As filed with the Securities and Exchange Commission on October 4, 2021.

Registration No. 333-

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

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

RENT THE RUNWAY, INC.
(Exact name of Registrant as specified in its charter)

Delaware	7389	80-0376379
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

10 Jay Street
Brooklyn, New York 11201
(212) 524-6860
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Jennifer Y. Hyman, Co-Founder, Chief Executive Officer and Chair
Rent the Runway, Inc.
10 Jay Street
Brooklyn, New York 11201
(212) 524-6860
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Marc D. Jaffe Emily E. Taylor Latham & Watkins LLP 1271 Avenue of the Americas New York, New York 10020 (212) 906-1200	*Copies to:* Scarlett O'Sullivan Cara Schembri Rent the Runway, Inc. 10 Jay Street Brooklyn, New York 11201 (212) 524-6860	Nicole Brookshire Christina T. Roupas Cooley LLP 500 Boylston Street Boston, Massachusetts 02116 (617) 937-2300

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☒

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

Title of Each Class of Securities To Be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Class A common stock, $0.001 par value per share	$100,000,000	$9,270

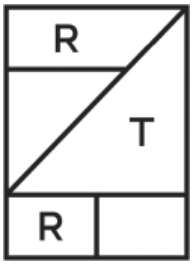
(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
(2) Includes the offering price of shares of Class A common stock that the underwriters have the option to purchase. See "Underwriting."

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We and the selling stockholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated October 4, 2021.

Shares



Rent the Runway, Inc.

Class A Common Stock

This is an initial public offering of shares of Class A common stock of Rent the Runway, Inc. We are selling shares of Class A common stock.

We will have two classes of common stock outstanding after this offering: Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion rights. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to 20 votes per share and is convertible into one share of Class A common stock at any time. Jennifer Y. Hyman, our Co-Founder, Chief Executive Officer and the Chair of our board of directors, and Jennifer Fleiss, our Co-Founder and a member of our board of directors, together, the Co-Founders, and their affiliates, will together hold all of the outstanding shares of Class B common stock. Holders of shares of our Class A common stock and Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders except as otherwise provided in our amended and restated certificate of incorporation or as required by applicable law. After giving effect to the sale of the shares of Class A common stock offered hereby, shares of Class A common stock will collectively represent approximately % of our total issued and outstanding shares and % of the voting power attached to all of our issued and outstanding shares (or % and %, respectively, if the underwriters' exercise in full their option to purchase additional shares), and shares of Class B common stock will collectively represent approximately % of our total issued and outstanding shares and % of the voting power attached to all of our issued and outstanding shares (or % and %, respectively, if the underwriters' exercise in full their option to purchase additional shares).

Prior to this offering, there has been no public market for our Class A common stock. It is currently estimated that the initial public offering price per share of Class A common stock will be between $ and $. We have applied to list our Class A common stock on The Nasdaq Global Select Market, or Nasdaq, under the symbol "RENT."

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended, or the Securities Act, and will be subject to reduced public company reporting requirements. This prospectus complies with the requirements that apply to an issuer that is an emerging growth company. See the section titled "Prospectus Summary—Implications of Being an Emerging Growth Company."

See "Risk Factors" beginning on page 21 to read about factors you should consider before buying shares of our Class A common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions(1)	$	$
Proceeds to us, before expenses	$	$

(1) See "Underwriting" for additional information regarding underwriter compensation.

To the extent the underwriters sell more than shares of Class A common stock, the underwriters have the option to purchase up to an additional shares of Class A common stock from us at the initial public offering price less the underwriting discounts and commissions.

The underwriters expect to deliver the shares of Class A common stock against payment in New York, New York on , 2021.

Goldman Sachs & Co. LLC **Morgan Stanley** **Barclays**

Credit Suisse **Piper Sandler** **Wells Fargo Securities** **JMP Securities** **KeyBanc Capital Markets**

Telsey Advisory Group

Prospectus dated , 2021.

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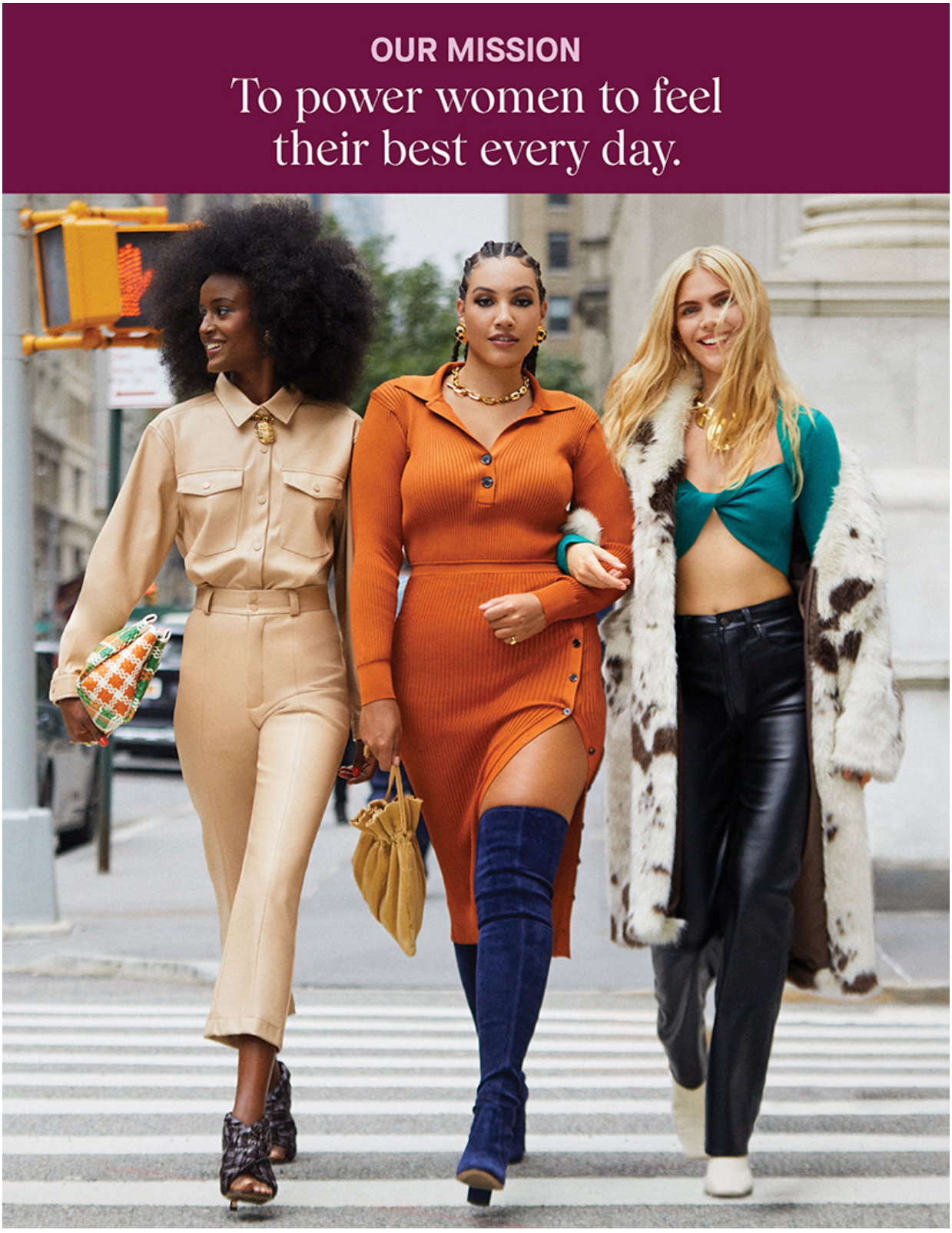

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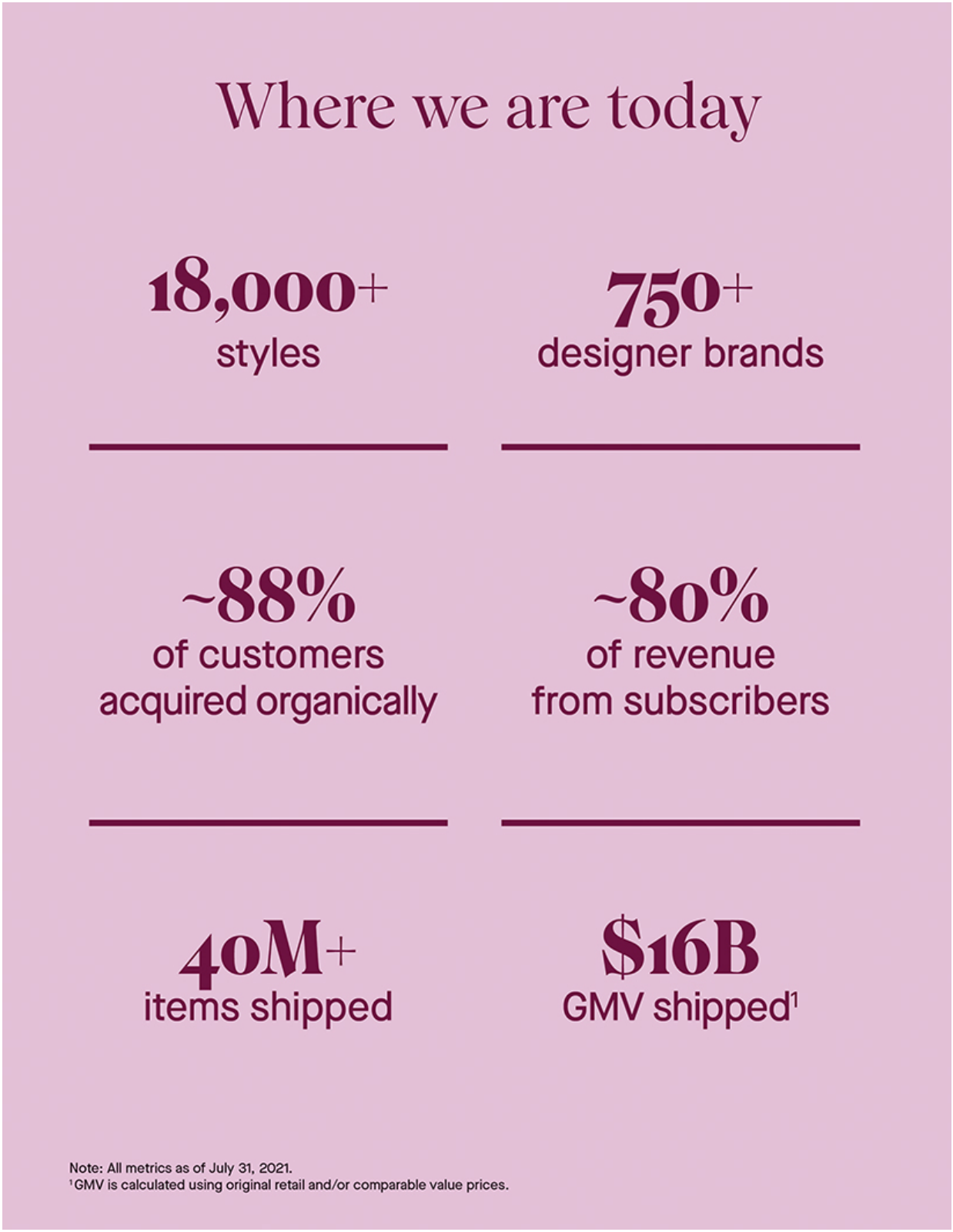
POWERED BY

our proprietary operating system for the sharing economy of physical goods.


Where we are today
18,000+
styles
750+
designer brands
~88%
of customers
acquired organically
~80%
of revenue
from subscribers
40M+
items shipped
$16B
GMV shipped[1]
Note: All metrics as of July 31, 2021.
[1] GMV is calculated using original retail and/or comparable value prices.

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Prospectus

Through and including , 2021 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

Neither we nor any of the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any related free writing prospectuses we have prepared. Neither we nor any of the underwriters take responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares of Class A common stock offered by this prospectus, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus or in any free writing prospectus is current only as of its date regardless of the time of delivery of this prospectus or any sale of shares of Class A common stock. Our business, financial condition, results of operations and prospectus may have changed since that date.

For investors outside the United States: we have not, and the underwriters have not, done anything that would permit this offering or the possession or distribution of this prospectus or any free writing prospectus we may provide to you in connection with this offering in any jurisdiction where action for purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of Class A common stock and the distribution of this prospectus outside the United States. See "Underwriting."

ABOUT THIS PROSPECTUS

Certain monetary amounts, percentages, and other figures included in this prospectus have been subject to rounding adjustments. Percentage amounts included in this prospectus have not in all cases been calculated on the basis of such rounded figures, but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this prospectus may vary from those obtained by performing the same calculations using the figures in our consolidated financial statements included elsewhere in this prospectus. Certain other amounts that appear in this prospectus may not sum due to rounding.

Our fiscal year begins on February 1 and ends on January 31 of the following year. All references to (i) fiscal 2019 or fiscal year 2019 relate to the year ended January 31, 2020, (ii) fiscal 2020 or fiscal year 2020 relate to the year ended January 31, 2021 and (iii) fiscal 2021 or fiscal year 2021 relate to the year ending January 31, 2022.

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A LETTER FROM OUR CO-FOUNDER
JENNIFER Y. HYMAN

It started with a dress.

It was 2008 and I stood in the bedroom of my sister Becky's crammed New York City apartment, watching her spin around in a new very expensive dress. Behind her was a closet full of ignored clothing. I was in full-on big sister mode, begging her to return the new dress that would send her into credit card debt. "*My closet is dead to me*," Becky explained. By Becky's estimation, the exorbitant price of a new dress was worth it for the experience of showing up to the wedding feeling like her most confident self.

As I watched Becky model the dress she couldn't afford, I realized that the traditional closet is indeed dead. It's a museum of the past filled with relics that we no longer wear, that no longer fit us, that cost us a lot of money, and that no longer bring us joy. I asked myself: What if the closet were *alive*? What if it could adapt and change with us as our size, mood, style and life stage changed? Shouldn't our clothes express how we feel and who we are *today*? And what if we just didn't need so much stuff?

And so the idea for Rent the Runway was born. This vision evolved from a single dress for a single situation to our Closet in the Cloud – the world's first and largest shared designer closet that has transformed the way women get dressed by letting them wear whatever they want, without having to own it. With Rent the Runway, closets would no longer be limited by one's income, body shape, closet size, location, or rationality (does it ever make sense to buy the hot pink top instead of the black one?!). Rent the Runway's closet is *Unlimited* - unlimited options, unlimited self-expression, and unlimited opportunities to show up with confidence.

I am obsessed with female self-confidence. That's why I founded and have spent the last thirteen years building this business. I believe that when women have confidence in themselves, they can change the outcomes of their lives, and they can change the world.

Like it or not, how we dress has a powerful effect on how we see ourselves and how others see and treat us. This is especially true for women and the opportunities they receive, both in the workplace and in society at large. For women, clothing isn't merely about style – it's about *power*. When she gets dressed, she is making a decision about how she wants to show up in the world that day – and Rent the Runway has the honor to be part of those intimate moments and transform them.

Prior to Rent the Runway, wearing beautiful designer fashion wasn't a realistic option for most people. We have democratized high-end fashion for women everywhere, offering them access to that power – the "Cinderella moment" that Becky was chasing.

Along the way, we've also unlocked the ability for brands to reach new customers. Designer brands have been facing structural shifts in the industry that make it harder than ever for them to succeed. We have always viewed our brands as partners, and we are committed to helping them compete against low-quality, copycat fashion. We've built a two-sided discovery engine that empowers brands with access to the new customers they need to grow their businesses, while enabling our community to discover new brands they love.

In the decade since I co-founded Rent the Runway, we have seen a monumental shift away from ownership business models and into access and sharing business models. This transition happened quickly and across industries. Access models now represent the vast majority of the market in industries like entertainment and music. Rent the Runway has proven that the fashion industry is inevitably ripe for that same disruption, pioneering the access model for retail.

And I like to bet on the inevitable. It's inevitable that women will be entering the workforce at record rates as they're already outpacing men with college degrees. It's inevitable that these financially empowered women will want and need more choices in their clothing, from styles to sizes, at lower prices. They're going to want these choices to be sustainable and they're not going to want to own them. As a result, the opportunity in front of us is immense.

Rent the Runway is part of an industry that is in dire and immediate need of change. Fashion is one of the most pollutive industries on earth, and 70% of its negative impact comes from the production of new clothing. Fast fashion business models only work on high volume, and use psychological tactics to convince consumers to buy more than they would ever need.

By creating the world's largest shared closet, we've built a more sustainable solution that helps consumers *buy less* and *wear more* – effectively transforming a broken system and turning the fashion industry on its head. Using the data from our life cycle analysis, we estimate that our rental model has displaced production of 1.3 million new garments since 2010. We are the rare company whose financial and sustainability goals are perfectly aligned. In other words, increasing the number of times our garments are worn improves our positive environmental impact and our financial outcomes.

I'm proud that our value proposition is a win-win-win for customers, brands and the environment, and we will continue to innovate on behalf of these stakeholders.

We entered 2020 with momentum behind us, poised for continued growth. We couldn't have foreseen the global pandemic and the resulting fight for our survival. Today, Rent the Runway has emerged stronger: a testament to the resilience, passion and continuous innovation of our people. It's one thing to have a vision

and it's a very different thing to see thousands of teammates take on that vision as their own and treat Rent the Runway with the love and ownership of a founder. I am deeply humbled by our team past and present. Thank you from the bottom of my heart to our leaders, employees, investors, brand partners, and Board members who have brought us to this moment.

I owe my biggest thanks to our community. Our customers have always been our north star. You've made our subscription a beloved everyday ritual in your lives, enthusiastically shared RTR with everyone you know, and transformed rental from a novelty into a celebrated lifestyle. I spent the early days of Rent the Runway answering customer service calls, reading (and responding) to nearly every customer feedback email, and travelling around the country for focus groups and events. Many of our most successful product launches – including gowns in pre-altered lengths, photo reviews, and even our monthly subscriptions – were born out of your feedback. Thank you for helping us build the Closet in the Cloud, but more, thank you for being a true community of women supporting other women. Your detailed photo reviews on how to style a floral skirt, dress up a baby bump, or lounge at home in sweats enhance the Rent the Runway experience for millions of other women.

In the years to come, we look forward to bringing the magic of Rent the Runway to more customers, and to any *thing* we don't need or want to own forever. Our flexible platform has the potential to power not just the Closet in the Cloud – but our lives in the cloud. This means more money saved and a more sustainable future for us all.

I am incredibly honored to lead our community into our next chapter as a public company, as we drive value for shareholders and continue to build a better future for fashion. While Rent the Runway has always been a disruptive force, our IPO will also trailblaze in the universe of public companies. We will become the first-ever IPO with a female CEO, CFO and COO – a distinction I am immensely proud of. On behalf of our entire team, we are excited to have you on this journey!

We are all like Becky to some degree. We all want the power to express ourselves through what we wear today, but we also want the flexibility to decide who we want to be tomorrow. Welcome to Rent the Runway, where women can live life unlimited.

With gratitude,

Jennifer Y. Hyman
Co-Founder, CEO and Chair

PROSPECTUS SUMMARY

This summary highlights selected information that is presented in greater detail elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our Class A common stock. You should read this entire prospectus carefully, including the sections titled "Risk Factors," "Special Note Regarding Forward-Looking Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our consolidated financial statements and the related notes included elsewhere in this prospectus, before making an investment decision. Unless the context otherwise requires, all references in this prospectus to "we," "us," "our," "our company," "Rent the Runway" and "RTR" refer to Rent the Runway, Inc. and its consolidated subsidiary.

Our Mission

Our mission is to power women to feel their best every day.

Since our founding, we have disrupted the trillion-dollar fashion industry and changed the way women get dressed by creating the world's first Closet in the Cloud: a dream closet filled with a massive selection of designer styles to rent, wear and return (or keep!).

Overview

We built the world's first and largest shared designer closet — what we call the Closet in the Cloud — with over 18,000 styles by over 750 designer brands that has transformed the way women get dressed by letting them wear whatever they want, without having to own it. We give customers ongoing access to our "Unlimited Closet" through our Subscription offerings or the ability to rent a-la-carte through our Reserve offering. We also give our subscribers and customers the ability to buy our products through our Resale offering. Our Closet in the Cloud offers a wide assortment of items for every occasion, from evening wear and accessories to ready-to-wear, workwear, denim, casual, maternity, outerwear, blouses, knitwear, loungewear, jewelry, handbags, activewear, ski wear, home goods and kidswear. We have served over 2.5 million lifetime customers across all of our offerings and we had 126,841 ending total subscribers[1] (active and paused) as of July 31, 2021. In the first six months of fiscal year 2021, 83% of our total revenue was generated by subscribers (including their Reserve and Resale revenue) while they were active or paused.

We have created a two-sided discovery engine: customers are finding new brands they love and brand partners are finding new customers they need. For customers, we unlock freedom of self-expression through access to our "Unlimited Closet" that has a constantly rotating supply of styles for all occasions, seasons, moods and price points. This leads to deep engagement with our platform as customers discover new brands they love. Brand partners are able to tap into our large, engaged community to discover new customers and get unparalleled data insights. All of this helps them grow their businesses and encourages them to partner more closely with us over time.

When our customers use Rent the Runway, they experience the magic of accessing an "Unlimited Closet" while saving money and time and reducing clothing waste. We deliver significant financial value to customers, with our average subscriber wearing clothes worth more than 20 times what she pays for a monthly RTR subscription on an annualized basis (more than $37,000 in designer retail value annualized

[1] Ending total subscribers represent the number of subscribers with an active or paused membership as of the last day of the fiscal period and excludes subscribers who had an active or paused subscription during the fiscal period, but ended their subscription prior to the last day of the fiscal period.

for the first six months of fiscal year 2021).[2] We have become an everyday utility; our average subscriber wears Rent the Runway 83 days per year. We believe that the convenience of our service and access to a broad assortment of designer brands, categories and styles helps drive our strong customer engagement.

Our tremendous selection is enabled by our designer brand partnerships. We source our products directly from over 750 brand partners that include many of the most renowned and relevant names in the fashion industry. Our platform continues to be a valued launching pad for new and emerging brands and a business builder for existing brands. The transformative nature of our customer value proposition means our customers are different from other audiences our brands are exposed to. Approximately 91% of our brand partners work with us because we introduce them to new, desirable customers and deepen awareness of their brands. Over the last 12 years, we have fostered strong relationships with our brand partners and we have retained nearly 100% of our brand partners.

Our Closet in the Cloud connects our deeply engaged customers and our differentiated brand partners on a powerful platform built around our brand, data, logistics and technology advantages.

- *Brand Partner Advantage.* Our assortment contains thousands of new, current season styles procured from our brand partners that luxury competitors simultaneously carry - all available for subscription, a-la-carte rental, and resale at much lower prices. We believe our engaged and loyal customer base paired with the data that we provide to our brand partners makes us an essential destination for many of the world's most important brands. As we have grown, our commercial relationships with our brand partners have evolved to balance our margins and the capital needs of our business. Today, we acquire our products through three channels: Wholesale, Share by RTR and Exclusive Designs. Through Share by RTR, we acquire items directly from brand partners on consignment, at zero or low upfront cost and revenue share with our brands each time an item is rented. We leverage our data to create highly desirable Exclusive Designs in collaboration with select brand partners that we manufacture through third-party partners to be more durable and at significantly lower cost. The portion of our products sourced through Share by RTR and Exclusive Designs - our more asset-light sources - has grown from approximately 26% in fiscal year 2019 to approximately 54% in fiscal year 2020. We anticipate a similar acquisition mix to fiscal year 2020 for the full year of fiscal year 2021.
- *Data Advantage.* We capture a vast amount of unique, actionable data on our customers and products. We leverage this data to create benefits for our customers (deep personalization of styles and fit), brand partners (understanding of customer demand patterns and garment lifecycle) and our business (higher subscriber lifetime value and better product return on investment).
- *Technology and Logistics Advantage.* We have developed a proprietary operating system for the sharing economy of physical goods that pairs proprietary intelligent software with differentiated infrastructure and hardware. Our expertise in vertically integrated just-in-time reverse logistics and garment science allows us to achieve multi-year monetization on our garments. We have also built a custom front-end platform that supports subscription, a-la-carte rental and resale in one easy experience for the customer.

[2] We calculate designer retail values using original retail and/or comparable value prices. An original retail price is the price at which the manufacturer suggested that retailers in the marketplace, including department stores and specialty retailers, sell the item in new condition. A comparable value price is used for our Exclusive Designs and is based on an evaluation of prices for new comparable merchandise sold elsewhere in the marketplace.

Since our inception, organic growth, or word-of-mouth marketing, has been a key advantage for RTR. Because of the self-confidence they feel when they rent, the majority of our customers publicly share their love of the Rent the Runway experience on social media and in their personal lives, which helps drive brand awareness and new customer acquisition. Our "Unlimited Closet" inspires women to experiment with fashion and rent bold, colorful, dynamic pieces that become natural conversation starters with their friends and family and create strong virality for the platform. As a result, since our founding, we have spent less than 10% of total revenue on marketing, and our growth has been mostly organic. Approximately 88% of our customers over the last 12 years have been acquired organically. Our brand and deeply engaged community have allowed us to acquire customers efficiently even as we have scaled.

We believe our platform is powering a new frontier for fashion, one in which women buy less and wear more, disrupting a centuries old industry and contributing to a more sustainable future. Using the data from our life cycle analysis, we estimate that our rental model has displaced the production of approximately 1.3 million total new garments since 2010, resulting in the savings of 67.0 million gallons of water, 98.6 million kWh of energy and 44.2 million pounds of CO_2 emissions.

We generate revenue from our Subscription, Reserve and Resale offerings. The majority of revenue comes from our Subscription offering, which is highly recurring and drives customer engagement.

We have achieved the following operating and financial results for fiscal year 2019 and 2020, respectively:

- We had 147,866 and 95,245 ending total subscribers, respectively, and 133,572 and 54,797 ending active subscribers[3] (excluding paused subscribers), respectively;
- Revenue was $256.9 million and $157.5 million, respectively;
- Gross Profit was $53.6 million and $15.5 million, respectively;
- Gross Profit Excluding Product Depreciation was $129.3 million and $85.4 million, respectively;
- Net Loss was $(153.9) million and $(171.1) million, respectively; and
- Adjusted EBITDA was $(18.0) million and $(20.3) million, respectively.

We have achieved the following operating and financial results for the six months ended July 31, 2020 and 2021, respectively:

- We had 108,752 and 126,841 ending total subscribers, respectively, and 54,228 and 97,614 ending active subscribers (excluding paused subscribers), respectively;
- Revenue was $88.5 million and $80.2 million, respectively;
- Gross Profit was $8.7 million and $26.3 million, respectively;
- Gross Profit Excluding Product Depreciation was $46.8 million and $50.2 million, respectively;
- Net Loss was $(88.0) million and $(84.7) million, respectively; and
- Adjusted EBITDA was $(10.6) million and $(8.1) million, respectively.

Trends in Our Favor

We are witnessing trends that are driving consumer and brand behavior in our favor, though the extent to which they may be impacted by the COVID-19 pandemic remains uncertain.

[3] Ending active subscribers is defined as ending total subscribers as of period end, excluding paused subscribers.

Consumer Trends

Some of the key trends impacting consumers in our industry include:

- ***Shift from Ownership to Access:*** In 2020, access models represented 64% of the U.S. recorded music market, 71% of the U.S. home entertainment market and 17% of the U.S. hospitality market.[4] Businesses such as Spotify, Netflix and Airbnb have been built in the transition to access and we believe that the apparel industry is ripe for this same disruption.
- ***Desire for Variety and Newness:*** Consumers are increasingly seeking variety and newness in their wardrobes. Closets are growing and, according to the Wall Street Journal, the average consumer buys approximately 70 items of clothing per year as compared to 40 items per year in 1990.[5]
- ***Growth of Online Shopping:*** Despite the fact that closets are growing, online sales represent the fastest growing part of the apparel market. U.S. online apparel grew at a 17% compound annual growth rate, or CAGR, between 2015 and 2020 while the broader apparel sector declined, according to Euromonitor.[6]
- ***Social Media Driving Fashion:*** The ubiquity of fashion on social media has meant that consumers have a higher awareness of aspirational brands outside their income level. Millennials post nine selfies a week on social media, according to Now Sourcing, increasing the pressure for variety in the wardrobe.[7]
- ***An Increasingly Female Workforce:*** As of January 2021, women represented 47% of the workforce according to the U.S. Bureau for Labor Statistics and U.S. Census.[8] This increasingly female workforce is spending 3x more than their male counterparts on workwear, with 50% of women feeling pressure to be “put together” at work according to a Refinery29 study.[9]
- ***Importance of Sustainability:*** Consumers are increasingly aware of the impact their choices are making on the environment and seeking more sustainable alternatives. 56% of women place more value on sustainability as it relates to fashion choices than they did five years ago. According to McKinsey, internet searches for “sustainable fashion” grew 3x between 2016 and 2019.[10]
- ***Normalization of Secondhand:*** Secondhand fashion has become more mainstream, driven by its affordability, uniqueness, selection and alignment with environmental consciousness. According to the July 2021 Lab42 Survey, 91% of women have purchased or are open to purchasing secondhand clothing.

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4 Access models within the recorded music market according to Recording Industry Association of America, Year-End Music Industry Revenue Report, 2020. Access models within the home entertainment market according to Digital Entertainment Group, DEG Year-End Digital Media Entertainment Report, 2020, Access models within the hospitality market according to Euromonitor International Ltd.

5 Wall Street Journal, Ups and Downs of U.S. Clothes Shopping, September 2014.

6 Euromonitor International Ltd, Apparel & Footwear 2021 (“Euromonitor Apparel & Footwear 2021”). Retail Value RSP includes sales tax, current prices, year-over-year exchange rates. Apparel is defined as apparel and footwear.

7 Now Sourcing, How Augmented Reality Has Changed Selfies Forever.

8 U.S. Bureau for Labor Statistics, Labor Force Statistics from the Current Population Survey—Household Data Annual Averages—Employment Status of the Civilian Noninstitutional Population by Age, Sex, and Race, 2020.

9 Triple spend on clothing according to Glamour, The Glass Runway: Our Exclusive Survey on the State of the Fashion Industry, May 2018. 50% of women according to Refinery29 and Rent the Runway, Self Expression & Dressing: Survey Findings, February 2019 (“Refinery29 Survey”).

10 McKinsey & Co., Fashion’s New Must-Have: Sustainable Sourcing at Scale, October 2019.

All designer brands, whether accessible or prestige, have faced structural shifts in the retail landscape that have made it more challenging for them to succeed. Those challenges include:

- ***Decline of Traditional Wholesale Channels:*** It is estimated that 80,000 retailers, or 9% of the 878,000 stores in the U.S. will close their doors in the next five years.[11] Department stores, one-fifth of which have closed since 2018, have traditionally represented a majority of brands' revenue, making a decline in traffic a headwind on revenue.[12]
- ***Heightened Competition from Mass and Fast Fashion***: The desire for newness has led to enormous competition in the apparel industry from mass and fast fashion brands who can quickly manufacture and copy styles at lower prices than designer brands. In 2020, mass market and fast fashion comprised 42% of the U.S. apparel market, up from 31% ten years ago.[13]
- ***Direct-to-Consumer, or DTC, as an Essential Channel for Every Brand:*** Given the growth in online and the challenges associated with traditional wholesale channels, brands are increasingly seeking DTC channels but often lack the financial or human capital to build them.
- ***Larger, More Fractured Discovery Landscape:*** According to Publicis Sapient, 87% of shoppers today begin product searches online, meaning that younger customers are focused on direct search for brands they already know.[14]
- ***Aging Consumer Base:*** The average age of a luxury department store customer is 51 years old, meaning it is more difficult for brand partners to reach younger customers through traditional channels.[15]
- ***Growing Importance of Data***: Data is critical to helping brands assess their product and efficiently acquire customers. Through traditional wholesale channels, brands receive very minimal data, and the data they do receive is often a season old.

Our Customer Value Proposition

Through our platform, we have helped more than 2.5 million lifetime customers discover the transformative power of utilizing our Closet in the Cloud across all of our offerings. Our customer base is diverse and spans age, household income distribution and U.S. geography. As of June 2021, approximately 35% of our customers lived in the Top 100 U.S. cities by population, and approximately 65% lived elsewhere.

The Magic of Rent the Runway

When our customers use Rent the Runway, they experience the magic of accessing an "Unlimited Closet" of constantly rotating styles while saving money and time and reducing clothing waste.

- ***Variety and Discovery.*** With over 18,000 styles across over 750 brands and hundreds of categories available in our Closet in the Cloud, Rent the Runway gives customers the ability to always wear something new to them and inspires customers to expand their fashion tastes without risk of buyer's remorse. We are a brand discovery engine, as our subscribers wear 54 brands in their first year, on average.

11 Quartz, What an Estimated 80,000 Store Closings Say About the Future of US Retail, April 2021.
12 Forbes, Unprecedented Decline: One Fifth of All American Department Stores Have Closed Since 2018, July 2020.
13 GlobalData, Resale Report, 2021. Mass market is defined as Amazon, off-price, and value retail.
14 Salesforce and Publicis Sapient, Shopper First Retailing, 2018.
15 Racked, More than 40% of Neiman Marcus Shoppers are Millionaires, August 2015.

- ***Value.*** Rent the Runway makes thousands of designer styles accessible to all through our Subscription offering for a flat monthly price or through our Reserve offering on a per item basis. For instance, in our most popular $135 per month eight-item subscription plan, the effective cost to the customer per item is approximately $17, for an item that would typically retail for above $350, making Rent the Runway comparable to or cheaper than many mass-market and fast fashion players while offering access to authentic designer items. 60% of our subscribers report spending between $100 and $500 less per month on clothes when they have a subscription to RTR.
- ***Self-Confidence.*** 83% of our subscribers say RTR makes them the most confident version of themselves at work or in social settings. Because there is no commitment to keep an item on RTR, we fuel greater self-expression for our customers. Our average subscriber receives four compliments each time she wears RTR.
- ***Personalization and Convenience.*** We use our rich customer data to create a personalized storefront for customers based on their style preferences, browsing history and past rentals. Our understanding of our customer improves with each interaction, and we use our personalization algorithm to continuously tailor size and style recommendations. In fiscal year 2019, subscribers who used our personalized recommendations had 2.7x longer tenure.
- ***Customer Experience and Community.*** Our customers are deeply engaged, as evidenced by the 22 million customer reviews submitted through June 2021. Our customers use the millions of reviews posted by our community to make smarter choices and feel good about their selections. As our community has grown, Rent the Runway has also benefited from powerful virality and word-of-mouth marketing. 81% of subscribers have shared RTR with at least five people; 32% have shared with over 20 people.
- ***Sustainability.*** Our success in building a rent versus buy mindset is evidenced by the fact that 83% of our subscribers have bought less fast fashion since using RTR and 89% buy fewer clothes than they used to prior to joining RTR.

Our Brand Value Proposition

We designed our platform with the intent of creating deep partnerships with designer brands, enabling them to broaden their customer base and grow their businesses. Today, we partner with more than 750 brands, including many of the most renowned and relevant names in fashion. As of June 30, 2021, no single brand partner accounted for more than 2% of active units available on the RTR platform.

We procure virtually 100% of our products directly from brand partners with their explicit permission, and our business model has been built on shared success with brands. As they deepen their relationship with us, they get access to more data and more customers. Our partnerships with brands have created a significant product and cost advantage, in contrast to other secondhand resellers, and allows brands to make an aspirational first impression to a new and critical customer segment on RTR. Because we source directly from brands, we can control our assortment and acquire styles in the depths and sizes we want, we have access to current season items and all of our items are guaranteed authentic without the cost or infrastructure of traditional authentication platforms.

Brands that were on the RTR platform for five years from fiscal year 2014 through fiscal year 2019 saw the gross merchandise value, or GMV, of their products acquired by RTR increase by 293%

over that time.[16] We are widely recognized by the brand community as an important and growing distribution channel for their businesses.

Benefits for Brands

When our brand partners join Rent the Runway, they trust that our platform will grow their customer base, build their brand awareness and enable them to innovate their business.

- ***Our Brand.*** Rent the Runway is a trusted platform for discovery and access, and we present our brand partners in an aspirational way. Brand partners appreciate that we are often a customer's first exposure to their brand and so they trust us to provide an elevated customer experience. We are proud that we've retained nearly 100% of our brand relationships.

- ***Customer Discovery and Acquisition.*** With over 2.5 million lifetime customers as of July 2021 across all offerings, we provide our brand partners with a new way to reach both current luxury consumers and aspirational luxury consumers. 91% of our brand partners say that RTR introduces them to new, desirable customers and deepens awareness of their brand. 82% of our subscribers purchased one or more brands they discovered on Rent the Runway (either from RTR or elsewhere).
- ***Grow Their Business.*** We serve as an important channel for over 750 brands that see us as essential to their future business success. According to our June 2021 Rent the Runway Brand Survey, in fiscal year 2019, we were in the top 30% of distribution partners, by revenue, for 64% of our brands. Of our brand partners, approximately 85% believe that RTR is a growing distribution channel for their business. We have proven that we can help brands grow their businesses by attracting new customer segments.
- ***More Profitable Partnership.*** We are a more profitable partner to brands than legacy retailers because we do not require brands to sign margin agreements with us or return-to-vendor agreements, which have historically levied brands with higher inventory risk than their retail partners.
- ***Ability to Compete with Mass and Fast Fashion.*** We enable brands to compete with wear-it-once, mass and fast fashion by offering their premium products at a more accessible price point, enabling brands to connect with a broad customer base without diluting their brand.
- ***Data.*** We provide our brand partners with actionable data and customer feedback that is not available via traditional wholesale channels and is differentiated from what they collect through their own DTC channels. This data allows them to adjust their designs in order to grow and optimize their businesses and manufacture styles that are more durable and sustainable.
- ***Sustainability*****.** Our platform allows brands to participate in the circular economy and provides a way for them to address the secondhand market in an aspirational way. As of June 2021, 67% of our brand partners believed that RTR is an important part of their business's sustainability strategy.

Rent the Runway Virality and Marketing Strategy

Our brand and deeply engaged consumer base have allowed us to acquire customers efficiently. Since our founding, we have spent less than 10% of total revenue on marketing, and our growth has

16 GMV is calculated using original retail and/or comparable value prices. An original retail price is the price at which the manufacturer suggested that retailers in the marketplace, including department stores and specialty retailers, sell the item in new condition. A comparable value price is used for our Exclusive Designs and is based on an evaluation of prices for new comparable merchandise sold elsewhere in the marketplace.

been mostly organic. Approximately 88% of our customers over the last 12 years have been acquired organically. As of June 2021, we have had close to 3 trillion earned media impressions since 2018. As we have scaled, we have seen the value of the Rent the Runway brand grow and increasingly become a significant point of differentiation with consumers and brand partners. We have an opportunity to continue to increase brand awareness and as of June 2021, our unaided brand awareness is 20% among U.S. women ages 18 - 45 with a household income of $50,000 or more.

Total Addressable Market

Apparel is a large market that is rapidly shifting online. According to Euromonitor, the U.S. apparel market was $286 billion in 2020 of which 37% or $107 billion is online. The online U.S. apparel market is expected to grow at a 12% CAGR compared to the overall apparel market, which is expected to grow at a 3% CAGR between 2020 and 2025. In 2025, the U.S. apparel market is expected to be $395 billion of which 49% or $192 billion is expected to be online.[17]

We address the secondhand market, which is the fastest growing portion of the apparel market today. According to GlobalData, this market is at $27 billion in 2020 and is expected to increase to $77 billion in 2025, growing at a 23% CAGR. We are changing consumer purchasing behavior by creating a sharing economy for fashion and believe we will contribute to the growth of this market.

We believe we are in the early innings of this opportunity. As of the end of fiscal year 2019 and 2020, respectively, we had 147,866 and 95,245 total subscribers (which includes both active and paused). Since 2009, we have had over 2.5 million lifetime customers across all of our offerings, and as of July 31, 2021, we had over 126,841 total subscribers (active and paused), representing less than 1% of the total population of women aged 18 and above in the U.S.

According to the U.S. Census Bureau, as of 2020, there are 38 million women 25 years and older that both work and are college educated, 61 million women 18 years and older that are college educated, and 130 million total women 18 years and older in the U.S. Today, the majority of our subscribers and customers are college educated or working women, but we believe we can continue to diversify our subscriber and customer base over time, particularly given subscription and rental behavior trends in our favor. According to the July 2021 Lab42 Survey, 24% of women have subscribed to fashion in the past, and 59% are open to it. Additionally, 19% of women have rented clothing or accessories in the past, and 55% are open to it. 56% of women state that they will subscribe to fashion at some point in the next five years.

Our Growth Strategies

The key elements of our growth strategy are:

- ***Grow our Subscribers.*** With our differentiated brand and organic virality, strong funnel of new customers through Reserve and Resale and our continued focus on marketing efficiency, we are focused on growing our subscriber base.
- ***Expand our Assortment by Adding New Brand Partners and Deepening Existing Brand Partner Relationships.*** We are focused on expanding our product assortment and in particular, we intend to accelerate our capex-light partnerships via Share by RTR and Exclusive Designs.

17 Euromonitor Apparel & Footwear 2021. Euromonitor International Ltd, Retailing, 2020 (“Euromonitor Retailing 2020”). Retail Value RSP includes sales tax, current prices and year-over-year exchange rates. Apparel is defined as apparel and footwear.

- ***Continue to Invest in the Customer Experience.*** By continuing to improve our customer experience, we aim to improve subscriber retention and engagement. Our customer experience includes interactions online and the experience customers have offline wearing Rent the Runway. We are focused on driving continuous improvements in both areas, particularly on personalization, social features and transportation innovation.
- ***Launch New Categories and Offerings.*** Our flexible membership platform and physical logistical infrastructure means that we can launch new categories and offerings that resonate with our customers and their lifestyles.
- ***Deepen our Brand Partner Marketplace Enablement Tools.*** Our goal is to help our brands build bigger businesses both on and off our platform. We intend to continue to expand Share by RTR and provide more tools to our brand partners to grow their businesses and assortments across subscription, rental and resale.
- ***Drive Leverage in Operational Efficiency.*** We are focused on using our data to drive actionable insights and improve key parts of our operations.
- ***Expand Internationally.*** We may invest in creating a sharing economy of physical goods around the world. We may choose to do this organically or through partnerships and acquisitions.

Risk Factors Summary

Investing in our Class A common stock involves numerous risks, including the risks described in the section titled “Risk Factors” and elsewhere in this prospectus. You should carefully consider these risks before making an investment. Below are some of these risks, any one of which could materially adversely affect our business, financial condition, results of operations and prospects.

- We have grown rapidly in recent years and have limited experience at our current scale of operations. If we are unable to manage our growth effectively, our brand, company culture, and financial performance may suffer.
- The COVID-19 pandemic has had, and may in the future continue to have, a material adverse impact on our business.
- The global fashion industry is highly competitive and rapidly changing, and we may not be able to compete effectively.
- Our continued growth depends on our ability to attract new, and retain existing, customers, which may require significant investment in paid marketing channels. If we are unable to cost-effectively grow our customer base, our business, financial condition and results of operations would be harmed.
- If we fail to retain customers, our business, financial condition, and results of operations would be harmed.
- If we are unable to accurately forecast customer demand, manage our products effectively and plan for future expenses, our operating results could be adversely affected.
- Shipping and logistics are a critical part of our business and our supply chain and any changes or interruptions in shipping or logistics operations could adversely affect our operating results.
- We rely heavily on the effective operation of our proprietary technology systems and software, as well as those of our third-party vendors and service providers, for our business to effectively operate and to safeguard confidential information.

- We have identified material weaknesses in our internal control over financial reporting. If we are unable to remediate the material weaknesses in a timely manner, identify additional material weaknesses in the future or otherwise fail to maintain effective internal control over financial reporting, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet our periodic reporting obligations, our ability to comply with applicable laws and regulations and our access to the capital markets to be impaired.
- Our business is subject to a large number of U.S. and non-U.S. laws and regulations, many of which are evolving.
- We are subject to U.S. and certain foreign export and import controls, sanctions, embargoes, anticorruption laws, and anti-money laundering laws and regulations. Compliance with these legal standards could impair our ability to compete in domestic and international markets, and we could face criminal liability and other serious consequences for violations, which could harm our business.
- Failure to adequately maintain and protect our intellectual property and proprietary rights could harm our brand, devalue our proprietary content, and adversely affect our ability to compete effectively.
- We are subject to rapidly changing and increasingly stringent laws and industry standards relating to data privacy, data security, data protection, and consumer protection. The restrictions and costs imposed by these laws, or our actual or perceived failure to comply with them, could subject us to liabilities that adversely affect our business, operations, and financial performance.
- We face risks associated with brand partners from whom our products are sourced or co-manufactured.
- We rely on third parties for elements of the payment processing infrastructure underlying our business. If these third-party elements become unavailable or unavailable on favorable terms, our business could be adversely affected.
- We depend on search engines, social media platforms, mobile application stores, content-based online advertising and other online sources to attract consumers to and promote our website and our mobile application, which may be affected by third-party interference beyond our control and as we grow our customer acquisition costs will continue to rise.
- Any failure by us, our brand partners, or our third-party manufacturers to comply with our vendor code of conduct, product safety, labor, or other laws, or to provide safe factory conditions for their workers, may damage our reputation and brand, and harm our business.
- The dual class structure of our common stock has the effect of concentrating voting control with those stockholders who held our capital stock prior to the listing of our Class A common stock on Nasdaq, including our Co-Founders, and their affiliates, which will limit your ability to influence the outcome of important transactions, including a change of control.
- An active, liquid, and orderly market for our Class A common stock may not develop or be sustained. You may be unable to sell your shares of Class A common stock at or above the price at which you purchased them.
- Our share price may be volatile, and you may be unable to sell your shares at or above the offering price.
- After this offering, company insiders will continue to have the ability to control or significantly influence all matters submitted to stockholders for approval.

- Our management has broad discretion in the use of the net proceeds from this offering and may not use the net proceeds effectively.

If we are unable to adequately address these and other risks we face, our business may be harmed.

Corporate Information

We were incorporated as Rent the Runway, Inc. in Delaware on March 3, 2009. Our principal executive offices are located at 10 Jay Street, Brooklyn, New York 11201. Our telephone number is (212) 524-6860. Our website address is www.renttherunway.com. Information contained on, or that can be accessed through, our website is not incorporated by reference into this prospectus, and you should not consider information on our website to be part of this prospectus.

Our design logo, "Rent the Runway," and our other registered or common law trademarks, service marks or trade names appearing in this prospectus are the property of Rent the Runway, Inc. This prospectus also contains trademarks, trade names and service marks of other companies that are the property of their respective owners. We do not intend our use or display of other companies' trade names, trademarks, or service marks to imply a relationship with, or endorsement or sponsorship of us by, these other companies. Solely for convenience, our trademarks and tradenames referred to in this prospectus may appear without the ® and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or the right of the applicable licensor, to these trademarks and tradenames.

Implications of Being an Emerging Growth Company

We qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of certain reduced reporting and other requirements that are otherwise generally applicable to public companies. As a result:

- we are required to have only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations disclosure;
- we are not required to engage an auditor to report on our internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002, as amended, the Sarbanes-Oxley Act;
- we are permitted to take advantage of extended transition periods for complying with new or revised accounting standards which allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies;
- we are not required to submit certain executive compensation matters to stockholder advisory votes, such as "say-on-pay," "say-on-frequency," and "say-on-golden parachutes;" and
- we are not required to comply with certain disclosure requirements related to executive compensation, such as the requirement to disclose the correlation between executive compensation and performance and the requirement to present a comparison of our Chief Executive Officers' compensation to our median employee compensation.

We may take advantage of these reduced reporting and other requirements until the last day of our fiscal year following the fifth anniversary of the completion of this offering, or such earlier time that we are no longer an emerging growth company. If certain events occur prior to the end of such five-year period, including if we have more than $1.07 billion in annual gross revenue, have more than $700 million in market value of our Class A common stock held by non-affiliates, or issue more than $1.0 billion of non-convertible debt over a three-year period, we will cease to be an emerging growth company prior to the end of such five-year period. We may choose to take advantage of some but not all of these reduced requirements. We have elected to adopt the reduced requirements with respect to our financial statements and the related “Management’s Discussion and Analysis of Financial Condition and Results of Operations” disclosure. We also have elected to take advantage of the extended transition periods for complying with new or revised accounting standards. As a result, the information that we provide to stockholders may be different than the information you may receive from other public companies in which you hold equity.

THE OFFERING

Shares of Class A common stock offered by us	shares (shares if the underwriters exercise in full their option to purchase additional shares).
Shares of Class A common stock to be outstanding after this offering	shares (shares if the underwriters exercise in full their option to purchase additional shares).
Shares of Class B common stock to be outstanding after this offering	shares.
Total shares of Class A common stock and Class B common stock to be outstanding after this offering	shares (shares if the underwriters exercise in full their option to purchase additional shares).
Over-allotment option to purchase additional shares of Class A common stock	shares.
	We estimate, based upon an assumed initial public offering price of $ per share (which is the midpoint of the price range set forth on the cover page of this prospectus), that we will receive net proceeds from this offering of approximately $ million (or $ million if the underwriters exercise in full their option to purchase additional shares), after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering to fund growth, repay certain amounts outstanding under our credit agreements and fund other general corporate purposes. We will have broad discretion in the way that we use the net proceeds of this offering. See "Use of Proceeds."
Voting rights	Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to 20 votes per share and is convertible into one share of Class A common stock at any time. Holders of shares of our Class A common stock and Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders except as otherwise provided in our amended and restated certificate of incorporation or as required by

	applicable law. Our Co-Founders and their affiliates will together hold all of the outstanding shares of Class B common stock. Immediately following the completion of this offering, shares of Class A common stock will collectively represent approximately % of our total issued and outstanding shares and % of the voting power attached to all of our issued and outstanding shares (or % and %, respectively, if the underwriters exercise in full their option to purchase additional shares of Class A common stock), and shares of Class B common stock will collectively represent approximately % of our total issued and outstanding shares and % of the voting power attached to all of our issued and outstanding shares (or % and %, respectively, if the underwriters exercise in full their option to purchase additional shares of Class A common stock). See "Description of Capital Stock" for additional information.
Dividend policy	We do not expect to pay any dividends on our common stock for the foreseeable future. See "Dividend Policy."
Risk factors	Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 21 and other information included in this prospectus for a discussion of factors you should carefully consider before investing in our Class A common stock.
Proposed trading symbol	"RENT."

The number of shares of Class A common stock and Class B common stock to be outstanding after this offering is based on shares of our Class A common stock and shares of our Class B common stock outstanding as of July 31, 2021, after giving effect to (i) the exercise of warrants to purchase shares of Class A common stock, which will result in the issuance of shares of Class A common stock in connection with this offering, assuming an initial public offering price of $ per share of Class A common stock (which is the midpoint of the price range set forth on the cover page of this prospectus), (ii) the automatic conversion of all outstanding shares of our redeemable preferred stock into shares of our Class A common stock upon closing of this offering, (iii) reclassification of all of the shares of common stock into shares of Class A common stock, (iv) reclassification of all shares of common stock underlying outstanding equity awards under our 2009 Plan and 2019 Plan, other than those held by our Co-Founders, into shares of Class A common stock, (v) amendment of the terms of certain outstanding equity awards to provide that such awards are exercisable for or settle into shares of Class B common stock, and (vi) an exchange of shares of Class A common stock held by our Co-Founders for an equivalent number of shares of our Class B common stock immediately after the effectiveness of the Amended Charter pursuant to the terms of certain exchange agreements, or the Class B Exchange (collectively, the Transactions) and excludes:

- shares of Class A common stock issuable upon exercise of stock options outstanding as of July 31, 2021 under our 2009 Stock Incentive Plan, as amended, or the 2009 Plan, at a weighted average exercise price of $ per share;

- shares of Class B common stock issuable upon exercise of stock options outstanding as of July 31, 2021 under our 2009 Plan, at a weighted average exercise price of $ per share;
- shares of Class A common stock issuable upon exercise of stock options outstanding as of July 31, 2021 under our 2019 Stock Incentive Plan, as amended, or the 2019 Plan, at a weighted average exercise price of $ per share;
- shares of Class B common stock issuable upon exercise of stock options outstanding as of July 31, 2021 under our 2019 Plan, at a weighted average exercise price of $ per share;
- restricted stock units, or RSUs, covering shares of Class A common stock as of July 31, 2021, which are issuable upon satisfaction of service-based and liquidity-based vesting conditions;
- RSUs covering shares of Class B common stock as of July 31, 2021, which are issuable upon satisfaction of service-based and liquidity-based vesting conditions;
- shares of Class A common stock issuable upon exercise of stock options outstanding as of July 31, 2021, granted to early participants of our "designer collective," or the Designer Collective Grants, at a weighted average exercise price of $ per share;
- shares of Class A or Class B common stock reserved for future issuance under our 2021 Incentive Award Plan, or the 2021 Plan, which will become effective on the date immediately prior to the date our registration of which this prospectus forms a part becomes effective, as well as any shares that become issuable pursuant to provisions in the 2021 Plan that automatically increase the share reserve under the 2021 Plan, as described in "Executive Compensation—Equity Compensation;"
- shares of Class A common stock reserved for future issuance under our Employee Stock Purchase Plan, or the ESPP, which will become effective on the date immediately prior to the date our registration of which this prospectus forms a part becomes effective, as well as any shares that become issuable pursuant to provisions in the ESPP that automatically increase the share reserve under the ESPP, as described in "Executive Compensation—Equity Compensation;" and
- shares of Class A common stock issuable upon the exercise of warrants outstanding as of July 31, 2021 with an exercise price of $ per share.

