shall not be deemed to be a waiver on the part of the non-disclosing party of any prohibition against

any future disclosure. The terms of this Section 10.26 shall in no events apply to information that (a) was or becomes generally available to the public, (b) was or becomes available on a non-confidential basis, or (c) was within either party's possession prior to its being furnished to such party.

10.27. Landlord's Fees. Whenever Tenant requests Landlord to take any action not required of Landlord hereunder or give any consent required or permitted under this Lease, Tenant will reimburse Landlord for Landlord's reasonable, out-of-pocket costs payable to third parties and incurred by Landlord in reviewing the proposed action or consent, including reasonable engineers' or architects' fees and reasonable attorneys' fees (including amounts allocated by Landlord to Landlord's in-house counsel as well as fees and expenses charged by outside counsel engaged by Landlord), within 30 days after Landlord's delivery to Tenant of a statement of such costs and reasonable supporting documentation covering said costs. Tenant will be obligated to make such reimbursement without regard to whether Landlord consents to any such proposed action.

10.28. Determination of Charges. Landlord and Tenant agree that each provision of this Lease for determining charges and amounts payable by Tenant (including provisions regarding Additional Rent) is commercially reasonable and, as to each such charge or amount, constitutes a statement of the amount of the charge or a method by which the charge is to be computed for purposes of Section 93.012 of the Texas Property Code.

10.29. Prohibited Persons and Transactions. Tenant and Landlord represent and warrant to the other that neither they, nor, to the best of the representing party's knowledge, any of their Affiliates is, nor will they become, a Person with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Assets Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated Nationals and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not Transfer this Lease or the Property to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such Persons.

10.30. Waiver of Consumer Rights. Tenant hereby waives all its rights under the Texas Deceptive Trade Practices - Consumer Protection Act, Section 17.41 et seq. of the Texas Business and Commerce Code, a law that gives consumers special rights and protections. After consultation with an attorney of Tenant's own selection, Tenant voluntarily adopts this waiver.

10.31. Rules and Regulations. Tenant shall comply with the rules and regulations of the Property which are attached hereto as **Exhibit F** (as such rules and regulations may be modified or amended by Landlord from time to time in accordance with this Section 10.31, the "Rules and Regulations"). Landlord may, from time to time, change the Rules and Regulations for the safety, care, or cleanliness of the Property and related facilities, provided that such changes are subject to the following: (a) such changes must be provided

to Tenant in writing and be generally applicable to all tenants of the Property whose leases require such compliance; (b) such changes shall not unreasonably interfere with Tenant's use of the Premises or materially increase the burdens or obligations upon Tenant; (c) such changes shall be enforced by Landlord in a non-discriminatory manner among all tenants whose leases require such compliance. Notwithstanding anything contained herein to the contrary, in the event of any conflict between the Rules and Regulations and the express provisions of this Lease, the provisions of this Lease shall control. Tenant shall be responsible for the compliance or noncompliance with such Rules and Regulations by each Tenant Party.

10.32. Rooftop Equipment.

(a) Right to Install Rooftop Equipment. Provided Tenant complies with the terms of this Section 10.32, Tenant may, at its risk and expense, install, operate and maintain the equipment shown on **Exhibit G** (collectively, the "Rooftop Equipment") on the roof of each Building in which any portion of the Premises are located and each of the Parking Structures, in each case in the location set forth on **Exhibit G** or as otherwise approved by Landlord. Landlord hereby agrees that, in connection with the Lab Reconfiguration Tenant shall have the right to construct a DA Lab exhaust fan on the roof of the Building where the lab is relocated to pursuant to Section 6.4(c) in one of the alternative locations shown on **Exhibit G**. Tenant acknowledges and agrees that Tenant shall remove the DA lab exhaust fan (the "Building 400 DA Lab Exhaust Fan") shown on **Exhibit G** which is currently located on the roof of Building B400 upon the relocation of such DA lab.