Unless we indicate otherwise or the context otherwise requires, all information in this prospectus assumes or gives effect to:

- the filing and effectiveness of our amended and restated certificate of incorporation, or Amended Charter, and the adoption of our amended and restated bylaws, or Amended Bylaws, each of which will occur upon closing of this offering;
- the Transactions,
- no exercise of the outstanding options or settlement of outstanding RSUs described above after July 31, 2021;
- no exercise by the underwriters of their option to purchase up to additional shares of Class A common stock from us; and
- an initial public offering price of $ per share of Class A common stock, which is the midpoint of the range set forth on the cover page of this prospectus,

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The summary consolidated statements of operations data for the years ended January 31, 2020 and 2021 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated statements of operations data for the six months ended July 31, 2020 and 2021, and the summary consolidated balance sheet data as of July 31, 2021 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of our results in any future period and our results for the six months ended July 31, 2021 are not necessarily indicative of the results that may be expected for the year ending January 31, 2022 or any other future year or period.

You should read the following summary of consolidated financial data together with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and the related notes included elsewhere in this prospectus.

	Year Ended January 31,		Six Months Ended July 31,	
	2020	2021	2020	2021
	(in millions, except share and per share data)			
Consolidated Statements of Operations Data:				
Revenue:				
Subscription and Reserve rental revenue	$ 235.4	$ 135.9	$ 76.3	$ 72.7
Other revenue	21.5	21.6	12.2	7.5
Total revenue, net	256.9	157.5	88.5	80.2
Costs and expenses:				
Fulfillment	118.1	53.0	32.8	22.3
Technology	40.2	37.7	18.6	20.2
Marketing	22.9	8.1	5.1	7.4
General and administrative	98.9	77.2	42.0	40.6
Rental product depreciation and revenue share	85.2	89.0	47.0	31.6
Other depreciation and amortization	21.6	23.0	11.7	9.9
Total costs and expenses	386.9	288.0	157.2	132.0
Operating loss	(130.0)	(130.5)	(68.7)	(51.8)
Interest income / (expense), net	(24.0)	(46.6)	(20.4)	(29.4)
Other income / (expense), net	(0.1)	6.0	1.1	(3.6)
Net loss before benefit from income taxes	(154.1)	(171.1)	(88.0)	(84.8)
Benefit from income taxes	0.2	—	—	0.1
Net loss	$(153.9)	$(171.1)	$ (88.0)	$ (84.7)
Net loss per share attributable to common stockholders, basic and diluted[1]	$(14.04)	$(15.36)	$ (7.91)	$ (7.44)

	Year Ended January 31,		Six Months Ended July 31,	
	2020	2021	2020	2021
	(in millions, except share and per share data)			
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted(1)	10,964,634	11,138,851	11,124,993	11,375,889
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(2)		$		
Weighted-average shares used in computing pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(2)				

(1) See Note 14 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the method used to calculate our basic and diluted net loss per share and the weighted-average number of shares used in the computation of the per share amounts.

(2) Pro forma net loss per share gives effect to the Transactions, the adjustment to interest expense (including the estimated impact of reduced interest expense resulting from the elimination of the historical interest expense related to the application of the net proceeds from this offering as described in "Use of Proceeds") and stock compensation expense for awards and commitments that vest on IPO.

	As of July 31, 2021		
	Actual	Pro Forma(3)	Pro Forma As Adjusted(3)(4)
	(in millions)		
Consolidated Balance Sheet Data:			
Cash and cash equivalents(1)	$ 104.0	$	$
Working capital(2)	62.5		
Total assets	302.9		
Long-term debt, net	381.8		
Redeemable preferred stock	409.3		
Accumulated deficit	(674.1)		
Total stockholders' deficit	(605.2)		

(1) Excluding restricted cash of $11.5 million ($1.8 million current and $9.7 million noncurrent) as of July 31, 2021.

(2) Working capital is defined as current assets less current liabilities.

(3) Gives effect to (i) the Transactions and (ii) the debt pay down, including the estimated impact of reduced interest expense resulting from the elimination of the historical interest expense related to the application of the net proceeds from this offering as described in "Use of Proceeds" and the reduced aggregate principal amount to be outstanding following the debt pay down, in each case as if it had occurred at February 1, 2020.

(4) Gives effect to (i) the pro forma adjustments set forth in footnote (2) in the Consolidated Statements of Operations Data table above and (ii) the issuance and sale of shares of our Class A common stock in this offering at the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. A $1.00 increase or decrease, as applicable, in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, each of cash and cash equivalents, total assets and total stockholders' deficit on a pro forma basis by approximately $ million, assuming the number of shares offered, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each 1,000,000 share increase or decrease, as applicable, in the number of shares offered in this offering would increase or decrease, as applicable, the net proceeds to us from this offering by approximately $ million, assuming that the price per share for the offering remains at $ (which is the midpoint of the price range set forth on the cover page of this prospectus), and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Key Business and Financial Metrics

In addition to the measures presented in our consolidated financial statements, we use the following key business and financial metrics to help us evaluate our business, identify trends affecting our business, formulate business plans, and make strategic decisions. The calculation of the key business and financial metrics discussed below may differ from other similarly titled metrics used by other companies, securities analysts or investors, limiting the usefulness of those measures for comparative purposes. These key business and financial metrics are not meant to be considered as indicators of our financial performance in isolation from or as a substitute for our financial information prepared in accordance with GAAP and should be considered in conjunction with other metrics and components of our results of operations, such as each of the other key business and financial metrics and our revenue, fulfillment and net loss.

	Year Ended January 31,		Six Months Ended July 31,	
	2020	2021	2020	2021
	($ in millions)			
Active subscribers (at the end of period)	133,572	54,797	54,228	97,614
Gross profit	$ 53.6	$ 15.5	$ 8.7	$ 26.3
Gross profit excluding product depreciation	$ 129.3	$ 85.4	$ 46.8	$ 50.2
Adjusted EBITDA	$ (18.0)	$ (20.3)	$ (10.6)	$ (8.1)

Each of Gross Profit Excluding Product Depreciation and Adjusted EBITDA is a non-GAAP financial measure. See below for a reconciliation of Gross Profit Excluding Product Depreciation and Adjusted EBITDA to each of their most directly comparable GAAP financial measures, gross profit and net loss, respectively. For additional information about, and the definitions of, our key business and financial metrics and why we consider Gross Profit Excluding Product Depreciation and Adjusted EBITDA to be useful metrics, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations —Key Business and Financial Metrics” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Metrics.”

Non-GAAP Financial Metrics

In addition to our results determined in accordance with GAAP, we believe the following non-GAAP financial metrics are useful in evaluating our performance. These non-GAAP financial metrics are not meant to be considered as indicators of our financial performance in isolation from or as a substitute for our financial information prepared in accordance with GAAP and should be read only in conjunction with financial information presented on a GAAP basis. There are limitations to the use of the non-GAAP financial metrics presented in this prospectus. For example, our non-GAAP financial metrics may not be comparable to similarly titled measures of other companies. Other companies, including companies in our industry, may calculate non-GAAP financial metrics differently than we do, limiting the usefulness of those measures for comparative purposes.

Reconciliations of each of the below non-GAAP financial metrics to its most directly comparable GAAP financial measure are presented below. We encourage you to review the reconciliations in conjunction with the presentation of the non-GAAP financial metrics for each of the periods presented. In future periods, we may exclude similar items, may incur income and expenses similar to these excluded items, and may include other expenses, costs and non-recurring items.

We use Gross Profit Excluding Product Depreciation to measure our total variable profit excluding non-cash expenses as an indicator of the cash gross profit available to cover our costs and expenses and capital expenditures.

We use Fulfillment Profit to measure the efficiency of inbound, outbound and processing costs. We use Contribution Profit as a key measure of our overall efficiency, including fulfillment expense, total product costs and credit card fees.

The following table presents a reconciliation of total revenue, net, the most comparable GAAP financial measure, to each of Fulfillment Profit, Gross Profit Excluding Product Depreciation, and Contribution Profit, respectively, for the periods presented:

	Year Ended January 31,		Six Months Ended July 31,	
	2020	2021	2020	2021
	(in millions)			
Total revenue, net	$ 256.9	$ 157.5	$ 88.5	$ 80.2
Fulfillment	118.1	53.0	32.8	22.3
Fulfillment profit	138.8	104.5	55.7	57.9
Revenue share	9.5	19.1	8.9	7.7
Gross profit excluding product depreciation	129.3	85.4	46.8	50.2
Rental product depreciation	75.7	69.9	38.1	23.9
Gross profit	53.6	15.5	8.7	26.3
Credit card processing fees	8.2	4.4	2.6	2.3
Contribution profit	45.4	11.1	6.1	24.0
Technology	40.2	37.7	18.6	20.2
Marketing	22.9	8.1	5.1	7.4
General and administrative (excluding credit card processing fees)	90.7	72.8	39.4	38.3
Other depreciation and amortization	21.6	23.0	11.7	9.9
Operating loss	$(130.0)	$(130.5)	$ (68.7)	$ (51.8)

Adjusted EBITDA is included in this prospectus because it is a key performance measure used by management to assess our operating performance and the operating leverage of our business.

The following table presents a reconciliation of net loss, the most comparable GAAP financial measure, to Adjusted EBITDA, for the periods presented:

	Year Ended January 31,		Six Months Ended July 31,	
	2020	2021	2020	2021
	(in millions)			
Net loss	$(153.9)	$(171.1)	$ (88.0)	$ (84.7)
Interest (income) / expense, net(1)	24.0	46.6	20.4	29.4
Rental product depreciation	75.7	69.9	38.1	23.9
Other depreciation and amortization(2)	21.6	23.0	11.7	9.9
Stock compensation(3)	6.8	8.2	3.8	4.3
Write-off of liquidated assets(4)	4.1	3.3	0.9	2.8
Non-recurring adjustments(5)	3.8	4.2	3.2	2.8
Benefit from income taxes	(0.2)	—	—	(0.1)
Other (income) / expense, net	0.1	(6.0)	(1.1)	3.6
Other (gains) / losses(6)	—	1.6	0.4	—
Adjusted EBITDA	$ (18.0)	$ (20.3)	$ (10.6)	$ (8.1)

(1) Includes debt discount amortization of $4.0 million in fiscal year 2019, $5.0 million in fiscal year 2020, $2.0 million in the six months ended July 31, 2020 and $3.9 million in the six months ended July 31, 2021.
(2) Includes non-rental product depreciation and capitalized software amortization.
(3) Reflects the non-cash expense for stock-based compensation.
(4) Reflects the write-off of the remaining book value of liquidated products that had previously been held for sale.
(5) Fiscal year 2019 non-recurring adjustments includes $2.8 million of costs related to a September 2019 software outage and $1.0 million related to legal costs and settlements. Fiscal year 2020 non-recurring adjustments includes $3.2 million of costs associated with COVID-19-related matters including severance, furlough benefits, one-time bonuses and related legal fees and $0.5 million of shipping carrier transition costs. Non-recurring adjustments for the six months ended July 31, 2020 include $2.8 million of costs related to COVID-19 related matters including severance, furlough benefits, one-time bonuses, and related legal fees. Non-recurring adjustments for the six months ended July 31, 2021 include $2.7 million of costs related to public readiness preparation.
(6) Includes costs associated with the write-off of asset disposals, operating lease termination and foreign exchange.

RISK FACTORS

Investing in our Class A common stock involves a high degree of risk. You should consider and read carefully all of the risks and uncertainties described below, as well as other information included in this prospectus, including our consolidated financial statements and related notes appearing elsewhere in this prospectus, before making an investment decision. The risks described below are not the only ones we face. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition, or results of operations. In such case, the trading price of our Class A common stock could decline, and you may lose some or all of your original investment. In addition, the impacts of the COVID-19 pandemic may exacerbate the risks described below as well as risks and uncertainties not presently known to us.

Risks Related to Our Business and Industry

We have grown rapidly in recent years and have limited experience at our current scale of operations. If we are unable to manage our growth effectively, our brand, company culture, and financial performance may suffer.

We have grown rapidly over the last several years, due in large part to the growth in demand for our subscription offerings, and therefore, our recent growth rates and financial performance should not necessarily be considered indicative of our future performance. Although the COVID-19 pandemic has materially adversely affected our fiscal year 2020 operating and financial results, resulting in our total revenue decreasing 38.7% from $256.9 million in fiscal year 2019 to $157.5 million, our revenue increased 39.4% from $33.5 million for the three months ended April 30, 2021 to $46.7 million for the three months ended July 31, 2021 and we may experience significant growth in the future. To effectively manage and capitalize on our growth, we must continue to expand our brand awareness and marketing, enhance customer experience, iterate our subscription products, invest in digital consumer innovation, and upgrade our management information and reverse logistics systems and other processes. Our continued growth has in the past, and could in the future, strain our existing resources, and we could experience ongoing operating difficulties in managing our business across numerous jurisdictions, including difficulties in hiring, training, and managing a diverse and growing employee base. Failure to scale and preserve our company culture as we grow could also harm our future success, including our ability to retain and recruit personnel and to effectively focus on and pursue our corporate objectives.

Our growth strategy is focused on continuing to grow and retain our subscriber and customer base, expanding our brand partner relationships and product assortment, increasing our brand awareness, advertising and other marketing spending, and continuing to invest in our offerings and technology. For the six months ended July 31, 2021, 83% of our total revenue was generated by our subscribers. Our base subscription plans range from $89 to $199 per month and customers can customize their subscription monthly by purchasing additional slots and shipments. Our subscriptions renew automatically on a monthly basis and the subscribers may disable automatic renewal by canceling their subscription prior to the next month's bill date. Customers may also pause their subscriptions for one to three months at a time. As a result, even though a significant number of subscribers have historically renewed their monthly subscription, there can be no assurance that we will be able to retain a significant portion of subscribers beyond the existing monthly subscription periods. In addition, any limitation or restriction imposed on our ability to bill our subscribers on a recurring basis, whether due to new regulations or otherwise, may significantly lower our subscription retention rate. We also offer our customers the option to rent items via our Reserve offering a-la-carte for four or eight days at individual rates and we provide resale offerings allowing customers to purchase pre-loved items. Our plans and offerings do not have demonstrably long track records of

success and may not grow as much or as fast as we expect. If our growth rate declines, investors' perception of our business, financial condition and results of operations may be adversely affected. To the extent our growth rate slows, our business performance will become increasingly dependent on our ability to retain revenue from existing subscribers and increased sales to existing customers.

The fashion industry is rapidly evolving and our business may not develop as we expect. Overall growth of our revenue will depend on a number of factors, including our ability to:

- change traditional consumer buying habits and normalize clothing rental and resale;
- price our subscription, a-la-carte and resale offerings so that we are able to attract new customers, and retain and expand our relationships with existing customers;
- accurately forecast our revenue and plan our fulfillment and operating expenses;
- ensure that we maintain an adequate depth and breadth of available products to meet evolving customer demands and respond swiftly and appropriately to new and changing styles, trends or desired consumer preferences;
- successfully transition from "unlimited" subscriptions to usage-based subscription plans at different price points;
- successfully maintain and grow our relationships with existing and new brand partners, including continuing to grow our Share by RTR and Exclusive Design offerings;
- avoid disruptions in acquiring and distributing our products and offerings;
- provide customers with a high-quality experience, including customer service and support that meets their needs;
- maintain and enhance our reputation and the value of our brand;
- hire, integrate and retain talented personnel across all levels of our organization;
- successfully compete with other companies that are currently in, or may in the future enter, the industry or the markets in which we operate, and respond to developments from these competitors such as pricing changes and the introduction of new offerings;
- comply with existing and new laws and regulations applicable to our business;
- successfully expand into new and penetrate existing geographic markets in the United States;
- successfully develop new offerings and innovate and enhance our existing offerings and their features, including in response to new trends, competitive dynamics or the needs of customers and subscribers;
- effectively manage growth of our business, personnel, and operations, including expanding our shipping and distribution network and fulfillment center operations, as well as our logistics footprint and the number of facilities we operate in the future;
- effectively manage our costs related to our business and operations;
- avoid or manage interruptions in our business from information technology downtime, cybersecurity incidents and other factors that could affect our physical and digital infrastructure; and
- successfully identify and acquire, partner or invest in products, technologies, or businesses that we believe could complement or expand our business.

Because we have a limited history operating our business at its current scale, it is difficult to evaluate our current business and future prospects, including our ability to plan for and model future

growth. Our limited operating experience at this scale, combined with the rapidly evolving nature of the market in which we sell our offerings, substantial uncertainty concerning how these markets may develop, and other economic factors beyond our control, reduces our ability to accurately forecast quarterly or annual revenue. Failure to manage our future growth effectively could have an adverse effect on our business, financial condition, and results of operations.

We also expect to continue to expend substantial financial and other resources to grow our business, and we may fail to allocate our resources in a manner that results in increased revenue growth in our business. Additionally, we may encounter unforeseen operating expenses, difficulties, complications, delays, and other unknown factors that may result in losses in future periods. If our revenue growth does not meet our expectations in future periods, our business, financial condition, and results of operations may be harmed, and we may not achieve or sustain profitability in the future.

The COVID-19 pandemic has had, and may in the future continue to have, a material adverse impact on our business.

The COVID-19 pandemic and the travel restrictions, quarantines, and related public health measures and actions taken by governments and the private sector have adversely affected global economies, financial markets and the overall environment for our business, and the extent to which it may continue to impact our future results of operations and overall financial performance remains uncertain. The first Delta variant case was identified in December 2020, and the variant soon became the predominant strain of the virus and by the end of July 2021, the Delta variant was the cause of more than 80% of new U.S. COVID-19 cases. As a result, new restrictions are being contemplated and implemented by workforces and federal, state and local government officials. The global macroeconomic effects of the pandemic may persist for an indefinite period of time, even after the pandemic has subsided. In addition, we cannot predict the impact the COVID-19 pandemic has had and will have on our brand partners, third-party vendors and service providers, and we may continue to be materially adversely impacted as a result of the negative past, present and future impact upon our brand partners, third-party vendors and service providers.

The COVID-19 pandemic has materially adversely affected our fiscal year 2020 operating and financial results due to the occurrence of the following events or circumstances, among others:

- the global shelter-in-place restrictions significantly reduced our number of active subscribers and engagement with all of our offerings because of the decrease in special events, social gatherings and interactions outside the home;
- a significant number of subscribers paused or canceled their subscriptions or downgraded to lower-priced plans, and we experienced significant decreased demand for our a-la-carte offering and customers canceled their existing orders for special events;
- subscribers engaged less, which impacted the success of our organic marketing and reduced the volume of our data and business insights;
- disruptions of the operations of our brand partners and delays in shipment and delivery of our products;
- pausing all of our paid marketing spend and eliminating or significantly reducing investments in growth initiatives;
- carrying more products relative to customer demand, negatively impacting gross margins;
- performance-based revenue share payments to brands were decreased due to lower total revenue, impacting our brand partner relationships and value proposition;
- implementing temporary salary cuts, employee layoffs and furloughs, and pausing recruiting efforts, which negatively impacted employee morale and resulted in an increase in regrettable employee attrition; and

- the closure of our brick-and-mortar retail stores, which was perceived negatively by some customers.

As the recovery period continues, particularly in the United States, and shelter-in-place orders and travel advisories are lifted, the effects of the COVID-19 pandemic, including the identification and spread of new variants of the virus, such as the Delta variant, may continue to have a negative impact on our business operations and long-term financial results of operations due to the occurrence of the following events or circumstances, among others:

- the difficulty in accurately predicting the timing and pace of our business recovery, particularly increased demand, subscriber levels, and Reserve and Resale orders, leading to potentially over-spending and lower profitability if recovery is not as strong as or when we expected;
- our inability to meet increased demand and provide an optimal customer experience as a result of difficulty in hiring additional employees, particularly in our fulfillment, operations and customer experience functions;
- continuing disruptions of the operations of our brand partners, which could impact our ability to acquire an adequate depth and breadth of products at favorable prices in a timely manner to match demand;
- our ability to efficiently re-start our paid marketing efforts; and
- possible resurgences of the COVID-19 pandemic, including as a result of new variants of the virus, such as the Delta variant, or otherwise, that lead to new or additional shelter-in-place orders and/or travel advisories, which may dampen future demand for our products and offering.

The continued scope and duration of the pandemic, whether additional actions may be taken to contain the virus, the impact on our customers and partners, the speed and extent to which markets fully recover from the disruptions caused by the pandemic, and the impact of these factors on our business, will depend on future developments that are highly uncertain and cannot be predicted with confidence. In addition, to the extent COVID-19 adversely affects our operations and global economic conditions more generally, it may also have the effect of heightening many of the other risks described in these Risk Factors.

Although we anticipate that our operating results in future fiscal years will begin to reflect a more normal operating environment, the current economic and public health climate has created a high degree of uncertainty and there is no assurance that our scale, number of customers and revenue will return to or surpass pre-pandemic levels for a sustained period of time. As such, we continue to closely monitor this global health crisis and will continue to reassess our strategy and operational structure on a regular, ongoing basis as the situation evolves. See “Management’s Discussion and Analysis of Financial Position and Results of Operations” for more details on the impact of the COVID-19 pandemic and associated economic disruptions, and the actual operational and financial impacts that we have experienced to date.

The global fashion industry is highly competitive and rapidly changing, and we may not be able to compete effectively.

We compete with other fashion rental companies and also with a range of traditional and online retail and resale fashion companies and we expect competition to continue to increase in the future. To be successful, we need to continue to attract and retain customers and brand partners.

We believe our ability to compete effectively depends on many factors within and beyond our control, including:

- our ability to normalize fashion rental and change traditional retail shopping habits and norms;

- how effectively differentiated our offerings and value proposition are from those of our competitors;
- how effectively we market and communicate how to use our Subscription and Reserve offerings;
- our ability to expand and maintain an appealing depth and breadth of our products to meet customer demand;
- our ability to attract new brand partners and retain existing brand partners in our Share by RTR and Exclusive Design programs and acquire products on favorable and efficient terms;
- the speed and cost at which we can deliver products to our customers and the ease with which they can return our products;
- the effectiveness of our customer service;
- further developing our data science capabilities for brand partners;
- maintaining favorable brand recognition and effectively marketing our services to customers;
- the amount, diversity, and quality of brands that we or our competitors offer;
- the price at which we are able to offer our Rental and Resale offerings;
- the success of our reverse-logistics processes in delivering products in good condition to customers; and
- anticipating and successfully responding to changing apparel trends and consumer shopping preferences.

Many competitors or potential competitors may have longer operating histories, greater brand recognition, existing consumer and supplier relationships and significantly greater financial, marketing and other resources. In addition, they may be able to innovate and provide products and services faster and with more selection than we can. They may be willing to price their products and services more aggressively in order to gain market share or generally employ a low-cost pricing model. In addition, brands set pricing for their own new retail items, which can include promotional discounts that may adversely affect the relative value of rental and/or resale items offered by us, and, in turn, our revenue, results of operations and financial condition.

Additional competitors are expanding and may continue to expand into the rental and resale space in which we operate and we remain vulnerable to the marketing power and high level of customer recognition of these larger competitors and to the risk that these competitors or other smaller entrants could attract our customer base. Some of our potential competitors are vertically integrated and are also engaged in the manufacture and distribution of clothing. These competitors may advantageously leverage this structure to gain market share and certain vertically-integrated organizations with significant market power could potentially utilize this power to make it more difficult for us to compete.

Furthermore, we are revolutionizing the fashion industry by changing the way women get dressed. Although we believe that there are numerous trends in our favor that support the continued growth and success of online fashion rental, changing traditional retail and e-commerce shopping habits is difficult, particularly the shift from an ownership to an access model. Our business model may not achieve acceptance as broadly and within the time frame that we expect by customers and brand partners. In addition, the trends in our favor may evolve and no longer provide compelling support for our business model. If online fashion rental does not achieve broad acceptance by consumers and our brand partners, our growth could be limited and our competitiveness hampered.

Our inability to respond effectively to competitive pressures, improved performance by our competitors, failure to achieve broad acceptance and changes in the fashion retail markets could result

in lost market share and have a material adverse effect on our business, financial condition, and results of operations.

Our continued growth depends on our ability to attract new, and retain existing, customers, which may require significant investment in paid marketing channels. If we are unable to cost-effectively grow our customer base, our business, financial condition and results of operations would be harmed.

The growth of our business is dependent upon our ability to continue to grow by cost-effectively adding new customers. Historically, a substantial portion of new customer acquisition has originated from organic word-of-mouth and other non-paid referrals. Although we will continue to encourage customer engagement, loyalty, and word-of-mouth referrals, there is no guarantee that we will be successful and our organic growth may decline. Paid marketing is also a key part of our growth strategy and while we previously paused paid marketing during portions of the pandemic as a result of COVID-19, we have increased our spending and plan to significantly increase spending and run marketing campaigns to acquire additional subscribers and customers, all of which could impact our overall profitability. We may incur marketing expenses significantly in advance of the time we anticipate recognized revenue associated with such expenses, our paid marketing may not effectively reach potential customers, changes in regulations or third-party interference could limit the ability of search engines and social media platforms for marketing, they may decide not to rent through our platform or the spend of new customers may not yield the intended return on investment, any of which could negatively affect our results of operations. Moreover customer preferences may change and customers may not rent through our platform as frequently or spend as much with us. If we are not able to continue to expand our customer base through cost-effective methods, our revenue may grow slower than expected or decline. Relatedly, an inability to attract and retain customers could harm our ability to attract and retain brand partners, who may decide to partner with alternative platforms.

If we fail to retain customers, our business, financial condition, and results of operations would be harmed.

A high proportion of our revenue comes from highly engaged subscribers. For the six months ended July 31, 2021, 83% of our total revenue was generated by our subscribers. A decrease in the number of existing customers or a reduction in the amount existing customers spend on our offerings could negatively affect our operating results.

Our number of customers and the amounts they spend on our offerings may decline materially or fluctuate as a result of many factors, including, among other things:

- the quality, consumer appeal, price, and reliability of our offerings;
- our ability to quality control the products delivered to our customers;
- ensuring on-time delivery of orders;
- a negative customer service experience;
- intense competition in the fashion industry;
- negative publicity that impacts our brand and reputation;
- changes in consumer preferences regarding the use of pre-loved apparel;
- lack of market acceptance of our business model;
- the unpredictable nature of the impact of the COVID-19 pandemic or a future outbreak of disease or similar public health concern;
- the failure (or perceived failure) to meet customer expectations regarding our environmental, social and governance, or ESG, initiatives;

- changes in efficiency of our historic or current customer acquisition methods; or
- dissatisfaction with changes we make to our offerings and products.

If existing customers no longer find our offerings and products appealing or appropriately priced or if we are unable to provide high-quality support to customers to help them resolve issues in a timely and acceptable manner, they may stop using our offerings, negative publicity may be generated and word-of-mouth and other referrals may be hampered. Even if our existing customers continue to find our offerings and products appealing and our customer service satisfactory, they may decide to downgrade to a less frequent, lower cost subscription and rent fewer items over time as their demand for apparel and accessories declines. For example, as a result of changes to daily life due to the COVID-19 pandemic, including increased rates of working remotely from home, many customers' demand for a variety of apparel was, and in the future may be, reduced or eliminated. If customers who rent most frequently and rent a significant amount of items from us were to make fewer or lower priced rentals or stop using our offerings, our financial results could be negatively affected.

If we fail to anticipate and respond successfully to new and changing fashion trends and consumer preferences, our business could be harmed.

Our success is, in large part, dependent upon our ability to identify fashion trends, predict and gauge the tastes of our customers, and provide availability of items and a service that satisfies customer demand in a timely manner. However, lead times for many of our purchasing decisions may make it difficult for us to respond rapidly to new or changing apparel trends or customer acceptance of products chosen by us. In addition, external events may disrupt or change customer preferences and behaviors in ways we are not able to anticipate. For example, the COVID-19 pandemic has resulted in significant changes to daily life, working arrangements, and social events, which has impacted the type of apparel our customers seek to rent. We generally enter into purchase contracts in advance of anticipated rentals and typically before apparel trends are confirmed by customer rentals. We have not always predicted our customers' preferences and acceptance levels of our products with accuracy.

Additionally, our success is dependent on the ability of our brand partners to anticipate, identify and respond to the latest fashion trends and consumer demands and to translate such trends and demands into product options in a timely manner. The failure of our brand partners to anticipate, identify or respond swiftly and appropriately to new and changing styles, trends or desired consumer preferences, to accurately anticipate and forecast demand for certain product offerings or to provide relevant and timely product offerings to rent on our platform may lead to lower demand for our offerings, which could have a material adverse effect on our business and financial condition.

Further, although we use our data and business insights to predict our customers' preferences and gauge demand for our products, there is no guarantee that our data and business insights will accurately anticipate demand. To the extent we misjudge the market for the service we offer or fail to execute on trends and deliver attractive products to customers, we may not attract and retain customers effectively and our operating results will be adversely affected.

We have a history of losses, and we may be unable to achieve or sustain profitability.

We had a net loss of $171.1 million and $84.7 million for the year ended January 31, 2021 and the six months ended July 31, 2021, respectively, and have in the past had net losses. As of July 31, 2021, we had an accumulated deficit of $674.1 million. Because we have a short operating history at scale, it is difficult for us to predict our future operating results. We will need to generate and sustain increased revenue and manage our costs to achieve profitability. Even if we do, we may not be able to sustain or increase our profitability.

Our ability to generate profit depends on our ability to grow revenues and drive operational efficiencies in our business to generate better margins. We expect to incur increased operating costs and may continue to generate net losses in the near term in order to:

- acquire products;
- increase the engagement of customers;
- drive customer acquisition and brand awareness through marketing and promotional initiatives;
- enhance our website and mobile offerings and functionality; and
- invest in our operations, including our logistics fulfillment and capacity, to support the growth in our business.

We may discover that these initiatives are more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently to offset these expenses or realize the benefits we anticipate. We will also face greater compliance costs associated with the increased scope of our business and being a public company. Any failure to adequately increase revenue or manage operating costs could prevent us from achieving or sustaining profitability. We may not realize the operating efficiencies we expect to achieve through our efforts to scale the business, reduce friction in the rental experience, and optimize costs. As such, due to these factors and others, we may not be able to achieve or sustain profitability in the near term or at all. If we are unable to achieve or sustain profitability, the value of our business and the trading price of our Class A common stock may be negatively impacted.

If we are unable to accurately forecast customer demand, manage our products effectively and plan for future expenses, our operating results could be adversely affected.

We are vulnerable to demand and pricing shifts and to suboptimal selection and timing of product purchases. We obtain substantially all of our products directly from over 750 brand partners through purchasing products from our brand partners typically at a discount to wholesale cost, or Wholesale, acquired directly from brand partners on consignment at low upfront cost, with performance-based revenue share payments to our brand partners over time, or Share by RTR, and designing items using our data in collaboration with our brand partners and manufacturing items through third-party partners, or Exclusive Designs, arrangements with designer or manufacturing partners. For our business to be successful, our brand partners must be willing and able to provide us with products in specific quantities and styles of sufficient quality, in compliance with regulatory requirements, at acceptable costs and on a timely basis. We typically do not enter into long-term contracts with our brand partners and, as such, we operate without significant contractual assurances of continued supply, pricing or access to products. Although we believe we have had limited attrition of brand partners to date, a brand partner could choose to no longer work with us or provide less favorable terms for a variety of reasons, including as a result of the COVID-19 pandemic and resulting impacts. In addition, some of our brand partners may not have the capacity to supply us with sufficient products to keep pace with our growth plans, especially if we plan to demand significantly greater amounts of products. In such cases, our ability to pursue our growth strategy will depend in part upon our ability to expand capacity with existing brand partners or develop new brand partners relationships.

In fiscal years 2019, 2020 and through the first six months of fiscal year 2021, we expanded our relationships with brand partners and increased the proportion of our products procured under Share by RTR, and Exclusive Designs arrangements, which reduced our upfront cost of products. For Wholesale and Share by RTR items, entering into contracts in advance of a particular season requires brand partners to agree to incur costs related to manufacturing products before we have paid for it, which requires the brand partner and brands to continue to trust us. If we were viewed as less financially viable, we may receive less favorable terms and conditions from our brand partners, including requiring upfront payments or other demonstrations of credit. The cash flow benefits we currently experience from our brand partners' willingness to revenue share could be adversely affected

if revenue share terms change or if brand partners no longer wish to revenue share due to (1) lack of trust in us, (2) lack of revenue earned in comparison to the projections we provided, (3) their inability to continue to spread their earnings out over the time period that the products are earning revenue on our site, among other reasons. For our Exclusive Design arrangements, we must continue to increase the number of brand partners with whom we work, design an assortment of styles that meet customer demand, maintain and enhance our third-party manufacturing capabilities and partners and ensure the products manufactured meets brand partners' and our quality standards. Our ability to obtain a sufficient selection or volume of Share by RTR products on a timely basis at competitive prices could suffer as a result of any deterioration or change in our brand partner relationships or events that adversely affect our partners.

We also source products directly from brand partners outside of the United States, including Europe, Asia and around the globe. Global sourcing and foreign trade involve numerous factors and uncertainties beyond our control including increased shipping costs, the imposition of additional import or trade restrictions, including legal or economic restrictions on overseas brand partners' ability to produce and deliver products, increased custom duties and tariffs, unforeseen delays in customs, more restrictive quotas, loss of a most favored nation trading status, currency exchange rates, transportation delays, foreign government regulations, political instability and economic uncertainties in the countries from which we or our brand partners source our products. As a result of the COVID-19 pandemic, most of our products sourcing in fiscal years 2020 and 2021 was handled remotely via video and teleconference instead of in-person. Future extended disruptions in travel and the ability to source products in-person may not be successful, and our partners may continue to face challenges in capital availability, which could lead to reduced or suboptimal products and harm our business. For the next several quarters, we anticipate facing, and having to address challenges relating to, inefficiencies in the global transportation network as a result of the COVID-19 pandemic that may impact our business operations. In addition, negative press or consumer sentiment about internationally sourced products may lead to reduced demand for our products. These and other issues affecting our international brand partners or internationally sourced products could have a material adverse effect on our business, financial condition, and results of operations.

In addition, we rely on our merchandising team to order styles that our customers will rent and we rely on our data science to inform the levels of and which products we purchase, including when to reorder items that are renting well and when to sell or write-off items that are not renting well. If our teams do not predict customer demand and tastes well or if our algorithms do not help us reorder the right products or write off the right products timely, we may not effectively manage our products and our operating results could be adversely affected.

Furthermore, we must execute our cleaning and repair protocols and reverse logistics operations efficiently and at a significant scale to maximize the utilization of units and reduce the number of units purchased, the failure of which may adversely affect our operating results. We cannot control products while they are out of our possession or prevent all damage while in our fulfillment centers, during shipping, or while with customers, third-party suppliers or partners. We may incur additional expenses and our reputation could be harmed if customers and potential customers believe that our products are not of high quality or may be damaged.

If we are not able to keep pace with technological changes and enhance our current offerings and develop new offerings to respond to the changing needs of partners and customers, our business, financial performance, and growth may be harmed.

Our industry is characterized by rapidly changing technology, new service and product introductions, and changing customer demands and preferences, and we are not able to predict the effect of these changes on our business. The technologies that we currently use to support our business platform may become inadequate or obsolete, and the cost of incorporating new technologies into our offerings and services may be substantial. Any failure by us to adequately integrate

technological developments in our approach to data management could harm our ability to leverage data, including customer data, collected through our technology and our systems, which could have a negative effect on our business. If we are unable to adequately utilize our data in support of our operations due technical or other limitations, our ability to drive leverage in operational efficiencies and to attract new customers and retain existing customers could be impaired. In addition, if we are unable to successfully leverage new technology to automate and otherwise drive efficiencies in our operations, our business, results of operations and financial condition could be harmed.

Our partners and customers may not be satisfied with our technological or other platform enhancements or new offerings or may perceive that these offerings do not respond to their needs or create value for them. Our customers may also be dissatisfied with the product mix we currently or will offer in the future.

Additionally, as we invest in and experiment with new offerings or changes to our platform, our partners and customers may find these changes to be disruptive and may perceive them negatively. For example, we have recently phased out our “unlimited swaps” subscription plan and shifted to several subscription plans at different price points based on usage, which may introduce too much complexity for customers or be perceived as less value than the previously offered plans. We have increased our resale offerings of pre-loved products, which could introduce the uncertainty of merchandise returns and negatively impact our business. We also have expanded the categories of products we offer, such as kidswear and home accessories, and may further expand our categories in the future. These new plans and offerings do not have demonstrably long track records of success for us. In addition, developing new offerings and services is complex, and the timetable for their public launch is difficult to predict and may vary from our historical experience. As a result, the introduction of new offerings may occur after anticipated release dates, or they may be introduced as pilot programs, which may not be continued for various reasons. In addition, new offerings may not be successful due to defects or errors, negative publicity, or our failure to market them effectively. New offerings may not drive revenue growth, customer acquisition or retention, may require substantial investment and planning, and may bring us more directly into competition with companies that are better established or have greater resources than we do. If we do not continue to cost-effectively develop new offerings that satisfy our brand partners and customers, then our competitive position and growth prospects may be harmed. In addition, new offerings may have lower margins than we anticipate or than existing offerings, and our revenue from the new offerings may not be enough to offset the cost of developing and maintaining them, which could adversely affect our business, financial performance, and growth.

If we fail to maintain and enhance our brand, our ability to attract and retain customers will be impaired and our business, financial condition, and results of operations may suffer.

Maintaining and enhancing our appeal and reputation as a stylish, revolutionary and trusted brand is critical to attracting and retaining customers and brand partners. The successful promotion of our brand and awareness of our offerings and products will depend on a number of factors, including our marketing efforts, ability to continue to develop our offerings and products, the quality and appeal of our products, and ability to successfully differentiate our offerings from competitive offerings. We expect to invest substantial resources to promote and maintain our brand, but there is no guarantee that our brand development strategies will enhance the recognition of our brand or lead to increased customer acquisition and sales. The strength of our brand will depend largely on our ability to provide a compelling customer value proposition for our rental and resale offerings and continued customer engagement and word of mouth organic marketing. Brand promotion activities may not yield increased revenue, and even if they do, the increased revenue may not offset the expenses we incur in promoting and maintaining our brand and reputation.

Furthermore, whether accurate or not, negative publicity about our business, operations, or employees, and customer complaints could harm our reputation, customer trust and referrals of our

services, brand partner confidence, employee morale and culture, and our ability to recruit new employees effectively. In addition, negative publicity related to our brand partners, influencers and other vendors that we have partnered with may damage our reputation, even if the publicity is not directly related to us. Negative commentary concerning us or our brand partners may also be posted on social media platforms at any time and may have an adverse impact on our brand, reputation and business. The harm of negative publicity, particularly on social media platforms, may be immediate, without affording us an opportunity for redress or correction.

If we fail to maintain, protect, and enhance our brand successfully or to maintain loyalty among customers, or if we incur substantial expenses in unsuccessful attempts to maintain, protect, and enhance our brand, we may fail to attract or increase the engagement of customers, and our business, financial condition, and operating results may suffer.

We rely heavily on the effective operation of our proprietary technology systems and software, as well as those of our third-party vendors and service providers, for our business to effectively operate and to safeguard confidential information.

We rely heavily on in-house proprietary technology, third-party software, and customized off-the-shelf technology solutions across our business. Our ability to effectively manage all areas of our business, particularly our product management and fulfillment operations, depends significantly on the reliability and capacity of these systems. We are critically dependent on the integrity, connectivity, security and consistent operations of these systems, which are highly dependent on coordination of our internal business, operations, product and engineering teams. For example, in September 2019, we experienced a software outage at our Secaucus, New Jersey facility, during which we were unable to fulfill thousands of Reserve and Subscription orders on a timely basis and made the decision to stop taking new orders until the issue was adequately resolved. We also experienced significant negative customer reviews and negative press as a result of the outage, which we believe damaged our customer relationships, reputation and brand. The outage also resulted in substantial financial losses and increased costs largely due to: lost revenues, customer refunds, credits, promotions and/or related payments, and incremental labor and shipping costs. Our insurance policy covered a substantial portion of these losses but not all of them. While we have taken remediation measures in response to the outage, similar outages or other disruptions may occur in the future, which could harm our ability to meet customer expectations, fulfill orders, manage our products, and achieve our objectives for operating efficiencies and profitability.

The technology underlying our platform is highly interconnected and complex and may contain undetected errors or vulnerabilities. Due to the interconnected nature of the software underlying our platform, updates to parts of our code, third-party code, and APIs, on which we rely and that maintain the functionality of our systems, could have an unintended impact on other sections of our code, which may result in errors or vulnerabilities to our platform that negatively impact the customer experience and functionality of our offerings. In some cases, such as our mobile application, errors may only be correctable through updates distributed through slower, third-party mechanisms, such as app stores, and may need to comply with third-party policies and procedures to be made available, which may add additional delays due to app review and customer delay in updating their mobile apps. In addition, our systems are increasingly reliant on machine learning systems, which are complex and may have errors or inadequacies that are not easily detectable. These systems may inadvertently reduce the efficiency of our systems, or may cause unintentional or unexpected outputs that are incorrect, do not match our business goals, do not comply with our policies, or otherwise are inconsistent with our brand, guiding principles and mission. Any errors or vulnerabilities discovered in our code could also result in damage to our reputation, loss of our customers, unauthorized disclosure of personal and confidential information, loss of revenue or liability for damages, any of which could adversely affect our growth prospects and our business.

Any significant technology disruption or failure or data security incident could adversely affect our business, financial condition and operation.

Our ability to effectively manage our business, particularly our products management and fulfillment operations, depends significantly on the reliability and capacity of our in-house proprietary technology, third-party software and infrastructure, and customized off-the-shelf solutions. We also collect, process and store sensitive and confidential information, including our proprietary business information and information regarding our customers, employees, suppliers and business partners. The secure processing, maintenance and transmission of this information is critical to our operations. Our systems or those of our service providers and business partners may be subject to damage or interruption from power outages or damages, telecommunications problems, data corruption, software errors, network failures, acts of war or terrorist attacks, fire, flood and natural disasters. Our existing safety systems, data backup, access protection, user management and information technology emergency planning may not be sufficient to prevent data loss or long-term network outages. In addition, we may have to upgrade our existing information technology systems or choose to incorporate new technology systems from time to time in order for such systems to support the increasing needs of our expanding business. Costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or adequate support of existing systems could disrupt or reduce the efficiency of our operations.

Our systems and those of our third-party service providers and business partners may be vulnerable to security incidents, attacks by hackers, acts of vandalism, malware, social engineering, denial or degradation of service attacks, computer viruses, supply chain attacks, phishing attacks, ransomware attacks, misplaced or lost data, human errors or other similar events. If unauthorized parties gain access to our networks or databases, or those of our third-party service providers or business partners, they may be able to steal, publish, sell, delete, use inappropriately or modify private and sensitive information including credit card information and personally identifiable information, any or all of which could harm our business, financial condition and results of operations. Ransomware attacks, including those from organized criminal threat actors, nation-states and nation-state supported actors, are becoming increasingly prevalent and can lead to significant interruptions, delays, or outages in our operations, loss of data, loss of income, significant extra expenses to restore data or systems, reputational loss and the diversion of funds. To alleviate the financial, operational and reputational impact of a ransomware attack it may be necessary to make extortion payments, but we may be unable to do so if applicable laws or governmental pressure prohibit or prevents such payments. In addition, employees may intentionally or inadvertently cause data or security incidents that result in unauthorized release of personal or confidential information. Because the techniques used to circumvent security systems can be highly sophisticated, change frequently, are increasingly designed to evade detection, are often not recognized until launched against a target and may originate from less regulated and remote areas around the world, we may be unable to address all possible techniques or implement adequate preventive measures for all situations.

Certain of the aforementioned types of security incidents have occurred in the past, and may occur in the future, resulting in unauthorized, unlawful, or inappropriate access to, inability to access, disclosure of, or loss of sensitive, proprietary and confidential information. For example, although no sensitive information was affected, our platform has been the subject of credential stuffing attacks (i.e., email addresses and passwords involved in security incidents reported by other companies have been used to attempt to gain unauthorized access to our platform) and brute force attacks (i.e., attempts to try different username and password credentials to gain access to our platform). The security measures we employ to prevent, detect, and mitigate potential harm to our users from the theft of or misuse of user credentials on our network may not be effective in every instance.

Moreover, while we maintain cyber insurance that may help provide coverage for these types of events, we cannot assure you that our insurance will be adequate to cover costs and liabilities related

to these incidents. Any such incident, attack, virus or other event could result in costly investigations and litigation exceeding applicable insurance coverage or contractual rights available to us, in particular because certain data privacy laws, including the California Consumer Privacy Act, or CCPA, grant individuals a private right of action arising from certain data security incidents, civil or criminal penalties, operational changes or other response measures, loss of consumer confidence in our security measures, and negative publicity that could adversely affect our business, financial condition, and results of operations.

We also rely on a number of third-party service providers to operate our critical business systems and process confidential and personal information, such as our shipping partners, Human Resources Information System and payment processor. These service providers may not have adequate security measures and could experience a security incident that compromises the confidentiality, integrity, or availability of the systems they operate for us or the information they process on our behalf and may not react or notify us in a timely manner. Moreover, we or our third-party service providers may be more vulnerable to such attacks in remote work environments, which have increased in response to the COVID-19 pandemic. Any cyberattack, security incident, or material disruption or slowdown affecting our systems or those of our third-party service providers and business partners, could have a material adverse effect on our business, financial condition, and results of operations.

Our e-commerce business faces distinct risks, such as fulfillment of orders, and our failure to successfully manage these risks could have a negative impact on our profitability.

As an e-commerce business, we encounter risks and difficulties frequently experienced by businesses with significant internet operations. The successful operation of our business as well as our ability to provide a positive customer experience that will generate subscription and rental and resale orders depends on efficient and uninterrupted e-commerce order-taking and fulfillment operations. If we are unable to allow real-time and accurate visibility to products availability when customers are ready to order, quickly and efficiently fulfill our customers' orders using the fulfillment and payment methods they demand, provide a convenient and consistent experience for our customers regardless of the ultimate channel or effectively manage our online sales, our ability to compete and our results of operations could be adversely affected.

Risks associated with our e-commerce business include:

- uncertainties associated with our website and mobile application including changes in required technology interfaces, website downtime and other technical failures, costs and technical issues as we upgrade our systems software, inadequate system capacity, computer viruses, human error, security incidents, legal claims related to our systems operations and fulfillment;
- disruptions in internet service or power outages;
- reliance on third parties for computer hardware and software, as well as delivery of products to our customers;
- rapid technology changes;
- credit or debit card fraud and other payment processing related issues;
- changes in applicable federal, state and international regulations;
- liability for online content;
- cybersecurity and consumer privacy concerns and regulation; and
- natural disasters or adverse weather conditions.

Our online offerings also expose us to broader applicability of regulations, as well as additional regulations, such as the rules relating to registration of internet sellers, certain anti-money laundering,

trade sanction, anti-corruption, anti-bribery and international trade laws. Problems in any of these areas could result in a reduction in sales, increased costs, sanctions or penalties and damage to our reputation and brands.

In addition, we must keep up to date with competitive technology trends, including the use of new or improved technology, creative user interfaces, virtual and augmented reality and other e-commerce marketing tools such as paid search and mobile applications, among others, which may increase our costs and which may not increase sales or attract customers. Our competitors, some of whom have greater resources than we do, may also be able to benefit from changes in e-commerce technologies or adapt better than us, which could harm our competitive position.

Shipping and logistics are a critical part of our business and our supply chain and any changes or interruptions in shipping or logistics operations could adversely affect our operating results.

We currently rely on several third-party national and regional shipping vendors for our outbound and inbound logistics. A substantial majority of our inbound shipments from customers are currently returned through a single vendor—we have from time to time transitioned, and are currently in the process of transitioning, inbound shipments from this vendor to multiple other vendors, and we cannot predict how this transition may impact our costs and our customer sentiment and satisfaction.

Additionally, our business relies on the successful management of reverse logistics needed to ingest, clean, and restock returned items quickly and efficiently in order to offer them for rental or resale to other customers. If we are not able to negotiate acceptable pricing and other terms with these vendors or they experience performance problems or other difficulties, our operating results and customers' experience could be negatively impacted.

Our ability to receive inbound products efficiently and ship products to and from customers may be negatively affected by many events outside of our control including, inclement weather, public health crises such as the COVID-19 pandemic, governmental regulations, labor disputes and other factors. We are also subject to risks of damage or loss during delivery by our shipping vendors. If our customers do not receive their orders in good condition on time, they could become dissatisfied and cease using our services, which would adversely affect our business and operating results. Our shipping vendors have faced and may continue to face increased volumes which, in turn, could cause a decrease in their service levels or result in an increase of their prices. Increases in shipping costs or other significant shipping difficulties or disruptions or any failure by our brand partners or third-party carriers to deliver high-quality products to us or to our customers, as applicable, in a timely manner or to otherwise adequately serve our customers could damage our reputation and brand and may substantially harm our business.

In addition to offering the ability to return products through our third-party shipping vendors, we offer multiple physical drop-off points for customers located in certain cities, including, for example, New York City, Boston, Nashville, Houston, and San Francisco to return their orders. In the event that we do not successfully manage these logistics, it will make it more difficult for us to maintain our products, and satisfy our customers which will negatively affect our brand, financial condition and results of operations.

Our quarterly and annual results of operations may fluctuate, which may make it difficult to predict our future performance.

Our results of operations could vary significantly from quarter to quarter and year to year because of a variety of factors, many of which are outside of our control. Even if our revenue increases, our revenue growth rates may decline in the future as a result of a variety of factors, including macroeconomic factors, increased competition, and the maturation of our business. As a result, comparing our results of operations on a period-to-period basis or our revenue growth rate for any prior

period may not be meaningful. In addition to other risk factors discussed in this section, factors that may contribute to the variability of our quarterly and annual results include:

- our success in attracting and retaining customers and subscribers;
- maintaining successful relationships with brand partners and our ability to acquire products at acceptable prices and offer a compelling mix of products that are available for subscription, a-la-carte rental or purchase at any given time;
- the amount and timing of our fulfillment costs and operating expenses;
- the timing and success of product launches, including new services and features we may introduce;
- the success of our marketing and promotional efforts;
- adverse economic and market conditions, such as those related to the COVID-19 pandemic, and other adverse global events that negatively impact commerce and consumer behavior;
- disruptions or defects in our software or operations, such as privacy or data security incidents, outages, or other incidents that impact the availability, reliability, or performance of our business;
- the impact of competitive developments and our response to those developments;
- our ability to manage our business and future growth;
- our ability to recruit and retain employees including fulfillment center labor to process, itemize, list, pack and ship our products; and
- changes to financial accounting standards and the interpretation of those standards, which may affect the way we recognize and report our financial results.

The impact of one or more of the foregoing and other factors may cause our results of operations to vary significantly. As such, quarter-to-quarter and year-over-year comparisons of our results of operations may not be meaningful and should not be relied upon as an indication of future performance.

Fluctuations in our quarterly operating results and key metrics may be particularly pronounced in the current economic environment due to the uncertainty caused by, and the unprecedented nature of, the COVID-19 pandemic, consumer spending patterns, and the impacts of the gradual reopening of the offline economy and lessening of restrictions on movement. Fluctuations in our quarterly operating results and key metrics may cause those results to fall below our financial guidance or other projections, or the expectations of analysts or investors, which could cause the price of our Class A common stock to decline.

Fluctuations in our results could also cause a number of other problems. For example, analysts or investors might change their models for valuing our Class A common stock, we could experience liquidity issues, our ability to retain or attract key personnel may diminish, and other unanticipated issues may arise. We believe that our quarterly operating results and key metrics may vary in the future and that period-to-period comparisons of our operating results may not be meaningful. For example, our overall historical growth rate and the impacts of the COVID-19 pandemic may have overshadowed the effect of seasonal variations on our historical operating results. These seasonal effects may become more pronounced over time, which could also cause our operating results and key metrics to fluctuate.

Environmental, social and governance matters may impact our business and reputation.

There has been increased focus, including by consumers, investors, employees and other stakeholders, as well as by governmental and non-governmental organizations, on environmental, social and governance matters generally and with regard to the fashion industry specifically.

We have and plan to continue undertaking environmental, social and governance, or ESG initiatives. Any failure by us to meet our commitments or loss of confidence on the part of customers, investors, employees, brand partners, and other stakeholders as it relates to our ESG initiatives could negatively impact our brand, the demand for our offerings, our financial condition, results of operations and prospects. These impacts could be difficult and costly to overcome, even if such concerns were based on inaccurate or misleading information.

In addition, achieving our ESG initiatives may result in increased costs in our supply chain, fulfillment, and/or corporate business operations, and could deviate from our initial estimates and have a material adverse effect on our business and financial condition. In addition, standards and research regarding environmental, social, and governance initiatives could change and become more onerous for both for us and our third-party suppliers and vendors to meet successfully. Evolving data and research could undermine or refute our current claims and beliefs that we have made in reliance on current research, which could also result in costs, a decrease in revenue, and negative market perception that could have a material adverse effect on our business and financial condition.

A variety of organizations measure the performance of companies on such ESG topics, and the results of these assessments are widely publicized. In addition, investment in funds that specialize in companies that perform well in such assessments are increasingly popular, and major institutional investors have publicly emphasized the importance of such ESG measures to their investment decisions. Topics taken into account in such assessments include, among others, the company's efforts and impacts on climate change and human rights, ethics and compliance with law and the role of the company's board of directors in supervising various sustainability issues. In light of investors' increased focus on ESG matters, there can be no certainty that we will manage such issues successfully, or that we will successfully meet society's ESG expectations or achieve our financial goals.

We rely on the experience and expertise of our Co-Founder and Chief Executive Officer, senior management team, key technical and strategic employees and hourly personnel.

Our success and future growth depend largely upon the continued services of our senior management team, including our Co-Founder, Chief Executive Officer and Chair, Jennifer Y. Hyman. From time to time, there may be changes in our executive management team resulting from the hiring or departure of these executives. Our executive officers are employed on an at-will basis, which means they may terminate their employment with us at any time. The loss of one or more of our executive officers, or the failure by our executive team to effectively work with our employees and lead our company, could harm our business. We do not maintain key man life insurance with respect to any member of management or other employee.

In addition, our future success will depend upon our ability to fill key roles, such as engineering, data science, analytics, buying and planning, and logistics, as well as hourly fulfillment workers and customer service agents. Such efforts will require significant time, expense, and attention as there is intense competition for such individuals, particularly in New York City, Galway, New Jersey and Texas, and new hires require significant training and time before they achieve full productivity. In addition to maintaining competitive wage and salary levels, which are likely to increase further due to inflation and the potential minimum wage increases, prospective and existing employees often consider the value of the equity awards they may receive in connection with their employment. If the perceived value of our equity awards declines or experiences significant volatility, it may adversely affect our ability to recruit and retain key employees.

Our corporate and customer service employees are currently almost fully remote. As COVID-19 restrictions are lifted and we contemplate reopening our offices, we plan to move to a hybrid model for New York City and Galway, and we anticipate that employees will be present in the office two to three days per week. If our needs are not aligned with our employees' preferences, it may adversely affect our ability to recruit and retain employees. In addition, the hybrid model may negatively impact our company culture, collaboration and productivity.

We laid off 33% of all employees and furloughed 37% of employees in fiscal year 2020 due to the unprecedented impact of COVID-19 on our business and also experienced increased voluntary attrition. If we experience continued voluntary attrition at significant rates in the future, and/or if we are unable to attract and retain qualified employees in a timely fashion, particularly in critical areas of operations such as engineering, data science and analytics, our ability to achieve our strategic objectives will be adversely impacted, and our business and future growth prospects will be harmed.

Our company culture has contributed to our success and if we cannot maintain this culture as we grow, our business could be harmed.

We believe that our company culture has been critical to our success. Our company culture stands for being entrepreneurial, passionate, kind and positive. Our ability to continue to cultivate and maintain this culture is essential to our growth and continued success. We face a number of challenges that may affect our ability to sustain our corporate culture, including:

- failure to identify, attract, reward, and retain people in leadership positions in our organization who share and further our culture, values, and mission;
- the increasing size, complexity and geographic diversity of our workforce, and our ability to promote a uniform and consistent culture across all our offices and employees;
- the employee and market perception of our ESG efforts, which may impact employee morale and recruiting efforts;
- competitive pressures to move in directions that may divert us from our mission, vision, and values;
- the continued challenges of a rapidly-evolving industry; and
- the increasing need to develop expertise in new areas of business that affect us.

In particular, Diversity, Equality and Inclusion is a strategic imperative at RTR. We are focused on driving inclusiveness, innovation and stronger business results by attracting a diverse talent pool and continuing to foster an inclusive work environment for all our employees across offices. Although we have adopted policies to promote compliance with laws and regulations as well as to foster a respectful workplace for all employees, our employees may fail to abide by these policies. In addition to damaging our reputation, actual or alleged misconduct could tarnish our culture, result in negative publicity, affect the confidence of our stockholders, regulators and other parties and could have a material adverse effect on our business, financial condition and operating results.

We rely on consumer discretionary spending and have been, and may in the future be, adversely affected by economic downturns and other macroeconomic conditions or trends.

We are subject to variable industry and global economic conditions and their impact on consumer discretionary spending. Some of the factors that may negatively influence consumer spending include high levels of unemployment; higher consumer debt levels; reductions in net worth, declines in asset values, and related market uncertainty; home foreclosures and reductions in home values; fluctuating interest rates and credit availability; fluctuating fuel and other energy costs; fluctuating commodity prices; and general uncertainty regarding the overall future political and economic environment. We

have experienced many of these factors due to the COVID-19 pandemic and related responses and have seen negative impacts on customer demand at varying levels as a result. For example, we experienced a significant decrease in consumer demand during the COVID-19 pandemic due to shelter-at-home orders and more limited social events, increased unemployment and work-from-home trends, and general economic uncertainty.

Furthermore, any increases in consumer discretionary spending or immediately after times of crisis may be temporary, such as those related to government stimulus programs or the tail of the COVID-19 pandemic in the United States, and consumer spending may decrease again. Economic conditions in certain regions may also be affected by natural disasters, such as hurricanes, tropical storms, earthquakes, and wildfires; other public health crises; and other major unforeseen events. Consumer purchases or rental of discretionary items, including the products that we offer, generally decline during recessionary periods or periods of economic uncertainty, when disposable income is reduced or when there is a reduction in consumer confidence.

Additionally, adverse economic changes could reduce consumer confidence, and could thereby negatively affect our operating results. In challenging and uncertain economic environments, we cannot predict when macroeconomic uncertainty may arise, whether or when such circumstances may improve or worsen or what impact such circumstances could have on our business. Any of these developments could harm our business, financial condition and results of operations.

Our business is affected by seasonality.

Our business is subject to seasonal fluctuation. We typically realize a higher portion of revenue from our Reserve rentals during our third and fourth fiscal quarter as a result of increased wedding and holiday events and we expect this to continue in the future. For our subscription rentals, we typically acquire the highest number of subscribers in the third and fourth fiscal quarters, and we tend to see a greater number of paused subscriptions in the winter and summer months. Adverse events, such as higher unemployment or deteriorating economic conditions can deter consumers from shopping and renting. Any significant decrease in revenue during the third or fourth quarter could have a disproportionately large impact on our operating results and financial condition for that year. Any factors that harm our third or fourth quarter operating results, including disruptions in our brand partners' supply chains or unfavorable economic conditions, including as a result of the COVID-19 pandemic, could have a disproportionate effect on our results of operations for our entire fiscal year.

In anticipation of increased rental activity during the third or fourth quarter, we may incur significant additional expenses, including additional marketing and additional staffing in our customer support operations. In addition, we may experience an increase in our net shipping costs due to ensuring timely delivery for peak seasons. In the future, our seasonal revenue patterns may become more pronounced or may change, may strain our personnel and operational activities, and may cause a shortfall in net sales as compared with expenses in a given period, which could substantially harm our business, financial condition and results of operations.

Furthermore, our rapid growth in recent years may obscure the extent to which seasonality trends have affected our business and may continue to affect our business, and the effects of the COVID-19 pandemic may alter our historical seasonality trends. Accordingly, yearly or quarterly comparisons of our operating results may not be useful and our results in any particular period will not necessarily be indicative of the results to be expected for any future period. Seasonality in our business can also be affected by introductions of new or enhanced products and offerings, including the costs associated with such introductions.

Strategic investments, partnerships, alliances, or acquisitions could be difficult to identify, pose integration challenges, divert the attention of management, disrupt our business, dilute stockholder value, and adversely affect our business, financial condition, and results of operations.

Our success will depend, in part, on our ability to expand our services and grow our business in response to changing technologies, customer demands, and competitive pressures. We may choose to expand our services and grow our business by entering into partnerships or alliances with third parties rather than through internal development or through the acquisition of complementary businesses and technologies. The identification of suitable alliance partners or acquisition candidates can be difficult, time-consuming, and costly, and we may not be able to successfully complete identified transactions. In addition, if we pursue and complete an acquisition, we may not be able to successfully integrate the acquired business. The risks we face in connection with partnerships and acquisitions include:

- a partnership or acquisition may disrupt our ongoing business, divert resources, increase our expenses, and distract our management;
- an acquisition may negatively affect our financial results because it may require us to incur charges or assume substantial debt or other liabilities, may cause adverse tax consequences or unfavorable accounting treatment, may expose us to claims and disputes by stockholders and third parties, including intellectual property claims and disputes, or may not generate sufficient financial return to offset additional costs and expenses related to the acquisition;
- we may encounter difficulties or unforeseen expenditures in integrating the business, offerings, technologies, personnel, or operations of any company that we partner with or acquire; and
- if we incur debt or issue a significant amount of equity securities to fund such joint venture or acquisition, such debt may subject us to material restrictions on our ability to conduct our business, as well as financial maintenance covenants and such equity securities may cause dilution for our existing stockholders and earning per share may decrease.

The occurrence of any of these foregoing risks could adversely affect our business, financial condition, and results of operations and expose us to unknown risks or liabilities.

We may require additional capital to support the growth of our business, and this capital might not be available on acceptable terms, if at all.

We have funded our operations since inception primarily through equity and debt financings and revenue generated from our offerings. We cannot be certain when or if our operations will generate sufficient cash to fully fund our ongoing operations or the growth of our business. We intend to continue to make investments to develop and grow our business. For example, we may need additional funding to obtain products, for marketing, and headcount or other operating expenses, to develop new features or enhance our offerings, to improve our operating infrastructure, and/or to acquire complementary businesses and technologies. If we are unable to obtain adequate financing or financing on terms satisfactory to us, our ability to support our business growth, and respond to business challenges could be significantly impaired, and our business may be adversely affected.

If we incur additional debt, the debt holders would have rights senior to holders of common stock to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our common stock. Furthermore, if we issue additional equity securities, stockholders will experience dilution, and the new equity securities could have rights senior to those of our common stock. Because our decision to issue securities in the future will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future issuances of debt or equity securities. As a result, our stockholders bear the risk of future issuances of debt or equity securities reducing the value of our common stock and diluting their interests.

Material changes in the pricing practices of our brand partners could negatively impact our profitability.

Our brand partners may increase their pricing if their raw materials become more expensive or become subject to other pricing pressures. The inputs used to manufacture the products from our brand partners are subject to availability constraints and price volatility. Our brand partners may pass the increase in sourcing costs to us through price increases, thereby impacting our margins. The fabrics used by our brand partners are made of raw materials including petroleum-based products and cotton. Significant price fluctuations or shortages in petroleum, cotton, or other raw materials could significantly increase our cost of revenue. Moreover, in the event of a significant disruption in the supply of the fabrics or raw materials used in the manufacture of the products we offer, our partners might not be able to locate alternative suppliers of materials of comparable quality at an acceptable price. For example, disruptions in the supply chain as a result of the COVID-19 pandemic has increased raw material costs, impacting pricing with certain of our partners, and caused shipping delays for certain of our products.

Our level of indebtedness could have a material adverse effect on our ability to generate sufficient cash to fulfill our obligations under such indebtedness, to react to changes in our business and to incur additional indebtedness to fund future needs.

As of July 31, 2021, we had $74.5 million aggregate principal amount of borrowings outstanding under our first lien facility, which we entered into in October 2020, and was subsequently amended in April 2021, with Alter Domus (US) LLC as administrative agent for Ares Corporate Opportunities Fund V, L.P., or Ares, which we call the Ares Facility and $230.0 million aggregate principal amount of borrowings under a subordinated, junior lien loan agreement in July 2018, as subsequently amended in December 2018, April 2019, November 2019, June 2020, August 2020 and October 2020, with Double Helix Pte Ltd. as administrative agent for Temasek Holdings, which we refer to as our Temasek Facility, together, the Credit Agreements. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures or to sell assets, seek additional capital or restructure or refinance our indebtedness. Our ability to restructure or refinance our current or future debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. We cannot assure you that our business will be able to generate sufficient levels of cash or that future borrowings or other financings will be available to us in an amount sufficient to enable us to service our indebtedness and fund our other liquidity needs. These financing risks, in addition to potential rising interest rates and changes in market conditions, if realized, could negatively impact our business, financial condition and results of operations. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness.”

Our Credit Agreements contain financial covenants and other restrictions on our actions that may limit our operational flexibility or otherwise adversely affect our business, financial condition and results of operations.

The terms of our Credit Agreements include a number of covenants that limit our ability to (subject to negotiated exceptions), among other things, incur additional indebtedness, incur liens on assets, enter into agreements related to mergers and acquisitions, dispose of assets or pay dividends and make distributions. In particular, under the Ares Facility, we are required to meet specified financial covenants that are measured based on pre-defined consolidated EBITDA thresholds starting in the second quarter of the fiscal year 2021. The terms of our Credit Agreements may restrict our current and future operations and could adversely affect our ability to finance our future operations or capital needs. In addition, complying with these covenants may make it more difficult for us to successfully execute our business strategy and compete against companies which are not subject to such restrictions.

A failure by us to comply with the covenants specified in the Credit Agreements could result in an event of default under the agreement, which would give the lenders the right to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be immediately due and payable. If the debt under the Credit Agreements were to be accelerated, we may not have sufficient cash or be able to borrow sufficient funds to refinance the debt or sell sufficient assets to repay the debt, which could adversely affect our business, financial condition and results of operations.

We have identified material weaknesses in our internal control over financial reporting. If we are unable to remediate the material weaknesses in a timely manner, identify additional material weaknesses in the future or otherwise fail to maintain effective internal control over financial reporting, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet our periodic reporting obligations, our ability to comply with applicable laws and regulations and our access to the capital markets to be impaired.

In connection with the preparation of our consolidated financial statements, we identified material weaknesses in our internal control over financial reporting as of January 31, 2021, as described below. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

We did not maintain sufficient evidence of the operation of controls to achieve complete, accurate and timely financial accounting, reporting and disclosures nor were monitoring controls evidenced at a sufficient level to provide the appropriate level of oversight of activities related to our internal control over financial reporting. This material weakness contributed to the following additional material weaknesses:

We did not design and maintain effective controls to ensure (i) the appropriate segregation of duties in the operation of manual controls and (ii) journal entries were reviewed at the appropriate level of precision.

We did not design and maintain effective controls over information technology, or IT, general controls for information systems and applications that are relevant to the preparation of our financial statements. Specifically, we did not design and maintain (i) program change management controls to ensure that information technology program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately, (ii) user access controls to ensure appropriate segregation of duties and that adequately restrict user and privileged access to our financial applications, programs and data to appropriate personnel, (iii) computer operations controls to ensure that critical batch jobs are monitored and data backups are authorized and monitored and (iv) testing and approval controls for program development to ensure that new software development is aligned with business and IT requirements.

These IT control deficiencies, when aggregated, could impact maintaining effective segregation of duties, as well as the effectiveness of IT-dependent controls (such as automated controls that address the risk of material misstatement to one or more assertions, along with the IT controls and underlying data that support the effectiveness of system-generated data and reports) that could result in misstatements potentially impacting all financial statement accounts and disclosures that would not be prevented or detected.

The material weaknesses described above did not result in a misstatement to our annual or interim consolidated financial statements. However, each of these material weaknesses could result in a misstatement of substantially all account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

To address these material weaknesses, we have commenced actions to formalize the company's framework and policies with respect to maintaining evidence in the operation of control procedures and improve our IT general controls, segregation of duties controls, and journal entry controls. In particular, we are implementing comprehensive access control protocols for our enterprise resource planning environment in order to implement restrictions on user and privileged access to certain applications, establishing additional controls over the preparation and review of journal entries, implementing controls to review the activities for those users who have privileged access and program change management controls to ensure that IT program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately. The implementation of these remediation efforts is in the early stages, may require additional expenditures to implement, and will require validation and testing of the design and operating effectiveness of internal controls over a sustained period of financial reporting cycles, and as a result, the timing of when we will be able to fully remediate the material weaknesses is uncertain and we may not fully remediate during 2021. We can give no assurance that our efforts will remediate these material weaknesses in our internal control over financial reporting, or that additional material weaknesses will not be identified in the future. If the steps we take do not remediate the material weaknesses in a timely manner, or if we fail to implement and maintain effective internal control over financial reporting, there could be errors in our consolidated financial statements that could result in a restatement of our financial statements, and could cause us to fail to meet our reporting obligations, any of which could diminish investor confidence in us and cause a decline in the price of our Class A common stock.

Additionally, ineffective internal control over financial reporting could expose us to an increased risk of financial reporting fraud and the misappropriation of assets and subject us to potential delisting from the stock exchange on which we list or to other regulatory investigations and civil or criminal sanctions. If we are unable to remediate the material weakness in a timely manner, or if additional material weaknesses exist or are discovered in the future, and we are unable to remediate any such material weakness, our reputation, results of operations and financial condition could suffer.

The requirements of being a public company may strain our resources, divert management's attention, and affect our ability to attract and retain executive management and qualified board members.

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the listing standards of Nasdaq, and other applicable securities rules and regulations. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming and costly, and place significant strain on our personnel, systems, and resources. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management's attention may be diverted from other business concerns, which could harm our business, financial condition, and results of operations. Furthermore, several members of our management team do not have prior experience in running a public company. Although we have already hired additional employees to assist us in complying with these requirements, we intend to invest substantial resources in our compliance efforts, including hiring more employees or engaging outside consultants, which will increase our operating expenses. If our efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

We also expect that being a public company that is subject to these rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These rules and regulations may also make it more difficult for us to attract and retain qualified members of our board of

directors, particularly members who can serve on our audit committee and compensation committee, and qualified executive officers.

As a result of being a public company, we are obligated to develop and maintain proper and effective internal control over financial reporting, and any failure to maintain the adequacy of these internal controls may adversely affect investor confidence in our company and, as a result, the value of our Class A common stock.

We will not be required, pursuant to Section 404 of the Sarbanes-Oxley Act, or Section 404, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting until the year following our first annual report required to be filed with the SEC. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. In addition, our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting in our first annual report required to be filed with the SEC following the date we are no longer an "emerging growth company." Our compliance with Section 404 will require that we incur substantial expenses and expend significant management efforts. We will need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge and compile the system and process documentation necessary to perform the evaluation needed to comply with Section 404.

In addition to the material weaknesses in internal control over financial reporting identified in connection with the audit of our financial statements as of and for the fiscal year ended January 31, 2021, subsequent testing by us or our independent registered public accounting firm, may reveal additional deficiencies in our internal control over financial reporting that are deemed to be material weaknesses. During the evaluation and testing process of our internal controls, if we identify additional material weaknesses in our internal control over financial reporting, we will be unable to certify that our internal control over financial reporting is effective. We cannot assure you that there will not be additional material weaknesses in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if we or our independent registered public accounting firm determines we have additional material weaknesses in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our Class A common stock could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

We are an "emerging growth company," and we cannot be certain if the reduced reporting and disclosure requirements applicable to emerging growth companies will make our Class A common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and we may take advantage of certain exemptions from reporting requirements that are applicable to other public companies that are not "emerging growth companies," including:

- the auditor attestation requirements of Section 404;
- reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and
- exemptions from the requirements of holding a non-binding advisory stockholder vote on executive compensation and non-binding advisory stockholder vote to approve any golden parachute payments not previously approved.

Pursuant to Section 107 of the JOBS Act, as an emerging growth company, we have elected to use the extended transition period for complying with new or revised accounting standards until those standards would otherwise apply to private companies. As a result, our consolidated financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies, which may make our Class A common stock less attractive to investors. In addition, if we cease to be an emerging growth company, we will no longer be able to use the extended transition period for complying with new or revised accounting standards.

We will remain an emerging growth company until the earliest of:

- the last day of the fiscal year following the fifth anniversary of this offering;
- the last day of the first fiscal year in which our annual gross revenue is $1.07 billion or more;
- the date on which we have, during the previous rolling three-year period, issued more than $1 billion in non-convertible debt securities; and
- the date we qualify as a “large accelerated filer,” with at least $700 million of equity securities held by non-affiliates.

We cannot predict if investors will find our Class A common stock less attractive if we choose to rely on these exemptions. If some investors find our Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock, and our stock price may be more volatile.

Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the United States.

GAAP is subject to interpretation by the Financial Accounting Standards Board, or FASB, the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. The accounting for our business is complicated, particularly in the area of revenue recognition, and is subject to change based on the evolution of our business model, interpretations of relevant accounting principles, enforcement of existing or new regulations, and changes in SEC or other agency policies, rules, regulations, and interpretations of accounting regulations. Changes to our business model and accounting methods, principles, or interpretations could result in changes to our financial statements, including changes in revenue and expenses in any period, or in certain categories of revenue and expenses moving to different periods, may result in materially different financial results, and may require that we change how we process, analyze, and report financial information and our financial reporting controls.

If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our results of operations could be adversely affected.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes appearing elsewhere in this prospectus. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates.” The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses. Significant estimates and judgments involve: revenue recognition, as well as treatment of rental products, including estimates of salvage value and useful life for rental products, share-based compensation, warrants and right of use asset. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ

from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock.

The estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be inaccurate, and even if the markets in which we compete achieve the forecasted growth, our business could fail to grow at similar rates, or at all.

The estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be inaccurate. Market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate, including as a result of any of the risks described in this prospectus.

The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of addressable customers and subscribers covered by our market opportunity estimates will become a customer or subscriber or generate any particular level of revenues for us. In addition, our ability to expand in any of our target markets depends on a number of factors, including the cost, performance and perceived value associated with our products and offerings. Even if the markets in which we compete meet the size estimates and growth forecasted in this prospectus, our business could fail to grow at similar rates, or at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. Accordingly, the forecasts of market growth included in this prospectus should not be taken as indicative of our future growth.

Expansion of our operations internationally requires management attention and resources, involves additional risks, and may be unsuccessful.

We do not currently offer our products and services internationally. In the event we decide to expand our geographic market internationally, we will need to adapt to different local cultures, standards, laws, and policies. The business model we employ may not appeal as strongly to customers in international markets. Our entry into new markets will also require us to become familiar with different trends and customer preferences in such markets. In addition, consumer shopping behavior may continue to evolve and we may need to adapt our service to such changes.

Furthermore, to succeed with customers in international locations, we will need to locate fulfillment centers in foreign markets, hire local employees and source products appealing to local preferences, and we will have to invest in these facilities, employees and products before proving we can successfully run foreign operations. We may not be successful in expanding into additional international markets or in generating revenue from foreign operations for a variety of reasons, including:

- lower acceptance of our offerings and the concept of renting apparel and accessories and the need to localize our products offerings;
- competition from local incumbents that understand the local market and may operate more effectively;
- regulatory requirements, taxes, trade laws, trade sanctions and economic embargoes, tariffs, export quotas, custom duties, or other trade restrictions, or any unexpected changes thereto; and
- risks resulting from changes in currency exchange rates.

If we invest substantial time and resources to establish and expand our operations internationally and are unable to do so successfully and in a timely manner, our operating results would suffer.

Risks Related to Our Legal and Regulatory Environment

Our business is subject to a large number of U.S. and non-U.S. laws and regulations, many of which are evolving.

We are subject to numerous evolving laws and regulations in the United States and around the world, including those relating to consumer protection, environmental protection, intellectual property, consumer product safety, privacy and information security, taxation, and immigration, labor, and other employment law matters, such as workplace safety, particularly in our fulfillment centers, and wage and hour regulations. There has been a recent focus on automatically renewing subscription offerings. For example, California's Automatic Renewal Law, and the federal Restore Online Shoppers' Confidence Act, or ROSCA, require companies to adhere to enhanced disclosure and cancellation requirements when entering into automatically renewing contracts with subscription customers. Regulators and private plaintiffs have brought enforcement and litigation actions against companies, challenging automatic renewal and subscription programs.

We strive to comply with all applicable laws; however, despite our efforts, we may not have fully complied in the past and may not in the future. If we fail to comply with existing or future laws or regulations, or if these laws or regulations are violated by our brand partners, suppliers or vendors, we may be subject to criminal and civil liabilities, fines, or sanctions and, while incurring substantial legal fees and costs and reputational harm. In addition, compliance and remediation efforts can be costly.

We are subject to U.S. and certain foreign export and import controls, sanctions, embargoes, anticorruption laws, and anti-money laundering laws and regulations. Compliance with these legal standards could impair our ability to compete in domestic and international markets, and we could face criminal liability and other serious consequences for violations, which could harm our business.

We are subject to export control laws and regulations (including the U.S. Export Administration Regulations), U.S. Customs and import regulations, various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control, the U.S. Foreign Corrupt Practices Act of 1977, or the FCPA, as amended, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, and other state and national anti-bribery and anti-money laundering laws in the countries in which we conduct activities. Anti-corruption laws are interpreted broadly and generally prohibit companies and their employees, agents, contractors, and other partners from authorizing, promising, offering, or providing, directly or indirectly, corrupt payments of anything of value to recipients in the public or private sector to obtain or retain business or an improper business advantage. As a public company, we also are subject to the FCPA's accounting provisions, which require us to make and keep complete and accurate books and records, and to maintain a system of adequate internal accounting controls. We have brand partners, suppliers, and vendors operating outside the United States and may engage other third parties to sell our products and services or to obtain necessary permits, licenses, patent registrations, and other regulatory approvals outside the United States. We can be held liable for the corrupt or other illegal activities of our employees, agents, contractors, and other partners, even if we do not explicitly authorize such activities. Although we have policies and controls in place to promote compliance with these laws and regulations, there are no assurances that these policies and controls will always prevent illegal or improper acts by employees, agents, third parties, or business partners. Violations of the laws and regulations described above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm, investigation costs, and other consequences, any of which could have a material adverse effect on our business, financial condition, and results of operations.

Failure to adequately obtain, maintain, protect and enforce our intellectual property and proprietary rights could harm our brand, devalue our proprietary content, and adversely affect our ability to compete effectively.

Our success depends in part on our ability to obtain, maintain, protect, and enforce our intellectual property rights, including those in our proprietary technologies, know-how, and brand. To protect our rights to our intellectual property, we rely on a combination of trademark, copyright patent, and trade secret laws, domain name registrations, confidentiality agreements, and other contractual arrangements with our employees, affiliates, customers, strategic partners, vendors, and others. However, the protective steps we have taken and plan to take may be inadequate to deter infringement, misappropriation or other violations of our intellectual property or proprietary rights and we may be unable to broadly enforce all of our intellectual property rights. Failure to adequately protect our intellectual property could harm our brand, devalue our proprietary technology and content, and adversely affect our ability to compete effectively.

If we fail to protect our intellectual property rights adequately, our competitors may gain access to our intellectual property and proprietary technology and develop and commercialize substantially identical offerings or technologies. We may not timely or successfully register our trademarks in all jurisdictions, which could enable third parties to use our brand name and create potential roadblocks to any expansion of the business outside of the U.S. The copyright registrations we have obtained for our website may not adequately protect all material contained on our website, and these registrations do not cover any material that is not part of our website. The patent prosecution process is expensive and time-consuming. We may not be able to prepare, file and prosecute all necessary or desirable patent applications at a commercially reasonable cost or in a timely manner or in all jurisdictions, creating an opportunity for third parties to patent the same technology while preventing us from continuing to use it. It is also possible that we may fail to identify patentable aspects of inventions made in the course of development and commercialization activities before it is too late to obtain patent protection on them. Moreover, depending on the terms of any future in-licenses to which we may become a party, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology in-licensed from third parties. Therefore, these patents and patent applications containing in-licensed content may not be prosecuted and enforced in a manner consistent with the best interests of our business. Any patents, trademarks, copyrights, or other intellectual property rights that we have or may obtain may be challenged or circumvented by others or invalidated or held unenforceable through administrative proceedings, or litigation. There can be no assurance that our patent applications will result in issued patents, or that any such patents will be of sufficient scope to adequately protect our proprietary technology or provide us with any meaningful competitive advantage. Moreover, failure to comply with applicable procedural, documentary, maintenance, renewal, fee payment and other similar requirements with the United States Patent and Trademark Office or other similar governmental agencies or administrative bodies could result in abandonment or lapse of the affected intellectual property rights. Further, the laws of some foreign countries may not be as protective of intellectual property rights as those in the United States, and mechanisms for enforcement of intellectual property rights in those countries may be inadequate. Accordingly, despite our efforts to obtain and protect our intellectual property, it may be possible for unauthorized third parties to copy our offerings and capabilities and use information that we regard as proprietary to create offerings that compete with ours.

We generally enter into confidentiality and invention assignment agreements with our employees and consultants, as well as agreements with other third parties, including suppliers and other partners, that contain confidentiality obligations and assignment provisions. However, we cannot guarantee that we have entered into such agreements with each party that has developed intellectual property for us or that may have had access to our proprietary information and technology, know-how, and trade secrets. Moreover, no assurance can be given that these agreements will be effective in controlling

access to our proprietary information or preventing the unauthorized distribution, use, misappropriation, reverse engineering, or disclosure of our proprietary intellectual property and other proprietary rights, information, technology, know-how, and trade secrets. These agreements may be breached, and we may not have adequate remedies for any such breach. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed, possibly leaving us without an adequate remedy to make us whole.

We may be required to spend significant financial and managerial resources to monitor and protect our intellectual property rights. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to management. In the alternative, the failure to enforce our intellectual property rights could result in the impairment or loss of portions of our intellectual property rights. Further, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights, and if such defenses, counterclaims, or countersuits are successful, it could result in the loss, impairment or narrowing of valuable intellectual property rights. In patent litigation in the United States, counterclaims alleging invalidity and/or unenforceability are common, and there are numerous grounds upon which a third party can assert invalidity or unenforceability of a patent. In an infringement proceeding, a court may decide that the patent claims we are asserting are invalid and/or unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patent claims do not cover the technology in question. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post grant review, inter partes review and equivalent proceedings in foreign jurisdictions (for example, opposition proceedings). Such proceedings could result in revocation of our patents, or could result in narrowing the scope of the patent claims so that they no longer cover our technology. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we, our patent counsel, and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we may lose some, and perhaps all, of the patent protection on our technology. An adverse result in any litigation or defense proceedings could put one or more of our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not issuing, and could have a material adverse impact on our business by making the technology at issue freely available for others to use. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our offerings and capabilities, impair the functionality of our offerings and capabilities, delay or prevent introductions of new offerings, result in our substituting inferior or more costly technologies into our offerings, allow our competitors to gain momentum or overtake us, or injure our brand and reputation. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions, or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our Class A common stock.

We may incur costs to defend against, face liability or be vulnerable to intellectual property infringement, misappropriation, and other claims and allegations brought against us by others, which could result in substantial damages and diversion of management's efforts and attention.

Third parties may assert claims against us alleging that we infringe upon, misappropriate, dilute or otherwise violate their intellectual property rights, particularly as we expand our business. These

risks have been amplified by the increase in third parties whose sole or primary business is to assert such claims. These claims, regardless of their merit, could be expensive and time consuming to defend and could divert management resources. We cannot predict the outcome of lawsuits or administrative proceedings, and we cannot ensure that the results of any such actions will not have an adverse effect on our business, financial condition or results of operations. These claims are resolved against us, they could result in significant monetary liability, or prevent us from renting or selling some of our products or using some of our technology. In addition, a finding of liability or other resolution of claims may require us to change our business model, redesign or rebrand our products, replace portions of our technology platform, license rights from third parties, cease using certain brand names or other intellectual property rights altogether, or make substantial payments for royalty or license fees, legal fees, disgorgement of profits, corrective advertising, settlement payments or other costs or damages. Further, licenses may not be available to us on reasonable terms, if at all. Any of these events could harm our business and cause our results of operations, liquidity and financial condition to suffer.

Our use of third-party open-source software could adversely affect our ability to offer our products and offerings and subjects us to possible litigation.

We use third-party open-source software in connection with the development and deployment of our software applications and will likely use third-party open source software in the future. Some open-source licenses require that source code that is developed using open source software be made available to the public at no cost and that any modifications or derivative works to certain open source software continue to be licensed under open source licenses, which in some circumstances could include valuable proprietary code. In some circumstances this could require valuable proprietary code to be made available as open-source software, and may also prohibit charging fees to licensees. While we employ practices designed to monitor our compliance with the licenses of open-source software and try to ensure that we do not use any of the open-source software in a manner that would require us to disclose our proprietary source code or preclude us from charging fees, we cannot guarantee that we will be successful. We cannot guarantee that all open-source software is reviewed prior to use in our platform, or that our developers have not incorporated (and will not in the future incorporate) open-source software into our products and offerings without our knowledge. Furthermore, there are an increasing number of open-source software license types, almost none of which have been tested in a court of law, resulting in a dearth of guidance regarding the proper legal interpretation of such licenses. As a result, there is a risk that open-source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market or provide our products and offerings. If we were to receive a claim of non-compliance with the terms of any of our open-source licenses, we may be required purchase a costly license, to publicly release certain portions of our proprietary source code, limit or prohibit our use of some or all of our software, or expend substantial time and resources to re-engineer some or all of our software. We could also be precluded from charging fees for third-party use of our proprietary code.

In addition, the use of third-party open-source software typically carries greater technical and legal risks than the use of third-party commercial software because open-source licensors generally do not provide support, warranties or controls on the functionality or origin of the software. To the extent that our platform depends upon the successful operation of open-source software, any undetected errors or defects could prevent the deployment or impair the functionality of our systems and injure our reputation. Use of open-source software may also present additional security risks because the public availability of such software may make it easier for hackers and other third parties to compromise our platform. Any of the foregoing could be harmful to our business, financial condition, or results of operations and could help our competitors develop offerings that are similar to or better than ours.

We are subject to rapidly changing and increasingly stringent laws and industry standards relating to data privacy, data security, data protection, and consumer protection. The restrictions and costs imposed by these laws, or our actual or perceived failure to comply with them, could subject us to liabilities that adversely affect our business, operations, and financial performance.

We collect, process, store, and use a wide variety of data from current and prospective customers, including personal information, such as home addresses, credit card numbers (through our payment processor) and geolocation. These activities are regulated by a variety of federal, state, local, and foreign data privacy, data security, data protection and consumer protection laws and regulations, as well as industry standards and guidelines, which have become increasingly stringent in recent years.

U.S. data privacy and data security laws are complex and changing rapidly, with the frequent imposition of new and changing requirements across our business. Many U.S. states have enacted laws regulating the online collection, use, and disclosure of personal information and are requiring that companies implement reasonable data security measures. Laws in all U.S. states and territories also require businesses to notify affected individuals, governmental entities, and/or credit reporting agencies of certain security incidents affecting personal information.

Further, the CCPA took effect on January 1, 2020. The CCPA gives California residents expanded rights related to their personal information, including the right to access and delete their personal information, and receive detailed information about how their personal information is used and shared. The CCPA also created restrictions on “sales” of personal information that allow California residents to opt-out of certain sharing of their personal information and may restrict the use of cookies and similar technologies for advertising purposes, and could cause us to incur additional CCPA compliance costs or create adverse effects as a result of its restrictions. The CCPA provides for civil penalties for violations, and creates a private right of action for data security incidents that is expected to increase data security-related litigation. Additionally, the California Privacy Rights Act, or CPRA, passed in California in November 2020. The CPRA will restrict use of certain categories of sensitive personal information that we handle; further restrict the use of cross-context behavioral advertising techniques on which our products and offerings may rely on in the future; expand requirements on businesses that “sell” personal information under the CCPA to businesses like ours that “share” it; require all businesses with any California employees to limit uses of employee data; establish restrictions on the retention of personal information; expand the types of data security incidents subject to the private right of action; and establish the California Privacy Protection Agency to implement and enforce the new law, as well as impose administrative fines. The majority of the CPRA’s provisions will go into effect on January 1, 2023, and additional compliance investment and potential business process changes will likely be required. Similar laws have been proposed in other states and at the federal level, reflecting a trend toward more stringent privacy legislation in the United States. For example, in March 2021, Virginia enacted the Virginia Consumer Data Protection Act, or CDPA, a comprehensive privacy statute that shares similarities with the CCPA, CPRA, and legislation proposed in other states. Some observers have noted that the CCPA, CPRA, and CDPA could mark the beginning of a trend toward more stringent privacy legislation in the United States. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply.

In addition, the Telephone Consumer Protection Act, or TCPA, imposes significant restrictions on the ability to make telephone calls or send text messages to mobile telephone numbers without the prior consent of the person being contacted. We use text messages frequently to communicate service-related issues to our customers. Efforts to comply with the TCPA do not prevent third-party claims that we have violated the TCPA from being brought, and such claims could be costly to litigate, and if successful, expose us to substantial statutory damages. The Controlling the Assault of

Non-Solicited Pornography and Marketing Act, or CAN-SPAM, imposes specific restrictions and requirements on our efforts to send marketing materials via email, including notice obligations that must be included in our marketing emails and the ability for recipients to unsubscribe from such emails. The Federal Trade Commission enforces CAN-SPAM, and our efforts to comply with CAN-SPAM may not prevent claims that we have violated the law, which could be costly to resolve, and if successful, expose us to substantial penalties and potential injunctive relief.

We are also subject to the European Union General Data Protection Regulation, or GDPR, due to certain of our employees being based in Ireland. The GDPR, which is wide-ranging in scope and applies extraterritorially, imposes several requirements relating to the processing of personal data. The GDPR also imposes strict rules on the transfer of personal data out of the EU, including to the U.S. In addition, GDPR compliance requirements are consistently and rapidly evolving. For example, in July 2020, the Court of Justice of the European Union invalidated the EU-U.S. Privacy Shield data transfer mechanism, and other data transfer mechanisms such as the Standard Contractual Clauses, have also faced challenged in European courts, potentially limiting how organizations can lawfully transfer personal data from EEA to the U.S. Notably, the GDPR imposes large penalties for noncompliance, including the potential for fines of up to €20 million or 4% of the annual global revenues of the noncompliant entity, whichever is greater.

In addition, privacy advocates and industry groups have regularly proposed, and may propose in the future, self-regulatory standards by which we are legally or contractually bound. If we fail to comply with these contractual obligations or standards, we may face substantial liability or fines. Consumer resistance to the collection and sharing of the data used to deliver targeted advertising, increased visibility of consent or “do not track” mechanisms as a result of industry regulatory or legal developments, the adoption by consumers of browser settings or “ad-blocking” software, and the development and deployment of new technologies could materially impact our ability to collect data or reduce our ability to deliver relevant promotions or media, which could materially impair the results of our operations.

Further, we are subject to the PCI Data Security Standard, which is a multifaceted security standard that is designed to protect credit card account data as mandated by payment card industry entities. We rely on vendors to handle PCI matters for us and to ensure PCI compliance. Despite our compliance efforts, we may become subject to claims that we have violated the PCI Data Security Standard, based on past, present, and future business practices, which could have an adverse impact on our business and reputation, and be costly for us to defend.

We may not be successful in achieving compliance with the rapidly evolving privacy, data security, and data protection requirements discussed above, as well as other data privacy, security and consumer protection frameworks that currently, or may in the future, apply to us, despite our efforts to comply, as all of these frameworks are constantly evolving and are not always consistent with each other, leading to uncertainty in interpretation. Any actual or perceived non-compliance could result in litigation and proceedings against us by governmental entities, customers or others, fines and civil or criminal penalties, limited ability or inability to operate our business, offer services, or market our business in certain jurisdictions, negative publicity and harm to our brand and reputation, and reduced overall demand for our products and offerings. Such occurrences could adversely affect our business, financial condition, and results of operations. Our insurance policies may not be adequate to compensate us for the potential losses arising from any such disruptions in or failure or security intrusion of our systems or third-party systems where information important to our business operations is stored. In addition, such insurance may not be available to us in the future on economically reasonable terms, or at all. Further, our insurance policies may not cover all claims made against us and could have high deductibles, and defending a suit, regardless of its merit, could be costly and divert management attention.

We could incur significant liabilities related to, and significant costs in complying with, environmental, health and safety laws and regulations.

Our operations are subject to a variety of federal, state, local and foreign laws and regulations relating to health, safety and the protection of the environment. These environmental, health and safety laws and regulations include those relating to, among other things, the generation, storage, handling, use and transportation of hazardous materials; the emission and discharge of hazardous materials into the environment; and the health and safety of our employees. Failure to comply with such laws and regulations which tend to become more stringent over time can result in significant fines, penalties, costs, liabilities or restrictions on operations , injunctive relief, civil or criminal sanctions, and could expose us to costs of investigation or remediation, as well as tort claims for property damage or personal injury, and could negatively affect our business, financial condition or results of operations.

We manage our waste materials as non-hazardous waste, but we cannot guarantee that our supply chain or the products we use will not contain hazardous materials or result in the generation of hazardous waste. Further, liability for the improper release or disposal of waste can be joint and several and there can be no assurance that we will not have to expend material amounts to remediate the consequences of the generation or disposal of waste in the future, particularly with respect to our dry cleaning operations. Further, we may be responsible as a lessee operator for the costs of investigation, removal or remediation of hazardous substances or waste located on or in or emanating from leased property, as well as any property damage. There can be no assurance that our future uses or conditions will not result in the imposition of liability upon us under environmental laws or expose us to third-party actions such as tort suits. Furthermore, we rely on third-party suppliers to provide chemicals, cleaning supplies, and handling instructions that comply with applicable health, safety and environmental regulations. A failure of such suppliers to abide by applicable regulations may subject us to material liabilities.

From time to time, we may be subject to legal proceedings, regulatory disputes, and governmental inquiries that could cause us to incur significant expenses, divert our management's attention, and materially harm our business, financial condition, and operating results.

From time to time, we may be subject to claims, lawsuits, government investigations, and other proceedings involving products liability, competition and antitrust, intellectual property, privacy, consumer protection, securities, tax, labor and employment, commercial disputes, and other matters that could adversely affect our business operations and financial condition. In recent years, we have seen a rise in the number and potential significance of these disputes and inquiries and evolving areas of focus for regulators and private plaintiffs. For example, there has been an increase in consumer class action lawsuits relating to subscription products. Litigation and regulatory proceedings may be protracted and expensive, and the results are difficult to predict. Certain of these matters include speculative claims for substantial or indeterminate amounts of damages and include claims for injunctive relief. Additionally, our litigation costs could be significant. Adverse outcomes with respect to litigation or any of these legal proceedings may result in significant settlement costs or judgments, penalties and fines, or require us to modify our products and offerings, all of which could negatively affect our revenue growth. The results of litigation, investigations, claims, and regulatory proceedings cannot be predicted with certainty, and determining reserves for pending litigation and other legal and regulatory matters requires significant judgment. There can be no assurance that our expectations will prove correct, and even if these matters are resolved in our favor or without significant cash settlements, these matters, and the time and resources necessary to litigate or resolve them, could harm our business, financial condition, and results of operations.

In addition, as a public company, our business and financial condition will become more visible, which may result in an increased risk of threatened or actual litigation, including by competitors and

other third parties. If such claims are successful, our business, financial condition, and results of operations would be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, would divert the resources of our management and harm our business, financial condition, and results of operations.

Our ability to utilize our net operating loss carryforwards and certain other tax attributes to offset taxable income or taxes may be limited.

As of January 31, 2021, we had federal net operating loss carryforwards of $459.3 million, $152.0 million of which will expire at various times through 2038. Furthermore, we had state net operating loss carryforwards of $26 million, which will expire at various times through 2041. Portions of these net operating loss carryforwards could expire unused and be unavailable to offset future income tax liabilities. Under the legislation enacted in 2017, commonly referred to as the Tax Cuts and Jobs Act, or Tax Act, as modified by the Coronavirus Aid, Relief, and Economic Security, or CARES Act, U.S. federal net operating losses incurred in taxable years beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such federal net operating losses in taxable years beginning after December 31, 2020, is limited. It is uncertain how various states will respond to the Tax Act and the CARES Act. For state income tax purposes, there may be periods during which the use of net operating loss carryforwards is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. For example, California recently imposed limits on the usability of California state net operating losses to offset taxable income in tax years beginning on or after January 1, 2020 and before January 1, 2023.

In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, and corresponding provisions of state law, if a corporation undergoes an “ownership change,” (very generally defined as a greater than 50% change, by value, in the corporation’s equity ownership by certain shareholders or groups of shareholders over a rolling three-year period), the corporation’s ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset its post-change income or taxes may be limited. In 2021, we completed a Section 382 analysis covering the period beginning in March 2009 and ending in March 2021. From the study, we concluded we experienced an ownership change in 2010 (but not since then) and $1.3 million of NOLs were subject to the limitation. However, all of those NOLs were available by the year ended January 31, 2017. We may experience additional ownership changes as a result of subsequent shifts in our stock ownership, including upon completion of this offering, some of which may be outside of our control. If we undergo another ownership change, we may incur additional limitations on our ability to utilize our NOLs existing at the time of the ownership change. Future regulatory changes could also limit our ability to utilize our NOLs. To the extent we are not able to offset future taxable income with our NOLs, our cash flows may be adversely affected. We have recorded a full valuation allowance against our U.S. deferred tax assets, which includes net operating loss carryforwards.

Changes in our effective tax rate or tax liability may have an adverse effect on our results of operations.

We are subject to income and other taxes in the United States and in various states within the United States. Our effective tax rate or tax liability could be adversely affected due to several factors, including:

- changes in the relative amounts of income before taxes in the various jurisdictions in which we operate that have differing statutory tax rates;
- changes in the United States or foreign tax laws, tax treaties, and regulations or the interpretation of them;
- changes to our assessment about our ability to realize our deferred tax assets that are based on estimates of our future results, the prudence and feasibility of possible tax planning strategies, and the economic and political environments in which we do business;

- the outcome of current and future tax audits, examinations, or administrative appeals; and
- limitations or adverse findings regarding our ability to do business in some jurisdictions.

In the event any tax audit or other proceeding is determined adversely to us, the resulting liabilities (including any penalties and interest) may have an adverse effect on our cash flows. If we expand the scale of our international business activities, any changes in the United States or foreign taxation of such activities may increase our worldwide effective tax rate and harm our business, financial condition, and results of operations.

In particular, new income or other tax laws or regulations could be enacted at any time, which could adversely affect our business operations and financial performance. Further, existing tax laws and regulations could be interpreted, modified, or applied adversely to us. For example, the Tax Act enacted many significant changes to the U.S. tax laws. Future guidance from the IRS and other tax authorities with respect to the Tax Act may affect us, and certain aspects of the Tax Act could be repealed or modified in future legislation. In addition, the recent presidential and congressional elections in the United States could result in significant changes in, and uncertainty with respect to, tax legislation, regulation and government policy directly affecting our business or indirectly affecting us because of impacts on our customers and suppliers. We are currently unable to predict whether such changes will occur and, if so, the ultimate impact on our business. To the extent that such changes have a negative impact on us, our suppliers or our customers, including as a result of related uncertainty, these changes may materially and adversely impact our business, financial condition, results of operations and cash flows.

Risks Related to Our Dependence on Third Parties

We face risks associated with brand partners from whom our products are sourced or co-manufactured.

We obtain substantially all of our products directly from over 750 brand partners through Wholesale, Share by RTR, and Exclusive Designs arrangements with designer or manufacturing partners. The benefits we currently experience from these brand partner relationships could be adversely affected if they:

- discontinue selling products to us;
- enter into arrangements with competitors that could impair our ability to source their products, including by giving our competitors exclusivity arrangements or limiting our access to certain products;
- raise the prices they charge us;
- are not satisfied with the value proposition we offer them;
- do not view our brand favorably;
- change pricing terms to require us to pay a significant portion of the cost of items on delivery or upfront;
- experience negative publicity or reputational issues;
- do not follow our vendor code of conduct and/or violate legal and regulatory requirements;
- experience supply chain disruptions that cause lead times to be lengthened; or
- fail to execute on the design we have provided for co-manufactured products.

Events that adversely impact our brand partners could impair our ability to obtain adequate and timely products. We also source products directly from brand partners outside of the United States and many of our brand partners use manufacturers in the same geographic region, and as a result we may

be subject to magnified impact from such events including, among others, difficulties or problems associated with our brand partners' business, the financial instability and labor problems of brand partners, product quality and safety issues, natural or man-made disasters, inclement weather conditions, war, acts of terrorism and other political instability, economic conditions, imposition of additional import or trade restrictions, including legal or economic restrictions on overseas partners' ability to produce and deliver products, increased custom duties and tariffs, unforeseen delays in customs clearance of goods, more restrictive quotas, loss of a most favored nation trading status, currency exchange rates, transportation delays, port of entry issues, the availability of their raw materials and increased production costs. Our brand partners may be forced to reduce their production, shut down their operations or file for bankruptcy. Our ability to obtain products may also depend on our brand partners' ability to obtain financing, including through factoring companies and other entities, which may also assess our creditworthiness and procurement ability. To the extent our brand partners are unable to secure sufficient credit, we may not be able to purchase merchandise from them. The occurrence of one or more of these events could impact our ability to acquire products, which may result in a less appealing assortment of styles for our customers and reduced availability of the styles we are able to obtain. Similarly, the occurrence of a contagious disease or illness could cause delays or increase costs in the manufacture of certain products. For example, the COVID-19 pandemic caused delays in some shipments from our brand partners.

We rely on third parties for elements of the payment processing infrastructure underlying our business. If these third-party elements become unavailable or unavailable on favorable terms, our business could be adversely affected.

The convenient customer payment mechanisms provided by our business are key factors contributing to the development of our business. We rely on third parties, including for our payment processing infrastructure, to accept payments from customers and in connection with our banking partners, to remit payments to suppliers. These third parties may refuse to renew our agreements with them on commercially reasonable terms or at all. Furthermore, we rely on a single payment processor, which may increase our risks of being unable to process payments and deliver our products in a timely and cost-effective manner. In the event of interruption, we may not be able to develop alternate or secondary processing without incurring material additional costs and substantial delays. If these companies become unwilling or unable to provide these services to us on acceptable terms or at all, our business may be disrupted. For certain payment methods, including credit and debit cards, we generally pay interchange fees and other processing and gateway fees, and such fees result in significant costs. In addition, online payment providers are under continued pressure to pay increased fees to banks to process funds, and there is no assurance that such online payment providers will not pass any increased costs on to us. If these fees increase over time, our operating costs will increase, which could adversely affect our business, financial condition, and results of operations.

Outages or other failures of the payment processing infrastructure underlying our business could harm our business and cause customers to lose trust in our payment operations and cause them to discontinue use of our products and services. If the quality or convenience of our payment processing infrastructure declines for any reason, the attractiveness of our business to customers could be adversely affected. If we are forced to migrate to other third-party payment service providers for any reason, the transition would require significant time and management resources, and may not be available on acceptable terms or as effective, efficient, or well-received by our customers.

Our business relies on third-party cloud infrastructures, and any disruption of, or interference with, our use of cloud infrastructures could adversely affect our business, financial condition or results of operations.