(b) Delivery of Plans, Specifications and Permits. Before installing or relocating any Rooftop Equipment, Tenant shall submit to Landlord for its approval (which approval shall be given or withheld by Landlord using the same standards described in Section 6.4) the following items: (i) construction ready plans and specifications prepared by a registered professional engineer in the State of Texas reasonably approved by Landlord which (A) specify in detail the design, location, size, model, weight, method of installation, method of screening and frequency of the Rooftop Equipment and (B) are sufficiently detailed to allow for the installation of the Rooftop Equipment in a good and workmanlike manner and in accordance with all Legal Requirements and (ii) all necessary consents, approvals, permits or registrations, including architectural guidelines in effect for the Building as they may be amended from time to time, required for the installation, maintenance, use or operation of the Rooftop Equipment. Landlord may, as a condition to approving installation or relocation of the Rooftop Equipment (including any portion of the Rooftop Equipment whose relocation is approved pursuant to Section 10.32(a) above, but excluding the screening Landlord has agreed to pay for pursuant to Section 6.4(c)), require that Tenant screen the Rooftop Equipment with a parapet wall or other screening device reasonably acceptable to Landlord. If the Rooftop Equipment uses any electricity, Tenant shall pay for the cost to purchase and install electrical submeter equipment and wiring, and thereafter Tenant shall pay to Landlord the monthly electrical submeter charges throughout the Term. Landlord's approval of any such plans and specifications shall not constitute a representation or warranty by Landlord that such plans and specifications comply with sound architectural guidelines and/or engineering practices or will comply with all

applicable Legal Requirements; such compliance shall be the sole responsibility of Tenant. Tenant shall maintain all permits necessary for the maintenance and operation of the Rooftop Equipment while it is on the Building, and all such permits shall be in Tenant's name.

(c) Tenant's Installation of Rooftop Equipment. If Landlord approves such plans, Tenant shall install (in a good and workmanlike manner) the Rooftop Equipment in accordance with the approved plans and specifications therefor and all Legal Requirements (including all applicable permits and consents issued with respect to the Rooftop Equipment) in a manner so as not to damage any Building or interfere with the use of any portion of the Property while such installation is taking place.

(d) Tenant's Operation and Maintenance of Rooftop Equipment. Tenant shall operate and maintain the Rooftop Equipment and the screening therefor in good repair and condition, in accordance with all Legal Requirements, including architectural guidelines in effect for the area in which the Building is located as they may be amended from time to time, all manufacturer's suggested maintenance programs, the approved plans and specifications therefor and in such a manner so as not to unreasonably interfere with any other equipment or systems (including other supplemental HVAC system, satellite, antennae, or other transmission facility) in the Property, all at Tenant's sole cost and expense. All work relating to the Rooftop Equipment shall, at Tenant's expense, be coordinated with Landlord's roofing contractor so as not to affect any warranty for the Building's roof. Tenant shall maintain insurance in respect thereof reasonably satisfactory to Landlord, listing Landlord, the holder of any Superior Interest and the Building manager, as additional insureds.

(e) Relocation of Rooftop Equipment. Tenant may not relocate any of the Rooftop Equipment without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant agrees that, upon at least 30 days' prior written notice to Tenant from Landlord that Landlord requires Tenant to relocate any Rooftop Equipment in order to accommodate roof repair or replacement (which notice may be given at any time and from time to time during the Term), Tenant shall relocate such Rooftop Equipment (as requested by Landlord) from the then existing location to any substitute location reasonably designated by Landlord on the Building. Tenant shall complete, at Tenant's sole cost and expense, such relocation prior to the expiration of such 30-day period and upon the expiration of such 30-day period Tenant shall have no further right to use or occupy the prior location until the completion of such roof repair or replacement, at which time Landlord may notify Tenant to relocate back to the original location and Tenant will perform such relocation as soon as reasonably practicable after such notice. In the event Landlord exercises its right to cause Tenant to relocate all or a portion of the Rooftop Equipment pursuant this Section 10.32(e), Landlord shall use its commercially reasonable efforts to minimize any disruption to Tenant's operations as a result thereof. Tenant shall, at Tenant's expense, repair all damage to the Building caused by the installation, maintenance or removal of the Rooftop Equipment at any such prior rooftop locations.