We are in the process of migrating a substantial portion of our primary production environment, core architecture, and data centers to a new third-party cloud provider, which provides a distributed

computing infrastructure as a service platform for business operations. We also use another third-party cloud provider for portions of our business. Our third-party cloud providers will provide the cloud computing infrastructure we use to host our website and mobile application, serve our customers and support our operations and many of the internal tools we use to operate our business. Our website, mobile application and internal tools will use computing, storage, data transfer and other functions and services provided by our third-party cloud providers. We do not have control over the operations of the facilities of our third-party cloud providers. In addition, our third-party cloud providers' facilities may be vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, cybersecurity attacks, terrorist attacks, power losses, telecommunications failures and other events beyond our control. In the event that any third-party provider's systems or service abilities are hindered by any of the events discussed above, particularly in a region where our website is mainly hosted, our ability to operate our business may be impaired. A decision to close the facilities without adequate notice or other unanticipated problems or disruptions could result in lengthy interruptions to our business. Further, our agreements with our third-party cloud providers do not provide us with an adequate remedy for every scenario that could negatively affect our business. All of the aforementioned risks may be exacerbated if our business continuity and disaster recovery plans prove to be inadequate.

Additionally, data stored with our third-party cloud providers may experience threats or attacks from computer malware, ransomware, viruses, social engineering (including phishing attacks), denial of service or other attacks, employee theft or misuse and general hacking. Any of these security incidents could result in unauthorized access to, damage to, disablement or encryption of, use or misuse of, disclosure of, modification of, destruction of, or loss of our data or our customers' data or disrupt our ability to provide our products and offerings, including due to any failure by us to properly configure our cloud environment. Our business' continuing and uninterrupted performance is critical to our success. Customers may become dissatisfied by any system failure that interrupts our ability to provide our merchandise and offerings to them. We may not be able to easily switch our third-party cloud operations to another cloud or other data center provider if there are disruptions or interference with cloud services and, even if we do switch our operations, other cloud and data center providers are subject to the same risks. Sustained or repeated system failures would reduce the attractiveness of our products and offerings, thereby reducing revenue. Moreover, negative publicity arising from these types of disruptions could damage our brand and reputation and may adversely impact our business.

Our third-party cloud providers do not have an obligation to renew their agreements with us on terms acceptable to us. Although alternative data center providers could host our business on a substantially similar basis to our current third-party cloud providers, transitioning our cloud infrastructure to alternative providers could potentially be disruptive, and we could incur significant one-time costs. If we are unable to renew our agreement for our cloud services on commercially acceptable terms, our agreements with our third-party cloud providers are prematurely terminated, or we add additional infrastructure providers, we may experience costs or downtime in connection with the transfer to, or the addition of, new data center providers. If our third-party cloud providers or other infrastructure providers increase the costs of their services, our business, financial condition or results of operations could be materially and adversely affected.

We depend on search engines, social media platforms, mobile application stores, content-based online advertising and other online sources to attract consumers to and promote our website and our mobile application, which may be affected by third-party interference beyond our control and as we grow our customer acquisition costs will continue to rise.

Our success depends on our ability to attract consumers to our website and mobile application and convert them into customers in a cost-effective manner. We depend, in large part, on search engines, social media platforms, mobile application stores, content-based online advertising and other online sources for traffic to our website and mobile application.

With respect to search engines, we are included in search results for both paid search listings, where we purchase specific search terms resulting in inclusion of our advertisements, and free search listings, which depend on algorithms used by search engines. For paid search listings, if one or more of the search engines or other online sources on which we rely for purchased listings modifies or terminates its relationship with us, our expenses could rise, we could lose consumers who access our advertisements and traffic to our website could decrease, any of which could have a material adverse effect on our business, financial condition, and results of operations. For free search listings, if search engines on which we rely for algorithmic listings modify their algorithms, our websites may appear less prominently or not at all in search results, which could result in reduced traffic to our websites.

Our ability to maintain and increase the number of consumers directed to our products from digital platforms is not entirely within our control. Search engines, social media platforms and other online sources often revise their algorithms and introduce new advertising products. If one or more of the search engines or other online sources on which we rely for traffic to our website and our mobile application were to modify its general methodology for how it displays our advertisements or keyword search results, resulting in fewer consumers clicking through to our website and our mobile application, our business and operating results are likely to suffer. For example, Apple recently moved to “opt-in” privacy models for mobile applications using its operating system such as ours, requiring consumers to voluntarily choose to receive targeted ads, which may reduce the efficacy of our marketing tracking. In addition, if our online display advertisements are no longer effective or are not able to reach certain customers due to their use of ad-blocking software, our business and operating results could suffer. Furthermore, changes in customer acceptance or usage of our online sources for traffic could adversely impact the effectiveness of our advertising.

Additionally, changes in regulations could limit the ability of search engines and social media platforms, including, but not limited to, Google and Facebook, to collect data from users and engage in targeted advertising, making them less effective in disseminating our advertisements to our target customers. For example, the proposed Designing Accounting Safeguards to Help Broaden Oversight and Regulations on Data (DASHBOARD) Act would mandate annual disclosure to the SEC of the type and “aggregate value” of user data used by harvesting companies, such as, but not limited to, Facebook, Google and Amazon, including how revenue is generated by user data and what measures are taken to protect the data. If the costs of advertising on search engines and social media platforms increase, we may incur additional marketing expenses or be required to allocate a larger portion of our marketing spend to other channels and our business and operating results could be adversely affected.

Furthermore, because many of our customers access our products through our mobile application, we depend on the Apple App Store to distribute our mobile application. Apple has broad discretion to change its respective terms and conditions, including those relating to the amount of (and requirement to pay) certain fees associated with our use of the Apple App Store, to interpret its respective terms and conditions in ways that may limit, eliminate or otherwise interfere with our ability to distribute our mobile application through its stores, the features we provide and the manner in which we market in-application products. We cannot assure you that Apple will not limit, eliminate or otherwise interfere with the distribution of our mobile application, the features we provide and the manner in which we market our mobile application. To the extent it does so, our business, financial condition, and results of operations could be adversely affected.

As existing social media platforms continue to rapidly evolve and new platforms develop, we must continue to maintain a presence on these platforms and establish presences on new or emerging social media platforms. If we are unable to cost-effectively use social media platforms as marketing tools or if the social media platforms we use change their policies or algorithms, we may not be able to fully optimize such platforms, and our ability to maintain and acquire consumers and our financial condition may suffer. Furthermore, as laws and regulations and public opinion rapidly evolve to govern

the use of these platforms and devices, the failure by us, our employees, our network of social media influencers, our sponsors or third parties acting at our direction to abide by applicable laws and regulations in the use of these platforms and devices or otherwise could subject us to regulatory investigations, class action lawsuits, liability, fines or other penalties and have an adverse effect on our business, financial condition, results of operations and prospects.

Any failure by us, our brand partners, or our third-party manufacturers to comply with our vendor code of conduct, product safety, labor, or other laws, or to provide safe factory conditions for their workers, may damage our reputation and brand, and harm our business.

Our standard vendor terms and conditions, vendor code of conduct, and other policies require our brand partners to comply with applicable laws and certain business standards. The failure of these partners to comply with our vendor code of conduct or applicable laws and regulations could damage our reputation, lead to negative press and/or customer sentiment, or result in costly litigation against us.

The products we rent or sell to our customers is subject to regulation by the Federal Consumer Product Safety Commission, the Federal Trade Commission, and similar state and international regulatory authorities. As a result, such products could in the future be subject to mandatory recalls and other remedial actions. Product safety, labeling, and licensing concerns may also result in us voluntarily removing selected products from our assortment. Such recalls or voluntary removal of products can result in, among other things, lost revenue, diverted resources, potential harm to our reputation, and increased customer service costs and legal expenses, which could have a material adverse effect on our operating results.

It is possible that some of the products we rent or sell may expose us to product liability claims and litigation or regulatory action relating to personal injury. Although we maintain liability insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms or at all. In addition, our partners may not have sufficient resources or insurance to satisfy their indemnity and defense obligations to us in connection with product liability claims or regulatory actions.

We may incur significant losses from fraud.

We have in the past incurred and may in the future incur losses from various types of fraud, including claims that a customer did not authorize a purchase, customers who have closed bank accounts or have insufficient funds to satisfy payments, customers who use stolen credit cards to make purchases, customers who fraudulently rented multiple products at once and customers who have failed to return rentals. In addition to the direct costs of such losses, if the fraud is related to credit card transactions and becomes excessive, it could result in us paying higher fees or losing the right to accept credit cards for payment. In addition, under current credit card practices, we are typically liable for fraudulent credit card transactions. We have implemented fraud prevention measures, such as detection tools to identify irregular or high risk customer order patterns, to reduce the risk of fraud. However, our failure to adequately prevent fraudulent transactions could damage our reputation, result in litigation or regulatory action, and lead to expenses that could substantially impact our operating results.

If our insurance coverage is insufficient for the needs of our business or our insurance providers are unable to meet their obligations, we may not be able to mitigate the risks facing our business.

We procure third-party insurance policies to cover various operations-related risks including employment practices liability, workers' compensation, property and business interruptions,

cybersecurity and data security incidents, crime, directors' and officers' liability, and general business liabilities. We cannot guarantee that we will continue to receive adequate insurance coverage on favorable terms. Insurance providers may discontinue their coverage or significantly increase the cost of coverage, and we cannot guarantee that we would be able to secure replacement coverage on reasonable terms or at all. In addition, if our insurance carriers change the terms of our policies in a manner not favorable to us, our insurance costs could increase. Further, if the insurance coverage we maintain is not adequate to cover losses that occur, or if we are required to purchase additional insurance for other aspects of our business, we could be liable for significant additional costs. Additionally, if any of our insurance providers becomes insolvent, it would be unable to pay any operations-related claims that we make.

Insurance providers have also raised premiums and deductibles for many businesses, including ours, and may do so in the future. As a result, our insurance and claims expense could increase, or we may decide to raise our deductibles or self-insured retentions when our policies are renewed or replaced. Our business, financial condition, and results of operations could be adversely affected if the cost per claim, premiums, the severity of claims, or the number of claims significantly exceeds our historical experience and coverage limits; we experience a claim in excess of our coverage limits; our insurance providers fail to pay on our insurance claims; we experience a claim for which coverage is not provided; or the number of claims under our deductibles or self-insured retentions differs from historical averages.

Risks Related to this Offering and Ownership of Our Class A Common Stock

The dual class structure of our common stock has the effect of concentrating voting control with those stockholders who held our capital stock prior to the listing of our Class A common stock on Nasdaq, including our Co-Founders, and their affiliates, which will limit your ability to influence the outcome of important transactions, including a change of control.

Our Class B common stock has 20 votes per share, and our Class A common stock, which is the stock we are listing on Nasdaq and is being registered pursuant to the registration statement of which this prospectus forms a part, has one vote per share. As of July 31, 2021, our Co-Founders, and their affiliates held in the aggregate % of the voting power of our capital stock. Because of the twenty-to-one voting ratio between our Class B and Class A common stock, the holders of our Class B common stock collectively could continue to control a significant percentage of the combined voting power of our common stock and therefore be able to control all matters submitted to our stockholders for approval until the date of automatic conversion described below, when all outstanding shares of Class B common stock and Class A common stock will convert automatically into shares of a single class of common stock. This concentrated control may limit or preclude your ability to influence corporate matters for the foreseeable future, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval. In addition, this may prevent or discourage unsolicited acquisition proposals or offers for our capital stock that you may believe are in your best interest as one of our stockholders.

Future transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning purposes. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon the date that is the earlier of .

An active, liquid, and orderly market for our Class A common stock may not develop or be sustained. ***You may be unable to sell your shares of Class A common stock at or above the price at which you purchased them.***

We currently expect our Class A common stock to be listed and traded on Nasdaq. Prior to listing on Nasdaq, there has been no public market for our Class A common stock. An active trading market may not develop following the closing of this offering or, if developed, may not be sustained. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair market value of your shares. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration. The initial public offering price was determined by negotiations between us and the underwriters and may not be indicative of the future prices of our Class A common stock.

Our share price may be volatile, and you may be unable to sell your shares at or above the offering price.

The market price of our Class A common stock is likely to be volatile and could be subject to wide fluctuations in response to the risk factors described in this prospectus, and others beyond our control, including:

- actual or anticipated fluctuations in our revenue or other operating metrics;
- our actual or anticipated operating performance and the operating performance of our competitors;
- changes in the financial projections we provide to the public or our failure to meet these projections;
- the perceived adequacy of our ESG efforts;
- positive or negative publicity;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet the estimates or the expectations of investors;
- any major change in our board of directors, management, or key personnel;
- the economy as a whole and market conditions in our industry;
- rumors and market speculation involving us or other companies in our industry;
- announcements by us or our competitors of significant innovations, new products, services, features, integrations, or capabilities, acquisitions, strategic investments, partnerships, joint ventures, or capital commitments;
- the legal and regulatory landscape and changes in the application of existing laws or adoption of new laws that impact our business, including changes in e-commerce and tax laws;
- legal and regulatory claims, litigation, or pre-litigation disputes and other proceedings;
- the pace of the COVID-19 pandemic recovery and its impact on our business or the fashion industry and sharing economy generally;
- sales or expected sales of our Class A common stock by us, our officers, directors, principal stockholders, and employees; and
- other events or factors, including those resulting from war, incidents of terrorism, or responses to these events.

If the market price of our Class A common stock after this offering does not exceed the initial public offering price, you will not realize any return on your investment in us and will lose some or all of your investment. In addition, stock markets, and the trading of e-commerce companies' and technology companies' stocks in particular, have experienced significant price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. Stock prices of many companies have fluctuated in a manner often unrelated to the operating performance of those companies. These fluctuations may be even more pronounced in the trading market for our Class A common stock shortly following the listing of our Class A common stock on Nasdaq as a result of the supply and demand forces described above. In the past, stockholders have instituted securities class action litigation following periods of stock volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business, and materially adversely affect our business, financial condition and results of operations.

After this offering, company insiders will continue to have the ability to control or significantly influence all matters submitted to stockholders for approval.

Following the completion of this offering, our executive officers, directors, and greater than 5% stockholders, in the aggregate, will beneficially own approximately % of our outstanding common stock. In addition, if any of our executive officers, directors, and greater than 5% stockholders purchase shares in this offering, or if any of our other current investors purchase shares in this offering and become greater than 5% stockholders as a result, the ability of such persons, acting together, to control or significantly influence such matters will increase. This concentration of ownership may have the effect of delaying, deferring, or preventing a change in control, impeding a merger, consolidation, takeover, or other business combination involving us, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of our business, even if such a transaction would benefit other stockholders.

Our management has broad discretion in the use of the net proceeds from this offering and may not use the net proceeds effectively.

Our management will have broad discretion in the application of the net proceeds of this offering, which may include working capital, to fund growth and for other general corporate purposes. We may also use a portion of the net proceeds to acquire or make investments in businesses, products, offerings, and technologies, although we do not have agreements or commitments for any material acquisitions or investments at this time. We cannot specify with certainty the uses to which we will apply these net proceeds. We may also spend or invest these proceeds in a way with which our stockholders disagree. The failure by our management to apply these funds effectively could adversely affect our ability to pursue our growth strategies and expand our business. Pending their use, the net proceeds from our initial public offering may be invested in a way that does not produce income or that loses value.

We cannot predict the effect our dual class structure may have on the trading price of our Class A common stock.

We cannot predict whether our dual class structure will result in a lower or more volatile trading price of our Class A common stock, in adverse publicity, or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multiple-class share structures in certain of their indices. In July 2017, FTSE Russell announced that it plans to require new constituents of its indices to have greater than 5% of the company's voting rights in the hands of public stockholders, and S&P Dow Jones announced that it will no longer admit companies with multiple-class share structures to certain of its indices. Affected indices include the Russell 2000 and the S&P 500, S&P MidCap 400, and S&P SmallCap 600, which together make up the S&P Composite 1500. Also in 2017, MSCI, a leading stock index provider, opened public consultations on their treatment of

no-vote and multi-class structures and temporarily barred new multi-class listings from certain of its indices; however, in October 2018, MSCI announced its decision to include equity securities "with unequal voting structures" in its indices and to launch a new index that specifically includes voting rights in its eligibility criteria. Under such announced policies, the dual class structure of our common stock would make us ineligible for inclusion in certain indices and, as a result, mutual funds, exchange-traded funds, and other investment vehicles that attempt to passively track those indices would not invest in our Class A common stock. These policies are relatively new and it is unclear what effect, if any, they will have on the valuations of publicly-traded companies excluded from such indices, but it is possible that they may depress valuations, as compared to similar companies that are included. Because of the dual class structure of our common stock, we will likely be excluded from certain indices, and we cannot assure you that other stock indices will not take similar actions. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from certain stock indices would likely preclude investment by many of these funds and would make our Class A common stock less attractive to other investors. As a result, the trading price of our Class A common stock could be adversely affected.

Our business and financial performance may differ from any projections that we disclose or any information that may be attributed to us by third parties.

From time to time, we may provide guidance regarding our projected business and/or financial performance. However, any such projections involve risks, assumptions, and uncertainties, and our actual results could differ materially from such projections. Factors that could cause or contribute to such differences include, but are not limited to, those identified in these Risk Factors, some or all of which are not predictable or within our control. Other unknown or unpredictable factors also could adversely impact our performance, and we undertake no obligation to update or revise any projections, whether as a result of new information, future events, or otherwise. In addition, various news sources, bloggers, and other publishers often make statements regarding our historical or projected business or financial performance, and you should not rely on any such information even if it is attributed directly or indirectly to us.

Our trading price and trading volume could decline if securities or industry analysts do not publish research about our business, or if they publish unfavorable research.

Equity research analysts do not currently provide coverage of our Class A common stock, and we cannot assure that any equity research analysts will adequately provide research coverage of our Class A common stock after the listing of our Class A common stock on Nasdaq. A lack of adequate research coverage may harm the liquidity and trading price of our Class A common stock. To the extent equity research analysts do provide research coverage of our Class A common stock, we will not have any control over the content and opinions included in their reports. The trading price of our Class A common stock could decline if one or more equity research analysts downgrade our stock or publish other unfavorable commentary or research. If one or more equity research analysts cease coverage of our company, or fail to regularly publish reports on us, the demand for our Class A common stock could decrease, which in turn could cause our trading price or trading volume to decline.

Future sales of our common stock in the public market could cause our share price to fall.

The sale of substantial amounts of shares of our common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our Class A common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

We may issue additional securities following the closing of this offering. In the future, we may sell Class A common stock, other series of common stock, convertible securities, or other equity securities,

including preferred securities, in one or more transactions at prices and in a manner we determine from time to time. We also expect to issue Class A common stock to employees, consultants, and directors pursuant to our equity incentive plans. If we sell Class A common stock, other series of common stock, convertible securities, or other equity securities in subsequent transactions, or Class A common stock or Class B common stock is issued pursuant to equity incentive plans, investors may be materially diluted. New investors in subsequent transactions could gain rights, preferences, and privileges senior to those of holders of our Class A common stock.

In addition, we may issue our capital stock or securities convertible into our capital stock from time to time in connection with a financing, acquisition, investments, or otherwise. Additional issuances of our stock will result in dilution to existing holders of our stock. Also, to the extent outstanding stock options to purchase our stock are exercised or RSUs settle, there will be further dilution. The amount of dilution could be substantial depending upon the size of the issuance or exercise. Any such issuances could result in substantial dilution to our existing stockholders and cause the trading price of our Class A common stock to decline.

Upon closing of this offering, based on the shares outstanding as of July 31, 2021, we will have shares of Class A common stock outstanding, assuming no exercise of the underwriters' option to purchase additional shares and shares of Class B common stock outstanding. Of the outstanding shares, the shares of Class A common stock sold or issued in this offering (or shares if the underwriters exercise their over-allotment option in full) will be freely tradable without restriction or further registration under the Securities Act of 1933, as amended, or the Securities Act, except that any shares held by our affiliates, as that term is defined under Rule 144 of the Securities Act, may be sold only in compliance with the limitations described in "Shares Eligible for Future Sale."

The remaining outstanding shares of common stock held by our existing owners after this offering will be subject to certain restrictions on resale. We, our executive officers, directors and the holders of substantially all of our outstanding stock will sign lock-up agreements with the underwriters that will, subject to certain customary exceptions, restrict the sale of the shares of our common stock and certain other securities held by them for days following the date of this prospectus. and may, in their sole discretion and at any time without notice, release all or any portion of the shares or securities subject to any such lock-up agreements. See "Underwriting" for a description of these lock-up agreements.

Upon the expiration of the lock-up agreements described above, all of such shares will be eligible for resale in a public market, subject, in the case of shares held by our affiliates, to volume, manner of sale and other described in "Shares Eligible for Future Sale."

As restrictions on resale end, the market price of our shares of Class A common stock could drop significantly if the holders of these restricted shares sell them or are perceived by the market as intending to sell them. These factors could also make it more difficult for us to raise additional funds through future offerings of our shares of Class A common stock or other securities.

We do not intend to pay dividends for the foreseeable future. Consequently, any gains from an investment in our Class A common stock will likely depend on whether the price of our Class A common stock increases.

We have never declared or paid any cash dividends on our Class A common stock, and we do not intend to pay any cash dividends in the foreseeable future. We expect to retain future earnings, if any, to fund the development and growth of our business and for general corporate purposes. Any future determination to pay dividends on our capital stock will be at the discretion of our board of

directors. Furthermore, our ability to pay dividends may also be restricted by the terms of our Credit Agreements or any future debt or preferred equity securities of us or our subsidiaries. Accordingly, you may need to sell your shares of our Class A common stock to realize a return on your investment, and you may not be able to sell your shares at or above the price you paid for them. For more information, see the sections titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources” and “Dividend Policy.”

If you purchase shares of our Class A common stock in this offering, you will incur immediate and substantial dilution.

The initial public offering price of $ per share of our Class A common stock is substantially higher than the net tangible book value per share of our Class A common stock, which on a pro forma as adjusted basis was $ per share of our common stock as of July 31, 2021. As a result, you will incur immediate and substantial dilution in net tangible book value when you buy our Class A common stock in this offering. This means that you will pay a higher price per share than the amount of our total tangible assets, less our total liabilities, divided by the number of shares of all of our Class A common stock outstanding. In addition, you may also experience additional dilution if options, RSUs, or other rights to purchase our Class A common stock that are outstanding or that we may issue in the future are exercised, vest, or are converted or we issue additional shares of our Class A common stock at prices lower than our net tangible book value at such time. See “Dilution.”

Certain provisions in our corporate charter documents and under Delaware law may prevent or hinder attempts by our stockholders to change our management or to acquire a controlling interest in us, and the trading price of our Class A common stock may be lower as a result.

There are provisions in our Amended Charter and Amended Bylaws, as they will be in effect following the effectiveness of the registration statement of which this prospectus forms a part, that may make it difficult for a third party to acquire, or attempt to acquire, control of our company, even if a change in control were considered favorable by our stockholders. These anti-takeover provisions include:

- authorization of the issuance of “blank check” preferred stock that our board of directors could use to implement a stockholder rights plan;
- provide for a dual class common stock structure in which holders of our Class B common stock, which has 20 votes per share, have the ability to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the outstanding shares of our Class B and Class A common stock, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets;
- a classified board of directors so that not all members of our board of directors are elected at one time;
- a requirement that our directors may only be removed for cause;
- the ability of our directors to fill all board vacancies;
- a prohibition on stockholder actions by written consent, thereby requiring that all stockholder actions be taken at a meeting of our stockholders;
- advance notice procedures for stockholder director nominees and annual meeting matters;
- an inability of our stockholders to call special meetings of stockholders;
- the ability of our directors to amend our Amended Bylaws without stockholder consent;
- the requirement of a super-majority to amend some provisions in our Amended Charter and Amended Bylaws; and

- a prohibition on cumulative voting for directors.

Although we will opt out of Section 203 of the General Corporation Law of the State of Delaware, or the DGCL, our Amended Charter will contain provisions that are similar to Section 203. Specifically, our Amended Charter will provide that, subject to certain exceptions, we will not be able to engage in a "business combination" with any "interested stockholder" for three years following the date that the person became an interested stockholder, unless certain requirements are met. A "business combination" includes, among other things, a merger or consolidation involving us and the "interested stockholder" or the sale of more than 10% of our assets or to an interested stockholder. In general, an "interested stockholder" is any entity or person beneficially owning 15% or more of our outstanding voting stock and any affiliates or associates of such entity or person.

Any provision in our Amended Charter, Amended Bylaws, or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our Class A common stock, and could also affect the price that some investors are willing to pay for our Class A common stock.

Our Amended Charter will designate the Court of Chancery of the State of Delaware and the federal district courts of the United States of America as the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our Amended Charter, as will be in effect following the effectiveness of the registration statement of which this prospectus forms a part, will provide that the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: any derivative action or proceeding brought on our behalf, any action asserting a breach of fiduciary duty, any action asserting a claim against us arising under the Delaware General Corporation Law, our Amended Charter, or our Amended Bylaws (as either may be amended or restated), and any action asserting a claim against us that is governed by the internal affairs doctrine or as to which the Delaware General Corporation Law confers exclusive jurisdiction on the Court of Chancery of the State of Delaware. This provision would not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended, or Exchange Act. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our Amended Charter will further provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our Amended Charter. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. If a court were to find either exclusive-forum provision in our Amended Charter to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could seriously harm our business.

Our Amended Charter will provide that the doctrine of "corporate opportunity" does not apply with respect to any directors (or their affiliates) who are not our employees.

Our Amended Charter will provide that the doctrine of "corporate opportunity" does not apply with respect to any director (or their respective affiliates) who is not employed by us or our subsidiaries. The doctrine of corporate opportunity generally provides that a corporate fiduciary may not develop an opportunity using corporate resources or information obtained in their corporate capacity for their personal advantage, acquire an interest adverse to that of the corporation or acquire property that is reasonably incident to the present or prospective business of the corporation or in which the corporation has a present or expectancy interest, unless that opportunity is first presented to the corporation and the corporation chooses not to pursue that opportunity. The doctrine of corporate opportunity is intended to preclude officers, directors or other fiduciaries from personally benefiting from opportunities that belong to the corporation. Pursuant to our Amended Charter, we will, to the extent permitted by Delaware law, renounce any present or expectancy interest that we have in, or right to be offered an opportunity to participate in, specified business opportunities that are from time to time presented to our directors, or their respective affiliates (other than those who are employed by us or our subsidiaries). Any directors, or their respective affiliates, other than those directors, or affiliates who are employed by us or our subsidiaries, will have no duty to communicate or present corporate opportunities to us, and will have the right to either hold any corporate opportunity for their (and their affiliates') own account and benefit or to recommend, assign or otherwise transfer such corporate opportunity to persons other than us, including to any directors, or their respective affiliates (other than those who are employed by us or our subsidiaries). Notwithstanding the foregoing, pursuant to our Amended Charter, we will not renounce our present or expectancy interest in any business opportunity that is expressly offered to a director, executive officer or employee of us or our subsidiaries, solely in his/her capacity as a director, executive officer or employee.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this prospectus, including statements regarding our future results of operations or financial condition, business strategy, and plans and objectives of management for future operations are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “toward,” “will,” or “would,” or the negative of these words or other similar terms or expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- our ability to manage our future growth effectively;
- the effects of the COVID-19 pandemic, including new variants of the virus, such as the Delta variant;
- our ability to compete successfully;
- our ability to attract new, and retain existing, customers;
- our ability to acquire and drive return on investment of our products;
- our ability to manage operating and capital efficiencies in our business;
- our ability to accurately estimate our market opportunity and forecast market growth;
- our ability to anticipate and respond successfully to changing fashion trends and consumer preferences;
- our ability to receive inbound products from brand partners and ship products to and from customers efficiently;
- the ability of our brand partners to adequately and timely deliver products to us;
- the effects of seasonal trends on our results of operations;
- the increased expenses associated with being a public company;
- our ability to remain in compliance with extensive laws and regulations that apply to our business and operations;
- our ability to adequately maintain and protect our intellectual property and proprietary rights;
- the future trading prices of our Class A common stock; and
- other risks and uncertainties, including those described in the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

We caution you that the foregoing list may not contain all of the forward-looking statements made in this prospectus.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this prospectus primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, and results of operations. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors described in the sections titled “Risk Factors,” and Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this prospectus. We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to

predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this prospectus. The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this prospectus. While we believe such information provides a reasonable basis for these statements, such information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and you are cautioned not to unduly rely on these statements.

The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this prospectus to reflect events or circumstances after the date of this prospectus or to reflect new information, actual results, revised expectations or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments.

You should read this prospectus and the documents that we reference in this prospectus and have filed with the SEC as exhibits to the registration statement of which this prospectus is a part with the understanding that our actual future results, performance and events and circumstances may be materially different from what we expect. See “Where You Can Find Additional Information.”

MARKET, INDUSTRY AND OTHER DATA

This prospectus contains statistical data, estimates, forecasts and information concerning our industry, including market size and growth of the market in which we participate, that are based on independent industry publications and reports, including those published by Euromonitor International Limited, or Euromonitor, as well as our internal sources and general knowledge of, and expectations concerning, the industry.

The industry market and sales positions, shares, market sizes and growth estimates included in this prospectus are based on estimates using the foregoing independent industry publications and our internal data and estimates based on data from various industry analyses, our internal research and adjustments and assumptions that we believe to be reasonable. Although we have no reason to believe this industry information is not reliable, we have not independently verified data from industry publications and analyses and cannot guarantee their accuracy or completeness. In addition, we believe that the data regarding the industry and industry market and sales positions, shares, market sizes and growth provide general guidance but are inherently imprecise. Further, these estimates and assumptions involve risks and uncertainties and are subject to change based on various factors, including those discussed in the "Risk Factors" section of this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates and assumptions. Accordingly, investors should not place undue reliance on this information.

This prospectus also includes references to our April 2021 Rent the Runway Subscriber Survey, or the April 2021 Subscriber Survey, which we use to measure our subscriber preferences. Our methodology of conducting the subscriber survey measures responses from active subscribers who chose to respond to the survey questions from April 29, 2021 through May 6, 20201. Paused subscribers and subscribers who joined for the first time between February 22, 2021 and April 30, 2021 were not included. We give no weight to subscribers who decline to answer the survey question.

This prospectus also includes references to our June 2021 Rent the Runway Customer Survey, or the June 2021 Customer Survey, which we use to measure our customer preferences. Our methodology of conducting the Customer Survey measures responses from two pools of respondents, (A) all subscribers, from which we excluded our employees and subscribers who joined for the first time between May 7, 2021 and June 30, 2021, and (B) a random sample of 30% of our Reserve customers who placed a Reserve order in fiscal year 2019 or later, excluding employees, Reserve customers who placed their first order in June 2021, and Reserve customers with a reported order issue in the last 30 days before the conclusion of the survey. Both (A) and (B) respondents responded to the survey questions from June 28, 2021 through July 1, 2021. We give no weight to customers who decline to answer the survey question, and certain references to the June 2021 Customer Survey may isolate responses from group (A) (subscribers) or group (B) (Reserve customers) as specified.

This prospectus also includes references to our July 2021 survey we commissioned with Lab42 Research, LLC, or the July 2021 Lab42 Survey, which we use to measure consumer preferences. Our methodology of conducting the consumer survey measures responses from 3,000 individuals that indicated that they met the following criteria when completing the survey: female, ages 18 to 44, with a household income of $50,000 or more that spend $150 or more on clothing in an average year and describe themselves as at least neutrally agreeing with the statements "I am interested in style and fashion" and "I am comfortable shopping online." The survey included soft quotas such that 75% of respondents were between the ages of 25 and 45 and at least 50% of the respondents had a household income of greater than $100,000. We give no weight to customers who decline to answer the survey question.

This prospectus also includes references to our June 2021 Rent the Runway Brand Survey, which we use to measure brand partner engagement. Our methodology of conducting the Brand

Survey measures responses from a pool of respondents we actively partnered with for the Spring 2021 season. Brand partners responded to the survey questions from June 24, 2021 through July 12, 2021.

Certain of the statistics and estimates related to our ESG efforts are derived from a life cycle assessment and addendum thereto, or LCA Study, of linear and rental systems (owning versus rental of apparel) conducted by third-party partners, SgT Group and Green Story Inc., which was commissioned by us. Certain management estimates are based on the LCA Study, as well as data from our internal research, and are based on assumptions made by us upon reviewing such data, and our experience in, and knowledge of, the industry and linear and rental systems, which we believe to be reasonable.

This prospectus also includes customer case studies from Rent the Runway customers. One of these customers is a brand ambassador. In that capacity, she has previously been gifted extra spots or months of membership to promote Rent the Runway.

USE OF PROCEEDS

We estimate that we will receive approximately $ million from the sale of shares of Class A common stock in this offering, or approximately $ million if the underwriters exercise in full their option to purchase additional shares, assuming an initial public offering price of $ per share (which is the midpoint of the price range set forth on the cover page of this prospectus), after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Each $1.00 increase or decrease, as applicable, in the assumed initial public offering price of $ per share (which is the midpoint of the price range set forth on the cover page of this prospectus) would increase or decrease, as applicable, the net proceeds to us from this offering by approximately $ million, assuming the number of shares offered, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Similarly, each 1,000,000 share increase or decrease, as applicable, in the number of shares offered in this offering would increase or decrease, as applicable, the net proceeds to us from this offering by approximately $ million, assuming that the price per share for the offering remains at $ (which is the midpoint of the price range set forth on the cover page of this prospectus), and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use the net proceeds from this offering to fund growth, repay certain amounts outstanding under our credit agreements and fund other general corporate purposes. As of the date of this prospectus, we cannot specify with certainty all of the particular uses of the net proceeds that we will receive from this offering. Accordingly, we will have broad discretion in the application of these proceeds. We intend to invest the net proceeds to us from this offering that are not used as described above in investment-grade, interest-bearing instruments. See “Risk Factors—Risks Related to this Offering and Ownership of Our Class A Common Stock—Our management has broad discretion in the use of the net proceeds from this offering and may not use the net proceeds effectively” for additional information.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain all future earnings and do not anticipate declaring or paying any dividends in the foreseeable future. Any future determination to declare dividends will be made at the discretion of our board of directors, subject to compliance with applicable law and contractual restrictions in the agreements governing our current and future indebtedness, and will depend on a number of then-existing factors, including our business prospects, results of operations, financial condition, cash requirements and availability and other factors that our board of directors may deem relevant.

See “Risk Factors—Risks Related to this Offering and Ownership of Our Class A Common Stock— We do not intend to pay dividends for the foreseeable future. Consequently, any gains from an investment in our Class A common stock will likely depend on whether the price of our Class A common stock increases.”

CAPITALIZATION

The following table sets forth our cash and cash equivalents, and our capitalization as of July 31, 2021 as follows:

- on an actual basis; and
- on a pro forma basis to give effect to (i) the Transactions and (ii) the filing and effectiveness of our Amended Charter and the adoption of our Amended Bylaws, in each case as if such event had occurred on July 31, 2021; and
- on a pro forma as adjusted basis to give effect to (1) the pro forma adjustments described in the preceding clause and (2) the issuance and sale of Class A common stock in this offering at an assumed initial public offering price of $ per share (which is the midpoint of the range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, and the application of the net proceeds therefrom as described under "Use of Proceeds."

You should read this information together with our consolidated financial statements and the related notes included in this prospectus and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section and other financial information contained in this prospectus.

	As of July 31 , 2021		
	Actual	Pro Forma	Pro Forma As Adjusted
	(in millions, except share and per share data)		
Cash and cash equivalents[1]	$ 104.0	$	$
Indebtedness:			
Long-term debt, net[2]	381.8		
Redeemable preferred stock, $0.001 par value per share; 36,055,409 shares authorized, 32,575,462 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma	409.3		
Total deficit:			
Stockholders' deficit:			
Common stock, $0.001 par value per share; 62,500,000 shares authorized, 10,791,253 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma	—		
Class A common stock, $ par value per share; no shares authorized, issued or outstanding, actual; shares authorized, shares issued and outstanding, pro forma	—		
Class B common stock, $ par value per share; no shares authorized, issued or outstanding, actual; shares authorized, shares issued and outstanding, pro forma	—		
Additional paid-in capital	68.9		
Accumulated deficit	(674.1)		
Total stockholders' deficit	(605.2)		
Total capitalization	$ 185.9	$	$

(1) Excluding restricted cash of $11.5 million ($1.8 million current and $9.7 million noncurrent) as of July 31, 2021.
(2) Consists of our Ares Facility, which had an outstanding balance as of July 31, 2021 of $73.7 million of outstanding long-term principal, $4.7 million of payment-in-kind interest, netted with $9.0 million of unamortized debt discount, and our Temasek Facility, which had an outstanding balance as of July 31, 2021 of $230.0 million of outstanding principal, $82.4 million of payment-in-kind interest.

Each $1.00 increase or decrease, as applicable, in the assumed initial public offering price of $ per share (which is the midpoint of the price range set forth on the cover page of this prospectus) would increase or decrease, as applicable, each of cash and cash equivalents, additional paid in capital, total stockholders' deficit and total capitalization on a pro forma as adjusted basis by approximately $ million, assuming the number of shares offered, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Similarly, each 1,000,000 share increase or decrease, as applicable, in the number of shares offered in this offering would increase or decrease, as applicable, each of cash and cash equivalents, additional paid in capital, total stockholders' deficit and total capitalization on a pro forma as adjusted basis by approximately $ million, assuming that the price per share for the offering remains at $ (which is the midpoint of the price range set forth on the cover page of this prospectus), and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The number of shares of Class A common stock and Class B common stock to be outstanding after this offering is based on shares of our Class A common stock and shares of our Class B common stock outstanding as of July 31, 2021, after giving effect to the Transactions, and excludes:

- shares of Class A common stock issuable upon exercise of stock options outstanding as of July 31, 2021 under our 2009 Plan, at a weighted average exercise price of $ per share;
- shares of Class B common stock issuable upon exercise of stock options outstanding as of July 31, 2021 under our 2009 Plan, at a weighted average exercise price of $ per share;
- shares of Class A common stock issuable upon exercise of stock options outstanding as of July 31, 2021 under our 2019 Plan, at a weighted average exercise price of $ per share;
- shares of Class B common stock issuable upon exercise of stock options outstanding as of July 31, 2021 under our 2019 Plan, at a weighted average exercise price of $ per share;
- RSUs, covering shares of Class A common stock as of July 31, 2021, which are issuable upon satisfaction of service-based and liquidity-based vesting conditions;
- RSUs covering shares of Class B common stock as of July 31, 2021, which are issuable upon satisfaction of service-based and liquidity-based vesting conditions;
- shares of Class A common stock issuable upon exercise of stock options outstanding as of July 31, 2021, granted as Designer Collective Grants, at a weighted average exercise price of $ per share;
- shares of Class A or Class B common stock reserved for future issuance under our 2021 Plan, which will become effective on the date immediately prior to the date our registration of which this prospectus forms a part becomes effective, as well as any shares that

become issuable pursuant to provisions in the 2021 Plan that automatically increase the share reserve under the 2021 Plan, as described in “Executive Compensation—Equity Compensation;”

- shares of Class A common stock reserved for future issuance under our Employee Stock Purchase Plan, or the ESPP, which will become effective on the date immediately prior to the date our registration of which this prospectus forms a part becomes effective, as well as any shares that become issuable pursuant to provisions in the ESPP that automatically increase the share reserve under the ESPP, as described in “Executive Compensation—Equity Compensation;” and
- shares of Class A common stock issuable upon the exercise of warrants outstanding as of July 31, 2021 with an exercise price of $ per share.

DILUTION

If you invest in our Class A common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share and the pro forma net tangible book value per share of our Class A common stock after this offering.

Our pro forma net tangible book value as of July 31, 2021 was $ million, or $ per share. Pro forma net tangible book value per share is determined by subtracting our total liabilities from the total book value of our tangible assets and dividing the difference by the number of shares of Class A common stock and Class B common stock deemed to be outstanding, after giving effect to the Transactions.

Our pro forma as adjusted net tangible book value as of July 31, 2021, after giving effect to this offering would have been approximately $ million, or $ per share of Class A common stock. This amount represents an immediate increase in pro forma as adjusted net tangible book value of $ per share to our existing stockholders and an immediate dilution in pro forma as adjusted net tangible book value of approximately $ per share to new investors purchasing shares of Class A common stock in this offering. We determine dilution by subtracting the pro forma as adjusted net tangible book value per share after this offering from the amount of cash that a new investor paid for a share of Class A common stock. The following table illustrates this dilution:

Assumed initial public offering price per share		$
Pro forma net tangible book value per share as of July 31, 2021 before this offering	$	
Increase in pro forma as adjusted net tangible book value per share attributable to investors in this offering		
Pro forma as adjusted net tangible book value per share after this offering		$
Dilution in pro forma as adjusted net tangible book value per share to new Class A common stock investors in this offering		$

A $1.00 increase or decrease, as applicable, in the assumed initial public offering price of $ per share, which is the midpoint of the price range listed on the cover page of this prospectus, would increase or decrease, as applicable, the pro forma as adjusted net tangible book value per share after this offering by approximately $, and dilution in pro forma as adjusted net tangible book value per share to new investors by approximately $, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease, as applicable, of 1,000,000 shares in the number of shares of Class A common stock offered by us would increase our pro forma as adjusted net tangible book value by $ per share and decrease the immediate dilution to new investors by $ per share, in each case assuming the assumed initial public offering price of $ per share of Class A common stock remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise in full their option to purchase additional shares of Class A common stock from us , the pro forma as adjusted net tangible book value after the offering would be $ per share, the increase in pro forma as adjusted net tangible book value per share to existing stockholders would be $ per share and the dilution in pro forma as adjusted net tangible book value to new investors would be $ per share, in each case assuming an initial public offering price of $ per share, which is the midpoint of the price range listed on the cover page of this prospectus.

The following table summarizes, as of July 31, 2021, after giving effect to this offering, the number of shares of Class A common stock purchased from us, the total consideration paid, or to be paid, to us and the average price per share paid, or to be paid, by existing stockholders and by the new investors. The calculation below is based on an assumed initial public offering price of $ per share, which is the midpoint of the price range listed on the cover page of this prospectus, before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average price per Share
	Number	Percent	Amount	Percent	
Existing stockholders		%	$	%	$
New investors					
Total		**100%**	**$**	**100%**	**$**

Each $1.00 increase or decrease, as applicable, in the assumed initial public offering price of $ per share would increase (decrease) the total consideration paid by new investors and the total consideration paid by all stockholders by $ million, assuming the number of shares offered by us remains the same and after deducting estimated underwriting discounts and commissions but before estimated offering expenses. Similarly, each increase or decrease, as applicable, of 1,000,000 shares in the number of shares of Class A common stock offered by us would increase or decrease, as applicable, the total consideration paid by new investors and total consideration paid by all stockholders by $ million, assuming the assumed initial public offering price of $ per share of Class A common stock remains the same, and after deducting estimated underwriting discounts and commissions.

Except as otherwise indicated, the discussion and the tables above assume no exercise by the underwriters' of their option to purchase additional shares of Class A common stock from us. The number of shares of our Class A common stock outstanding after this offering as shown in the tables above is based on the number of shares outstanding as of July 31, 2021, after giving effect to the Transactions, and excludes:

- shares of Class A common stock issuable upon exercise of stock options outstanding as of July 31, 2021 under our 2009 Plan, at a weighted average exercise price of $ per share;
- shares of Class B common stock issuable upon exercise of stock options outstanding as of July 31, 2021 under our 2009 Plan, at a weighted average exercise price of $ per share;
- shares of Class A common stock issuable upon exercise of stock options outstanding as of July 31, 2021 under our 2019 Plan, at a weighted average exercise price of $ per share;
- shares of Class B common stock issuable upon exercise of stock options outstanding as of July 31, 2021 under our 2019 Plan, at a weighted average exercise price of $ per share;
- RSUs, covering shares of Class A common stock as of July 31, 2021, which are issuable upon satisfaction of service-based and liquidity-based vesting conditions;
- RSUs covering shares of Class B common stock as of July 31, 2021, which are issuable upon satisfaction of service-based and liquidity-based vesting conditions;

- shares of Class A common stock issuable upon exercise of stock options outstanding as of July 31, 2021, granted as Designer Collective Grants, at a weighted average exercise price of $ per share;
- shares of Class A common stock reserved for future issuance under our 2021 Plan, which will become effective on the date immediately prior to the date our registration of which this prospectus forms a part becomes effective, as well as any shares that become issuable pursuant to provisions in the 2021 Plan that automatically increase the share reserve under the 2021 Plan, as described in "Executive Compensation—Equity Compensation;"
- shares of Class A or Class B common stock reserved for future issuance under our Employee Stock Purchase Plan, or the ESPP, which will become effective on the date immediately prior to the date our registration of which this prospectus forms a part becomes effective, as well as any shares that become issuable pursuant to provisions in the ESPP that automatically increase the share reserve under the ESPP, as described in "Executive Compensation—Equity Compensation;" and
- shares of Class A common stock issuable upon the exercise of warrants outstanding as of July 31, 2021 with an exercise price of $ per share.

To the extent any of these outstanding options are exercised, there will be further dilution to new investors. To the extent all of such outstanding options had been exercised as of July 31, 2021, the pro forma as adjusted net tangible book value per share after this offering would be $, and total dilution per share to new investors would be $.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with the section titled "Summary Consolidated Financial and Other Data" and our consolidated financial statements and related notes included elsewhere in this prospectus. This discussion and other parts of this prospectus contain forward-looking statements, such as those relating to our plans, objectives, expectations, intentions, and beliefs, which involve risks and uncertainties. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the sections titled "Special Note Regarding Forward-Looking Statements" and "Risk Factors" included elsewhere in this prospectus. The last day of our fiscal year is January 31. Our fiscal quarters end on April 30, July 31, October 31, and January 31. References to fiscal years 2019 and 2020 in this prospectus refer to our fiscal years ended January 31, 2020 and 2021, respectively.

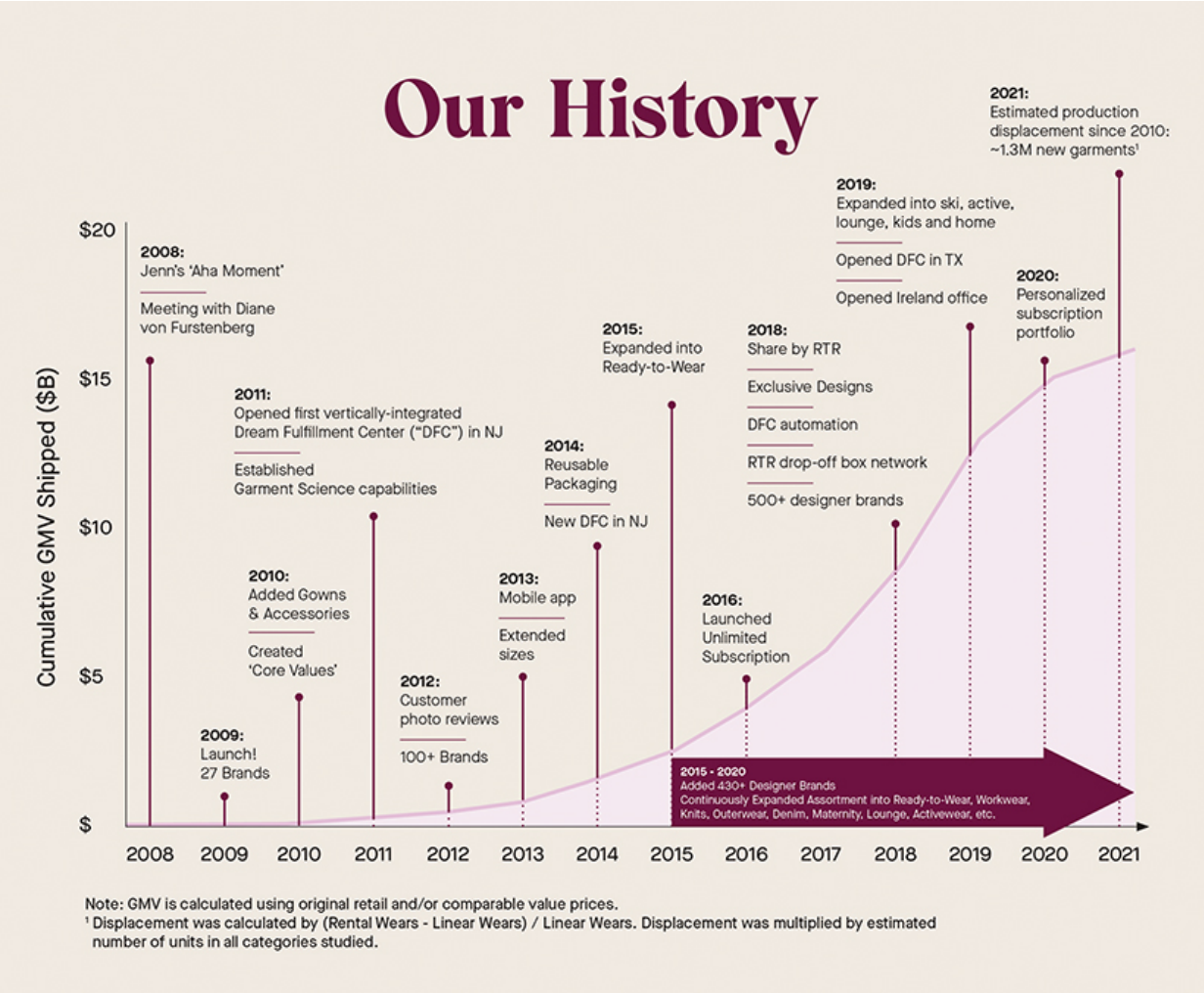
Overview

We built the world's first and largest shared designer closet — that we call the Closet in the Cloud — with over 18,000 styles by over 750 designer brands. We give customers ongoing access to our "Unlimited Closet" through our Subscription offering or the ability to rent a-la-carte through our Reserve offering. We also give our subscribers and customers the ability to buy our products through our Resale offering. These offerings allow us to engage and serve our subscribers and customers across diverse use cases from everyday life to special occasions. We have served over 2.5 million lifetime customers across all of our offerings and we had 126,841 ending total subscribers (active and paused) as of July 31, 2021. For fiscal year 2019 and 2020, respectively, 78% and 89% of our total revenue (including Reserve and Resale revenue) was generated by subscribers while they were active or paused. For the six months ended July 31, 2020 and 2021, respectively, 89% and 83% of our total revenue was generated by subscribers while they were active or paused.

The variety, breadth and quantity of products we carry is important to our business, and we strategically manage the cost-effective acquisition of a high volume of items every year. We have successfully disproved the myth that fashion apparel items and accessories only last one season as we are able to rent or "turn" our products multiple times over many years, and over 40% of our styles turn for three or more years. We price our items at a fraction of their retail value, creating an attractive price and value proposition for our subscribers and customers.

We launched our Reserve offering in 2009 and focused on normalizing shared closet behavior with consumers and designer brands by giving customers the ability to rent a-la-carte for special occasions. In 2016, we launched our Subscription offering. Today, we source all of our products, which includes apparel, accessories and home goods, directly from designer brands. Prior to 2018, we purchased nearly all of our products from our brand partners typically at a discount to wholesale cost, which we refer to as "Wholesale" items. In late 2018, we began to procure products through Share by RTR and Exclusive Designs. See "—Our Product Acquisition Strategy" below for a description of the three ways in which we procure products.

The following graph illustrates key developments in the evolution of our business:



We have achieved the following operating and financial results for fiscal year 2019 and 2020, respectively:

- We had 147,866 and 95,245 ending total subscribers at the end of fiscal year 2019 and fiscal year 2020, respectively, and 133,572 and 54,797 ending active subscribers (excluding paused subscribers), respectively;
- Revenue was $256.9 million and $157.5 million, respectively;
- Gross Profit was $53.6 million and $15.5 million, respectively;
- Gross Profit Excluding Product Depreciation was $129.3 million and $85.4 million, respectively;
- Net Loss was $(153.9) million and $(171.1) million, respectively; and
- Adjusted EBITDA was $(18.0) million and $(20.3) million, respectively.

We have achieved the following operating and financial results for the six months ended July 31, 2020 and 2021, respectively:

- We had 108,752 and 126,841 ending total subscribers, respectively, and 54,228 and 97,614 ending active subscribers (excluding paused subscribers), respectively;

- Revenue was $88.5 million and $80.2 million, respectively;
- Gross Profit was $8.7 million and $26.3 million, respectively;
- Gross Profit Excluding Product Depreciation was $46.8 million and $50.2 million, respectively;
- Net Loss was $(88.0) million and $(84.7) million, respectively; and
- Adjusted EBITDA was $(10.6) million and $(8.1) million, respectively.

Our Business Model

The Power of Subscription

We operate an innovative subscription model with the following attributes:

- We monetize our products over multiple years;
- We acquire a large and broad assortment of products to provide variety to subscribers and customers; and
- We incur fulfillment expense to ship items to/from subscribers and customers and restore products to excellent condition.

Our business model aligns the success and engagement of our subscribers, our customers, our brand partners and our business. Our success is a function of:

- Our ability to grow revenue through growth and loyalty of subscribers and customers;
- Our ability to acquire and drive return on investment of products; and
- Our ability to manage operating and capital efficiencies in our business.

How We Make Money

We generate revenue when subscribers and customers access our Closet in the Cloud across subscription, a-la-carte rentals and resale. The majority of revenue is highly recurring and is generated by our subscribers, representing 83% of total revenue in the first six months of fiscal year 2021. Our platform approach allows us to monetize subscribers across multiple offerings, including Reserve and Resale. Our Subscription offerings are structured so that subscribers pay for their usage - the more shipments and items a subscriber receives, the higher the monthly subscription price. We have priced each base subscription program to generate similar Gross Margins to our company.

Subscription and Reserve Rental Revenue: Subscription and Reserve rental revenue was $135.9 million in fiscal year 2020 and $72.7 million in the six months ended July 31, 2021, representing 86.3% and 90.6% of total revenue, respectively.

- **Subscription**

Subscription rental revenue consists of recurring subscription membership fees and related add-on revenue. Our Subscription offering allows members to receive a certain number of items (each item fills a “spot”) and shipments (which we call a “swap”) each month. We offer plans including 4, 8, 12 or 16 items. Membership prices include:

- $89 for 4 items per month (max 1 swap, 4 spots; more limited assortment)
- $135 for 8 items per month (max 2 swaps, 4 spots each) *(our most popular plan)*
- $174 for 12 items per month (max 3 swaps, 4 spots each)

- $199 for 16 items per month (max 4 swaps, 4 spots each)

Our subscribers also generate add-on revenue as they are able to customize their subscription program by adding spots or swaps in any given month at a price of $25 per additional spot per month on the one-shipment plan, $29 per additional spot per month on all other plans, and $25 to $39 per swap per month depending on the plan. We also allow our subscribers to pause their memberships as their lifestyle evolves or changes.

- **Reserve**

Reserve rental revenue consists of a-la-carte rentals, typically used for special occasions, which can be booked up to 4 months in advance. Customers, which include subscribers, have the option to rent items for four or eight days at rental rates per item which typically range from $5 to $525. Reserve customers receive one primary item and can select a complimentary backup size, as well as a backup style at a discounted price.

Other Revenue: Through our Resale offering, subscribers and customers can purchase pre-worn items they love from our closet—no subscription is required. Our Other revenue was $21.6 million in fiscal year 2020 and $7.5 million in the six months ended July 31, 2021 representing 13.7% and 9.4% of total revenue, respectively.

Our Product Acquisition Strategy

Our ability to serve our subscribers and customers depends on the quantity and quality of our products. We acquire and monetize products in three ways: Wholesale, Share by RTR and Exclusive Designs, as described in the table below. Increases or decreases in (1) the proportion of total items acquired via Share by RTR and Exclusive Designs, and (2) the usage of Share by RTR and Exclusive Designs items, will increase or decrease our Rental Product Depreciation and Revenue Share line item on our consolidated statement of operations.

Our brand partnerships and customer data enable us to acquire and manage our products effectively. We have expanded the portion of our products acquired through Share by RTR and Exclusive Designs, which has reduced initial cash outlay and total spend. We have maintained nearly 100% retention of our brand partners over the life of our business. In fiscal year 2020, approximately 54% of new items were acquired through these more cost-effective channels, compared to approximately 26% in fiscal year 2019. We anticipate a similar acquisition mix to fiscal year 2020 for the full year of fiscal year 2021.

	DESCRIPTION	CONSOLIDATED STATEMENTS OF OPERATIONS	CONSOLIDATED BALANCE SHEETS	CONSOLIDATED STATEMENTS OF CASH FLOWS	PERCENT OF ITEMS ACQUIRED IN FISCAL YEAR 2019 / FISCAL YEAR 2020
WHOLESALE	Items are acquired directly from brand partners, typically at a discount to wholesale price	Cost is recognized through straightline depreciation, with a three-year useful life and 20% salvage value, in the "Rental Product Depreciation and Revenue Share" line[1]	Total cost is capitalized as "Rental Products" in long-term assets	Total cost is recognized as a capital expenditure ("Purchases of Rental Product") at time of acquisition	74% /46%
SHARE BY RTR[2]	Items are acquired directly from brand partners on consignment, at zero to low upfront cost, with performance-based revenue share payments to our brand partners over time	Upfront and performance-based revenue share payments are expensed as incurred in the "Rental Product Depreciation and Revenue Share" line	Items are not capitalized on the balance sheet as we do not own them	Upfront and revenue share payments flow through Net Income as incurred	15% /36%
EXCLUSIVE DESIGNS[2][3]	Items are designed using our data in collaboration with our brand partners We manufacture items through third-party partners and pay the brand partner an upfront fee and minimal revenue share payments	Upfront and performance-based revenue share payments are expensed as incurred in the "Rental Product Depreciation and Revenue Share" line Manufacturing cost is recognized through straight-line depreciation, with a three-year useful life and 20% salvage value, in the "Rental Product Depreciation and Revenue Share" line[1]	Manufacturing cost is capitalized as "Rental Products" in long-term assets	Upfront and revenue share payments flow through Net Income as incurred Manufacturing cost is recognized as a capital expenditure ("Purchases of Rental Product") at time of acquisition	11% /18%

For additional details, refer to the section titled "Business—Our Unique Brand Partner Approach."

[1] The cost of accessory items, which made up less than 5% of the gross book value of rental product as of July 31, 2021, is recognized through straight-line depreciation with a two-year useful life and 30% salvage value.
[2] For both Share by RTR and Exclusive Designs, the Company shares a percentage of revenue less a logistics fee with the brand. This revenue includes (i) revenue attributable to each item in connection with one-time Reserve rentals; (ii) revenue attributable to each item from Subscription (this is based on the number of days at home during a subscription period); and (iii) revenue attributable to each item in connection with Resale of such item, less any liquidation costs. Both the percentage of revenue, and the logistics fees, can vary depending on the brand partner. Most Share by RTR items earn revenue until a cap has been reached, at which point, title generally passes from the brand to the Company.
[3] Includes a small number of products bearing our trademarks, which are non-exclusive designs produced by third-party partners, or our owned brands. These products are purchased at a significantly lower average cost than Wholesale.

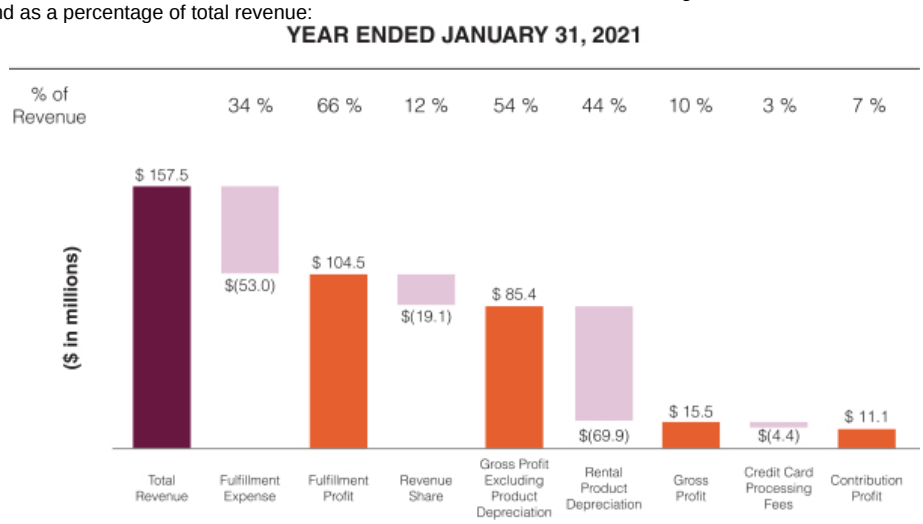
Our product acquisition methods, Wholesale, Share by RTR and Exclusive Designs, are strategic levers to manage our capital efficiency, profitability and product risk. Our Exclusive Designs channel uses data insights to acquire items at a lower cost, which are designed to generate higher profitability over time. Share by RTR meaningfully reduces our upfront spend and de-risks our investment since we pay brands primarily based on item performance. Our Share by RTR arrangements with brands target delivering 85 to 100% of comparable wholesale cost to the brand in the first year; however there is no

minimum commitment other than the upfront payment if applicable. Nearly all Share by RTR deals consummated after September 2020 include a cap on total potential payments to the brand partner.

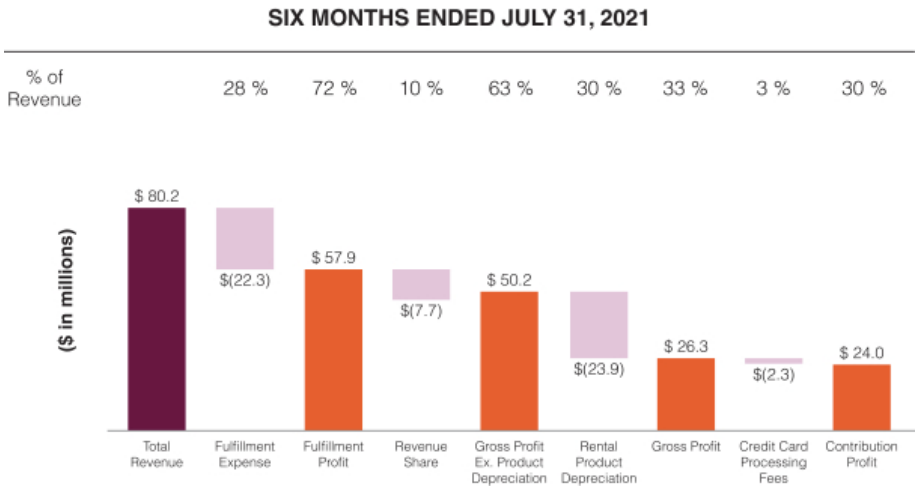
We may strategically adjust our mix of product acquisition channels in the future. Both our purchasing power and the diversification into Share by RTR and Exclusive Designs have led to a decrease in average upfront cost per item, defined as total upfront spend for items acquired in a period divided by the number of items acquired. For items ordered in fiscal year 2021 year to date (as of September 2021), our average upfront cost per item has decreased by 18% compared to items acquired in fiscal year 2019. Our average upfront cost per item decreased by approximately 40% for items acquired in fiscal year 2019 compared to items acquired in fiscal year 2014. We define total upfront spend as the total cost of products acquired in a period excluding performance based revenue share payments which are paid out over time. Total upfront spend includes the total acquisition cost for Wholesale items, upfront payments to brand partners for Share by RTR and Exclusive Designs items, third party manufacturing or other similar acquisition costs for Exclusive Designs items, and other ancillary upfront costs such as freight, where applicable. Our total upfront spend was $113.1 million in fiscal year 2019 and $6.5 million in the first six months of fiscal year 2021.

Our Financial Model

The below chart illustrates the economics of our business from total revenue and ending at Contribution Profit for fiscal year 2020, both in dollars and as a percentage of total revenue:



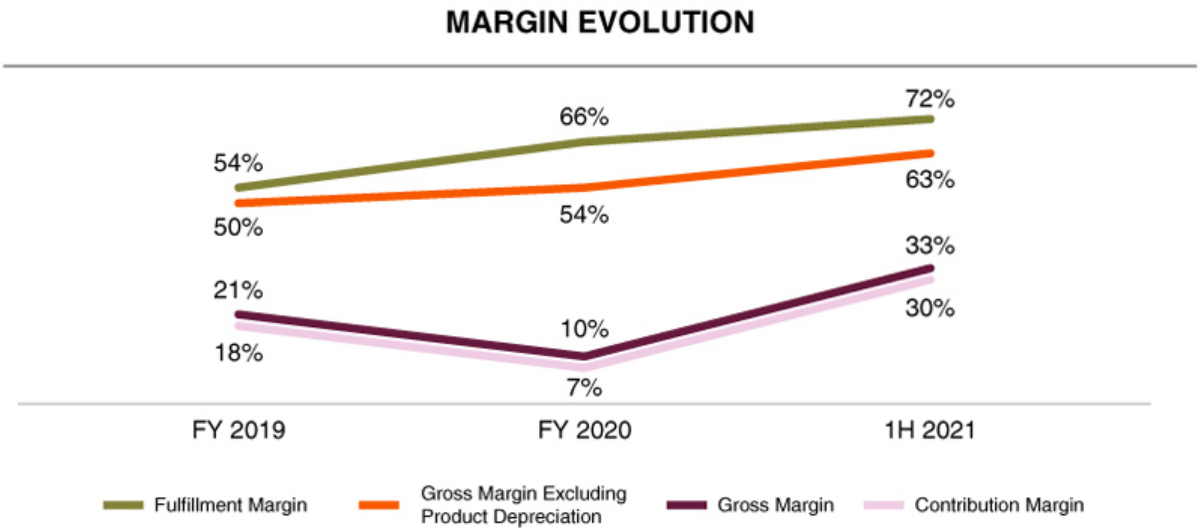
The below chart illustrates the economics of our business from total revenue and ending at Contribution Profit for the six months ended July 31, 2021, both in dollars and as a percentage of total revenue:



- *Fulfillment Profit*. We define Fulfillment Profit as total revenue less fulfillment expense. Fulfillment expense has typically been our largest variable expense and includes our outbound shipping and labor costs to send items to customers, as well as inbound shipping, labor and product restoration costs when customers return their items. We use Fulfillment Profit and Fulfillment Profit as a percentage of revenue, or Fulfillment Margin, to measure the efficiency of inbound, outbound and processing costs. See the section titled "—Non-GAAP Financial Metrics" below for a reconciliation of Fulfillment Profit to the most relevant GAAP measure.
- *Gross Profit Excluding Product Depreciation*. We define Gross Profit Excluding Product Depreciation as total revenue less fulfillment expense and revenue share. Revenue share includes upfront payments and performance-based revenue share for items we acquire through Share by RTR and Exclusive Designs. We use Gross Profit Excluding Product Depreciation and Gross Profit Excluding Product Depreciation as a percentage of revenue, or Gross Margin Excluding Product Depreciation, to measure our total variable profit excluding non-cash expenses as an indicator of the cash gross profit available to cover our costs and expenses and capital expenditures. See the section titled "—Non-GAAP Financial Metrics" below for a reconciliation of Gross Profit Excluding Product Depreciation to the most relevant GAAP measure.
- *Gross Profit.* We define Gross Profit as total revenue less fulfillment expense, revenue share and rental product depreciation. We depreciate owned apparel assets over three years and owned accessory assets over two years net of 20% and 30% salvage values, respectively, and recognize the depreciation and remaining cost of items when sold or retired on our statement of operations. Rental product depreciation expense is time-based and reflects all items we own. We use Gross Profit and Gross Profit as a percentage of revenue, or Gross Margin, to measure the continued efficiency of our business after the total cost of our products are included.

- *Contribution Profit*: We define Contribution Profit as total revenue, less fulfillment expense, revenue share, rental product depreciation and credit card processing fees. We measure Contribution Profit and Contribution Profit as a percentage of revenue, or Contribution Margin, as a key measure of our overall efficiency, including fulfillment expense, total product costs and credit card fees. See the section titled "—Non-GAAP Financial Metrics" below for a reconciliation of Contribution Profit to the most relevant GAAP measure.

The below graph depicts Fulfillment Margin, Gross Margin Excluding Product Depreciation, Gross Margin and Contribution Margin in fiscal year 2019, fiscal year 2020, and the six months ended July 31, 2021. As we scale and continue to invest in our infrastructure, technology and platform, we expect our margins to improve over time.

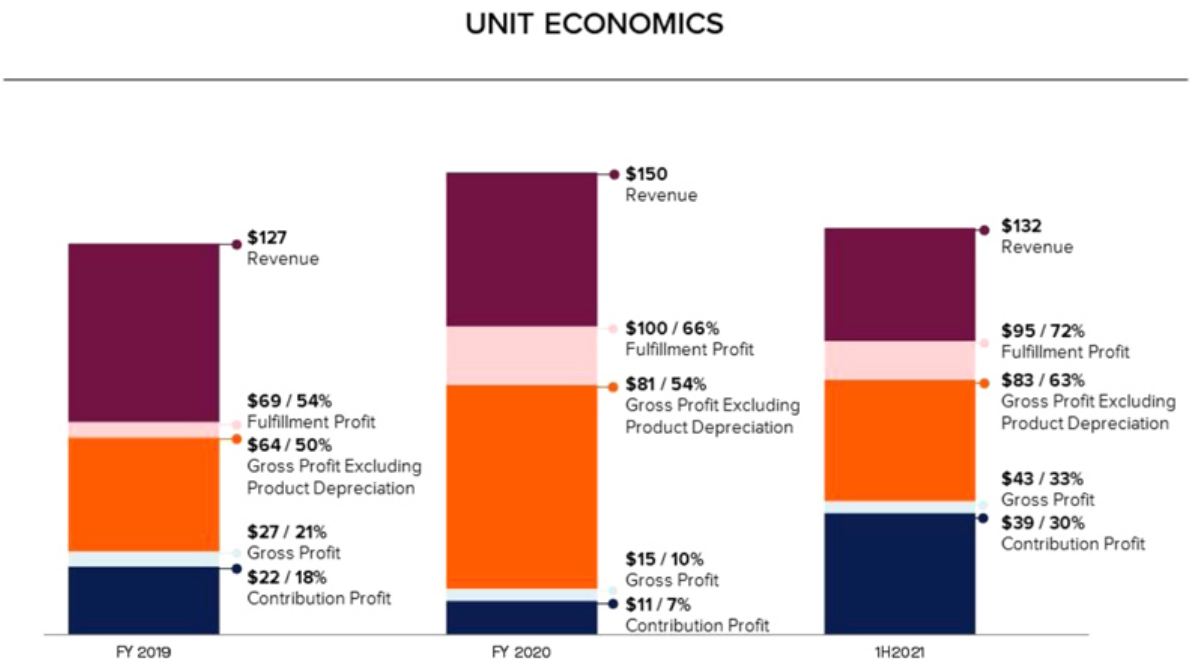


- *Fulfillment Margin*. Fulfillment Margin improved from 54% in fiscal year 2019 to 66% in fiscal year 2020 due to a lower average number of monthly shipments per subscriber in fiscal year 2020, partly due to the phase out of our unlimited swaps program and partly due to lower engagement during the COVID-19 pandemic. Fulfillment Margin improved to 72% in the six months ended July 31, 2021 attributable to the lower average number of monthly shipments per subscriber due to the phase out of our unlimited swaps program, and fulfillment process efficiencies. Historically, our unlimited swaps program allowed subscribers to receive as many shipments per month as desired, driving higher fulfillment expense as a percentage of revenue. Today, all of our memberships are structured around subscriber usage and priced to achieve similar target Gross Margins, such that subscribers pay for their desired number of items and shipments per month. In fiscal year 2020 and through the first six months of fiscal year 2021, we implemented additional labor automation, process efficiencies and transportation network diversification. We expect to continue to improve our Fulfillment Margin over time, although we anticipate shipping cost headwinds due to macro global transportation network inefficiencies over the next several quarters.
- *Gross Margin Excluding Product Depreciation*. Gross Margin Excluding Product Depreciation improved from 50% in fiscal year 2019 to 54% in fiscal year 2020 due to an improvement in our Fulfillment Margin, partially offset by higher revenue share expense as a percentage of total revenue. Gross Margin Excluding Product Depreciation improved to 63% in the six months ended July 31, 2021 due to the improvement in our Fulfillment Margin. We have focused on reducing our upfront cash outlay for product acquisition by acquiring a greater portion of our product through Share by RTR, which has increased revenue share expense. Our revenue share expense increased from 4% of total revenue in fiscal year 2019 to 12% of total revenue

in fiscal year 2020 and was 10% in the first six months of fiscal year 2021. The mix of channels we use to acquire products will impact our Gross Margin Excluding Product Depreciation.

- *Gross Margin.* Gross Margin decreased from 21% in fiscal year 2019 to 10% in fiscal year 2020. Due to a decrease in active subscribers caused by COVID-19, the level of product on hand during fiscal year 2020 was over-sized relative to our average active subscriber base in the period. Since depreciation is recognized on a time-basis for all of our owned assets, rental product depreciation in fiscal year 2020 reflected costs associated with a level of product that had been acquired to support the higher number of active subscribers experienced in fiscal years 2018 and 2019 and planned growth in fiscal year 2020 prior to the COVID-19 pandemic. As a result, rental product depreciation increased from 29% of total revenue in fiscal year 2019 to 44% of total revenue in fiscal year 2020, as our total revenue and active subscribers decreased relative to fiscal year 2019 due to the COVID-19 pandemic. Gross Margin increased to 33% in the six months ended July 31, 2021 due to the increase in Fulfillment Margin, including the phase out of the unlimited swaps program and the decrease in rental product depreciation. Rental product depreciation as a percentage of total revenue decreased to 30% in the first six months ended July 31, 2021 due to lower levels of product sold and the partial right-sizing of product relative to the level of active subscribers and revenue. The mix of channels we use to acquire products will impact our Gross Margin.
- *Contribution Margin.* Contribution Margin decreased from 18% in fiscal year 2019 to 7% in fiscal year 2020, driven by the same trends that led to a decrease in Gross Margin. Contribution Margin increased to 30% in the six months ended July 31, 2021, driven by the same trends that led to an increase in Gross Margin.

The below graphic depicts our unit economics, or the economics of a weighted average subscription month and Reserve order (based on the proportion of Subscription and Reserve transactions in each period), in fiscal year 2019, fiscal year 2020, and the six months ended July 31, 2021. Revenue, Fulfillment Profit, Gross Profit Excluding Product Depreciation, Gross Profit and Contribution Profit include revenue and profit from all of our offerings.



In addition to the profitability trends mentioned above, the increase in unit economics revenue from $127 in fiscal year 2019 to $150 in fiscal year 2020 was driven by a greater portion of our

business coming from our Subscription offering. Unit economics revenue decreased to $132 in the first six months of fiscal year 2021 driven by the new subscription program pricing. Our unit economics contribution profit in fiscal year 2019 and 2020 was $22 and $11, respectively, and increased to $39 in the first six months of fiscal year 2021.

Our business model and margins were impacted by COVID-19, refer to the section titled “Impact of COVID-19 on Our Business” for more information.

Key Factors Affecting Our Performance

We believe that our performance and future success depend on a variety of factors that present significant opportunities for our business, but also present risks and challenges that could adversely impact our growth and profitability, including those discussed below and in the section titled “Risk Factors.”

Subscribers and Customers

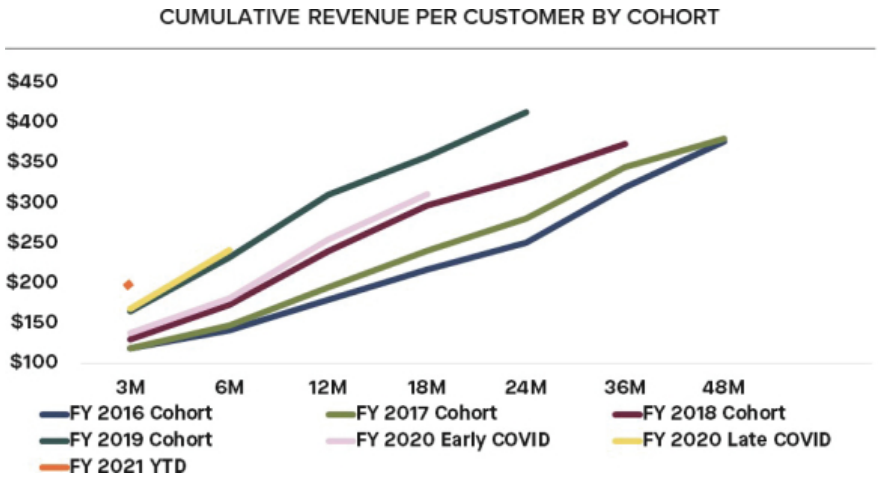
Our Attractive Cohort Trends. We believe that we have a significant market opportunity ahead of us to increase our base of subscribers and customers, and our long-term growth depends in large part on our continued ability to acquire new subscribers and retain existing subscribers. We attract new subscribers directly into our Subscription offering, and through conversions of customers into subscribers from our Reserve and Resale offerings. Reserve has historically been a productive funnel into our Subscription offering, and we believe our Resale offering could provide a similar opportunity to drive acquisition into our Subscription offering.

We assess the health of our business, subscribers and customers by analyzing the individual performance of our historical customer cohorts over time. We believe that the performance of our historical customer cohorts supports our strategy of investing in subscriber and customer acquisition and enhancing the scale of our platform.

Customer Cohorts. The chart below indicates cumulative revenue per customer by customer cohort, which is defined as cumulative total revenue generated by a cohort across all of our product offerings, divided by the original number of customers in the cohort. Customers are placed in cohorts based on the fiscal year in which they first transacted with RTR. Due to varying customer behavior throughout fiscal year 2020, we have divided the 2020 cohort into two sub-cohorts, each of which includes smaller monthly cohorts than those of fiscal year 2018 and 2019. We define the FY 2020 Early COVID cohort as new customers who joined from February 2020 to May 2020, and this cohort is characterized by broad shelter-in-place restrictions during their initial customer months. We define the FY 2020 Late COVID cohort as new customers who joined from June 2020 to January 2021, and this cohort is characterized by a partial return-to-work, special events and social events through social distancing requirements. We define the FY 2021 YTD cohort as new customers who joined from February 2021 to May 2021. Our customer cohorts demonstrate the continued spend and expansion of our customers:

- Each successive cohort has higher spending patterns, except for the FY 2020 Early COVID cohort, which was most impacted by COVID-19. Higher spending is driven by increased customer loyalty and customers renting for more days per year, particularly through our Subscription offering.
- A significant portion of our total revenue in each year is generated from customers acquired in previous years.
- Our FY 2020 Late COVID cohort and our FY 2021 YTD cohort, which are less impacted by COVID-19, are exhibiting better trends than our FY 2019 cohort.

- Over the last two and a half years, we have become better at directing customers to higher revenue offerings, particularly our subscriptions, which has driven a year-over-year improvement in cumulative revenue per customer by cohort as a greater percentage of our customers are subscribers. After the first six months as a customer, we see an inflection in spending as our most loyal customers remain on the platform.



Subscriber Cohorts. In addition to evaluating the behavior of our entire customer base, we also focus specifically on the behavior of subscribers given they contribute to the majority of our revenue. For the first six months of fiscal year 2021, 83% of our total revenue was generated by subscribers, while they were active or paused. This makes understanding their continued spend, expansion and potential lifetime value relative to customer acquisition cost particularly important.

The table below presents cumulative revenue per subscriber by cohort. Cumulative revenue per subscriber by cohort is defined as cumulative total revenue generated across all of our product offerings (including Subscription, Reserve or Resale) by customers who are current or previous subscribers, divided by the original number of subscribers in the cohort. Subscribers are placed in cohorts based on the fiscal year in which they first joined a subscription program.

- Within 3, 6 and 12 months, subscribers from our fiscal year 2018 and 2019 cohorts generated an average of $286, $460 and $691 in cumulative revenue, respectively.
- Our FY 2020 Late COVID and FY 2021 YTD cohorts are exhibiting similar or better trends compared to our FY 2018 and FY 2019 cohorts.

CUMULATIVE REVENUE PER SUBSCRIBER BY COHORT

	3 M	6 M	12 M	24 M
FY 2018 Cohort	$277	$452	$713	$1,061
FY 2019 Cohort	$294	$467	$668	$970
FY 2020 Cohort	$255	$397	$559	-
FY 2020 Early COVID	$222	$322	$495	-
FY 2020 Late COVID	$288	$470	-	-
FY 2021 YTD	$307	-	-	-

We provide a flexible offering that allows our subscribers to pause their membership. We have seen historically that many subscribers customize their subscription as their everyday life changes, choosing to pause and reactivate their membership as needed. We give customers the flexibility to adapt the usage of their membership and have increased functionality to allow subscribers to pause more easily. We have historically seen that many subscribers who cancel their subscription will often return to the platform and resubscribe when membership again makes sense for their everyday life.

We acquire subscribers efficiently as evidenced by approximately 88% of our lifetime customers having joined organically. Historically, our annual cost to acquire a customer, or CAC, has remained below $55 and we define our CAC as total marketing expense, other than employee expenses, during a twelve month period divided by the number of new customers acquired in that period. Contribution Margins of 18%, 7% and 30% in fiscal year 2019, 2020 and the first six months of fiscal year 2021, respectively, drive our efficient payback on customer acquisition cost.

Brands and Products

Ability to Acquire and Monetize Products Efficiently. Our ability to deliver an elevated experience for our subscribers and customers that keeps them loyal to RTR relies on us having the right assortment. Due to our deep partnerships with brands, we can acquire products directly from them in multiple ways: Wholesale, Share by RTR and Exclusive Designs, and due to our expertise in reverse logistics and garment restoration we can monetize our products effectively over their useful life. We have demonstrated the ability to diversify our product acquisition away from 100% Wholesale, driving high overall product return on investment and reducing the capital needs of the business. In fiscal year 2020, approximately 54% of new items were acquired through Share by RTR and Exclusive Designs, our more capital efficient channels, compared to 26% in fiscal year 2019. We anticipate a similar acquisition mix to fiscal year 2020 for the full year of fiscal year 2021. We continuously evaluate our product acquisition mix to maximize our strategic priorities.

We evaluate the potential revenue and profit we generate on products over their lifetime, relative to the upfront cost of the products. We are presenting fiscal year 2019 in this prospectus because it was a more normalized period for our business and operations prior to the onset of the COVID-19 pandemic than fiscal year 2020, as well as the first six months of fiscal year 2021 because it is our most recent period.

We measure product return on investment, or ROI, of a single item on a revenue and profit basis over its predicted lifetime. Product ROI is defined as the average revenue or profit per turn of all items calculated in a given period, divided by the upfront cost per item of items acquired in that period. We define profit as revenue less fulfillment costs, credit card fees, and performance based revenue share expense.

Upfront cost per item is defined as total upfront spend for items acquired in a period divided by the number of items acquired. We define total upfront spend as the total costs of products acquired in a period excluding performance based revenue share payments which are paid out over time. Total upfront spend includes the total acquisition cost for Wholesale items, upfront payments to brand partners for Share by RTR and Exclusive Designs items, third party manufacturing or other similar acquisition costs for Exclusive Designs items, and other ancillary upfront costs such as freight, where applicable. For fiscal year 2021, items ordered to date as of September 2021, our average upfront cost per item was $90, representing an 18% decrease from an average upfront cost of $111 for items acquired in fiscal year 2019. Our diversification into acquiring a greater portion of our product through Share by RTR and Exclusive Designs meaningfully reduced our upfront spend.

Our ROI calculation assumes an average of 20 lifetime turns per unit. Based on the average lifetime turns as of June 2021 of all items we acquired in fiscal years 2015, 2016 and 2017, we have determined that an item can turn a minimum of 20 times on average over its lifetime. Our calculation of lifetime turns is inclusive of items that have been taken out of circulation due to damage, deactivation or resale, and we expect turns for these historical cohorts to increase as a portion of these items are still in circulation.

From fiscal year 2019 to the first six months of fiscal year 2021, we improved revenue per turn by 20% from $22 to $27, respectively, and improved profit per turn by 52% from $11 to $16, respectively.

When we multiply the item economics from fiscal year 2019 and the first six months of fiscal year 2021 by 20 turns, this implies total lifetime revenue of $445 and $536, respectively, and total lifetime profit of $212 and $324, respectively.

Therefore, our product ROI has improved from 4.0x to 5.9x on a revenue basis, and from 1.9x to 3.6x on a profit basis based on item economics in fiscal year 2019 and the first six months of fiscal year 2021 applied over the expected lifetime of units, respectively. We believe we have the ability to drive improvements in product ROI over time as we continue to decrease our fulfillment expenses to improve profitability per item and use more efficient product acquisition channels to reduce upfront product cost.

PRODUCT ROI[1]

	FY 2019	1H FY 2021
Average Upfront Cost per Unit	$ 111[2]	$ 90[3]
Revenue Per Turn	$ 22	$ 27
Fulfillment Profit Per Turn	$ 12	$ 19
Fulfillment Margin	54%	72%
Profit (ex. Upfront Unit Cost) Per Turn	$ 11	$ 16
Profit Margin	48%	60%
Lifetime Turns per Unit	20	20
Lifetime Revenue	$ 445	$ 536
Lifetime Profit	$ 212	$ 324
Product ROI - Revenue	**4.0 x**	**5.9 x**
Product ROI - Profit	**1.9 x**	**3.6x**

Note: Calculations based on unrounded figures.
(1) We do not show FY 2020 Product ROI as it was heavily impacted by COVID-19 and is not indicative of future near term expectations. FY 2020 revenue and profit per turn benefited from reduced usage of subscription programs during peak COVID-19 periods which is not expected to continue post COVID-19. FY 2020 average upfront cost per unit also benefited from the significantly higher mix of Share by RTR that we employed during peak COVID-19 periods which is not expected to continue post COVID-19. (2) Reflects average upfront cost per unit of items acquired in FY 2019. (3) Reflects average upfront cost per unit for FY 2021 items ordered to date as of September 2021. We use FY 2021 items ordered to date rather than 1H FY2021 items acquired because the acquisition mix and resulting upfront cost of 1H FY2021 items acquired is heavily impacted by early COVID-19 trends and is not indicative of expected full year upfront cost. The acquisition mix and resulting upfront cost of FY 2021 items ordered to date as of September 2021 is indicative of expected full year FY 2021 upfront cost.

Our Business

Ability to Achieve Leverage in our Cost Structure. Improving operational efficiency of our platform is imperative to maintaining or increasing profitability. As we continue to grow, we expect our operating costs to increase but do not expect these costs to grow at the same pace as our total revenue.

We use technology and customer data to drive efficiency across products, fulfillment expenses and operating costs. Our data has allowed us to build a differentiated and proprietary rental reverse logistics platform with a vertically integrated cleaning and restoration process. We have invested in technology and automation in order to drive operating leverage and higher margins as we grow and scale our business.

Over time, we have improved our margins, profitability and cash flow, and we believe we will continue to benefit from economies of scale and are focused on driving additional efficiencies in our operating expenses. We monitor profitability by assessing Fulfillment Margin, Gross Margin Excluding Product Depreciation, Gross Margin and Contribution Margin.

Seasonality. We experience seasonality in our business, which may change due to the effects of the COVID-19 pandemic. For our Subscription offering, we typically acquire the highest number of subscribers in the third and fourth fiscal quarters, and we generally see a greater number of paused subscriptions in the winter and summer months. We typically realize a higher portion of revenue from Reserve rentals during our third and fourth fiscal quarters as a result of increased wedding and holiday events.

Impact of COVID-19 on Our Business

The COVID-19 pandemic materially adversely affected our fiscal year 2020 operating and financial results. Beginning in March 2020, positivity rates and shelter-in-place restrictions significantly reduced consumer demand for our Subscription and Reserve offerings due to a sharp decrease in interactions outside the home, social gatherings, special events and in-office work. Unlike the retail model where a customer can invest in an article of clothing to wear in the future, we primarily operate a “rent now, wear now” subscription model where subscribers are picking items for immediate use. Throughout 2020, we observed that consumer demand decreases were closely tied to COVID-19 positivity rates and social distancing/shelter-at-home restrictions. As COVID-19 restrictions have been relaxed and virus positivity rates have declined, we have seen increased demand for our offerings. The first Delta variant case was identified in December 2020, and the variant soon became the predominant strain of the virus and by the end of July 2021, the Delta variant was the cause of more than 80% of new U.S. COVID-19 cases. As a result, new restrictions are being contemplated and implemented by workforces and federal, state and local government officials. As of the date of this prospectus, our operations and customer demand have not been significantly impacted, but we continue to monitor the situation.

Immediate Response to COVID-19

Our first priority was to protect the health and safety of our employees. In February 2020, we created a cross-functional taskforce to lead our COVID-19-related employee initiatives and we have instituted numerous health and safety measures throughout the pandemic based on public health guidelines and recommended best practices. For example, in our fulfillment centers, we instituted numerous health and safety measures including social distancing, on-site medical services, and enhanced cleaning, and we relaxed attendance policies. We shifted nearly all of our corporate and customer service employees to a remote work model in March 2020 and implemented additional measures to better enable them to work remotely.

We took immediate financial actions to withstand COVID-19. We paused paid advertising and marketing activities and implemented other cost-saving measures to reduce operating and capital expenditures in the short term. In April 2020, we reduced salaries for the large majority of corporate employees for three months, and temporarily paused all recruiting efforts. After being temporarily closed since March 2020, we announced the permanent closure of our brick and mortar retail stores in July and August 2020. Both of our fulfillment centers remained open throughout the pandemic, however we resized our workforce to better align labor to demand and managed our fulfillment expense through releases, furloughs, and shift schedule adjustments. Overall, during fiscal year 2020, we laid off 33% and furloughed 37% of all employees. In addition, the financial actions we took resulted in a 53% reduction in operating expenses, capital expenditures and product costs, as compared to our pre-COVID-19 budget for April 2020 through January 2021, the remainder of fiscal year 2020 that we had the opportunity to impact.

Agility and Resilience During COVID-19

In addition to cost cutting, we took a number of steps to emerge from COVID-19 as a stronger business financially and strategically. We believed that the pandemic would shift consumer values and behaviors. With that goal in mind, we took the following actions:

1. Transformed product acquisition from a majority Wholesale model to more Share by RTR. We increased the penetration of Share by RTR from 32% of units acquired in our original pre-COVID-19 plan to 54% for the second half of fiscal year 2020. Through Share by RTR, we allowed our brand partners to participate in revenue generated during COVID-19 and potential financial upside post-pandemic. By April 2020, we reduced upfront product spend for the second half of fiscal 2020 by over 80% as compared to our original budget.

2. Phased out our “unlimited swaps” program and transitioned towards customizable subscription plans that are intended to better meet customer needs, and drive higher margins than our previous subscription offering. Our belief was that multiple subscription programs and more diverse price points would offer a lower entry price point into subscription during COVID-19 and help attract and retain a more diversified subscriber base as a go-forward strategy.

3. Launched Resale for subscribers and then expanded it to all customers to better monetize our active subscribers during COVID-19 and to broaden our funnel for the future. Our belief was that resale could be a new growth engine and customer acquisition funnel for RTR.

4. While volume in our fulfillment centers was lower, we implemented significant process changes and technological innovation, such as increased automation, radio-frequency identification tags, or RFID tags, machine vision and new garment science processes to continue to improve our operational efficiencies and processing capacity.

5. Encouraged new use cases, including at-home casual wear, loungewear, knits and activewear, which went from being 25% of items at home in May 2019 to 46% in May 2020, expanding how subscribers think about our business. As subscribers are resuming more normal lives in 2021, we are seeing an expansion in the diversity of use cases for which they think of using Rent the Runway.

6. Launched new features such as cross-ship and expanded our drop-off box network and inbound customer return options, providing subscribers with more flexibility and immediacy in their swapping experience and removing friction from the experience in order to increase retention of subscribers.

7. From approximately April 2020 to August 2020, made it easy for customers to pause, rather than cancel, their subscriptions to encourage retention during the COVID-19 pandemic by announcing proactive extensions of “pause” states so that subscribers did not have to return to the website, or reach out to customer service, to extend their paused states themselves; proactively re-pausing subscribers who automatically resumed their subscription out of paused states, but did not use their subscription, within four days of their resume date; and launching a feature where subscribers could pause their membership and keep some or all of the items at home for a fixed fee per item per month. The new feature gave subscribers flexibility to keep enjoying a limited number of items and/or gave subscribers the option to continue to shelter-in-place rather than visiting a return location or scheduling a pick-up. Additionally, during the COVID-19 pandemic through April 2021, subscribers were able to pause one month at a time using our online “pause” button, or were able to pause for one, two, or three months at a time by reaching out to our customer service team. Currently, subscribers are able to pause their subscriptions for one month at a time. As of the end of fiscal year 2020, our total subscriber base (active and paused) represented 64% of our pre-COVID-19 total subscriber base (as measured on March 8, 2020).

8. Focused on sustainability, including conducting a Life Cycle Assessment, or LCA Study, to further understand the impact of Rent the Runway’s rental platform compared to existing linear models in the fashion industry. We also launched an internal taskforce dedicated to driving our sustainability efforts internally**.**

9. Focused on employee experience and providing high-touch, transparent, real-time communication. Throughout 2020, our employees at every level of the organization exemplified our Core Values of passion, innovation and resiliency by acting like founders, helping the business to withstand the COVID-19 pandemic and creating opportunities to make the business better.

Financial Impact

As a result of decreased demand related to COVID-19, our total revenue was $157.5 million in fiscal year 2020 and decreased 38.7% compared to fiscal year 2019. Shipment volume decreased as a

result of lower subscriber levels, less frequent swapping behavior, and lower demand for a-la-carte rentals. These dynamics, combined with our operational response and cost-saving actions, resulted in a decrease of fulfillment expenses as a percentage of total revenue to 33.7% in fiscal year 2020, compared to 46.0% in fiscal year 2019.

Product depreciation and revenue share increased as a percentage of total revenue to 56.5% in fiscal year 2020, as compared to 33.2% in fiscal year 2019, due to a significant oversupply of rental items on hand relative to reduced subscriber levels. We anticipate product depreciation and revenue share to decrease meaningfully as a percentage of total revenue as we see COVID-19 recovery and increases in active subscriber levels and Reserve orders.

Marketing expense as a percentage of total revenue decreased from 8.9% in fiscal year 2019 to 5.1% in fiscal year 2020 as a result of intentional reductions in paid marketing due to COVID-19. The cost-saving initiatives decreased technology and general and administrative expenses from $40.2 million for technology and $98.9 million for general and administrative in fiscal year 2019 to $37.7 million and $77.2 million in fiscal year 2020, respectively, but increased as a percentage of total revenue due to the decline in total revenue.

Ongoing Impact

Since March 2021, we have seen indications of COVID-19 recovery, with a significant number of paused subscribers resuming their subscriptions, new subscribers joining our platform, and an increased level of Reserve orders. In response to the growth in demand, we have increased hiring for customer service and fulfillment labor, adjusting shift structures at our fulfillment centers to increase throughput capacity, investing in additional products to support future subscriber growth, and investing in capital expenditures to support operational efficiencies. We have also accelerated corporate hiring to support increased levels of growth and operations and to support our plans to become a public company, and we have begun to resume marketing activities and increase other operating expenses.

We expect the effects of the COVID-19 pandemic, including the spread of any new strains, such as the Delta variant, to have a continued impact on our business, results of operations, and financial condition through at least the end of fiscal year 2021, and we continue to take actions to adjust to the changing COVID-19 business environment. For example, we are increasing wage rates to attract and retain talent at our fulfillment centers, diversifying our transportation network to mitigate the negative impact of nationwide shipping carrier delays, resuming corporate recruiting efforts, and managing longer lead times for products from brand partners. Although we continue to face a challenging hiring environment due to the COVID-19 pandemic, rising wages and a decreased level of workforce participation, we have been able to and expect to continue hiring in order to support increasing and/or fluctuating demand for our offerings.

The full extent to which the COVID-19 pandemic, including the spread of any new strains, such as the Delta variant, will directly or indirectly impact our business, results of operations, and financial condition will depend on future developments that are highly uncertain and cannot be accurately predicted. Given the uncertainty, we cannot estimate the financial impact of the pandemic on our future results of operations, cash flows, or financial condition. For additional details, refer to the section titled “Risk Factors.”

Key Business and Financial Metrics

In addition to the measures presented in our consolidated financial statements, we use the following key business and financial metrics to help us evaluate our business, identify trends affecting our business, formulate business plans, and make strategic decisions. The calculation of the key business and financial

metrics discussed below may differ from similarly titled metrics used by other companies, securities analysts or investors, limiting the usefulness of those measures for comparative purposes. These key business and financial metrics are not meant to be considered as indicators of our financial performance in isolation from or as a substitute for our financial information prepared in accordance with GAAP and should be considered in conjunction with other metrics and components of our results of operations, such as each of the other key business and financial metrics and our revenue, fulfillment and net loss.

	Year Ended January 31,		Six Months Ended July 31,	
	2020	2021	2020	2021
	($ in millions)			
Active subscribers (at the end of period)	133,572	54,797	54,228	97,614
Gross profit	$ 53.6	$ 15.5	$ 8.7	$ 26.3
Gross profit excluding product depreciation	$ 129.3	$ 85.4	$ 46.8	$ 50.2
Adjusted EBITDA	$ (18.0)	$ (20.3)	$ (10.6)	$ (8.1)

(1) Each of Gross Profit Excluding Product Depreciation and Adjusted EBITDA is a non-GAAP financial measure; for a reconciliation to each of their most directly comparable GAAP financial measures, gross profit and net loss, respectively, and why we consider Gross Profit Excluding Product Depreciation and Adjusted EBITDA to be useful metrics, see "—Non-GAAP Financial Metrics" below.

Key Business Metrics

Active Subscribers: Active Subscribers represent the number of subscribers with an active membership as of the last day of any given period and excludes paused subscribers. In fiscal year 2020, we saw our active subscriber count decrease due to the COVID-19 pandemic. However, a significant number of our subscribers put their membership on pause rather than canceling. As of July 31, 2021, we had 97,614 active subscribers, up 78% from the end of fiscal year 2020.

Gross Profit and Gross Margin: In fiscal year 2020, Gross Profit was $15.5 million compared to $53.6 million in fiscal year 2019 representing Gross Margins of 9.8% and 20.9%, respectively. The decrease in Gross Profit and Gross Margin in fiscal year 2020 was driven by lower total revenue and relatively constant rental product depreciation and revenue share, which represented a larger percentage of total revenue due to the impact of the COVID-19 pandemic. Gross Profit was $26.3 million for the six months ended July 31, 2021 compared to $8.7 million for the six months ended July 31, 2020 representing Gross Margins of 32.8% and 9.8%, respectively. The increase in Gross Profit and Gross Margin in the first six months of fiscal year 2021 was driven by the improvement in fulfillment costs and lower rental product depreciation and revenue share, which represented a lower percentage of total revenue than in the prior period. We expect to have the opportunity to improve Gross Profit by driving growth in total revenue, fulfillment and operational efficiency gains, and strategically evolving our mix of product acquisition.

Gross Profit Excluding Product Depreciation and Gross Margin Excluding Product Depreciation: Gross Profit Excluding Product Depreciation and Gross Margin Excluding Product Depreciation indicate the total variable profit of our offerings excluding non-cash expenses and reflect the cash profit available to cover our operating expenses and capital expenditures. In fiscal year 2020, Gross Profit Excluding Product Depreciation was $85.4 million compared to $129.3 million in fiscal year 2019, representing margins of 54.2% and 50.3%, respectively. Gross Profit Excluding Product Depreciation was $50.2 million for the six months ended July 31, 2021 compared to $46.8 million for the six months ended July 31, 2020, representing margins of 62.6% and 52.9%, respectively. Gross Profit Excluding Product Depreciation has improved as we have reduced our fulfillment expense, and in fiscal year 2020 was partially offset by increased revenue share expense, as we shifted to acquiring a greater portion of our products through Share by RTR. Our Gross Margin Excluding Product Depreciation will continue to vary based on our fulfillment expense efficiency and resulting Fulfillment Margin, and the mix of channels through which we acquire product.

Adjusted EBITDA and Adjusted EBITDA Margin: We define Adjusted EBITDA as net loss, adjusted to exclude interest expense, rental product depreciation, other depreciation and amortization, stock-based compensation expense, write-off of liquidated assets, certain non-recurring, one-time, costs (see above footnotes), income taxes, other income and expense, and other gains / losses. We define Adjusted EBITDA Margin as Adjusted EBITDA calculated as a percentage of total revenue, net for a period. In fiscal year 2020, Adjusted EBITDA was $(20.3) million compared to $(18.0) million in fiscal year 2019, representing margins of (12.9)% and (7.0)% respectively. Adjusted EBITDA decreased due to the decrease in profitability and net loss. Adjusted EBITDA was $(8.1) million for the six months ended July 31, 2021 compared to $(10.6) million for the six months ended July 31, 2020, representing margins of (10.1)% and (12.0)%, respectively. Adjusted EBITDA has increased due to the improvement in profitability and net loss compared to the prior period. We have the opportunity to improve Adjusted EBITDA as we drive operating expense leverage.

Components of Results of Operations

Total Revenue, Net

Our total revenue, net consists of Subscription and Reserve rental revenue and Other revenue. Total revenue is presented net of promotional discounts, credits and refunds, and taxes.

Subscription and Reserve Rental Revenue. We generate Subscription and Reserve rental revenue from subscription and a-la-carte (through our Reserve offering) rental fees. We recognize subscription fees ratably over the subscription period, commencing on the date the subscriber enrolls in a subscription program. These fees are collected upon enrollment and any revenue from an unrecognized portion of the subscription period is deferred to the following fiscal period. We recognize a-la-carte rental fees over the rental period, which starts on the date of delivery of the product to the customer. A-la-carte rental orders can be placed up to four months prior to the rental start date and the customer's payment form is charged upon order confirmation. We defer recognizing the rental fees and any related promotions for a-la-carte rentals until the date of delivery, and then recognize those fees evenly over the four- or eight-day rental period.

Other Revenue. We generate Other revenue primarily from the sale of products while they are in rental condition. We offer the ability for subscribers and customers to purchase products at a discount to retail price. Payment for the sale of products occurs upon order confirmation while the associated revenue is recognized either at the time the sold product is delivered to the customer or when purchased, if the item is already at home with the customer.

Costs and Expenses

Fulfillment. Fulfillment expenses consist of all variable costs to receive, process and fulfill customer orders. This primarily includes shipping costs to/from customers and personnel and related costs, which includes salaries and bonuses, and employee benefit costs. Personnel and related costs are related to processing inbound and outbound customer orders, cleaning, restoring and repairing items received from customers, tracking and managing items within our fulfillment center network and ingesting new items received from brands. Fulfillment expenses also include costs of packing materials, cleaning supplies, and other fulfillment-related expenses. We expect fulfillment expense to increase in absolute dollars in future periods to support our growth, especially due to competitive pressures in the labor market which could lead to higher wage rates, and as costs to ship and process orders to/from customers will increase as order volume increases. We expect to continue to invest in automation and other process improvements to support and drive efficiencies in our operations. To the extent we are successful in becoming more efficient in fulfilling orders, and at a magnitude that is able to offset increasing shipping costs, wage rates and cleaning/packing supply price increases, we would expect these expenses to decrease as a percentage of total revenue over the longer term.

Technology. Technology expenses consist of personnel and related costs for employees engaged in software development and engineering, quality assurance, product, user experience, data science, analytics and information technology-related efforts, net of personnel costs associated with capitalized software. Technology expenses also include professional services, third-party hosting expenses, site monitoring costs, and software and license fees. We expect to increase technology expenses as we continue to invest in our technology stack and grow our infrastructure to support overall growth in our business and distribution network. While these expenses may vary from period to period as a percentage of total revenue, we expect them to decrease as a percentage of total revenue over the longer term.

Marketing. Marketing expenses include online and mobile marketing, search engine optimization and email costs, marketing personnel and related costs, agency fees, brand marketing, printed collateral, consumer research, and other related costs. We expect marketing expenses to increase as we intend to increase marketing spend to drive the growth of our business and increase our brand awareness. The trend and timing of our brand marketing expenses will depend in part on the timing of marketing campaigns.

General and Administrative. General and administrative expenses consist of all other personnel and related costs, including customer service, finance, tax, legal, human resources, fashion and photography and fixed operations costs. General and administrative expenses also include occupancy costs (including warehouse-related), photography costs, professional services, credit card fees, general corporate and warehouse expenses, other administrative costs, gains and losses associated with consolidating our foreign subsidiary at each period end, and gains and losses associated with asset disposals and operating lease terminations. We expect to increase general and administrative expenses as we grow our infrastructure to support operating as a public company and the overall growth of the business. We also expect rent expense and other facilities-related costs to increase in the future as we expand our distribution network to support overall business growth and fulfillment cost-reduction initiatives. While these expenses may vary from period to period as a percentage of total revenue, we expect them to decrease as a percentage of total revenue over the longer term.