(f) Rooftop Equipment Removal Obligations; Landlord's Rights. Within five (5) days after the date that Tenant no longer leases any of the rentable square footage in a particular Building, Tenant shall, at its risk and expense, remove the Rooftop Equipment from such Building. In addition, within five (5) days after (A) the termination of this Lease, (B) the expiration of the Term, or (C) Tenant's vacating all of the Premises, Tenant shall, at its risk and expense, remove all Rooftop Equipment from the Property. If Tenant fails to timely remove any Rooftop Equipment, Landlord may remove such Rooftop Equipment and store or dispose of it in any manner Landlord deems appropriate without liability to Tenant; Tenant shall reimburse Landlord for all costs incurred by Landlord in connection therewith within thirty (30) days after Landlord's request therefor. Alternatively, at Landlord's election, Tenant shall deliver to Landlord such Rooftop Equipment in good repair and condition, normal wear and tear and damages from Casualty and condemnation excepted, and deliver to Landlord a bill of sale for such Rooftop Equipment and all operating manuals, keys and similar items with respect to such Rooftop Equipment, and thereafter such Rooftop Equipment shall be Landlord's property. Tenant shall repair any damage to the Building caused by or relating to the Rooftop Equipment, including that which is caused by its installation, maintenance, use, or removal, and Tenant shall restore the area of the roof on which Tenant's Rooftop Equipment was located to its condition as of the Commencement Date, normal wear and tear and Casualty and condemnation excepted. If Tenant fails to do so within 30 days after Landlord's written request, Landlord may perform such work and Tenant shall pay to Landlord all reasonable costs incurred in connection therewith, plus an administrative fee of 5% of such costs, within 30 days after Landlord's written request therefor.

(g) Disclaimer. For all purposes under this Lease, the Rooftop Equipment shall be deemed to be included within the definition of Tenant Maintained Off-Premises Equipment. **LANDLORD SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO TENANT, ITS AGENTS, EMPLOYEES, CONTRACTORS, VISITORS OR INVITEES FOR, LOSSES, DAMAGES OR INJURY TO PERSONS OR PROPERTY CAUSED BY, RELATED TO, OR ARISING OUT OF OR IN CONNECTION WITH, ANY SUCH CONNECTION TO, USE OF, OR FAILURE, NON-PERFORMANCE OR INADEQUATE PERFORMANCE OF, THE ROOFTOP EQUIPMENT, AND TENANT HEREBY RELEASES LANDLORD FROM ANY AND ALL LIABILITY FOR SUCH LOSSES, DAMAGES OR INJURY, EVEN IF CAUSED BY THE NEGLIGENCE OF LANDLORD OR ITS EMPLOYEES AND/OR AGENTS (BUT NOT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD OR ITS EMPLOYEES AND/OR AGENTS)**.

(h) Personal Right. Tenant may only use the Rooftop Equipment in connection with Tenant's business. Tenant shall not allow any third party to use such equipment, whether by sublease, license, occupancy agreement or otherwise, except in connection with Permitted Transfers and any other Transfers approved by Landlord.

10.33. Property Amenities. Tenant and its on-Premises employees shall have the right to access and use the Property Amenities during the Term. If Tenant leases 100% of the rentable square footage of the Property, then Tenant's right to use the Property