Rental Product Depreciation and Revenue Share. Rental product depreciation and revenue share expenses consist of depreciation and write-offs of rental products, and payments under revenue share arrangements with brand partners. We depreciate the cost, less an estimated salvage value, of our owned products (Wholesale and Exclusive Designs items), over the estimated useful lives of these items and, if applicable, accelerate depreciation of the items when they are no longer in rental condition. We recognize the cost of items acquired under Share by RTR, as incurred, through upfront payments and performance-based revenue share payments. We expect rental product depreciation and revenue share expenses to increase in absolute dollars as we continue to support subscriber and customer growth. The amount and proportion of rental product depreciation and revenue share will vary from period to period based on how we acquire items.

Other Depreciation and Amortization. Other depreciation and amortization expenses consist of depreciation and amortization amounts for fixed assets, intangible assets including capitalized software, and financing right-of-use assets.

Interest Income / (Expense)

Interest income / (expense) consists primarily of accrued paid-in-kind interest, cash interest and debt issuance cost amortization associated with our Ares Facility and Temasek Facility (each as defined below).

Other Income / (Expense)

Other income / (expense) consists primarily of changes in fair value of warrants associated with debt and equity issuances, debt extinguishment costs, proceeds from previous insurance claims and proceeds from monetizing tax credits associated with growth.

Benefit from Income Taxes

Income taxes consist primarily of state minimum taxes and Irish refundable tax credits. We have established a valuation allowance for our deferred tax assets, including federal and state NOLs. We expect to maintain this valuation allowance until it becomes more likely than not that the benefit of our federal and state deferred tax assets will be realized by way of expected future taxable income in the United States.

Results of Operations

The results of operations presented below should be reviewed in conjunction with the consolidated financial statements and notes included elsewhere in the prospectus. The following tables set forth our results of operations for the periods presented:

	Year Ended January 31,		Six Months Ended July 31,	
	2020	2021	2020	2021
	(in millions)			
Consolidated Statements of Operations Data:				
Revenue:				
Subscription and Reserve rental revenue	$ 235.4	$ 135.9	$ 76.3	$ 72.7
Other revenue	21.5	21.6	12.2	7.5
Total revenue, net	256.9	157.5	88.5	80.2
Costs and expenses:				
Fulfillment	118.1	53.0	32.8	22.3
Technology	40.2	37.7	18.6	20.2
Marketing	22.9	8.1	5.1	7.4
General and administrative	98.9	77.2	42.0	40.6
Rental product depreciation and revenue share	85.2	89.0	47.0	31.6
Other depreciation and amortization	21.6	23.0	11.7	9.9
Total costs and expenses	386.9	288.0	157.2	132.0
Operating loss	(130.0)	(130.5)	(68.7)	(51.8)
Interest income / (expense), net	(24.0)	(46.6)	(20.4)	(29.4)
Other income / (expense), net	(0.1)	6.0	1.1	(3.6)
Net loss before benefit from income taxes	(154.1)	(171.1)	(88.0)	(84.8)
Benefit from income taxes	0.2	—	—	0.1
Net loss	$(153.9)	$(171.1)	$ (88.0)	$ (84.7)

Comparison of the Years Ended January 31, 2021 and 2020

Total Revenue, Net. Total revenue, net was $157.5 million for fiscal year 2020, a decrease of $99.4 million, or 38.7%, compared to $256.9 million for fiscal year 2019. This decrease was primarily driven by the reduction in overall demand directly attributable to the COVID-19 pandemic.

Subscription and Reserve Rental Revenue. Subscription and Reserve rental revenue was $135.9 million for fiscal year 2020, a decrease of $99.5 million, or 42.3%, compared to $235.4 million for fiscal year 2019. This decrease was primarily driven by the 59.0% year over year decrease in active subscriber counts as a result of the COVID-19 pandemic.

Other Revenue. Other revenue was $21.6 million for fiscal year 2020, an increase of $0.1 million, or 0.5%, compared to $21.5 million for fiscal year 2019. This increase was primarily driven by a temporary mix shift from Subscription and Reserve rental revenue to Other revenue during the COVID-19 pandemic. We launched additional resale initiatives and increased promotional activities for resale items in order to increase revenue from subscribers, which resulted in Other revenue representing 13.7% of our total revenue in fiscal year 2020, up from 8.4% in fiscal year 2019.

Costs and Expenses. Total costs and expenses were $288.0 million for fiscal year 2020, a decrease of $98.9 million, or 25.6%, compared to $386.9 million in fiscal year 2019. This decrease was primarily driven by reduced total shipments to be fulfilled as a result of the COVID-19 pandemic, as well as cost saving initiatives put in place as a direct response to the COVID-19 pandemic's impact on the overall business.

Fulfillment. Fulfillment expenses were $53.0 million for fiscal year 2020, a decrease of $65.1 million, or 55.1%, compared to $118.1 million in fiscal year 2019. This decrease was primarily driven by the reduction in total shipments to be fulfilled as a result of the reduced number of active subscribers during the COVID-19 pandemic and the lower number of shipments received by such subscribers. Fulfillment expenses as a percentage of revenue also decreased as a result of efficiencies in transportation rates and fulfillment labor.

Technology. Technology expenses were $37.7 million for fiscal year 2020, a decrease of $2.5 million, or 6.2%, compared to $40.2 million in fiscal year 2019. This decrease was primarily driven by cost saving initiatives put in place as a result of the impact of the COVID-19 pandemic, including contract renegotiations and technology personnel cost reductions.

Marketing. Marketing expenses were $8.1 million for fiscal year 2020, a decrease of $14.8 million, or 64.6%, compared to $22.9 million in fiscal year 2019. This decrease was primarily driven by the decision to reduce paid and brand marketing spend during the COVID-19 pandemic in addition to marketing personnel cost reductions. Marketing expenses unrelated to personnel costs were $4.2 million in fiscal year 2020 and $18.1 million in fiscal year 2019, representing 2.7% and 7.0% of total revenue, respectively.

General and Administrative. General and administrative expenses were $77.2 million for fiscal year 2020, a decrease of $21.7 million, or 21.9%, compared to $98.9 million in fiscal year 2019. This decrease was primarily driven by cost saving initiatives put in place as a result of the impact of the COVID-19 pandemic, including retail store closures and associated personnel and operating expense reductions, contract renegotiations, and other general and administrative personnel cost reductions, partially offset by operating lease disposals as a result of the COVID-19 pandemic. Occupancy expenses (including warehouse-related expenses) contributed to the increase in general and administrative expenses as a percentage of total revenue, increasing from 7.9% in fiscal year 2019 to 11.7% in fiscal year 2020.

Rental Product Depreciation and Revenue Share. Rental product depreciation and revenue share was $89.0 million for fiscal year 2020, an increase of $3.8 million, or 4.5%, compared to $85.2 million in fiscal year 2019. This increase was primarily driven by increased performance based and upfront revenue share payments related to a higher penetration of items acquired through Share by RTR in fiscal year 2020. Rental product depreciation and revenue share increased to 56.5% of total revenue in fiscal year 2020, compared to 33.2% in fiscal year 2019. This increase was primarily driven by a higher level of product on hand relative to lower active subscriber and revenue levels due to COVID-19.

Other Depreciation and Amortization. Other depreciation and amortization was $23.0 million for fiscal year 2020, an increase of $1.4 million, or 6.5%, compared to $21.6 million in fiscal year 2019. This increase was primarily driven by an increase in capitalized software amortization and the timing of depreciation expense associated with assets related to the build out of our new corporate HQ office in Brooklyn, NY put in use in fiscal year 2020.

Interest Income / (Expense), Net. Interest expense, net was $(46.6) million for fiscal year 2020, an increase of $22.6 million, or 94.2%, compared to $(24.0) million for fiscal year 2019. This increase was primarily driven by the incremental accrued payment-in-kind interest and cash interest related to the additional draw downs on our Temasek Facility and payment-in-kind interest, or PIK, related to the addition of our Ares Facility. Of the $(46.6) million total interest expense in fiscal year 2020, $(36.9) million was PIK interest, $(4.7) million was cash, financing lease interest and other interest, and $(5.0) million was debt discount amortization, compared with $(19.0) million PIK interest, $(1.0) million cash, financing lease interest and other interest and $(4.0) million debt amortization in fiscal year 2019.

Other Income / (Expense), Net. Other income / (expense), net was $6.0 million for fiscal year 2020, an increase of $6.1 million, compared to $(0.1) million for the fiscal year 2019. This increase was primarily driven by the receipt of insurance claim proceeds and monetization of a tax credit, partially offset by a loss on debt extinguishment, all of which did not occur in the prior year.

Comparison of the Six Months Ended July 31, 2021 and 2020

Total Revenue, Net. Total revenue, net was $80.2 million for the six months ended July 31, 2021, a decrease of $8.3 million, or 9.4%, compared to $88.5 million for the six months ended July 31, 2020. This decrease was primarily driven by the lower average subscriber count in the current period due to COVID-19.

Subscription and Reserve Rental Revenue. Subscription and Reserve rental revenue was $72.7 million for the six months ended July 31, 2021, a decrease of $3.6 million, or 4.7%, compared to $76.3 million for the six months ended July 31, 2020. While the active subscriber count at July 31, 2021 was 80.0% higher than at July 31, 2020, the average number of active subscribers during the six months ended July 31, 2021 (defined as the average of the number of active subscribers at the end of the current period and the number of active subscribers at the end of the prior period) was 18.8% lower than in the prior period due to timing differences in the impact of COVID-19 on each respective period.

Other Revenue. Other revenue was $7.5 million for the six months ended July 31, 2021, a decrease of $4.7 million, or 38.5%, compared to $12.2 million for the six months ended July 31, 2020. This decrease in the current period was primarily driven by an intentional mix shift of revenue during the first half of fiscal year 2020 (at the peak of the COVID-19 pandemic) from Subscription and Reserve rental revenue to Other revenue which was not done in the first half of fiscal year 2021. In the prior period, we launched additional resale initiatives and increased promotional activities for resale items in order to increase revenue from subscribers. These promotional activities were reduced in the first six months of fiscal year 2021 which resulted in Other revenue representing 9.4% of total revenue in the first six months of fiscal year 2021, down from 13.8% in the same period of fiscal year 2020.

Costs and Expenses. Total costs and expenses were $132.0 million for the six months ended July 31, 2021, a decrease of $25.2 million, or 16.0%, compared to $157.2 million for the six months ended July 31, 2020. This decrease to the prior period was primarily driven by reduced total shipments and lower fulfillment expenses partly as a result of the COVID-19 pandemic and also due to the phase out of the unlimited swap program, as well as lower rental product depreciation and revenue share driven by lower levels of product sold and the partial right-sizing of product relative to the level of active subscribers and revenue and lower revenue share.

Fulfillment. Fulfillment expenses were $22.3 million for the six months ended July 31, 2021, a decrease of $10.5 million, or 32.0%, compared to $32.8 million for the six months ended July 31, 2020. The decrease in dollars and as a percentage of revenue was primarily driven by the reduction in total shipments to be fulfilled from the reduced average number of active subscribers during the COVID-19

pandemic impacted periods and due to the phase out of the unlimited swap program, as well as fulfillment process efficiencies compared to the prior period.

Technology. Technology expenses were $20.2 million for the six months ended July 31, 2021, an increase of $1.6 million, or 8.6%, compared to $18.6 million for the six months ended July 31, 2020. This increase was primarily driven by an increase in hiring and personnel costs for the first six months of fiscal year 2021 to support future technology growth initiatives, compared to the prior period which was impacted by COVID-19 related personnel cost reductions.

Marketing. Marketing expenses were $7.4 million for the six months ended July 31, 2021, an increase of $2.3 million, or 45.1%, compared to $5.1 million for the six months ended July 31, 2020. This increase was primarily driven by the increase in paid marketing spend compared to the prior period which had reduced marketing spend during the COVID-19 pandemic. Marketing expenses unrelated to personnel costs were $5.3 million in the six months ended July 31, 2021 and $3.0 million in the six months ended July 31, 2020, representing 6.6% and 3.4% of total revenue, respectively.

General and Administrative. General and administrative expenses were $40.6 million for the six months ended July 31, 2021, a decrease of $1.4 million, or 3.3%, compared to $42.0 million in the six months ended July 31, 2020. This decrease was partially driven by a $1.9 million decrease in customer experience personnel costs due to fewer subscribers requiring support during the six months ended July 31, 2021, compared to the support required at the onset of COVID-19 in the same period last year. The decrease is also attributable to a $1.2 million increase in the gain/loss from liquidated rental product sales and to a lesser extent the continued benefits of cost-saving initiatives undertaken at the onset of COVID-19, including retail store closures, associated expense reductions and contract renegotiations. This decrease was partially offset by an increase in public readiness preparation costs incurred in the first six months of fiscal year 2021 and $1.8 million of higher corporate personnel costs as the prior period was impacted by COVID-19 related corporate personnel cost reductions.

Rental Product Depreciation and Revenue Share. Rental product depreciation and revenue share was $31.6 million for the six months ended July 31, 2021, a decrease of $15.4 million, or 32.8%, compared to $47.0 million in the six months ended July 31, 2020. Rental product depreciation and revenue share was 39.4% of revenue in the six months ended July 31, 2021, down from 53.1% in the prior period as a result of lower levels of product sold, the partial right-sizing of product relative to the level of active subscribers and lower revenue share.

Other Depreciation and Amortization. Other depreciation and amortization was $9.9 million for the six months ended July 31, 2021, a decrease of $1.8 million, or 15.4%, compared to $11.7 million in the six months ended July 31, 2020. This decrease was primarily driven by lower depreciation associated with our reusable garment bags as this depreciation is time based and fewer bags were purchased and depreciated, as a result of the reduction in shipment volume over the past year.

Interest Income / (Expense), Net. Interest expense, net was $(29.4) million for the six months ended July 31, 2021, an increase of $9.0 million, or 44.1%, compared to $(20.4) million for the six months ended July 31, 2020. This increase was driven by the incremental accrued payment-in-kind interest related to the additional Ares debt entered in October 2020. Of the $(29.4) million total interest expense in the six months ended July 31, 2021, $(23.2) million was PIK interest, $(2.3) million was cash, financing lease interest and other interest and $(3.9) million was debt discount amortization, compared with $(16.2) million PIK interest, $(2.2) million cash and financing lease interest and $(2.0) million debt amortization in the six months ended July 31, 2020.

Other Income / (Expense), Net. Other income / (expense), net was $(3.6) million for the six months ended July 31, 2021, a decrease of $4.7 million, compared to $1.1 million for the six months ended July 31, 2020. This decrease was primarily driven by a non-cash warrant revaluation expense, which did not occur in the prior year, partially offset by the receipt of insurance claim proceeds.

Quarterly Results of Operations

The following table sets forth our unaudited quarterly consolidated statements of operations data by quarter from the first quarter of fiscal year 2019 to the second quarter of fiscal year 2021. The unaudited quarterly consolidated results of operations set forth below have been prepared on the same basis as our audited consolidated financial statements and in our opinion contains all adjustments, consisting only of normal and recurring adjustments, necessary for the fair statement of this financial information. You should read the following information in conjunction with our consolidated financial statements and the accompanying notes thereto included elsewhere in this prospectus. The results of historical periods are not necessarily indicative of the results for any future period, and the results for any quarter are not necessarily indicative of results to be expected for a full year or any other period.

	Three Months Ended									
	April 30, 2019	July 31, 2019	October 31, 2019	January 31, 2020	April 30, 2020	July 31, 2020	October 31, 2020	January 31, 2021	April 30, 2021	July 31, 2021
Consolidated Statement of Operations Data:	(in millions, except share and per share amounts)									
Revenue:										
Subscription and Reserve rental revenue	$ 50.6	$ 58.6	$ 59.2	$ 67.0	$ 52.3	$ 24.0	$ 30.5	$ 29.1	$ 29.8	$ 42.9
Other revenue	4.8	4.8	5.1	6.8	7.3	4.9	5.0	4.4	3.7	3.8
Total revenue, net	55.4	63.4	64.3	73.8	59.6	28.9	35.5	33.5	33.5	46.7
Costs and expenses:										
Fulfillment	23.7	27.9	33.7	32.8	23.0	9.8	11.0	9.2	8.8	13.5
Technology	8.3	9.1	10.9	11.9	10.6	8.0	9.4	9.7	9.7	10.5
Marketing	4.6	4.9	6.3	7.1	3.9	1.2	1.4	1.6	2.6	4.8
General and administrative	19.2	23.4	28.5	27.8	24.6	17.4	17.9	17.3	19.0	21.6
Rental product depreciation and revenue share	17.9	17.9	21.7	27.7	26.5	20.5	22.1	19.9	16.6	15.0
Other depreciation and amortization	3.9	5.1	6.3	6.3	6.1	5.6	5.7	5.6	5.1	4.8
Total costs and expenses	77.6	88.3	107.4	113.6	94.7	62.5	67.5	63.3	61.8	70.2
Operating loss	(22.2)	(24.9)	(43.1)	(39.8)	(35.1)	(33.6)	(32.0)	(29.8)	(28.3)	(23.5)
Interest income / (expense), net	(5.6)	(5.2)	(5.6)	(7.6)	(8.9)	(11.5)	(11.8)	(14.4)	(14.5)	(14.9)
Other income / (expense), net	—	(0.1)	—	—	0.9	0.2	(0.5)	5.4	0.5	(4.1)
Net loss before benefit from income taxes	(27.8)	(30.2)	(48.7)	(47.4)	(43.1)	(44.9)	(44.3)	(38.8)	(42.3)	(42.5)
Benefit from income taxes	—	—	—	0.2	—	—	—	—	—	0.1
Net loss	$ (27.8)	$ (30.2)	$ (48.7)	$ (47.2)	$ (43.1)	$ (44.9)	$ (44.3)	$ (38.8)	$ (42.3)	(42.4)
Net loss per share attributable to common stockholders, based and diluted	$ (2.56)	$ (2.78)	$ (4.45)	$ (4.30)	$ (3.88)	$ (4.04)	$ (3.98)	$ (3.48)	$ (3.75)	(3.75)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	10,838,607	10,894,782	10,945,994	10,976,735	11,112,667	11,112,706	11,115,005	11,127,721	11,287,251	11,300,395

The following table sets forth our quarterly key business and financial metrics by quarter from the first quarter of fiscal year 2019 to the second quarter of fiscal year 2021. The calculation of the key business and financial metrics discussed below may differ from other similarly titled metrics used by other companies, securities analysts or investors, limiting the usefulness of those measures for comparative purposes. These key business and financial metrics are not meant to be considered as indicators of our financial performance in isolation from or as a substitute for our financial information prepared in accordance with GAAP and should be considered in conjunction with other metrics and components of our results of operations, such as each of the other key business and financial metrics and our total revenue, net, fulfillment expenses and net loss.

	Three Months Ended									
	April 30, 2019	July 31, 2019	October 31, 2019	January 31, 2020	April 30, 2020	July 31, 2020	October 31, 2020	January 31, 2021	April 30, 2021	July 31, 2021
	($ in millions)									
Active subscribers (at the end of period)	101,607	106,192	118,827	133,572	52,886	54,228	65,545	54,797	74,018	97,614
Gross profit	$ 13.8	$ 17.6	$ 8.9	$ 13.3	$ 10.1	$ (1.4)	$ 2.4	$ 4.4	$ 8.1	$ 18.2
Gross profit excluding product depreciation	30.8	34.0	27.9	36.6	32.2	14.6	19.2	19.4	20.8	29.4
Adjusted EBITDA	0.8	(1.1)	(10.6)	(7.1)	(3.1)	(7.5)	(5.4)	(4.3)	(6.2)	(1.9)

The following table presents a reconciliation of total revenue, net, the most comparable GAAP financial measure, to each of Fulfillment Profit, Gross Profit Excluding Product Depreciation, and Contribution Profit, respectively, by quarter from the first quarter of fiscal year 2019 to the second quarter of fiscal year 2021:

	Three Months Ended									
	April 30, 2019	July 31, 2019	October 31, 2019	January 31, 2020	April 30, 2020	July 31, 2020	October 31, 2020	January 31, 2021	April 30, 2021	July 31, 2021
	(in millions)									
Total revenue, net	$ 55.4	$ 63.4	$ 64.3	$ 73.8	$ 59.6	$ 28.9	$ 35.5	$ 33.5	$ 33.5	$ 46.7
Fulfillment	23.7	27.9	33.7	32.8	23.0	9.8	11.0	9.2	8.8	13.5
Fulfillment profit	31.7	35.5	30.6	41.0	36.6	19.1	24.5	24.3	24.7	33.2
Revenue share	0.9	1.5	2.7	4.4	4.4	4.5	5.3	4.9	3.9	3.8
Gross profit excluding product depreciation	30.8	34.0	27.9	36.6	32.2	14.6	19.2	19.4	20.8	29.4
Rental product depreciation	17.0	16.4	19.0	23.3	22.1	16.0	16.8	15.0	12.7	11.2
Gross profit	13.8	17.6	8.9	13.3	10.1	(1.4)	2.4	4.4	8.1	18.2
Credit card processing fees	1.9	1.9	2.1	2.3	1.7	0.9	1.0	0.8	1.0	1.3
Contribution profit	11.9	15.7	6.8	11.0	8.4	(2.3)	1.4	3.6	7.1	16.9
Technology	8.3	9.1	10.9	11.9	10.6	8.0	9.4	9.7	9.7	10.5
Marketing	4.6	4.9	6.3	7.1	3.9	1.2	1.4	1.6	2.6	4.8
General and administrative (excluding credit card processing fees)	17.3	21.5	26.4	25.5	22.9	16.5	16.9	16.5	18.0	20.3
Other depreciation and amortization	3.9	5.1	6.3	6.3	6.1	5.6	5.7	5.6	5.1	4.8
Operating loss	$ (22.2)	$ (24.9)	$ (43.1)	$ (39.8)	$ (35.1)	$ (33.6)	$ (32.0)	$ (29.8)	$ (28.3)	$ (23.5)

The following table presents a reconciliation of net loss, the most comparable GAAP financial measure, to Adjusted EBITDA by quarter from the first quarter of fiscal year 2019 to the second quarter of fiscal year 2021:

	Three Months Ended									
	April 30, 2019	July 31, 2019	October 31, 2019	January 31, 2020	April 30, 2020	July 31, 2020	October 31, 2020	January 31, 2021	April 30, 2021	July 31, 2021
	(in millions)									
Net loss	$ (27.8)	$ (30.2)	$ (48.7)	$ (47.2)	$ (43.1)	$ (44.9)	$ (44.3)	$ (38.8)	$ (42.3)	$ (42.4)
Interest (income) / expense, net (1)	5.6	5.2	5.6	7.6	8.9	11.5	11.8	14.4	14.5	14.9
Rental product depreciation	17.0	16.4	19.0	23.3	22.1	16.0	16.8	15.0	12.7	11.2
Other depreciation and amortization (2)	3.9	5.1	6.3	6.3	6.1	5.6	5.7	5.6	5.1	4.8
Stock compensation (3)	1.4	1.5	2.0	1.9	2.0	1.8	2.5	1.9	1.9	2.4
Write-off of liquidated assets (4)	0.7	0.5	1.6	1.3	0.6	0.3	0.7	1.7	1.4	1.4
Non-recurring adjustments (5)	—	0.3	3.6	(0.1)	1.2	2.0	0.7	0.3	1.0	1.8
Benefit from income taxes	—	—	—	(0.2)	—	—	—	—	—	(0.1)
Other (income) / expense, net	—	0.1	—	—	(0.9)	(0.2)	0.5	(5.4)	(0.5)	4.1
Other (gains) / losses (6)	—	—	—	—	—	0.4	0.2	1.0	—	—
Adjusted EBITDA	$ 0.8	$ (1.1)	$ (10.6)	$ (7.1)	$ (3.1)	$ (7.5)	$ (5.4)	$ (4.3)	$ (6.2)	$ (1.9)

(1) Includes debt discount amortization of $1.1 million, $0.9 million, $1.0 million, $1.0 million, $1.0 million, $1.0 million, $1.0 million, $2.0 million, $2.2 million and $1.7 million in the three months ended April 30, 2019, July 31, 2019, October 31, 2019, January 31, 2020, April 30, 2020, July 31, 2020, October 31, 2020, January 31, 2021, April 30, 2021 and July 31, 2021 respectively.

(2) Includes non-rental product depreciation and capitalized software amortization.

(3) Reflects the non-cash expense for stock-based compensation.

(4) Reflects the write-off of the remaining book value of liquidated products that had previously been held for sale.

(5) Non-recurring adjustments for the three months ended October 31, 2019 include $2.9 million of costs related to a September 2019 software outage. Remaining non-recurring adjustments in fiscal year 2019 relate primarily to legal costs and settlements. Non-recurring adjustments in fiscal year 2020 include costs associated with COVID-19-related matters including severance, furlough benefits, one-time bonuses and related legal fees of $0.9 million, $1.9 million, $0.2 million and $0.2 million for the three months ended April 30, 2020, July 31, 2020, October 31, 2020 and January 31, 2021, respectively. Non-recurring adjustments for the three months ended October 31, 2020 include $0.5 million of shipping carrier transition costs. Non-recurring adjustments for the three months ended April 30, 2021 include $0.9 million of costs associated with public readiness preparation and for the three months ended July 31, 2021 include $1.8 million of costs associated with public readiness preparation.

(6) Includes costs associated with the write-off of asset disposals, operating lease termination and foreign exchange.

Quarterly Trends

Our quarterly revenue increased for the periods presented through the first quarter of fiscal year 2020 primarily due to increases in the number of active subscribers. Our quarterly revenue fluctuated in the remaining periods presented primarily due to the impacts of the COVID-19 pandemic. Beginning in March 2020, positivity rates and shelter-in-place restrictions significantly reduced consumer demand for our Subscription and Reserve offerings, and we saw the number of active subscribers decrease. However, a significant number of our subscribers put their membership on pause rather than canceling. Throughout fiscal year 2020 and in the first two quarters of fiscal year 2021, we observed that the number of active subscribers was closely tied to COVID-19 positivity rates and social distancing/shelter-at-home restrictions, resulting in an overall reduction in revenue and revenue growth rates compared to pre-COVID-19 levels during this period.

As COVID-19 restrictions have been relaxed and virus positivity rates declined in fiscal year 2021, we have seen increased demand for our offerings though our quarterly revenue remains below pre-COVID-19 levels. As a result of the Delta variant, new restrictions are being contemplated and implemented by workforces and federal, state and local government officials, which could result in a reduction in revenue and revenue growth rates. As of the date of this prospectus, we do not believe our customer demand and operations have been significantly impacted, but we continue to monitor the pandemic and impact on consumer demand.

Our operating expenses increased for the four quarters of fiscal year 2019 as we scaled to support our growth in operations. In fiscal year 2020, we implemented several cost-saving measures to withstand the COVID-19 pandemic. For example, we paused paid advertising and marketing activities, announced the permanent closure of our brick and mortar retail stores and resized our workforce in our fulfillment centers to better align labor to demand and manage our fulfillment expenses. Overall, during fiscal year 2020, we laid off 33% and furloughed 37% of all employees. In addition, the financial actions we took resulted in a 53% reduction in operating expenses, capital expenditures and product costs, as compared to our pre-COVID-19 budget for April 2020 through January 2021. Throughout the first two quarters of fiscal year 2021, our operating and fulfillment expenses have increased to support additional customer demand, hiring, marketing and continued scaling.

The full extent to which the COVID-19 pandemic, including the spread of any new strains, such as the Delta variant, will directly or indirectly impact our business, quarterly results of operations, and financial condition will depend on future developments that are highly uncertain and cannot be accurately predicted. For additional details, refer to the section titled “Risk Factors.”

Non-GAAP Financial Metrics

In addition to our results determined in accordance with GAAP, we believe the following non-GAAP financial metrics are useful in evaluating our performance. These non-GAAP financial metrics are not meant to be considered as indicators of our financial performance in isolation from or

as a substitute for our financial information prepared in accordance with GAAP and should be read only in conjunction with financial information presented on a GAAP basis. There are limitations to the use of the non-GAAP financial metrics presented in this prospectus. For example, our non-GAAP financial metrics may not be comparable to similarly titled measures of other companies. Other companies, including companies in our industry, may calculate non-GAAP financial metrics differently than we do, limiting the usefulness of those measures for comparative purposes.

Reconciliations of each of the below non-GAAP financial metrics to its most directly comparable GAAP financial measure are presented below. We encourage you to review the reconciliations in conjunction with the presentation of the non-GAAP financial metrics for each of the periods presented. In future periods, we may exclude similar items, may incur income and expenses similar to these excluded items, and may include other expenses, costs and non-recurring items.

Fulfillment Profit, Gross Profit Excluding Product Depreciation and Contribution Profit. We use Fulfillment Profit to measure the efficiency of the inbound, outbound and processing cost of each shipment. We use Gross Profit Excluding Product Depreciation to measure our total variable profit excluding non-cash expenses as an indicator of the cash gross profit available to cover our operating expenses and capital expenditures. We use Contribution Profit to measure the overall efficiency of our business model, including fulfillment expense, total product costs and credit card fees. See "—Our Financial Model" for how we define each of Fulfillment Profit, Gross Profit Excluding Product Depreciation and Contribution Profit and related terms.

The following table presents a reconciliation of Total revenue, net, the most comparable GAAP financial measure, to each of Fulfillment Profit, Gross Profit Excluding Product Depreciation, and Contribution Profit, respectively, for the periods presented:

	Year Ended January 31,		Six Months Ended July 31,	
	2020	2021	2020	2021
	(in millions)			
Total revenue, net	$ 256.9	$ 157.5	$ 88.5	$ 80.2
Fulfillment	118.1	53.0	32.8	22.3
Fulfillment profit	138.8	104.5	55.7	57.9
Revenue share	9.5	19.1	8.9	7.7
Gross profit excluding product depreciation	129.3	85.4	46.8	50.2
Rental product depreciation	75.7	69.9	38.1	23.9
Gross profit	53.6	15.5	8.7	26.3
Credit card processing fees	8.2	4.4	2.6	2.3
Contribution profit	45.4	11.1	6.1	24.0
Technology	40.2	37.7	18.6	20.2
Marketing	22.9	8.1	5.1	7.4
General and administrative (excluding credit card processing fees)	90.7	72.8	39.4	38.3
Other depreciation and amortization	21.6	23.0	11.7	9.9
Operating loss	$(130.0)	$(130.5)	$(68.7)	$ (51.8)

Adjusted EBITDA. Adjusted EBITDA is included in this prospectus because it is a key performance measure used by management to assess our operating performance and the operating leverage of our business.

The following table presents a reconciliation of net loss, the most comparable GAAP financial measure, to Adjusted EBITDA for the periods presented:

	Year Ended January 31,		Six Months Ended July 31,	
	2020	2021	2020	2021
	(in millions)			
Net loss	$(153.9)	$(171.1)	$(88.0)	$ (84.7)
Interest (income) / expense, net (1)	24.0	46.6	20.4	29.4
Rental product depreciation	75.7	69.9	38.1	23.9
Other depreciation and amortization (2)	21.6	23.0	11.7	9.9
Stock compensation (3)	6.8	8.2	3.8	4.3
Write-off of liquidated assets (4)	4.1	3.3	0.9	2.8
Non-recurring adjustments (5)	3.8	4.2	3.2	2.8
Benefit from income taxes	(0.2)	—	—	(0.1)
Other (income) / expense, net	0.1	(6.0)	(1.1)	3.6
Other (gains) / losses (6)	—	1.6	0.4	—
Adjusted EBITDA	$ (18.0)	$ (20.3)	$(10.6)	$ (8.1)

(1) Includes debt discount amortization of $4.0 million in fiscal year 2019, $5.0 million in fiscal year 2020, $2.0 million in the six months ended July 31, 2020 and $3.9 million in the six months ended July 31, 2021.
(2) Includes non-rental product depreciation and capitalized software amortization.
(3) Reflects the non-cash expense for stock-based compensation.
(4) Reflects the write-off of the remaining book value of liquidated products that had previously been held for sale.
(5) Fiscal year 2019 non-recurring adjustments includes $2.8 million of costs related to a September 2019 software outage and $1.0 million related to legal costs and settlements. Fiscal year 2020 non-recurring adjustments includes $3.2 million of costs associated with COVID-19-related matters including severance, furlough benefits, one-time bonuses and related legal fees and $0.5 million of shipping carrier transition costs. Non-recurring adjustments for the six months ended July 31, 2020 include $2.8 million of costs related to COVID-19 related matters including severance, furlough benefits, one-time bonuses, and related legal fees. Non-recurring adjustments for the six months ended July 31, 2021 include $2.7 million of costs related to public readiness preparation.
(6) Includes costs associated with the write-off of asset disposals, operating lease termination and foreign exchange.

Liquidity and Capital Resources

Since our founding, we have financed our operations primarily from net proceeds from the sale of redeemable preferred stock, common stock and debt financings. As of January 31, 2021, we had cash and cash equivalents of $95.3 million and restricted cash of $13.9 million ($3.4 million current and $10.5 million noncurrent), which were primarily held for working capital purposes, and an accumulated deficit of $589.4 million. As of July 31, 2021, we had cash and cash equivalents of $104.0 million and restricted cash of $11.5 million ($1.8 million current and $9.7 million noncurrent), and an accumulated deficit of $674.1 million.

We expect that operating losses and negative cash flows from operations could continue in the foreseeable future as we continue to acquire products and increase other investments in our business. We believe our existing cash and cash equivalents and available access to equity and debt financing will be sufficient to meet our working capital and capital expenditures needs and allow us to comply with our debt covenants for at least the next 12 months from the date of this prospectus.

Our future capital requirements will depend on many factors, including, but not limited to, growth in the number of customers and active subscribers and the timing of investments in technology and personnel to support the overall growth in our business. To the extent that current and anticipated future sources of liquidity are insufficient to fund our future business activities and requirements, we may be required to seek additional equity or debt financing. The sale of additional equity would result in

additional dilution to our stockholders. The incurrence of debt financing would result in debt service obligations and the instruments governing such debt could provide for operating and financing covenants that would restrict our operations. There can be no assurances that we will be able to raise additional capital. In the event that additional financing is required from outside sources, we may not be able to negotiate terms acceptable to us or at all. In particular, the recent COVID-19 pandemic has caused disruption in the global financial markets, which could reduce our ability to access capital and negatively affect our liquidity in the future. If we are unable to raise additional capital when required, or if we cannot expand our operations or otherwise capitalize on our business opportunities because we lack sufficient capital, our business, results of operations, financial condition, and cash flows would be adversely affected.

Cash Flows

The following table summarizes our cash flows for the periods presented:

	Year Ended January 31,		Six Months Ended, July 31,	
	2020	2021	2020	2021
	(in millions)			
Net cash used in operating activities	$ (37.6)	$ (42.8)	$ (26.1)	$ (12.7)
Net cash used in investing activities	(138.6)	(58.4)	(45.6)	(3.4)
Net cash provided by financing activities	177.9	168.5	115.9	22.4
Net increase in cash and cash equivalents and restricted cash	1.7	67.3	44.2	6.3
Cash and cash equivalents and restricted cash at beginning of year	40.2	41.9	41.9	109.2
Cash and cash equivalents and restricted cash at end of year	$ 41.9	$109.2	$ 86.1	$115.5

Cash Flows from Operating Activities. For fiscal year 2020, net cash used in operating activities was $42.8 million, which consisted of a net loss of $(171.1) million, partially offset by non-cash charges of $145.2 million, proceeds from rental product sold of $17.9 million and a net change of $1.0 million in our operating assets and liabilities. The non-cash charges were primarily comprised of $70.8 million of rental product depreciation and write-off expenses, $36.9 million of payment-in-kind interest, $8.2 million of stock-based compensation, $5.2 million of debt discount amortization, gain from remeasurement of the warrant liability, and debt extinguishment costs and $24.1 million of other property and equipment and software depreciation and amortization. Cash flow from operating activities excludes proceeds received from sales of owned rental products that are still in rentable condition; such proceeds are included in cash flow from investing activities.

For fiscal year 2019, net cash used in operating activities was $37.6 million, which consisted of a net loss of $(153.9) million, partially offset by non-cash charges of $127.5 million, proceeds of sale of rental product of $19.3 million and a net change of $8.1 million in our operating assets and liabilities. The non-cash charges were primarily comprised of $76.1 million of rental product depreciation and write-off expenses, $19.0 million of payment-in-kind interest, $6.8 million of stock-based compensation, $4.0 million of debt discount amortization and $21.6 million of other PPE and software depreciation and amortization.

For the six months ended July 31, 2021, net cash used in operating activities was $12.7 million, which consisted of a net loss of $(84.7) million, partially offset by non-cash charges of $72.0 million, proceeds of sale of rental product of $5.6 million and a net change of $5.6 million in our operating assets and liabilities. The non-cash charges were primarily comprised of $23.2 million of rental product depreciation and write-off expenses, $23.2 million of payment-in-kind interest, $4.3 million of stock-

based compensation, $7.5 million loss on remeasurent of warrant liability, $3.9 million of debt discount amortization and $9.9 million of other PPE and software depreciation and amortization.

For the six months ended July 31, 2020, net cash used in operating activities was $26.1 million, which consisted of a net loss of $(88.0) million, partially offset by non-cash charges of $72.8 million, proceeds of sale of rental product of $10.3 million and a net change of $(0.6) million in our operating assets and liabilities. The non-cash charges were primarily comprised of $38.6 million of rental product depreciation and write-off expenses, $16.2 million of payment-in-kind interest, $3.8 million of stock-based compensation, $2.0 million of debt discount amortization and $12.2 million of other PPE and software depreciation and amortization.

Cash Flows from Investing Activities. For fiscal year 2020, net cash used in investing activities was $58.4 million, consisting of $54.9 million of purchases of rental product and $23.8 million of purchases of property and equipment. Both types of spend were materially reduced from their initial planned spend at the onset of the COVID-19 pandemic. The majority of the investment in rental product was to support the planned demand growth prior to the onset of COVID-19, of which $38.8 million was purchased prior to COVID-19. The majority of the investment in property and equipment is related to the investment in automation assets and additional processing machinery and equipment for our warehouses in addition to the buildout of our new headquarters in Brooklyn, NY and capitalized technology labor for multi-warehouse operations processing, site reliability and the build-out of the new subscription programs. The cash used in investing activities was partially offset by $17.9 million of proceeds from sale of owned rental products and $2.4 million of proceeds from sales of liquidated rental products.

For fiscal year 2019, net cash used in investing activities was $138.6 million, consisting of $117.7 million of purchases of rental product and $43.8 million of purchases of property and equipment. The investment in rental product was to support our growth in customer demand. The majority of the investment in property and equipment is related to the buildout of the Arlington warehouse which opened during fiscal year 2019 and investment in automation assets and additional processing machinery and equipment for our Secaucus warehouse. The cash used in investing activities was partially offset by $19.3 million of proceeds from sale of owned rental products and $3.6 million of proceeds from sales of liquidated rental products.

For the six months ended July 31, 2021, net cash used in investing activities was $3.4 million, consisting of $8.5 million of purchases of rental product and $3.9 million of purchases of property and equipment. The investment in rental product was to support our growth in customer demand as a result of the COVID-19 recovery. The majority of the investment in property and equipment was related to investments in automation assets, additional processing machinery and equipment for our Secaucus and Arlington warehouses, and capitalized technology labor for warehouse operation automation, internal systems evolution and security and compliance. The cash used in investing activities was partially offset by $5.6 million of proceeds from sale of owned rental products and $3.4 million of proceeds from sales of liquidated rental products.

For the six months ended July 31, 2020, net cash used in investing activities was $45.6 million, consisting of $42.3 million of purchases of rental product and $13.9 million of purchases of property and equipment. The investment in rental product was to support growth in planned customer demand prior to the onset of COVID-19. The majority of the investment in property and equipment was related to the buildout of our new headquarters in Brooklyn, NY, the investment in automation assets and additional processing machinery and equipment for our warehouses in addition to capitalized technology labor for multi-warehouse operations processing, site reliability and the build-out of new subscription programs. The cash used in investing activities was partially offset by $10.3 million of proceeds from sale of owned rental products and $0.3 million of proceeds from sales of liquidated rental products.

Cash Flows from Financing Activities. During fiscal year 2020, net cash provided by financing activities was $168.5 million, consisting primarily of net proceeds from issuance of debt of $107.7 million and $60.4 million from the issuance of redeemable preferred stock.

During fiscal year 2019, net cash provided in financing activities was $177.9 million, consisting primarily of net proceeds from issuance of debt of $42.6 million and $133.8 million from the issuance of redeemable preferred stock.

During the six months ended July 31, 2021, net cash provided in financing activities was $22.4 million, consisting primarily of $21.2 million from the issuance of redeemable preferred stock.

During the six months ended July 31, 2020, net cash provided in financing activities was $115.9 million, consisting primarily of net proceeds from issuance of debt of $80.5 million and $35.2 million from the issuance of redeemable preferred stock.

Indebtedness

Bank of America Credit Facility. We entered into a revolving credit facility in April 2019, as subsequently amended in June 2020, with Bank of America as agent and lender, and Barclays Bank PLC and Goldman Sachs Bank USA as additional lenders, which we refer to as our Bank of America Credit Facility. In October 2020, we entered into the Ares Facility (as defined below) and repaid in full the outstanding balance of the Bank of America Facility in the amount of $29.5 million, and terminated the credit commitments. The outstanding balance on the Bank of America Credit Facility as of January 31, 2020 and 2021, was $44.0 million and $0, respectively.

Temasek Credit Facility. We entered into a subordinated, junior lien loan agreement in July 2018, as subsequently amended in December 2018, April 2019, November 2019, June 2020, August 2020 and October 2020, with Double Helix Pte Ltd. as administrative agent for Temasek Holdings, which we refer to as our Temasek Facility. We drew $100.0 million of the initial commitments on the closing date and another $50.0 million in November 2019. We drew the remaining $50.0 million of the initial commitments and $30.0 million subsequent commitments in March 2020. The initial commitments bear an interest rate of 15% per annum that accrue as non-cash interest and, after the third anniversary of the loan, we can elect to pay cash interest at 13% per annum in lieu of the 15% non-cash interest. The subsequent commitments bear a cash interest rate of 13% per annum, payable quarterly. If the initial commitments are prepaid or accelerated prior to the fourth anniversary of the loan, we are subject to a prepayment premium. If the subsequent commitments are prepaid or accelerated prior to the 18-month anniversary of the loan, we are subject to prepayment premium amounts. The Temasek Facility contains various events of default, the occurrence of which could result in the acceleration of obligations under the Temasek Facility.

The Temasek Facility matures in July 2023. The outstanding balance on the Temasek Facility as of January 31, 2021 consisted of $230.0 million of outstanding principal, $62.2 million of payment-in-kind interest, netted with $1.9 million of unamortized debt discount. The outstanding balance on the Temasek Facility as of July 31, 2021 consisted of $230.0 million of outstanding principal and $82.4 million of payment-in-kind interest.

Ares Credit Facility. We entered into a first lien facility in October 2020, as subsequently amended in April 2021, with Alter Domus (US) LLC as administrative agent for Ares Corporate Opportunities Fund V, L.P., or Ares, which we call the Ares Facility. In conjunction with the incurrence of the Ares Facility, we issued 1,695,955 shares of our Series G preferred stock to Ares for $25.0 million in aggregate proceeds. The Ares Facility bears an interest rate of 8% per annum to be accrued as non-cash interest, or we can elect to pay cash interest at 6.5% per annum, and the facility

is secured by substantially all of our assets. The Ares Facility requires the original principal to begin to be repaid quarterly at 0.25% starting January 31, 2021 and an exit payment of $1.5 million to be paid once the facility matures or the original principal of $75.0 million is paid in full. The Ares Facility also requires we meet specified financial covenants that are measured based on pre-defined consolidated EBITDA thresholds starting in the second quarter of fiscal year 2021. The consolidated EBITDA covenant allows for an equity cure under certain circumstances. The April and May 2021 Series G proceeds may be applied cumulatively as an equity cure for the quarters ending July 31, 2021 through October 31, 2022. The consolidated EBITDA covenant applies through the quarter ending July 31, 2023. After October 31, 2022, the consolidated EBITDA covenant thresholds increase in each successive quarterly period and continue to allow for an equity cure; however, the proceeds from the April and May 2021 Series G issuances are no longer permitted to be applied. See Note 7 to our audited consolidated financial statements included elsewhere in this prospectus. The Ares Facility requires mandatory prepayment upon defined triggering events as well as permitting optional prepayments and certain of the mandatory prepayment triggering items are subject to a prepayment premium. The Ares Facility contains various events of default, the occurrence of which could result in the acceleration of obligations under the Ares Facility.

The Ares Facility matures at the earlier of October 2023 or 91 days prior to the maturity of the Temasek Facility. The outstanding balance on the Ares Facility as of January 31, 2021 consisted of $75.0 million of outstanding principal, $1.6 million of payment-in-kind interest, netted with $10.9 million of unamortized debt discount and debt issuance costs. The outstanding balance on the Ares Facility as of July 31, 2021 consisted of $74.5 million of outstanding principal, $4.7 million of payment-in-kind interest, netted with $9.0 million of unamortized debt discount and debt issuance costs.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations and commitments as of January 31, 2021:

	Payments Due by Period				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
	(in millions)				
Financing lease liabilities	$ 0.4	$ 0.2	$ 0.2	$ —	$ —
Operating lease liabilities	117.8	15.7	24.8	19.5	57.8
Long term debt(1)	368.8	0.9	367.9	—	—
Total	$487.0	$ 16.8	$392.9	$19.5	$ 57.8

(1) Consists of our Ares Facility, which had an outstanding balance as of January 31, 2021 of $75.0 million of outstanding principal, $1.6 million of payment-in-kind interest, and our Temasek Facility, which had an outstanding balance as of January 31, 2021 of $230.0 million of outstanding principal, $62.2 million of payment-in-kind interest.

For additional discussion on our financing lease liabilities, operating lease liabilities and long term debt, see Notes 4 and 7 to our audited consolidated financial statements included elsewhere in this prospectus.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements and do not have any holdings in variable interest entities.

Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of loss that may impact our financial position because of adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of exposure resulting from potential changes in inflation.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. If our costs become subject to significant inflationary pressures, we may not be able to fully offset such higher costs with increased revenue. Our inability or failure to do so could harm our business, financial condition, and results of operations.

Critical Accounting Policies and Estimates

Management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported revenue generated and expenses incurred during the reporting periods, as well as related disclosures. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities and the amount of revenue and expenses that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions, and any such differences may be material. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

Revenue Recognition

We recognize rental revenue from subscription and on-demand rental fees in accordance with ASC 842. Subscription fees are recognized ratably over the subscription period, commencing on the date the subscriber enrolls in the rental program. We also recognize fees for on-demand rentals ratably over the rental period, which starts with the date of delivery of rental product to the customer.

We recognize revenue from the sale of rental product to our customers in accordance with ASC 606. Sale of rental product occurs in two forms: (i) liquidation at the end of the useful life and (ii) customer purchase of rental product at a discounted price, calculated as a percentage of retail value. The single performance obligation associated with rental product sales is generally satisfied upon delivery of the rental product to the customer.

Revenue is presented net of promotional discounts, customer credits and returns. Promotional discounts are recognized in accordance with either ASC 842 or ASC 606, based on the revenue recognition guidance applied to the rental fees or product sales to which the promotional discounts are related. Revenue is presented net of taxes that are collected from customers and remitted to governmental authorities.

A liability is recognized at the time a customer credit or a gift card is issued, and revenue is recognized upon redemption of the credit or gift card. Customer credits and gift cards do not have expiration dates. Over time, a portion of these instruments is not redeemed. We recognize breakage

income based on the redemption pattern method. We continue to maintain the full liability for the unredeemed portion of the credits and gift cards for any legal obligation to remit such credits to government authorities in relevant jurisdictions.

Rental Product

We consider rental product to be a long-term productive asset and, as such, classify it as a noncurrent asset on the consolidated balance sheets. Rental product is stated at cost, less accumulated depreciation. We depreciate rental product, less an estimated salvage value, over the estimated useful lives of the assets using the straight-line method. The useful life is determined based on historical trends and an assessment of any future changes. The salvage value considers the historical trends and projected liquidation proceeds for the assets.

Right of Use Assets

Right-of-use assets and lease liabilities are measured and recognized at the lease commencement date based on the present value of lease payments over the expected lease term. The estimated incremental borrowing rate, used to determine the present value of future minimum lease payments, is determined at the lease effective date or lease commencement date, whichever is later, and is subsequently reassessed upon modification to the lease arrangement. The determination of the estimated incremental borrowing rate requires judgement and is primarily based on publicly available information for companies within the same industry and with similar credit profiles.

Share-Based Compensation

We measure share-based compensation expense for all equity classified awards based on the estimated fair value of the awards on the date of grant. The fair value of stock options is recognized as compensation expense on a straight-line basis over the requisite service period of the award. We estimate grant date fair value of stock options using the Black-Scholes option pricing model, which requires the input of subjective assumptions, including the following:

- ***Fair value of common stock***. Because our common stock is not yet publicly traded, we are required to estimate the fair value of its common stock. The fair value of the shares of common stock underlying the stock options has historically been determined by a third-party valuation firm and approved by our Board of Directors. The fair value of our common stock is determined by considering a number of objective and subjective factors, including: the valuation of comparable companies, sales of preferred stock to unrelated third parties, our operating and financial performance, the lack of liquidity of common stock and general and industry specific economic outlook, among other factors.
- ***Expected volatility***. As a result of the lack of historical and implied volatility data of our common stock, the expected stock price volatility has been estimated based on the historical volatilities of a specified group of companies in its industry for a period equal to the expected life of the option. We selected companies with comparable characteristics to it, including enterprise value, risk profiles, and position within the industry, and with historical share price information sufficient to meet the expected term of the stock options. The historical volatility data has been computed using the daily closing prices for the selected companies.
- ***Expected term***. The expected term of stock options represents the weighted-average period the stock options are expected to remain outstanding and is estimated under the simplified method using the vesting and contractual terms.

- ***Risk-free interest rate***. The expected risk-free rate assumption is based on the U.S. Treasury instruments whose term is consistent with the expected term of the stock options.
- ***Expected dividend yield***. The expected dividend assumption is based on our history and expectation of dividend. We have not paid dividends and do not expect to do so in the foreseeable future.

Upon grant of awards, we also estimate an amount of forfeitures that will occur prior to vesting. We estimate forfeitures based on the dynamic forfeiture model based on our historical forfeitures of stock options adjusted to reflect future changes in facts and circumstances, if any.

We have also granted RSUs which vest only upon satisfaction of both time-based service and performance-based conditions. As of January 31, 2021, we have not recognized share-based compensation expense for awards with performance-based conditions which include a qualifying event because the qualifying event is not probable. In the period in which the qualifying event, such as an initial public offering, becomes probable, we will record a cumulative one-time share-based compensation expense determined using grant-date fair values. Share-based compensation related to any remaining time-based service after the qualifying event will be recorded over the remaining requisite service period. We will record share-based compensation expense for RSUs on an accelerated attribution method over the requisite service period, which is generally 4 years, and only if performance-based conditions are considered probable to be satisfied. The total unrecorded share-based compensation expense related to these awards was $12.7 million as of January 31, 2021. The total unrecorded share-based compensation expense relating to RSUs for which the time-based service vesting condition had been satisfied or partially satisfied as of January 31, 2021 was $7.6 million, which represents the amount of cumulative compensation expense that would have been recognized in our financial statements had the initial public offering been determined to be probable at January 31, 2021.

Warrants

Our warrants that do not meet the criteria for equity treatment must be recorded as liabilities. Accordingly, we classify the warrants as liabilities at their fair value and adjust the warrants to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in our statements of operations. The warrants are valued using a Black-Scholes option pricing model. The assumptions used in preparing the model include estimates such as fair value of the underlying shares, expected volatility, expected term, risk-free interest rate and expected dividend yield. This valuation model uses unobservable market share price input on a recurring basis, and therefore the liability is classified as Level 3.

Recent Accounting Pronouncements

See Note 2 to our consolidated financial statements included elsewhere in this prospectus for a description of recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted.

JOBS Act

We currently qualify as an “emerging growth company” under the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. Accordingly, we are provided the option to adopt new or revised accounting guidance either (i) within the same periods as those otherwise applicable to non-emerging growth companies or (ii) within the same time periods as private companies. We have elected to adopt

new or revised accounting guidance within the same time period as private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period. Accordingly, our utilization of these transition periods may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the transition periods afforded under the JOBS Act.

BUSINESS

Our Mission

Our mission is to power women to feel their best every day.