Amenities shall be exclusive; provided that Tenant shall not allow any third party to use the Property Amenities, whether by sublease, license, occupancy agreement or otherwise, except in connection with Permitted Transfers and any other Transfers approved by Landlord. If Tenant does not lease 100% of the rentable square footage of the Property, then Tenant's right to use the Property Amenities shall be non-exclusive, in common with the other occupants of the Property. The cafeteria may be operated by Landlord or by a third party operator. For the avoidance of doubt, all costs and expenses incurred to operate, maintain, clean and manage the Property Amenities (including, without limitation, reasonable subsidies, if any), whether operated by Landlord or a third party operator, shall in any event be included in Operating Costs and the rentable square footage of the Property and the Premises shall take into account, subject to measurement in accordance with the Initial Measurement Standard or the Current BOMA Standards, as the case may be, the add-on factor attributable to the total square feet of the Property Amenities. Except as provided in Operating Costs, Tenant's use of the Property Amenities shall be without separate rental charge to Tenant, save and except for the cost of any specific services provided and sold by the Property Amenities and related services and the membership fees for use of the Fitness Center by Tenant's on-Premises employees, all at the applicable rates for such services established by Landlord from time to time and charged in a uniform and non-discriminatory manner among substantially all tenants of the Property. Landlord may prescribe reasonable Rules and Regulations for the use of the Property Amenities, including, without limitation, with respect to reservations for meetings and other functions. Tenant's use of the Property Amenities shall be conditioned upon Tenant's observance of such Rules and Regulations. The Property Amenities shall remain in operation during the Term of this Lease; provided, however, Tenant acknowledges that (i) the Property Amenities may, from time to time, be temporarily closed during the Term including, without limitation, closures due to (1) remodeling, improvement work or repair work, (2) changes in the operator(s) of any of the Property Amenities, (3) cessation of operations by any operator of the Property Amenities, (4) compliance with applicable Legal Requirements, (5) Casualty or condemnation and (6) matters beyond Landlord's reasonable control and (ii) Landlord shall have the right to alter the size and location of such Property Amenities, the type of equipment provided and the hours of operation of the Property Amenities; provided that in each of the foregoing circumstances (other than the circumstances described in clauses (i)(4), (i)(5) and (i)(6)), so long as (x) an Event of Default does not exist, (y) Original Tenant is the tenant under this Lease and (z) Original Tenant leases at least 300,000 rentable square feet of space in the Property which includes at least one laboratory space, Landlord shall give Tenant not less than 30 days' prior written notice of Landlord's intention to take any such actions (except in the case of an emergency where such prior notice is not feasible) and, if the action involves a proposed alteration to the physical layout of a Property Amenity that would materially impact Tenant's use and enjoyment of such Property Amenity, Tenant may notify Landlord within such 30 day period that Tenant objects to Landlord's actions in which event Landlord and Tenant shall reasonably work together to resolve Tenant's reasonable objections. Tenant acknowledges and agrees that Tenant's and any Tenant Party's use of the Property Amenities is voluntary and, in consideration of the use of the Property Amenities, shall be undertaken by Tenant and such Tenant Party at its sole risk. Neither Landlord, the holder of any Superior Interest nor their respective officers, directors, managers, servants, agents and/or employees

(collectively, the "Released Parties") shall be liable for any claims, demands, injuries, damages, actions or causes of action whatsoever arising out of or connected with Tenant's and any Tenant Party's use of the Property Amenities and their facilities and services. **TENANT DOES HEREBY EXPRESSLY FOREVER WAIVE, RELEASE AND DISCHARGE THE RELEASED PARTIES FROM ANY AND ALL LIABILITY ARISING FROM ALL SUCH CLAIMS, DEMANDS, INJURIES, DAMAGES, ACTIONS AND/OR CAUSES OF ACTION, INCLUDING LIABILITY FROM ALL ACTS OF ACTIVE OR PASSIVE NEGLIGENCE, INCLUDING SOLE NEGLIGENCE, ON THE PART OF THE RELEASED PARTIES, EXCEPT TO THE EXTENT SUCH CLAIMS, DEMANDS, INJURIES, DAMAGES, ACTIONS AND/OR CAUSES ARE ACTION ARE ULTIMATELY DETERMINED BY A COURT OF COMPETENT JURISDICTION IN A FINAL, NON-APPEALABLE JUDGMENT, TO BE CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY OF THE RELEASED PARTIES.** Further, as a condition to each Person's use of the Fitness Center, Landlord may require that Tenant shall cause each Person using the Fitness Center to execute a release on Landlord's standard form prior to such party's use of the Fitness Center. The waivers contained in this Section 10.33 shall survive the expiration or earlier termination of this Lease.

10.34. Parking Structures.

(a) The Parking Structures consist of the following, all as more particularly shown on **Exhibit U**: (i) "P100", which serves B100, B200 and B500; (ii) "P300", which serves B300; and (iii) "P400", which serves B400. Tenant shall have the right use the number of parking spaces within the Parking Structures as described in **Exhibit U**. Tenant acknowledges that to the extent any of Tenant Maintained Off-Premises Equipment located in a Parking Structure utilizes any of the parking spaces in such Parking Structure, then such parking spaces shall count against Tenant's allocation of parking spaces hereunder. Tenant's use of the Parking Structures shall be at no additional charge to Tenant during the Term, but shall in all instances be subject to such terms, conditions and regulations as are from time to time applicable to patrons of the Parking Structures. Notwithstanding the provisions of this Section 10.34(a) and any other provisions of this Lease in conflict, Tenant shall have exclusive use and management of the electrical vehicle (EV) charging station and "[Tenant name] Go Green" assigned parking spaces as described in **Exhibit U**. Subject to the terms and conditions of this Lease, Tenant shall have access to the Parking Structures serving the Premises 24 hours per day, seven days per week. Tenant shall not allow any third party to use the Parking Structures, whether by sublease, license, occupancy agreement or otherwise, except in connection with Permitted Transfers, business visitors of Tenant and any other assignments or sublets approved by Landlord. If Tenant subleases any portion of the Premises or transfers any of its interest in this Lease, then the parking spaces allocated to Tenant hereunder may, at Tenant's election, be divided between Tenant and such subtenant or transferee on a pro-rata basis to the extent of the ratio between the rentable square feet of the Premises retained by Tenant and the rentable square feet of the Premises subleased or transferred by Tenant; provided, however, that Tenant may not grant the use of any parking spaces in a Parking Structure to a subtenant that is not subleasing space in the Building that such Parking Structure serves without obtaining Landlord's prior written consent, which shall not be

unreasonably withheld. In no event shall Tenant and any subtenant or transferee be entitled to more than the parking spaces provided above in this Section 10.34(a) unless otherwise expressly agreed in writing by Landlord.

(b) Tenant shall at all times comply with all Legal Requirements respecting the use of the Parking Structures. Landlord reserves the right to adopt, modify, and enforce reasonable Rules and Regulations governing the use of the Parking Structures from time to time including designation of assigned parking spaces, requiring use of any key-card, sticker, or other identification or entrance systems and charging a fee for replacement of any such key-card sticker or other item used in connection with any such system and hours of operations. Landlord may refuse to permit any Person who violates such Rules and Regulations to park in the Parking Structures, and any violation of the Rules and Regulations shall subject the car to removal from the Parking Structures.

(c) If Landlord decides in its commercially reasonable discretion to install a controlled parking access mechanism, Tenant may validate visitor parking by such method or methods as Landlord may approve. Unless specified to the contrary above, the parking spaces provided hereunder shall be provided on an unreserved, "first-come, first served" basis. Tenant acknowledges that Landlord has arranged or may arrange for the Parking Structures to be operated by an independent contractor, not affiliated with Landlord.

(d) All motor vehicles (including all contents thereof) shall be parked in the Parking Structures at the sole risk of Tenant and each other Tenant Party, it being expressly agreed and understood Landlord has no duty to insure any of said motor vehicles (including the contents thereof), and Landlord is not responsible for the protection and security of such vehicles. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, LANDLORD SHALL HAVE NO LIABILITY WHATSOEVER FOR ANY PROPERTY DAMAGE OR LOSS WHICH MIGHT OCCUR ON THE PARKING FACILITIES OR AS A RESULT OF OR IN CONNECTION WITH THE PARKING OF MOTOR VEHICLES IN ANY OF THE PARKING SPACES, EXCEPT TO THE EXTENT SUCH LOSS IS DETERMINED BY A COURT OF COMPETENT JURISDICTION TO HAVE BEEN CAUSED BY LANDLORD'S SOLE OR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

10.35. Loading Docks. The B100 loading dock shall be Building Exclusive Use Common Areas, but will be managed and controlled by Tenant (subject to the same access rights that Landlord has with respect to the Premises). The B300 loading dock, the B400 loading dock and the unenclosed portion of the B500 loading dock are Building Exclusive Use Common Areas that will be managed and controlled by Landlord; provided, however, that so long as Tenant is leasing any portion of B500, the unenclosed portion of the B500 loading dock shall be managed and controlled by Tenant, including security, so long as the enclosed portion of the B500 loading dock is part of the Premises. Landlord shall at all times have access to the unenclosed portion of the B500 loading dock for deliveries provided that any deliveries After Business Hours shall be scheduled through Tenant's security subject to reasonable advance notice.