Since our founding, we have disrupted the trillion-dollar fashion industry and changed the way women get dressed by creating the world's first Closet in the Cloud: a dream closet filled with a massive selection of designer styles to rent, wear and return (or keep!).

Overview

We built the world's first and largest shared designer closet — what we call the Closet in the Cloud — with over 18,000 styles by over 750 designer brands that has transformed the way women get dressed by letting them wear whatever they want, without having to own it. We give customers ongoing access to our "Unlimited Closet" through our Subscription offerings or the ability to rent a-la-carte through our Reserve offering. We also give our subscribers and customers the ability to buy our products through our Resale offering. Our Closet in the Cloud offers a wide assortment of items for every occasion, from evening wear and accessories to ready-to-wear, workwear, denim, casual, maternity, outerwear, blouses, knitwear, loungewear, jewelry, handbags, activewear, ski wear, home goods and kidswear. We have served over 2.5 million lifetime customers across all of our offerings and we had 126,841 total subscribers (active and paused) as of July 31, 2021. In the first six months of fiscal year 2021, 83% of our total revenue was generated by subscribers.

We have created a two-sided discovery engine: customers are finding new brands they love and brand partners are finding new customers they need. For customers, we unlock freedom of self-expression through access to our "Unlimited Closet" that has a constantly rotating supply of styles for all occasions, seasons, moods and price points. This leads to deep engagement with our platform as customers discover new brands they love. Brand partners are able to tap into our large, engaged community to discover new customers and get unparalleled data insights. All of this helps them grow their businesses and encourages them to partner more closely with us over time.

When our customers use Rent the Runway, they experience the magic of accessing an “Unlimited Closet” while saving money and time and reducing clothing waste. We deliver significant financial value to customers, with our average subscriber wearing clothes worth more than 20 times what she pays for a monthly RTR subscription on an annualized basis (more than $37,000 in designer retail value annualized for the first six months of fiscal year 2021).[18] We have become an everyday utility; our average subscriber wears Rent the Runway 83 days per year. Even in fiscal year 2020, a year impacted by shelter-in-place orders and lack of in-office work or social events, our average subscriber wore RTR 74 days of the year. We believe that the convenience of our service and access to a broad assortment of designer brands, categories and styles helps drive our strong customer engagement.

Our tremendous selection is enabled by our designer brand partnerships. We source our products directly from over 750 brand partners that include many of the most renowned and relevant names in the fashion industry. Our platform continues to be a valued launching pad for new and emerging brands and a business builder for existing brands. The transformative nature of our customer value proposition means our customers are younger and different from other audiences our brands are exposed to. Approximately 91% of our brand partners work with us because we introduce them to new, desirable customers and deepen awareness of their brands. Over the last 12 years, we have fostered strong relationships with our brand partners and we have retained nearly 100% of our brand partners.

18 We calculate designer retail values using original retail and/or comparable value prices. An original retail price is the price at which the manufacturer suggested that retailers in the marketplace, including department stores and specialty retailers, sell the item in new condition. A comparable value price is used for our Exclusive Designs and is based on an evaluation of prices for new comparable merchandise sold elsewhere in the marketplace.

Our Closet in the Cloud connects our deeply engaged customers and our differentiated brand partners on a powerful platform built around our brand, data, logistics and technology advantages.

- ***Brand Partner Advantage***. Our assortment contains thousands of new, current season styles procured from our brand partners that luxury competitors simultaneously carry - all available for subscription, a-la-carte rental, and resale at much lower prices. We believe our engaged and loyal customer base paired with the data that we provide to our brand partners makes us an essential destination for many of the world's most important brands. As we have grown, our commercial relationships with our brand partners have evolved to balance our margins and the capital needs of our business.
- ***Data Advantage***. We capture a vast amount of unique, actionable data on our customers and products. We leverage this data to create benefits for our customers (deep personalization of styles and fit), brand partners (understanding of customer demand patterns and garment lifecycle) and our business (higher subscriber lifetime value and better product return on investment).
- ***Technology and Logistics Advantage***. We have developed a proprietary operating system for the sharing economy of physical goods that pairs proprietary intelligent software with differentiated infrastructure and hardware. Our expertise in vertically integrated just-in-time reverse logistics and garment science allows us to achieve multi-year monetization on our garments. We have also built a custom front-end platform that supports all of our offerings in one easy experience for the customer.

Since our inception, organic growth, or word-of-mouth marketing, has been a key advantage for RTR. Because of the self-confidence they feel when they rent, the majority of our customers publicly share their love of the Rent the Runway experience on social media and in their personal lives, which helps drive brand awareness and new customer acquisition. Our "Unlimited Closet" inspires women to experiment with fashion and rent bold, colorful, dynamic pieces that become natural conversation starters with their friends and family and create strong virality for the platform. As a result, since our founding, we have spent less than 10% of total revenue on marketing, and our growth has been mostly organic. Approximately 88% of our customers over the last 12 years have been acquired organically. Our brand and deeply engaged community have allowed us to acquire customers efficiently even as we have scaled.

We generate revenue from our Subscription, Reserve and Resale offerings. The majority of revenue comes from our Subscription offering, which is highly recurring and drives customer engagement.

We have achieved the following operating and financial results for fiscal year 2019 and 2020, respectively:

- We had 147,866 and 95,245 ending total subscribers, respectively, and 133,572 and 54,797 ending active subscribers (excluding paused subscribers), respectively;
- Revenue was $256.9 million and $157.5 million, respectively;
- Gross Profit was $53.6 million and $15.5 million, respectively;
- Gross Profit Excluding Product Depreciation was $129.3 million and $85.4 million, respectively;
- Net Loss was $(153.9) million and $(171.1) million, respectively; and
- Adjusted EBITDA was $(18.0) million and $(20.3) million, respectively.

We have achieved the following operating and financial results for the six months ended July 31, 2020 and 2021, respectively:

- We had 108,752 and 126,841 ending total subscribers, respectively, and 54,228 and 97,614 ending active subscribers (excluding paused subscribers), respectively;
- Revenue was $88.5 million and $80.2 million, respectively;
- Gross Profit was $8.7 million and $26.3 million, respectively;
- Gross Profit Excluding Product Depreciation was $46.8 million and $50.2 million, respectively;
- Net Loss was $(88.0) million and $(84.7) million, respectively; and
- Adjusted EBITDA was $(10.6) million and $(8.1) million, respectively.

Trends in Our Favor

We are witnessing trends that are driving consumer and brand behavior in our favor, though the extent to which they may be impacted by the COVID-19 pandemic remains uncertain.

Consumer Trends

Some of the key trends impacting consumers in our industry include:

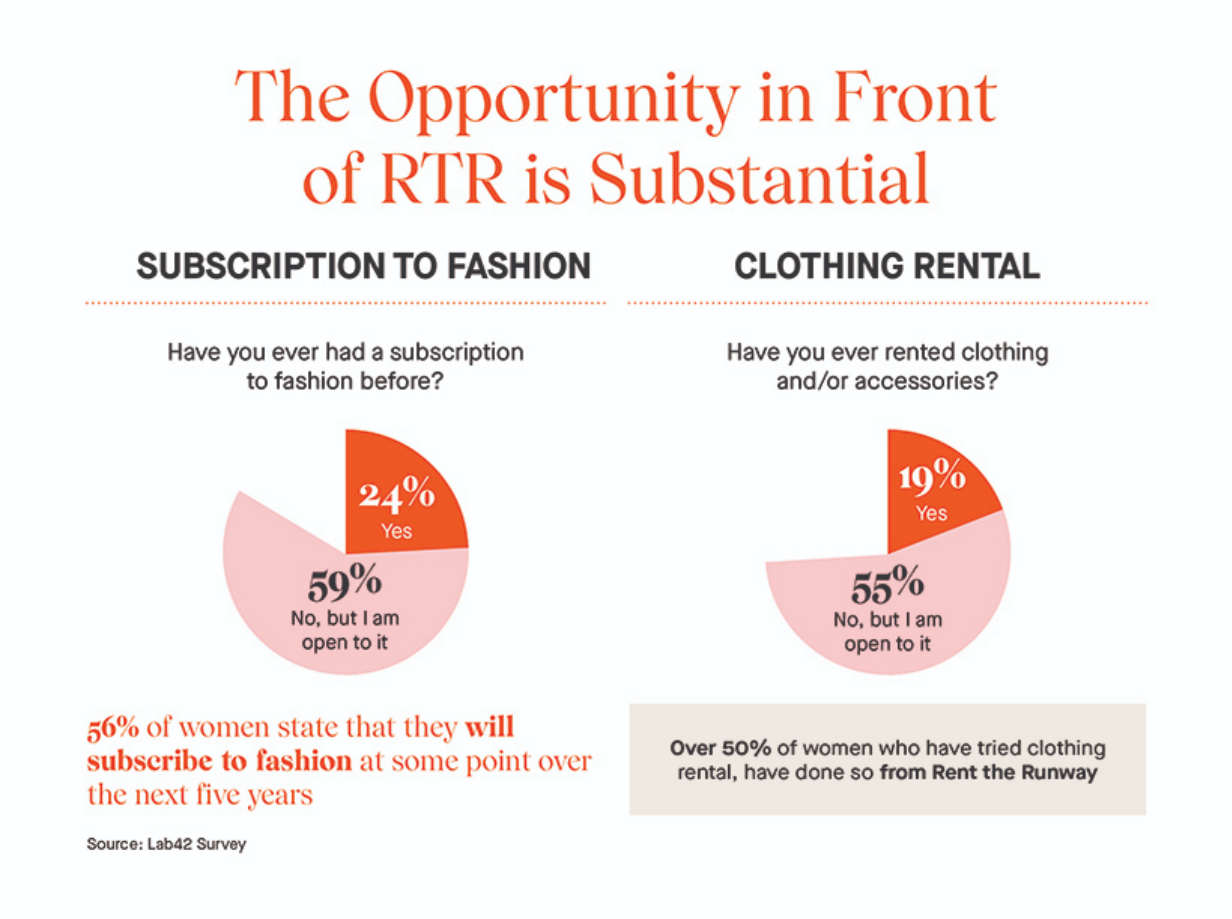
- ***Shift from Ownership to Access*****:** The shift from ownership to access has been rapid across many categories and has expanded the total addressable market opportunity by reducing barriers to entry from music to media to homes. In 2020, access models represented 64% of the U.S. recorded music market, 71% of the U.S. home entertainment market and 17% of the U.S. hospitality market. Businesses such as Spotify, Netflix and Airbnb have been built in the transition to access and we believe that the apparel industry is ripe for this same disruption. We are at the beginning of a revolution of how people choose to dress and express themselves. Across the retail landscape, many customers are acting in a manner that already mirrors an access/rental model, by returning items more frequently, through buying and reselling secondhand clothing, and by purchasing and disposing of fast fashion, often within 12 months.
- ***Desire for Variety and Newness:*** Consumers are increasingly seeking variety and newness in their wardrobes. Closets are growing and, according to the Wall Street Journal, the average consumer buys approximately 70 items of clothing per year as compared to 40 items per year in 1990. Yet as we buy more, we wear less. The consumer preference for newness means 55% of the closet is not worn regularly, leading to massive financial and environmental waste. The average consumer already operates with a rental mentality. 33% of women consider an outfit to be “old” after wearing it fewer than three times.[19]
- ***Growth of Online Shopping:*** Despite the fact that closets are growing, online sales represent the fastest growing part of the apparel market. U.S. online apparel grew at a 17% CAGR between 2015 and 2020 while the broader apparel sector declined, according to Euromonitor. Mobile has seen even faster growth as consumers increasingly use their smartphones to discover and shop. According to Euromonitor, U.S. mobile e-commerce grew at a 35% CAGR between 2015 and 2020.[20] These trends have been accelerated by the COVID-19 crisis as consumers have moved their shopping online.
- ***Social Media Driving Fashion:*** Social media is driving a greater awareness and participation in fashion. The ubiquity of fashion on social media has meant that consumers have a higher

19 Hubbub, Inc.
20 Euromonitor, Retailing 2020. Retail Value RSP excludes sales tax, current prices and year-over-year exchange rates.

awareness of aspirational brands outside their income level and are taking fashion cues from their friends and influencers as opposed to industry experts. Millennials post nine selfies a week, according to Now Sourcing, and one in seven women considers it a fashion faux-pas to be photographed in an outfit twice, according to McKinsey.[21] It's no surprise that, based on our July 2021 Lab42 Survey, the majority of women say social media has increased the pressure they feel to have variety in their wardrobes.

- ***An Increasingly Female Workforce:*** As of January 2021, women represented 47% of the workforce, up from 38% in 1970, according to the U.S. Bureau for Labor Statistics and U.S. Census, but control 70 to 80% of household spending (according to Forbes).[22] This increasingly female workforce is spending 3x more than their male counterparts on workwear, with 50% of women feeling pressure to be "put together" at work and 41% believing how they dress impacts how they are perceived as leaders according to a Refinery29 study. There are many unspoken (and sometimes spoken) rules around how professional women should dress including appropriate outfits, preferred designers, and suitable professional styles. Half of the women surveyed say they have nothing to wear at least a few times a week, but still spend three hours a week getting dressed.[23]
- ***Importance of Sustainability:*** Consumers are increasingly aware of the impact their choices are making on the environment, seeking more sustainable alternatives, and holding brands accountable. According to McKinsey, internet searches for "sustainable fashion" grew 3x between 2016 and 2019 and hits on the Instagram hashtag #sustainablefashion grew 5x between 2016 and 2019 in the U.S. and Europe.[24] The COVID-19 pandemic accelerated this tailwind. 56% of women place more value on sustainability as it relates to fashion choices than they did five years ago.
- ***Normalization of Secondhand:*** Secondhand fashion has become more mainstream, driven by its affordability, uniqueness, selection and alignment with environmental consciousness. According to the July 2021 Lab42 Survey, 91% of women have purchased or are open to purchasing secondhand clothing.

21 Workforce representation according to McKinsey & Co., The State of Fashion, 2019.
22 U.S. Census Bureau, Women Are Nearly Half of U.S. Workforce But Only 27% of STEM Workers, January 2021. Control of household spending according to Forbes, 20 Facts and Figures to Know When Marketing to Women, May 2019.
23 Refinery29 Survey.
24 McKinsey & Co., Style That's Sustainable: A New Fast-Fashion Formula, October 2016.



All designer brands, whether accessible or prestige, have faced structural shifts in the retail landscape that have made it more challenging for them to succeed. Those challenges include:

- ***Decline of Traditional Wholesale Channels:*** Customers are shopping less in wholesale channels such as physical stores, where new customers were traditionally introduced to new brands. Declining foot traffic and discovery in traditional wholesale channels is leading to bankruptcies and store closures. It is estimated that 80,000 retailers, or 9% of the 878,000 stores in the U.S. will close their doors in the next five years. Department stores, one-fifth of which have closed since 2018, have traditionally represented a majority of brands' revenue, making a decline in traffic a headwind on revenue.
- ***Heightened Competition from Mass and Fast Fashion*:** The desire for newness has led to enormous competition in the apparel industry from mass and fast fashion brands who can quickly manufacture and copy styles at lower prices than designer brands. In 2020, mass market and fast fashion comprised 42% of the U.S. apparel market up from 31% ten years ago. It has also forced designer brands to create bigger collections more frequently. For example, according to McKinsey, among European apparel companies, the average number of clothing collections per year more than doubled between 2000 and 2011, increasing brand costs and impacting their profitability.[23] Additionally, consumers' desire for variety has led to losses for brands.
- ***Direct-to-Consumer, or DTC, as an Essential Channel for Every Brand:*** Given the growth in online and the challenges associated with traditional wholesale channels, brands are increasingly seeking DTC channels but often lack the financial or human capital to build them.
- ***Larger, More Fractured Discovery Landscape:*** It is increasingly important for brands to innovate their approach to customer acquisition. According to Publicis Sapient, 87% of

shoppers today begin product searches online, meaning that younger customers are missing from the traditional in-store brand discovery funnel and instead focused on direct search for brands they already know. Additionally, new brands emerge each year, providing customers with an endless aisle of choices yet leaving brands with a customer discovery challenge.

- ***Aging Consumer Base:*** The combination of a decline in traditional offline channels, the difficulty for brands in moving online and the fractured discovery landscape has left brands with an aging consumer base from traditional retail outlets. The average age of a luxury department store customer is 51 years old, meaning it is more difficult for brand partners to reach younger customers through traditional channels.
- ***Growing Importance of Data:*** Data is critical to helping brands assess their product and efficiently acquire customers. Brands need information about trends, product quality and fit and need data to help them fuel customer acquisition and loyalty. Through traditional wholesale channels, brands receive very minimal data, and the data they do receive is often a season old.

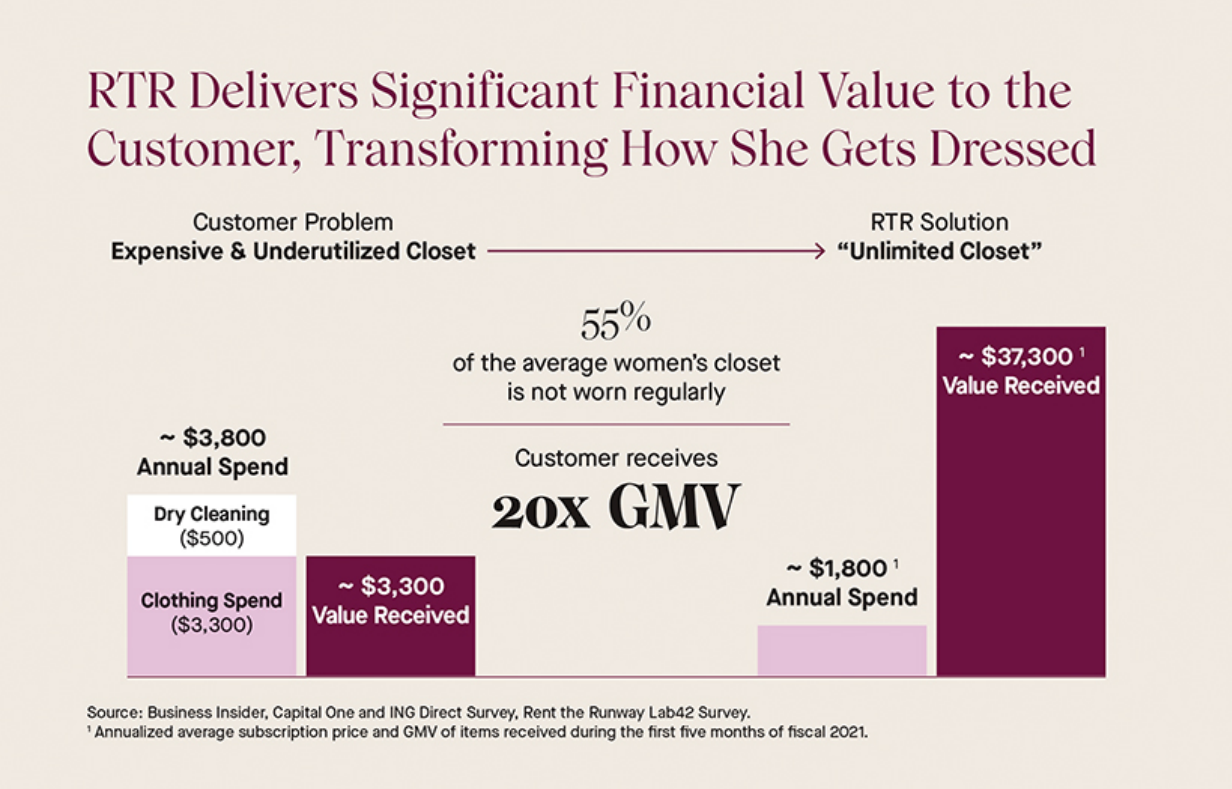
Our Platform: The Closet in the Cloud

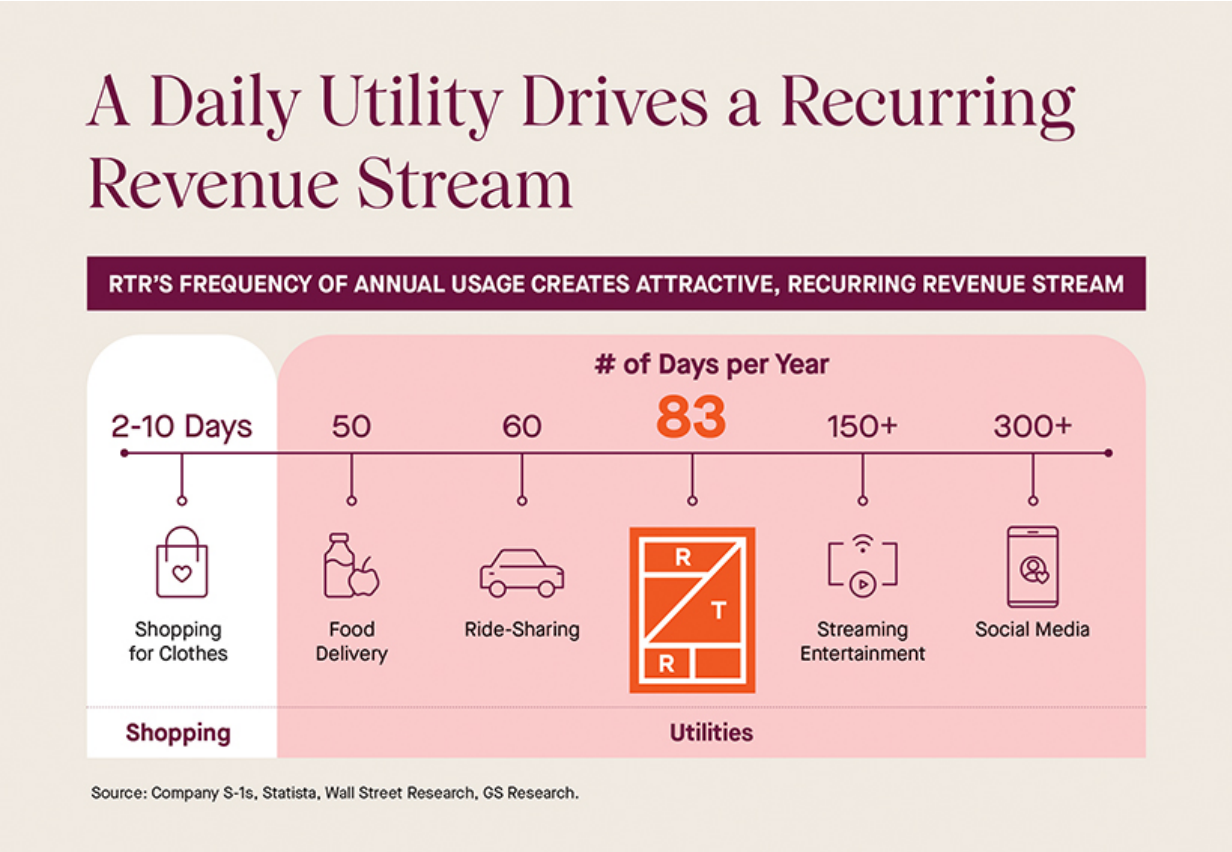
We built the world's first and largest designer closet that we call the Closet in the Cloud. We give customers the ability to subscribe, rent a-la-carte through our Reserve offering, or buy from over 18,000 styles by over 750 designer brands. We started with a-la-carte rentals of evening wear and accessories for special occasions, and have grown our assortment to include products for subscription across multiple use cases including ready-to-wear, workwear, denim, casual, outerwear, blouses, knitwear, loungewear, jewelry, handbags, activewear, maternity, ski wear, home goods and kidswear amongst other categories. We have served over 2.5 million lifetime customers across all of our offerings and in the first six months of fiscal year 2021, 83% of our total revenue came from subscribers.

We have created a two-sided discovery engine: customers are finding new brands they love and brands are finding new customers they need. For customers, we unlock freedom of self-expression through access to our "Unlimited Closet" that has a constantly rotating supply of styles for all occasions, seasons, moods and price points. For brand partners, we enable them to grow their customer bases, their access to data and their businesses. Our Closet in the Cloud connects our deeply engaged customers and our differentiated brand partners on a powerful platform built around our brand, data, logistics and technology advantages.

- **Our Customers**: In fiscal year 2019, approximately 700,000 unique customers discovered and engaged with brands on our platform. During the first half of fiscal year 2021, we had approximately 134,000 unique customers in the first quarter and 197,000 unique customers in the second quarter. We deliver significant financial value to customers, with our average subscriber wearing clothes worth more than 20 times what she pays for a monthly RTR subscription on an annualized basis (more than $37,000 in designer retail value annualized for the first six months of fiscal year 2021).[25] We have become an everyday utility, with our average subscriber wearing Rent the Runway 83 days per year.

25 We calculate designer retail values using original retail and/or comparable value prices. An original retail price is the price at which the manufacturer suggested that retailers in the marketplace, including department stores and specialty retailers, sell the item in new condition. A comparable value price is used for our Exclusive Designs and is based on an evaluation of prices for new comparable merchandise sold elsewhere in the marketplace.


RTR Delivers Significant Financial Value to the Customer, Transforming How She Gets Dressed
Customer Problem
Expensive & Underutilized Closet
RTR Solution
"Unlimited Closet"
55%
of the average women's closet is not worn regularly
Customer receives
20x GMV
~ $3,800
Annual Spend
Dry Cleaning ($500)
Clothing Spend ($3,300)
~ $3,300
Value Received
~ $1,800 1
Annual Spend
~ $37,300 1
Value Received
Source: Business Insider, Capital One and ING Direct Survey, Rent the Runway Lab42 Survey.
1 Annualized average subscription price and GMV of items received during the first five months of fiscal 2021.


A Daily Utility Drives a Recurring Revenue Stream
RTR'S FREQUENCY OF ANNUAL USAGE CREATES ATTRACTIVE, RECURRING REVENUE STREAM
of Days per Year
2-10 Days
50
60
83
150+
300+
Shopping for Clothes
Food Delivery
Ride-Sharing
R T R
Streaming Entertainment
Social Media
Shopping
Utilities
Source: Company S-1s, Statista, Wall Street Research, GS Research.

Our Closet in the Cloud provides customers boundless opportunities for self-expression and fun. Our focus has been on democratizing fashion and bringing in new customers who are driven by the ability to find new brands and take fashion risks without the commitment of purchasing. We have become a brand discovery engine for our customers with 98% of our subscribers trying new brands on Rent the Runway they have never owned before and subscribers interacting with an average of 54 brands in their first year with us.

- **Our Brand Partners:** We source our products directly from over 750 brand partners. Our partners include many of the most renowned and relevant names in the fashion industry, from iconic designers such as Tory Burch, Diane Von Furstenberg and Ralph Lauren, contemporary designers such as ALC, Ganni and Veronica Beard, rising stars such as Rosie ıAssouline and Paco Rabanne, and fashion darlings such as Proenza Schouler, Maison Margiela, Altuzarra and JW Anderson. Our platform continues to be a valued launching pad for new and emerging brands and a business builder for existing brands. Over the past six years, we were launch partners with 80% of the LVMH prize winners, a leading award for young designers, in line with luxury destinations including Bergdorf Goodman and Matches Fashion.

Approximately 91% of our brand partners say they work with us because we introduce them to new, desirable customers and deepen awareness of their brands. This new customer base coupled with our curated selection and sustainable business model attracts brand partners such as Cecilie Bahnsen, Khaite, Sandy Liang, Thebe Magugu and Pyer Moss who have achieved cult status in the fashion industry and are extremely selective about their distribution. We have fostered strong relationships with our brand partners and we have retained nearly 100% of our brand partners.

Our two-sided discovery engine sits at the center of Rent the Runway and creates our flywheel. As customers experience the magic of wearing whatever they want from an “Unlimited Closet” at a great price, they discover new brands. Brands gain new customers through our platform and significant data insights. The unparalleled value we provide to our brand partners leads them to engage with us more deeply, broaden their assortment on Rent the Runway and work with us in designing exclusive products. As we increase categories and styles available on our platform, we see higher engagement from current customers as they use us more days per year and across more diverse use cases. We saw that our average subscriber went from using Rent the Runway to get dressed 51 days in 2017 to 83 days in 2019.[26] Compared to 2016, our subscribers in the first half of fiscal year 2021 rented from 25% more brands in their first 90 days as a subscriber.[27] Our deep customer engagement further fuels our data advantage and our value proposition to new and existing brand partners.

Our platform and business model are driven by three core advantages:

- ***Our Brand Partner Advantage:*** Unlike most other players in the secondhand economy, we procure our assortment directly from brands, as opposed to customers’ closets. We control what items we have on our platform. Our assortment contains thousands of new, current season styles that our luxury competitors simultaneously carry - all available for subscription, a-la-carte rental, and sale at much lower prices. We believe our engaged and loyal customer base paired with the data and business insights that we provide to our brand partners, typically quarterly, makes us an essential destination for many of the world’s most important brands. 91% of our brand partners state that “RTR enables my brand to reach a new and/or different customer compared to other wholesale accounts that are essential to my business success.” As we have grown, our commercial relationships with our brand partners have evolved to balance our margins and the capital needs of our business. We work with brands through a combination of Wholesale, revenue share arrangements through our “Share by RTR” capability and co-manufacturing of

26 Average subscriber wears calculated based on subscriber engagement in calendar year 2019 on an annualized basis.
27 Refers to the majority of subscribers, who receive at least two shipments per month.

"Exclusive Designs" driven by RTR's data platform. 91% of our brand partners say that they see RTR as part of the future of fashion.

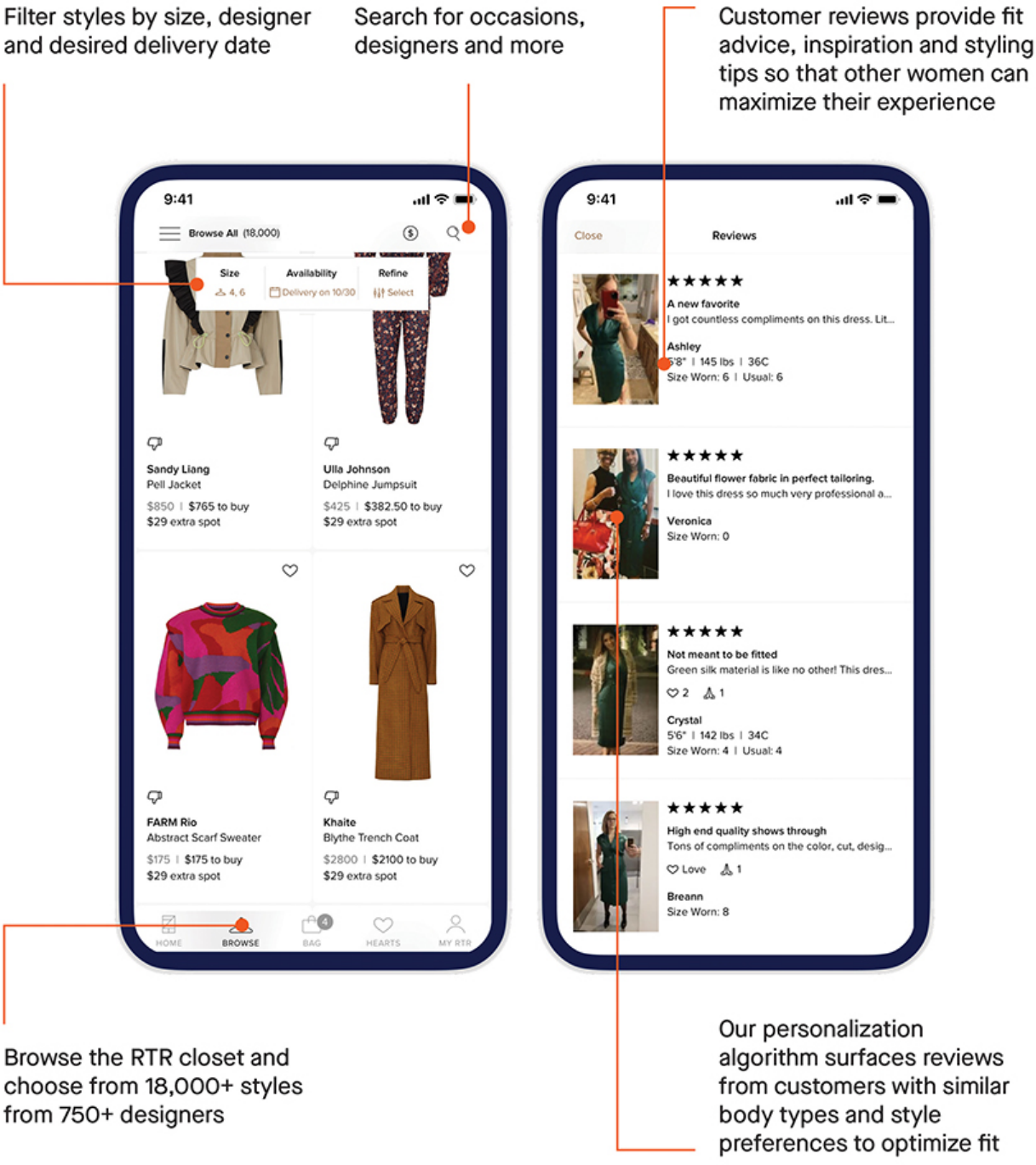
- ***Our Data Advantage:*** Our ability to best serve customers and brand partners stems from our deep understanding of both sides of our platform. Our data is one-of-a-kind and propels our customer value proposition, our relationship with our brands and our financial model. Our data enables us to increase customer lifetime value and return on investment of our products. We collect a variety of data, and, given the frequency of use of our subscribers, we are able to capture more than 6,200 unique data points per active subscriber per year and up to 27 unique rental product data points per item each time it is rented.
- ***Our Technology and Logistics Advantage:*** Over the last 12 years, we have developed a proprietary operating system for the sharing economy of physical goods. Our operating system is extensible, allowing us to be the backbone for a business model that gives the customer full flexibility to subscribe, rent a-la-carte or buy. Our operating system consists of distributed reverse logistics infrastructure, proprietary and third-party software, and data products and algorithms. Given that much of our operating system had to be developed from scratch, we have acquired significant data and process know-how over the years that help us scale efficiently. We are experts in vertically-integrated just-in-time reverse logistics and garment science allowing us to achieve multi-year monetization on our garments and maximize utilization of our products. Our vertical integration has allowed us to better control our customer and brand partner experience while creating efficiencies of scale throughout the business. We have processed over 40 million units over the past decade and $15.9 billion in GMV.

How It Works

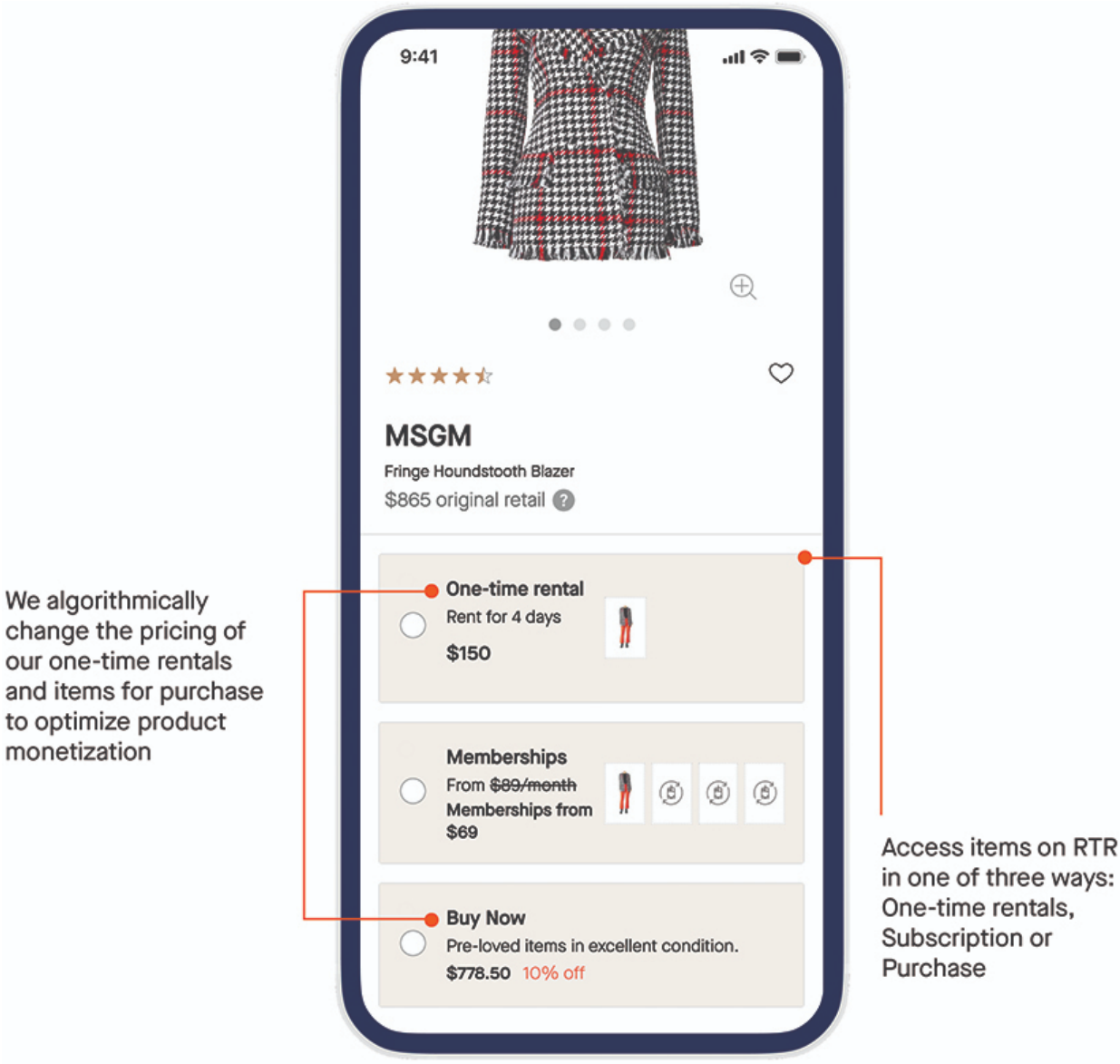
We offer customers three ways to access our closet: subscription, a-la-carte rentals and resale.

Browse

Customers access thousands of styles from more than 750 brands as they use our filters, site navigation and search functionality to find pieces that suit their needs. Before selecting a style to order, customers can use the 1.7 million free-form customer reviews, including nearly 700,000 photo reviews, posted by our community, to understand the size and fit of different items.

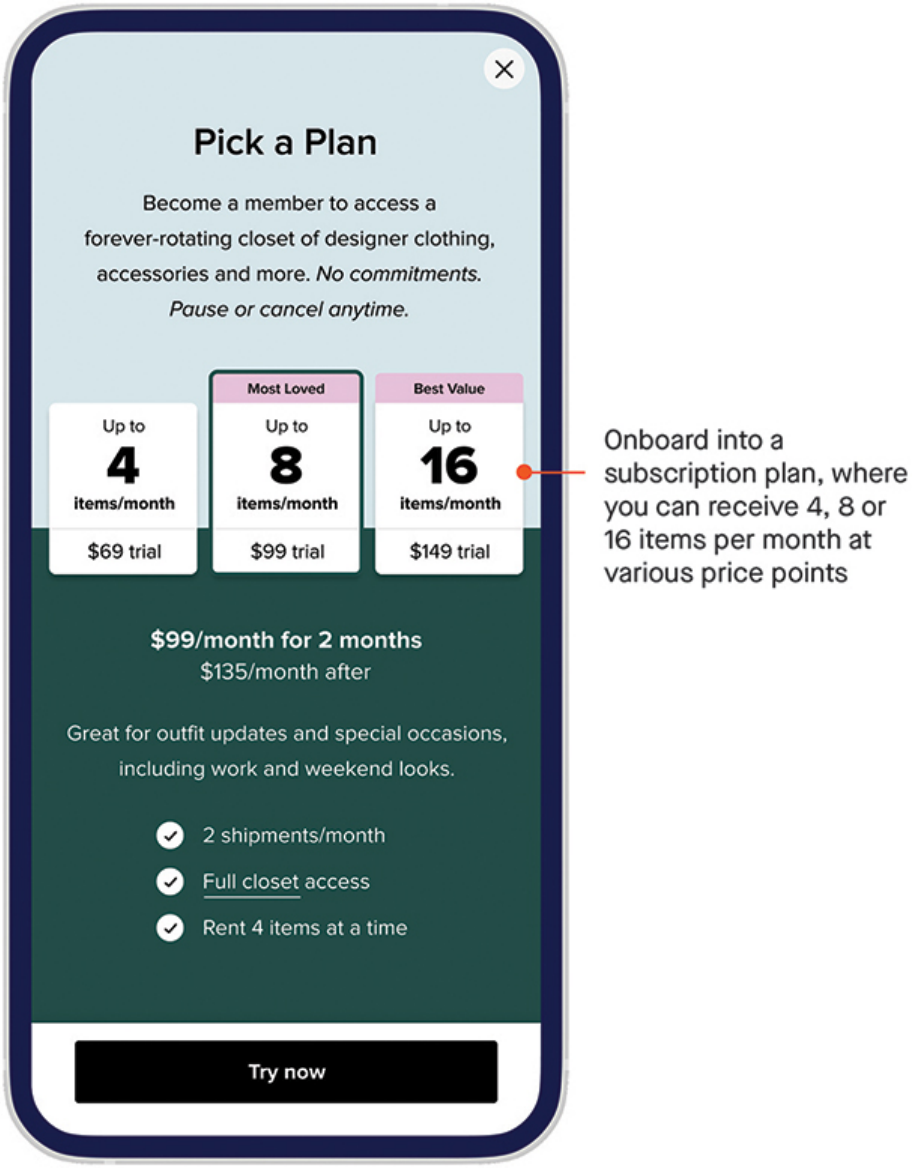


Once customers find a style they love, they choose to access it through our monthly Subscription offering or an a-la-carte rental, or purchase the item.

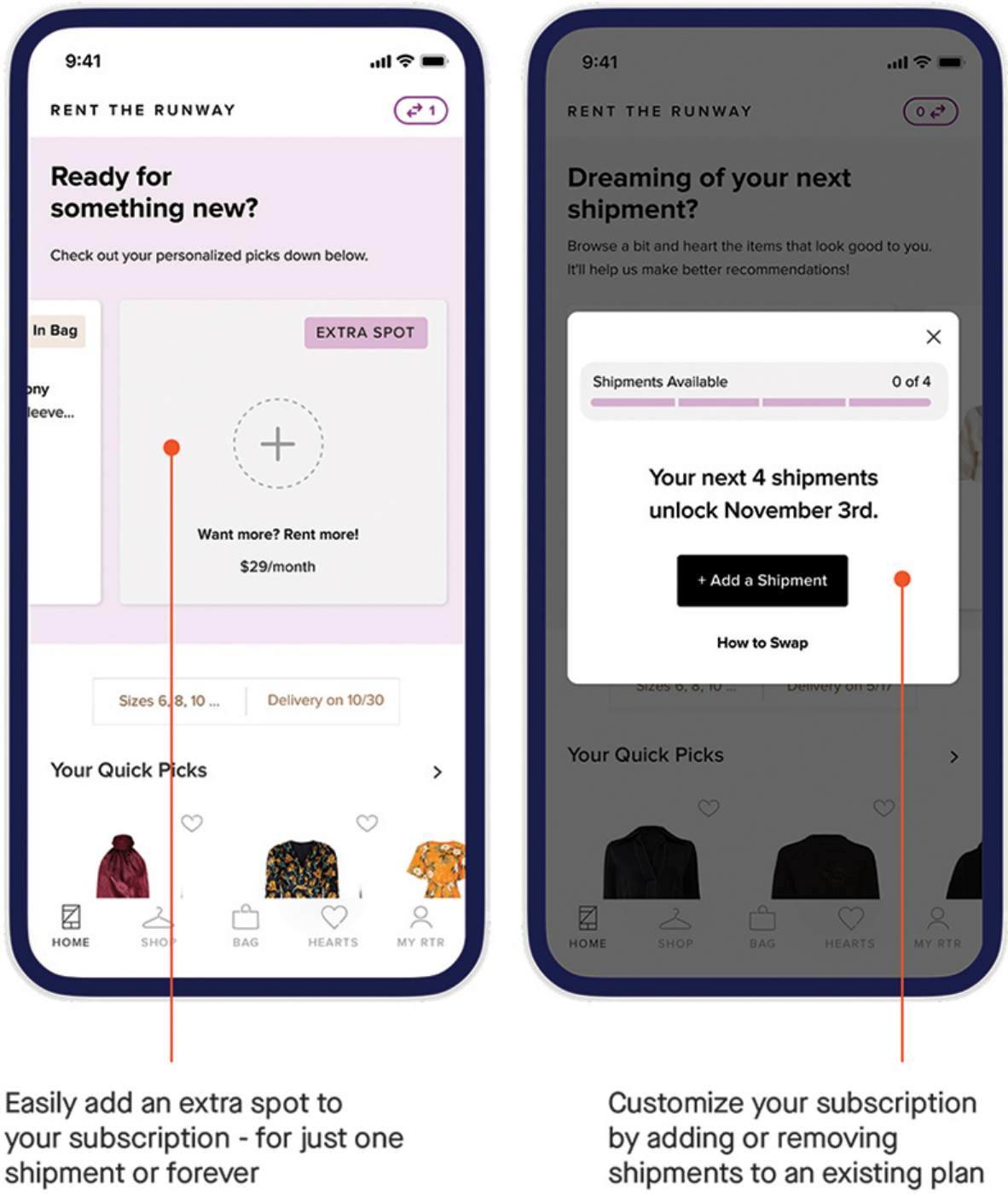


Subscription

Pick a Plan. While our subscription plans are customizable, when customers subscribe to the Closet in the Cloud, they select from a menu of entry plans. Each plan starts with four items, or "spots," per shipment, and varies based on how often the subscriber wishes to receive new shipments, each a "swap." Today, the majority of our subscribers onboard into plans that offer one, two or four shipments per month for $89, $135 or $199 per month, respectively.



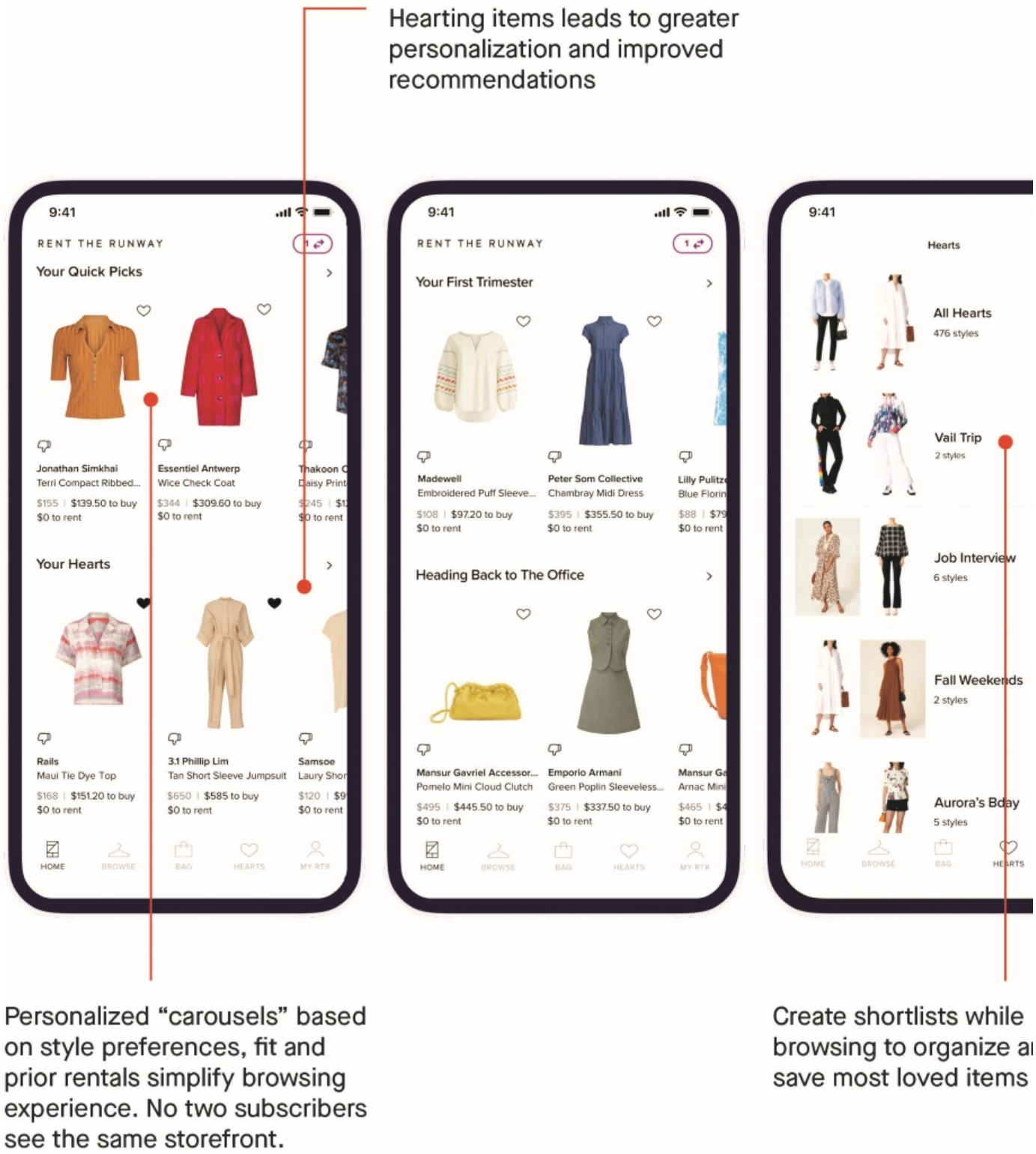
Customize. Subscribers can customize their plans to adapt to their changing lifestyles, needs and budgets by adding or removing spots for $25 or $29 per item per month and shipments for $25 - $39 per shipment per month, as they see fit.



Easily add an extra spot to your subscription - for just one shipment or forever

Customize your subscription by adding or removing shipments to an existing plan

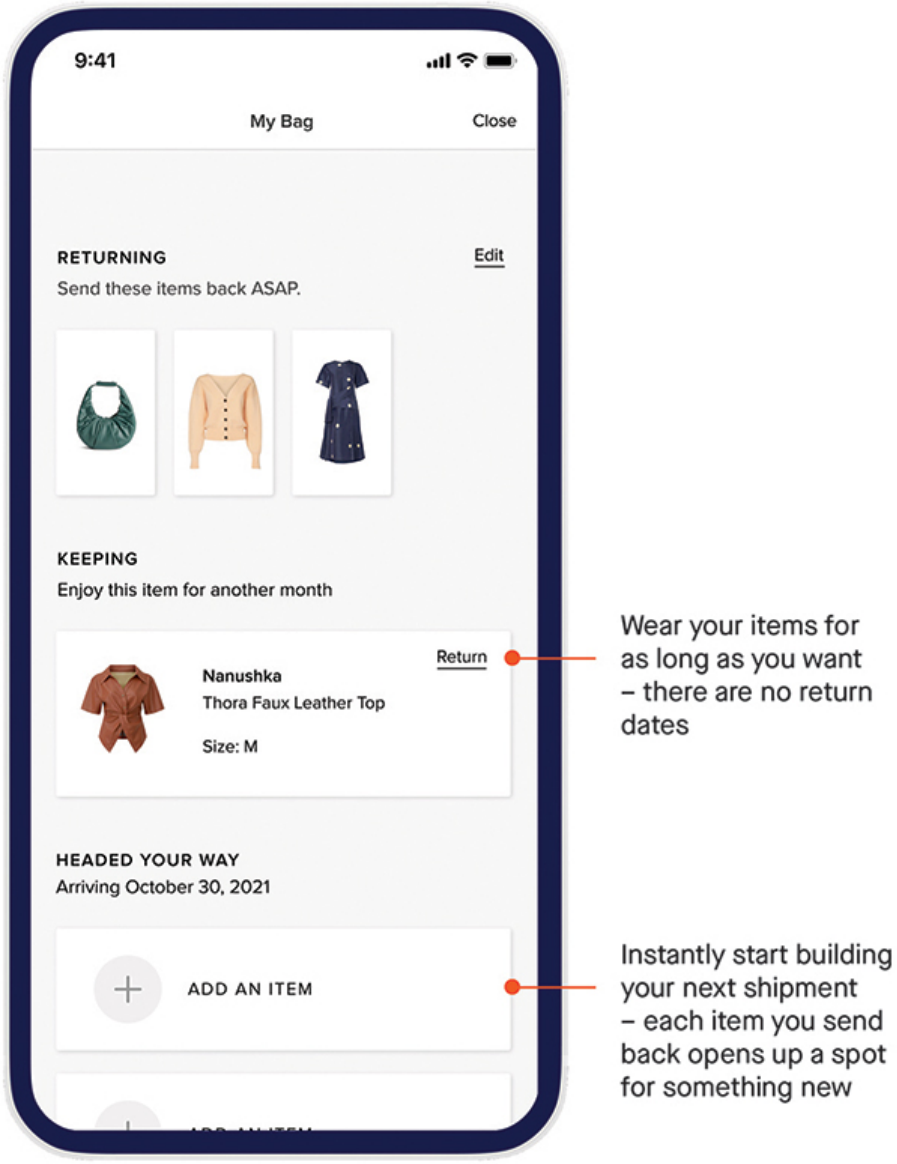
Choose Items. After picking a plan, subscribers browse our broad assortment of items to build their first shipment. Our subscribers typically visit our app five times per week.