10.36. Auditorium. Landlord's use of the Auditorium shall be conditioned upon Landlord's observance of the terms and conditions of **Exhibit X**.

10.37. Waiver of Landlord's Lien. Landlord waives its statutory lien rights under Section 54.021 of the Texas Property Code as well as any constitutional and contractual liens with respect to Tenant's personal property located at the Premises. Notwithstanding anything to the contrary this Section, Landlord does not waive, relinquish or subordinate any liens, rights or remedies that Landlord may now have, or shall ever enjoy, as a judgment creditor or under any warehouseman's lien in the event that Landlord is required by applicable law to store Tenant's property if such property is abandoned by Tenant following an Event of Default by Tenant under this Lease.

10.38. Notice of Indemnification. TENANT HEREBY ACKNOWLEDGES AND AGREES THAT THIS LEASE CONTAINS CERTAIN INDEMNIFICATION PROVISIONS (INCLUDING WITHOUT LIMITATION THOSE CONTAINED IN SECTIONS 6.5(d), 6.11, AND 9.3(c) HEREOF) WHICH, IN CERTAIN CIRCUMSTANCES, COULD INCLUDE AN INDEMNIFICATION BY TENANT FROM CLAIMS OR LOSSES ARISING AS A RESULT OF LANDLORD, THE HOLDER OF ANY SUPERIOR INTEREST AND THEIR RESPECTIVE AGENTS, DIRECTORS, OFFICERS, SHAREHOLDERS AND EMPLOYEES' OWN NEGLIGENCE.

10.39. No Implied Warranty. LANDLORD AND TENANT EXPRESSLY DISCLAIM ANY IMPLIED WARRANTY THAT THE PREMISES ARE SUITABLE FOR TENANT'S INTENDED COMMERCIAL PURPOSE, AND TENANT'S OBLIGATION TO PAY RENT HEREUNDER IS NOT DEPENDENT UPON THE CONDITION OF THE PREMISES OR THE PERFORMANCE BY LANDLORD OF ITS OBLIGATIONS HEREUNDER, AND, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN WITH RESPECT TO EXPRESS RIGHTS OF TENANT TO ABATE RENT, TENANT SHALL CONTINUE TO PAY THE RENT, WITHOUT ABATEMENT, DEMAND, SETOFF OR DEDUCTION, NOTWITHSTANDING ANY BREACH BY LANDLORD OF ITS DUTIES OR OBLIGATIONS HEREUNDER, WHETHER EXPRESS OR IMPLIED.

[SIGNATURE PAGES TO FOLLOW]

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

Landlord:

7171 SOUTHWEST PARKWAY HOLDINGS, L.P.,
a Delaware limited partnership

By: 7171 Southwest Parkway Holdings GP, LLC,
a Delaware limited liability company,
its general partner

By: /s/ John S. Grassi
Name: John S. Grassi
Title: Authorized Signatory

Tenant:

LANTANA HP, LTD.,
a Texas limited partnership

By: GP Lantana, Inc., a Texas Corporation,
its general partner

By: /s/ Sam Houston
Name: SAM HOUSTON
Title: VICE PRESIDENT

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Rory P. Read, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Advanced Micro Devices, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter (the company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: May 6, 2013

/s/ Rory P. Read

Rory P. Read
Chief Executive Officer,
President

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Devinder Kumar, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Advanced Micro Devices, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter (the company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: May 6, 2013

/s/ Devinder Kumar

Devinder Kumar
Senior Vice President and
Chief Financial Officer

Exhibit 32.1

Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Advanced Micro Devices, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i.) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 30, 2013 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii.) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2013

/s/ Rory P. Read

Rory P. Read
Chief Executive Officer,
President

Exhibit 32.2

Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Advanced Micro Devices, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i.) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 30, 2013 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii.) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2013

/s/ Devinder Kumar

Devinder Kumar
Senior Vice President and
Chief Financial Officer