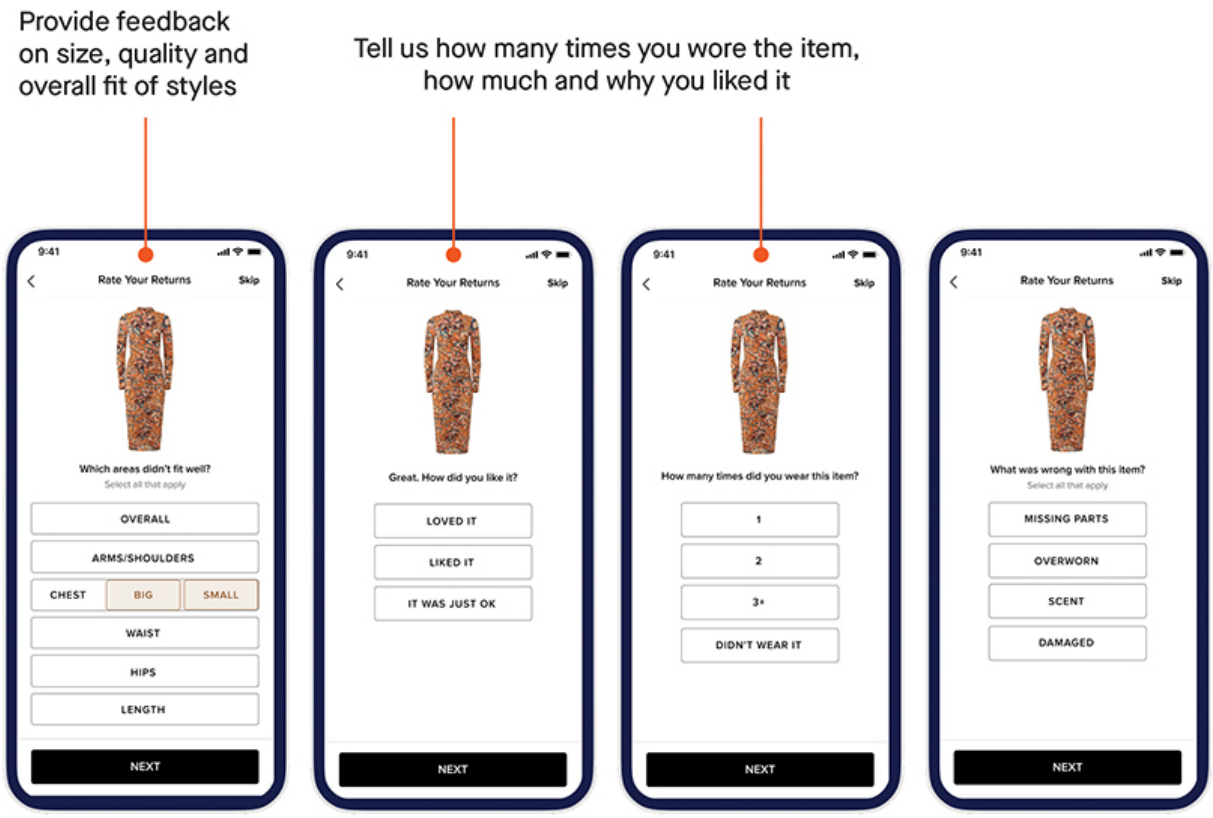
We use personalization algorithms that leverage style, size and fit preferences to deliver a personalized storefront for each subscriber and provide personalized size recommendations to each customer at the item level. Subscribers “heart” items they love and create “shortlists” to organize and save styles as they browse our selection, making styles easily accessible when they are ready to rent. When subscribers “heart” styles as they browse, the interactions are recorded by our personalization algorithm, which helps us further refine and improve each subscriber’s personalized recommendations.

Wear, Repeat. When subscribers place an order, we aim to deliver their order within two days of shipping from our fulfillment centers in our patented, reusable garment bags, cleaned and ready to wear.

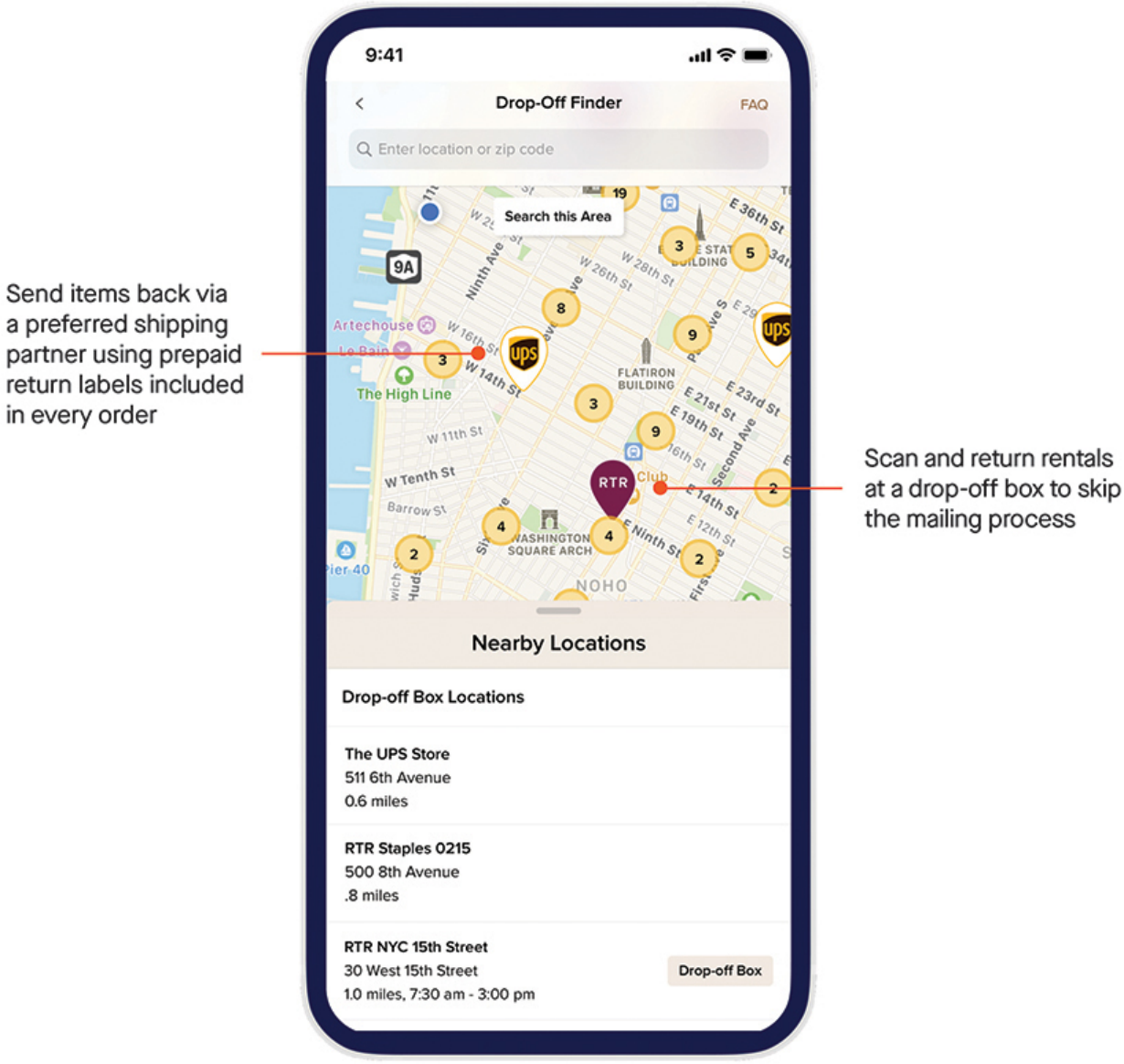
Subscribers wear items for as long as they would like and choose to return some or all of their items with each new shipment. When subscribers select the items they want to return on our app, we allow them to immediately start building their next shipment, maximizing their time with items at home.



Subscribers give us real-time feedback on the size, fit and quality of the items they are returning every time they rent. The structured data we collect through our “happiness survey” allows us to both improve her experience as well as optimize our care and therefore return on investment of the items returned. As of June 2021, we’ve collected over 20 million happiness surveys since this feedback collection feature launched in June 2017.

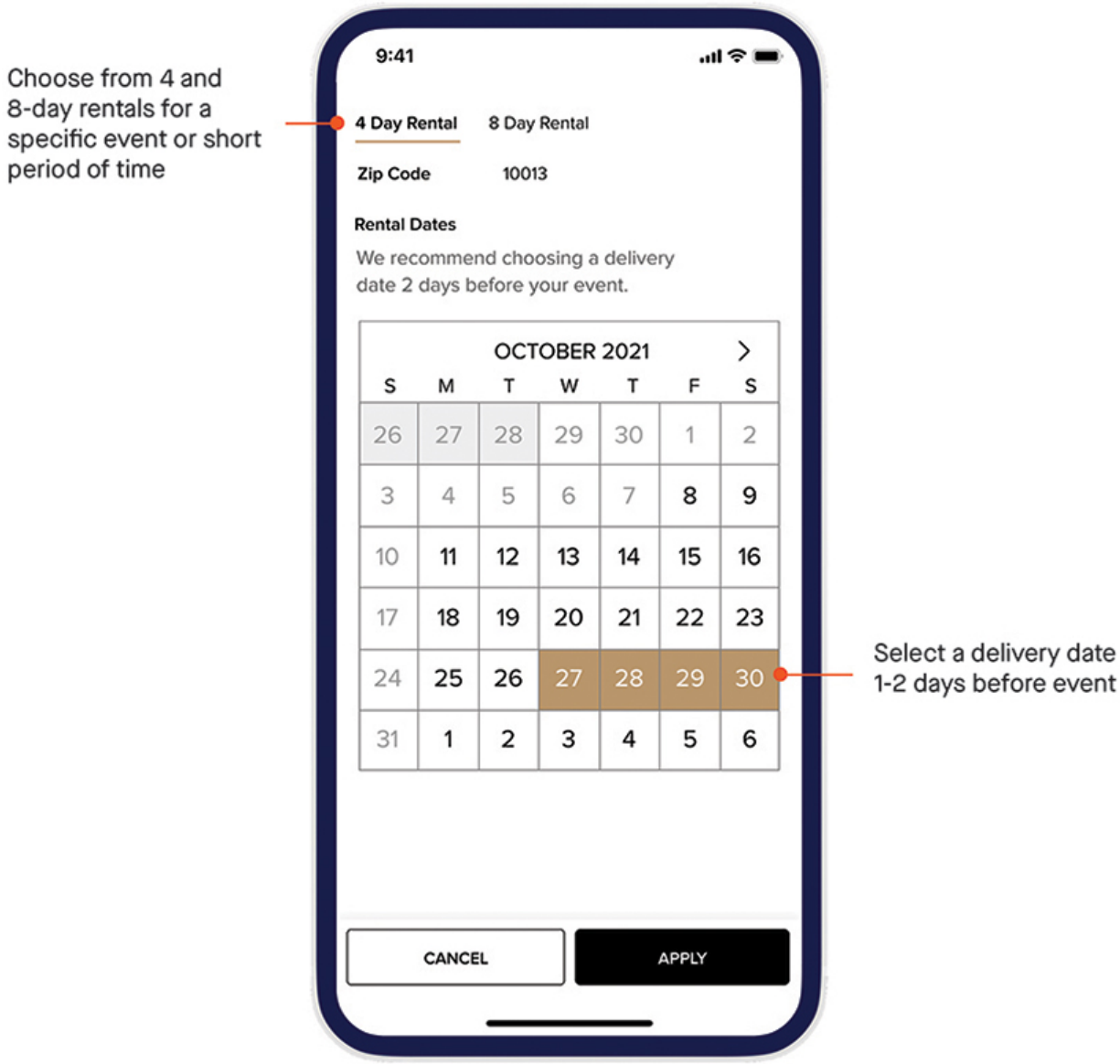


Once subscribers confirm their new shipment, they return their items to the nearest preferred shipping partner location or any Rent the Runway drop-off point in RTR's reusable garment bag. To maximize convenience, all shipments arrive with a prepaid return label, allowing subscribers to easily send their rentals back.



Reserve

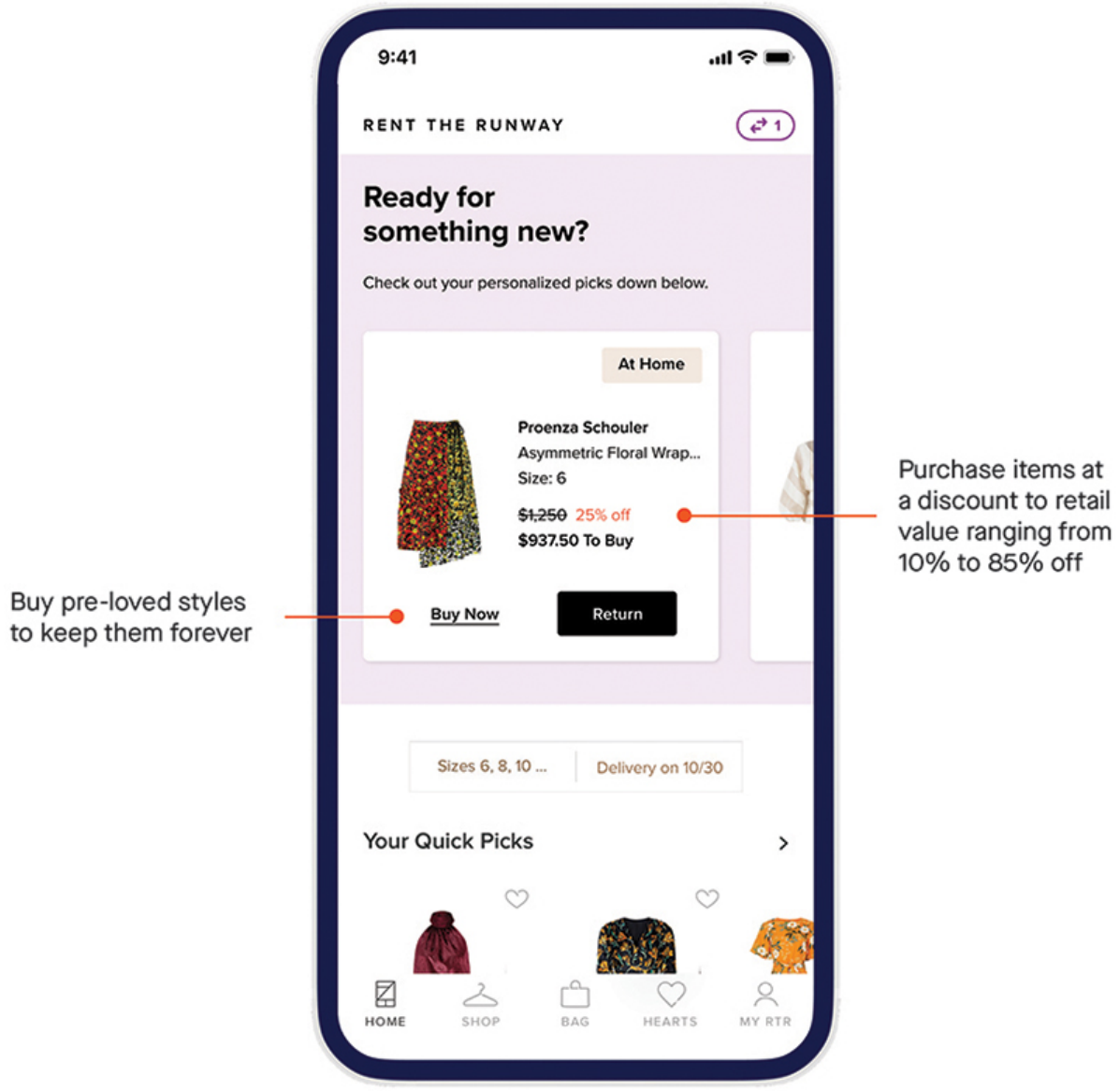
When customers want to rent items a-la-carte for an upcoming event, they book styles for four or eight days through our Reserve offering. Approximately 93% of our Reserve rentals are priced below $100. After selecting pieces, they typically select a delivery date one to two days before their event.



To make sure our customers are prepared, we provide a free backup size of the customer's choosing and the option to rent a backup style at a discount. At the end of the four- or eight-day rental period, customers simply return their items in the reusable garment bag using the prepaid shipping label included with their rental. Just like our Subscription offering, we clean and care for items on behalf of our customers when they are returned.

Resale

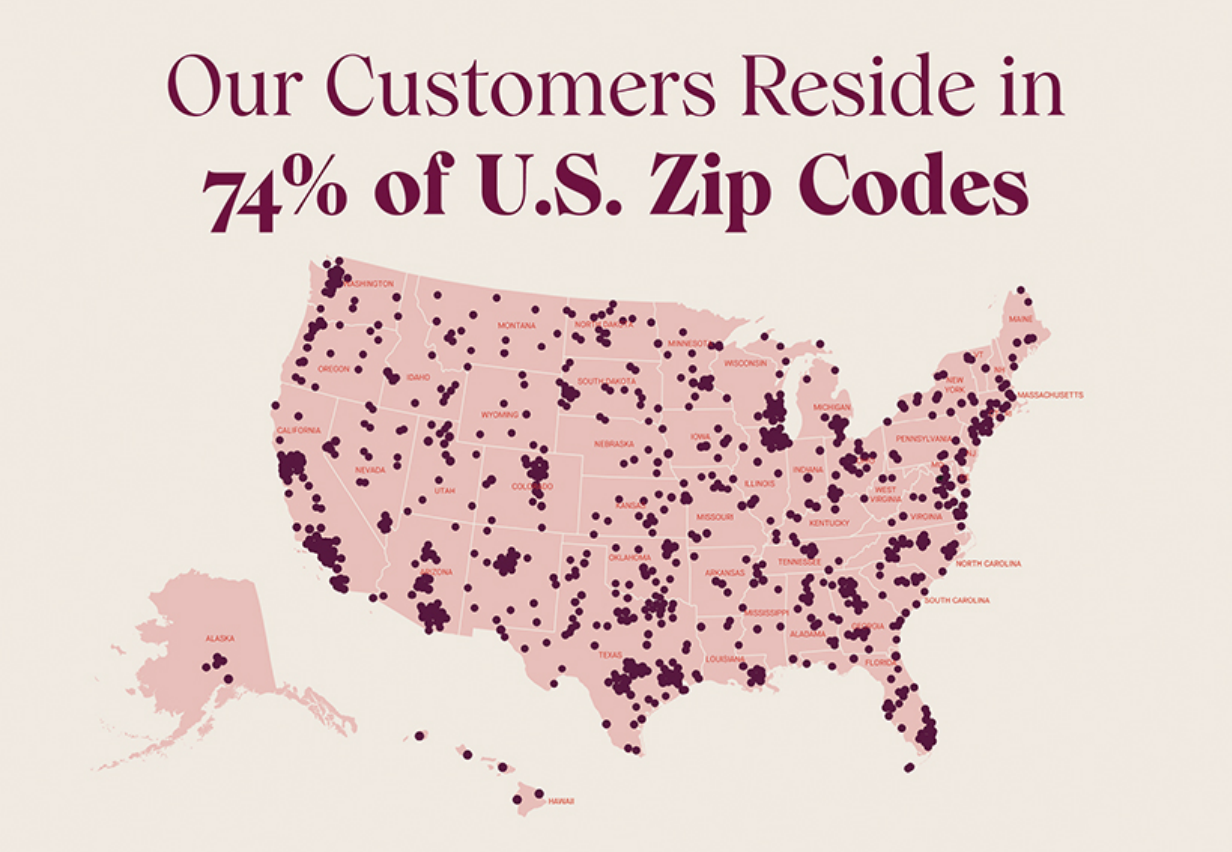
In addition to renting, customers also shop pre-loved styles from our closet at a discount to retail price, ranging from 10-85% off of designer retail value (which we calculate using original retail and/or comparable value prices). Customers can purchase any styles they love; no subscription is required. Our subscribers have the option to purchase items they already have at home, opening a spot in their next shipment. As of June 2021, approximately 50% of our currently active subscribers had purchased at least one item on RTR.



Prices for our resale items are dynamically calculated by our pricing algorithm which takes in data on rental history, customer trends and the impact of removing an item from rental circulation to optimize for lifetime return on investment on each product.

Our Customer Value Proposition

Through our platform, we have helped more than 2.5 million lifetime customers discover the transformative power of utilizing our Closet in the Cloud across all of our offerings. Our customer base is diverse and spans age, household income distribution and U.S. geography. As of June 2021, approximately 35% of our customers lived in the Top 100 U.S. cities by population, and approximately 65% lived elsewhere. Our customers lead busy lives: over 90% of our customers are working women and over 90% have at least a bachelor's degree. One third of our customers have kids or are pregnant, and over 75% of our customers socialize two or more times per week. Likely as a result of these busy lives, 75% of them feel "time-starved."



A portion of our customers are subscribers and for fiscal year 2020, they accounted for 89% of our revenue and 83% in the first six months of fiscal year 2021. Subscribers are customers who have ongoing access to our Closet in the Cloud via our monthly Subscription offering. While our subscribers are increasingly diversifying across geography and age, they are slightly wealthier than our Reserve customers with 82% having household income of $100,000 or more, as compared to 66% of our Reserve customers. As of June 2021, approximately 47% of our subscribers lived in the Top 100 U.S. cities by population, and approximately 53% lived elsewhere. As of July 31, 2021, we had 97,614 active subscribers on Rent the Runway and 126,841 total subscribers including paused subscribers. Many of our subscribers started as customers in Reserve and Resale and we continue to see activation from Reserve and Resale customers into subscribers for many years.

The Magic of Rent the Runway

When our customers use Rent the Runway, they experience the magic of accessing an "Unlimited Closet" of constantly rotating styles while saving money and time and reducing clothing waste.

- ***Variety and Discovery.*** With over 18,000 styles across over 750 brands and hundreds of categories available in our Closet in the Cloud, Rent the Runway gives customers the ability to always wear something new to them and inspires customers to expand their fashion tastes without risk of buyer's remorse. Broad assortment, coupled with curation and personalization that is driven by our proprietary data, enables us to provide our customers with the most relevant styles for them. According to our April 2021 Subscriber Survey, 92% of our subscribers have experimented more with their personal style since joining Rent the Runway, and 85% have discovered a new favorite brand. We are a brand discovery engine, as our subscribers wear 54 brands in their first year, on average.

- ***Value.*** Rent the Runway makes thousands of designer styles accessible to all through our Subscription offering for a flat monthly price or through our Reserve offering on a per item basis. For instance, in our most popular $135 per month eight-item subscription plan, the effective cost to the customer per item is approximately $17, for an item that would typically retail for above $350, making Rent the Runway comparable to or cheaper than many mass-market and fast fashion players while offering access to authentic designer items. The majority of our a-la-carte rentals are priced between 15% and 18% of an item's retail price. In our June 2021 Customer Survey, 87% of our customers noted that RTR gives them more access to brands they cannot afford to buy. Whether it is through expanding access to affordable

designer fashion for aspirational luxury customers or providing a more rational way for today's luxury customer to experiment with the latest fashion trends, Rent the Runway offers economic value to all customers. 60% of our subscribers report spending between $100 and $500 less per month on clothes and at least $25 less on dry cleaning per month when they have a subscription to RTR.

- ***Self-Confidence.*** 83% of our subscribers say RTR makes them the most confident version of themselves at work or in social settings. Because there is no commitment to keep an item on RTR, we fuel greater self-expression for our customers. Our average subscriber receives four compliments each time she wears RTR. 91% of our subscribers love the fashion freedom they get from RTR affirming that they can wear a wardrobe that is commitment-free and changes as they do, whether that's their style or their size.
- ***Personalization and Convenience.*** We use our rich customer data to create a personalized storefront for customers based on their style preferences, browsing history and past rentals. Our understanding of our customer improves with each interaction, and we use our personalization algorithm to provide personalized size recommendations to each customer at the item level. 30% of items rented in fiscal year to date through June 2021 were a result of our personalized recommendations. By showing customers designs they will love and items that are likely to fit, we continue to drive strong loyalty and monetization. In fiscal year 2019, subscribers who used our personalized recommendations had 2.7x longer tenure. We purpose-built the Rent the Runway customer experience to be highly convenient and mobile, enabling customers to potentially select and order items within one minute.
- ***Customer Experience and Community.*** Our customers are deeply engaged, as evidenced by the 22 million customer reviews submitted through June 2021. As of June 2021, 20% of our customers in the past six months have provided a photo with their review on RTR without

financial incentive from us. Our customers use the millions of reviews posted by our community to make smarter choices and feel good about their selections. As our community has grown, Rent the Runway has also benefited from powerful virality and word-of-mouth marketing. 81% of subscribers have shared RTR with at least five people; 32% have shared with over 20 people and 78% of our customers posted themselves wearing Rent the Runway on social media, as indicated by our April 2021 Subscriber Survey.

- ***Sustainability.*** Our business model aims to teach customers a rent versus buy mindset when it comes to building their wardrobes: that they should invest in purchasing high-quality pieces that they will wear with frequency over many years, and that they should rent the 81% of items that they would have only worn a few times. Our success in building a rent versus buy mindset is evidenced by the fact that 83% of our subscribers have bought less fast fashion since using RTR and 89% buy fewer clothes than they used to prior to joining RTR.

The COVID-19 pandemic has accelerated our consumer tailwinds. Changed consumer values have shifted the landscape towards the Closet in the Cloud and access over ownership. According to the July 2021 Lab42 Survey, 51% of women care more about saving money on clothes compared to before the pandemic; 38% of women are more excited about expressing themselves through fashion compared to before the pandemic; 38% of women care more about having a wardrobe that adapts to their lifestyle; and 56% of women place more value on sustainability as it relates to their fashion choices than they did five years ago.

Our customers use Rent the Runway for a variety of reasons and derive significant value from their subscriptions as demonstrated by the following customer case studies.

Debra S.

42 Years Old | Journalist
Lives in Milton, GA

2016 MEMBER SINCE | 454 ITEMS RENTED | 1,119 HEARTS

"I have been a journalist for most of my career. I started renting dresses for appearances on the Today show. I neither had the money nor the time to buy five $500 dresses a week.

The convenience has actually become the most important thing for me. The App has learned the kinds of things I like and it makes my life so much more convenient as a mom of five.

I have thought many times 'what would I do if Rent the Runway didn't exist?' There's no alternative. There's no where I could go to find the same variety and curated merchandise that matches what I like to wear."

Ashley Y.

32 Years Old | Tech Executive
Lives in San Francisco, CA

2016 MEMBER SINCE | 223 ITEMS RENTED | 2,515 HEARTS

"RTR has been my go-to for moments as big as my at-home wedding during the pandemic!

Renting from RTR has allowed me to keep my closet fresh without having to worry about being wasteful if I only want to wear the look once. RTR is the highest value money I spend on fashion, and it's actually resulted in me being happier with my wardrobe while spending less overall.

I get nonstop compliments from my friends and co-workers whenever I wear RTR rentals which gives me a confidence boost and keeps me feeling my best!"

Aura O.

24 Years Old | Consultant
Lives in Brooklyn, NY

2020 MEMBER SINCE | 174 ITEMS RENTED | 798 HEARTS

"I was first introduced to Rent the Runway as a junior in high school when I was looking for an affordable homecoming dress. RTR has been there for so many firsts in my life! From the first day at my corporate job to my first Michelin star dinner, and all of my post-pandemic trips.

Before RTR, I was addicted to fast fashion and would spend anywhere from $50-$200 weekly at stores like Zara. RTR introduced me to brands and quality I could never afford.

Today I use my 16 item plan to own the streets of New York City every weekend. RTR is the perfect fix for all my 'Hot Girl Summer' plans."

Nicole O.

28 Years Old | Fashion Stylist
Lives in Atlanta, GA

2021 MEMBER SINCE | 58 ITEMS RENTED | 127 HEARTS

"I started renting in January just before a trip for my husband's birthday. A long sleeve floral maxi arrived and it was the most flattering dress I've ever put on my body.

My membership helps me push the envelope on statement pieces that I wouldn't try otherwise. I rent different trends and styles and whatever really speaks to me I can buy.

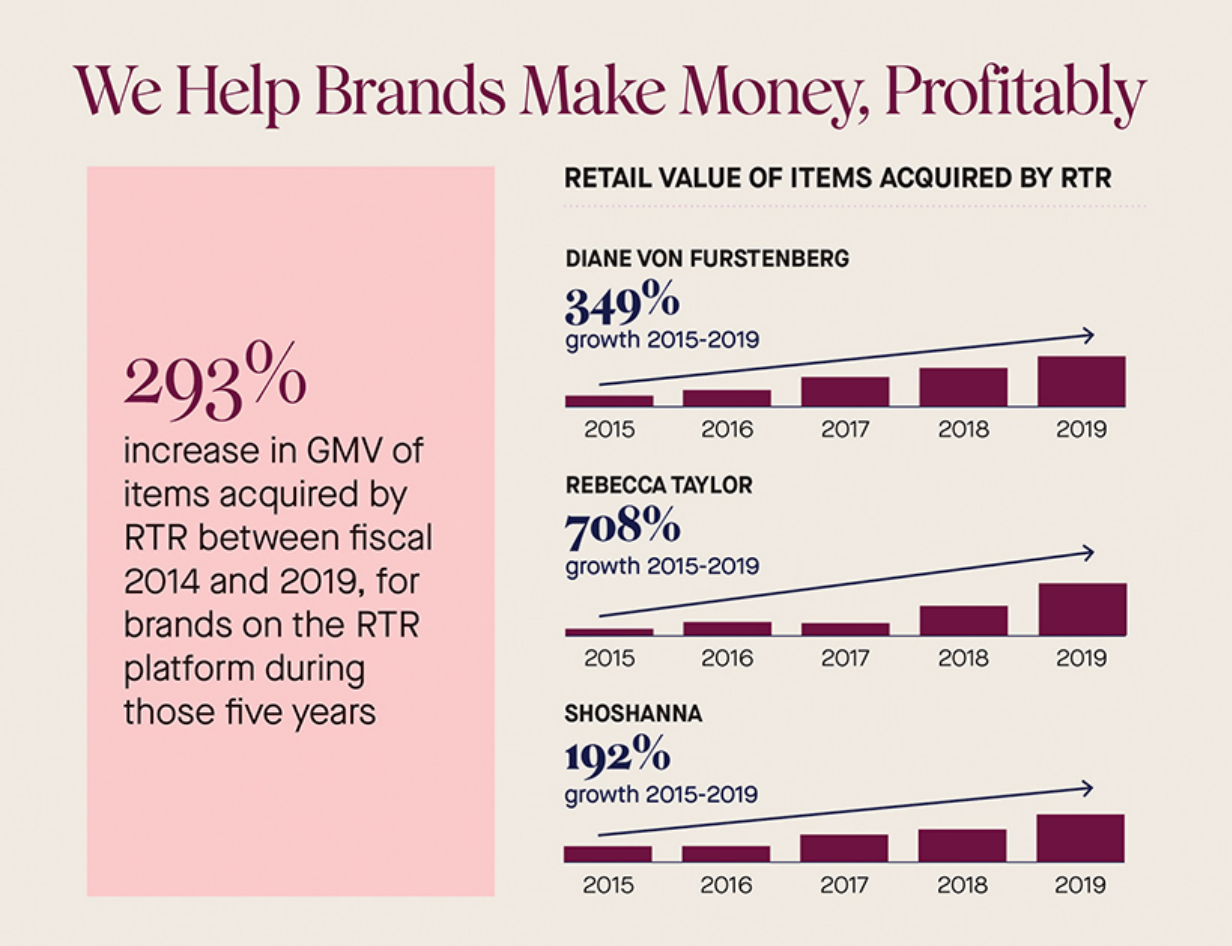
I've fangirled for years over brands like Staud, Aldomartins, and Tory Burch Sport. The coolest thing about Rent the Runway is being able to access brands like that and even buy at a fraction of the cost. We're a perfect match."

Our Brand Value Proposition

We designed our platform with the intent of creating deep partnerships with designer brands, enabling them to broaden their customer base and grow their businesses. Today, we partner with more than 750 brands, including many of the most renowned and relevant names in fashion. As of June 30, 2021, no single brand partner accounted for more than 2% of active units available on the RTR platform.

We procure virtually 100% of our products directly from brand partners with their explicit permission, and our business model has been built on shared success with brands. As they deepen their relationship with us, they get access to more data and more customers. Our partnerships with brands have created a significant product and cost advantage, in contrast to other secondhand resellers, and allows brands to make an aspirational first impression to a new and critical customer segment on RTR. Because we source directly from brands, we can control our assortment and acquire styles in the depths and sizes we want, we have access to current season items and all of our items are guaranteed authentic without the cost or infrastructure of traditional authentication platforms.

Brands that were on the RTR platform for five years from fiscal year 2014 through fiscal year 2019 saw the GMV of their products acquired by RTR increase by 293% over that time. We are widely recognized by the brand community as an important and growing distribution channel for their businesses.



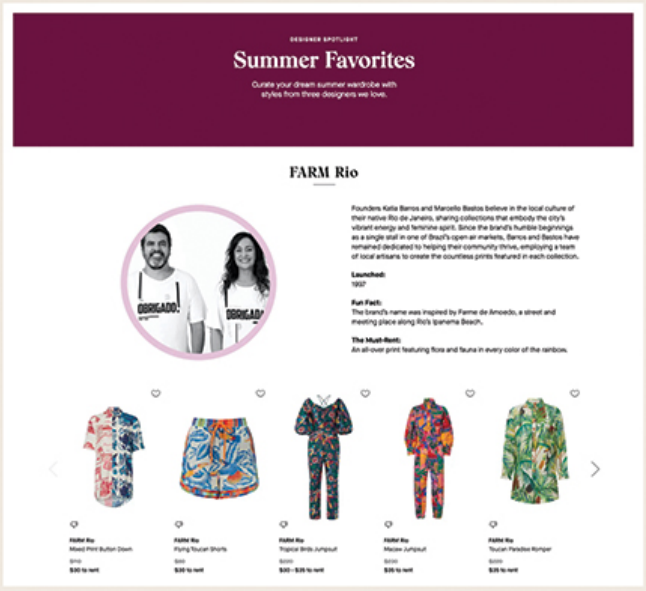
Benefits for Brands

When our brand partners join Rent the Runway, they trust that our platform will grow their customer base, build their brand awareness and enable them to innovate their business.

- ***Our Brand.*** Rent the Runway is a trusted platform for discovery and access, and we present our brand partners in an aspirational way. Brand partners appreciate that we are often a customer's first exposure to their brand and so they trust us to provide an elevated customer experience. We are proud that we've retained nearly 100% of our brand relationships.

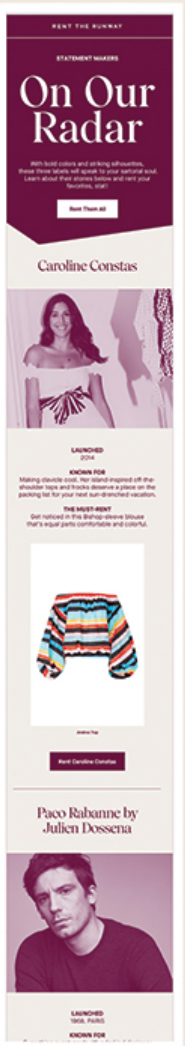
We **Elevate Brand Equity** For Our Partners By Sharing Their Story With New Customers

Designer Landing Pages



Editorial Photography

Email



Social Media

Video

Email

- ***Customer Discovery and Acquisition.*** With over 2.5 million lifetime customers as of July 2021 across all offerings, we provide our brand partners with a new way to reach both current luxury consumers and aspirational luxury consumers. 91% of our brand partners say that RTR introduces them to new, desirable customers and deepens awareness of their brand. The value of our customers to brands is driven not only by their demographics, but also by the reason they come to Rent the Runway, which is to discover new brands and trends. 87% of our subscribers use RTR to explore fashion that takes them out of their comfort zone and 82% of our subscribers purchased one or more brands they discovered on Rent the Runway (either from RTR or elsewhere). This often means we are helping brands expand their wallet share with consumers.

- ***Grow Their Business.*** We serve as an important channel for over 750 brands that see us as essential to their future business success. According to our June 2021 Rent the Runway Brand Survey, in fiscal year 2019, we were in the top 30% of distribution partners, by revenue, for 64% of our brands. Of our brand partners, approximately 85% believe that RTR is a growing distribution channel for their business. We have proven that we can help brands grow their businesses by attracting new customer segments like we've done for Badgley Mischka, Vince and Jason Wu, building brand awareness like we've done for MSGM, Monse and Bash or helping brands create new product lines like we've done with Thakoon, Peter Som, Marchesa and Tanya Taylor. As brands expand their reach through our platform, they are also able to develop and bring to market a broader assortment of designs. Products that have lower sell-through rates or are not picked up by wholesale channels could be attractive for rental and typically see more success on Rent the Runway, allowing brands to monetize a higher diversity of product. Rent the Runway sees high success in fashion styles that are colorful, printed and embellished—styles that according to our brand partners, are very different from those other retailers are purchasing from them. We even have the ability to launch blockbuster styles for our brand partners through our engaged and social customer base.

RTR's Community Has the Power to Launch a **Blockbuster Style**

TIMELINE

MONSE

MAY 2019
Style Launches Exclusively on RTR with 125 Units

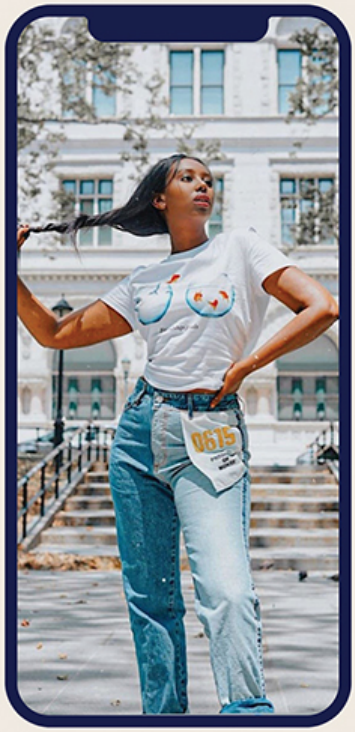
SUMMER / FALL 2020
Becomes an IG Sensation, Picked Up by Other Top Retailers

AS OF AUGUST 2021
2,646 Shipped Units
Each unit has shipped ~21x in 2 years

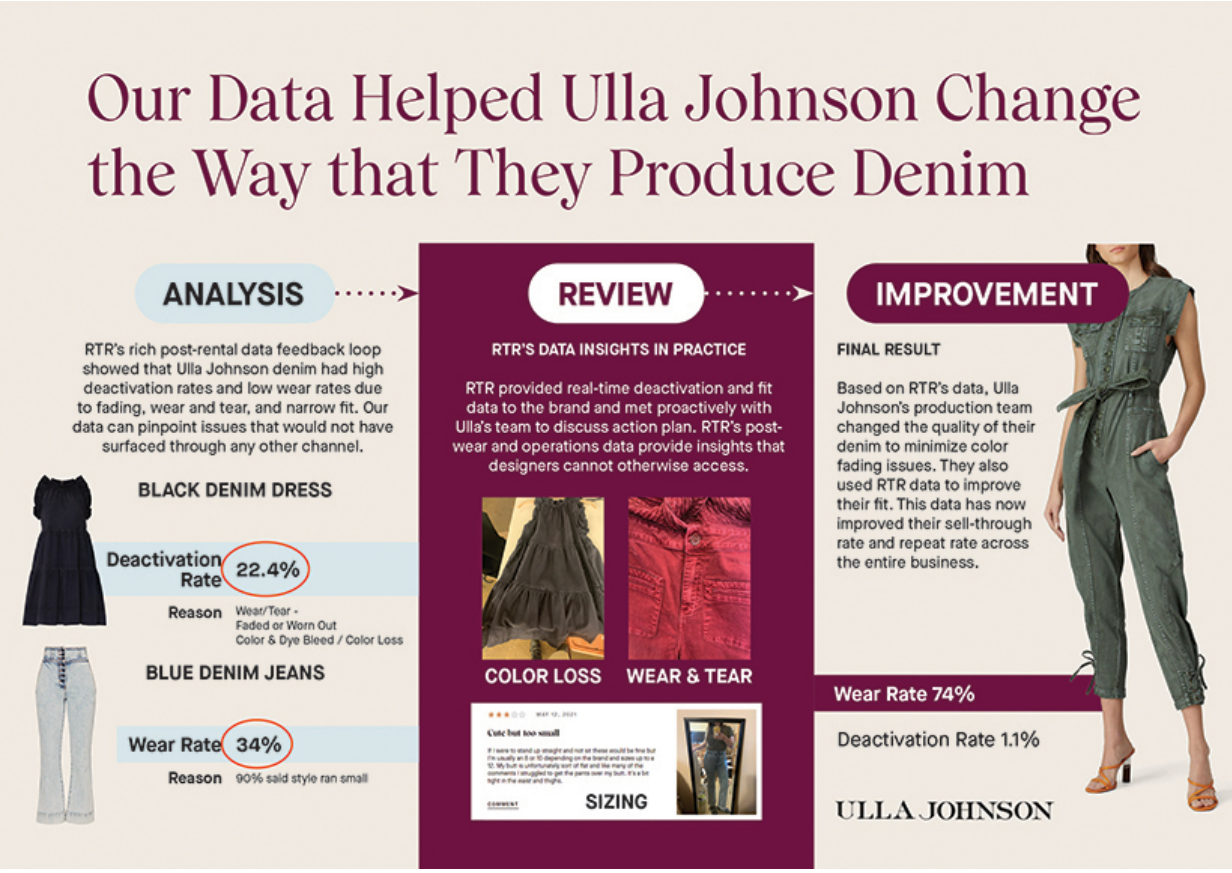
♡ 1,479 Subscriber Hearts

0.82 Total Lifetime Utilization[1]

[1]Total Lifetime Utilization reflects life to date average utilization of active units in a style; this metric is used by management to measure customer demand for a style over its lifetime.



- ***More Profitable Partnership.*** We are a more profitable partner to brands than legacy retailers because we do not require brands to sign margin agreements with us or return-to-vendor agreements, which have historically levied brands with higher inventory risk than their retail partners.
- ***Ability to Compete with Mass and Fast Fashion.*** We enable brands to compete with wear-it-once, mass and fast fashion by offering their premium products at a more accessible price point, enabling brands to connect with a broad customer base without diluting their brand. Historically, to connect with mass or aspirational customers, designers would have to partner with mass retailers to design low price point collections that used lower quality materials and different designs than their main lines.
- ***Data.*** We provide our brand partners with actionable data and customer feedback that is not available via traditional wholesale channels and is differentiated from what they collect through their own DTC channels. For brands, we provide real-time, data-based feedback on wear rate, durability, quality, fit and customer demand on a detailed, quarterly dashboard. This data allows them to adjust their designs in order to grow and optimize their businesses and manufacture styles that are more durable and sustainable.



- ***Sustainability.*** Our platform allows brands to participate in the circular economy and provides a way for them to address the secondhand market in an aspirational way. As of June 2021, 81% of our brand partners believed that sustainability is important to their brand's customer and 67% believed that RTR is an important part of their business's sustainability strategy.

Our Unique Brand Partner Approach

We have been able to innovate how we work with brands to grow our customer base and continue to efficiently acquire products. Over time, we have built durable and profitable partner models with brands to bring new styles into our existing assortment. Today, we acquire our products through three channels: Wholesale, Share by RTR and Exclusive Designs. The portion of our products sourced through Share by RTR and Exclusive Designs - our more asset-light sources - has grown from approximately 26% in fiscal year 2019 to approximately 54% in fiscal year 2020. We anticipate a similar acquisition mix to fiscal year 2020 for the full year of fiscal year 2021. Due to the strength of our partnerships we are able to customize some of the styles we acquire, whether it is changing fabrics used or the way an item is manufactured to extend its longevity. Customization represents 28% of all styles acquired in fiscal year 2020.

We work closely with our brands and leverage our data and garment science expertise to maximize durability and quality, and, therefore, longevity. Our agreements with vendors give us the ability to test styles before we purchase the items for these qualities. No other retail players are performing such durability testing in advance of procuring garments from brand partners.

Wholesale

Wholesale includes products we acquire directly from our brand partners, typically at a discount to wholesale price based on our scale. We have observed that the original retail prices set by the brands are often at a 2.5x mark-up to the wholesale price. As we continue to expand our selection and grow the share of our assortment acquired from a designer, we benefit from greater discounts on product acquisition. Wholesale represented 46% of our product acquisition in fiscal year 2020.

Share by RTR

Through Share by RTR, we acquire items directly from brand partners on consignment, at zero to low upfront cost and revenue share with our brands each time an item is rented. Brands also pay us a logistics expense for each rental. If a piece is in greater demand, it will drive higher revenue, which could result in brands earning more on the item than if it had been sold through Wholesale. Share by RTR aligns incentives between brands and RTR and alleviates product risk as it is a pay-for-performance model. Share by RTR represented 36% of our product acquisition in fiscal year 2020, and of the over 130 brands we partner with through this channel, 35% also work with us via Wholesale. Increases (or decreases) in the proportion of total items acquired via Share by RTR as well as the usage of Share by RTR items will increase (or decrease) variable expenses recorded in the rental product depreciation and revenue share line item on our consolidated statement of operations. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Our Business Model—Our Product Acquisition Strategy.”

Exclusive Designs

We leverage our data to create highly desirable Exclusive Designs in collaboration with select brand partners that we manufacture through third-party partners to be more durable and at significantly lower cost. Similar to Netflix’s custom content, this model allows us to scale our acquisition of prestigious designer products in a highly efficient way. We provide a data blueprint to brands and they design new collections for us based on this data that carry their brand name.

We currently have Exclusive Designs with eleven designers and three influencers. Four new designers and one influencer have signed with us for future collections. For our brand partners, these exclusive collections enable them to innovate their businesses into new product lines at little cost to them. All of the styles are exclusive to RTR for a period of time, after which brands may monetize these exclusive designs through other channels, typically subject to a royalty fee payment to Rent the

Runway, which we have not begun to earn to date. Increases (or decreases) in the proportion of total items acquired via Exclusive Designs as well as the usage of Exclusive Designs items may increase (or decrease) variable expenses recorded in the rental product depreciation and revenue share line item on our consolidated statement of operations. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Our Business Model—Our Product Acquisition Strategy.” We also have a small number of products bearing our trademarks, which are non-exclusive designs produced by third party partners at a significantly lower average cost than Wholesale to strategically fill assortment gaps, or our owned brands. Exclusive Designs accounted for 18% of our product acquisition in fiscal year 2020.

Brands Partner More Deeply With Us Over Time Because of the Value We Provide

JASON WU

First order with Jason Wu in Fall 2015 consisted of several of his best-selling styles.

We used RTR data to customize new styles that resonated on the RTR platform, achieving up to a best-in-class 72% utilization.

Increased styles offered from 7 in 2015 to 194 as of Spring 2021.

Increased depths from 35 units per style in 2015 to 140 units per style as of Spring 2021.

From 2015 to 2020, Jason Wu's business with RTR grew from $0.5M to $3.4M in GMV.

METRICS[1]

1,068,765 — Cumulative Hearts

256,738 — Total Shipped Units

6,881 — Total Reviews

[1] As of Q2 2021.

TIMELINE

2015 Launch on RTR

Jason Wu Collection
Black Contrast Collar Ponte Dress
$1,345 original retail

Jason Wu Collection
Lattice Lace Dress
$1,455 original retail

2015 - 2019
Wholesale Customization

Jason Wu Collection
Navy Cold Shoulder Midi Dress
$1,150 original retail

Jason Wu Collection
Ruffled Flower Dress
$2,195 original retail

2019 - Present
Illustrative Exclusive Designs

Jason Wu Collective
Camel Peplum Sweater
$255 comparable value

Jason Wu Collective
Printed Chiffon Dress
$375 comparable value

Jason Wu Collective
Pleated Knit Dress
$275 comparable value

Jason Wu Collective
Front Bar Halter Top
$195 comparable value

RTR's Data Helped Tanya Taylor Expand Into New Categories

TANYA TAYLOR

In 2017, we approached Tanya to launch extended sizing on RTR for the first time in her business' history.

RTR's comprehensive data insights informed sizing, fit, customer feedback and reviews for Tanya Taylor's size extensions.

In 2019, Tanya became RTR's top performing plus-size brand, and we've since grown her extended size assortment to over 100 styles.

As of Spring 2021, extended sizing represents 40% of Tanya Taylor's overall DTC business.

From 2016 to 2019, Tanya's presence on RTR grew from 470 units to 8,849 units in 2019, with GMV of her product on RTR growing from $0.2M to $4.3M.

METRICS[1]

- 1,179,276 — Cumulative Hearts
- 277,071 — Total Shipped Units
- 8,550 — Total Reviews

[1] As of Q2 2021.

TIMELINE

2017
Launch on RTR

2018
Collaborated on Fabrics

Tanya Taylor
Plaid Lexi Dress
$495 original retail

Tanya Taylor
Zoe Dress
$495 original retail

2019
Expanded Categories & Extended Sizing

Tanya Taylor
Dominique Top
$345 original retail

Tanya Taylor
Houndstooth Maya Skirt
$350 original retail

Tanya Taylor
Cynthia Dress
$545 original retail

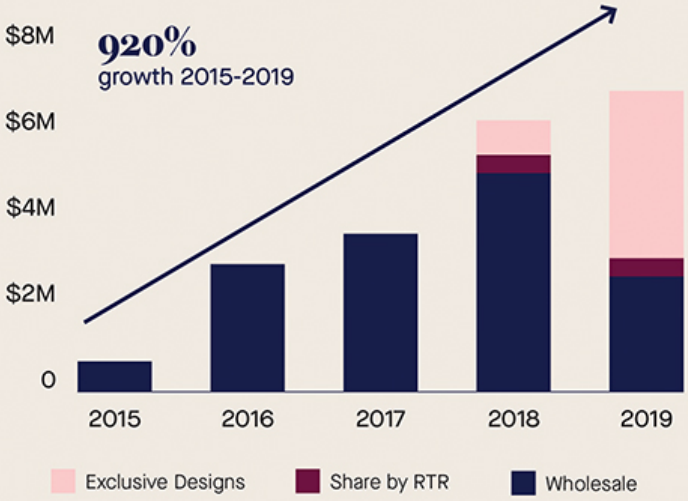
Tanya Taylor
Liza Wrap Dress
$795 original retail

We Leverage Data To Create **Highly Desirable Exclusive Designs**

DEREK LAM

RTR HAS HELPED DEREK LAM SIGNIFICANTLY GROW HIS BUSINESS

Retail Value of Derek Lam's Items on RTR



Exclusive Designs allow RTR to scale our partnership cost-effectively

$421
Avg. Cost of Derek Lam Items

$67
Avg. Cost of Derek Lam Exclusive Designs

TIMELINE

2015
Launched Wholesale with small order of dresses by Derek Lam

2016
Increased Wholesale depths for Derek Lam

2017
Diversified Wholesale assortment

2018
Partnered via Share by RTR and launched Exclusive Designs

2019
Expanded Exclusive Designs

Rent the Runway Virality and Marketing Strategy

Our brand and deeply engaged consumer base have allowed us to acquire customers efficiently. Since our founding, we have spent less than 10% of total revenue on marketing, and our growth has been mostly organic. Approximately 88% of our customers over the last 12 years have been acquired organically. As of June 2021, we have had close to 3 trillion earned media impressions since 2018. As we have scaled, we have seen the value of the Rent the Runway brand grow and increasingly become a significant point of differentiation with consumers and brand partners. We have an opportunity to continue to increase brand awareness and as of June 2021, our unaided brand awareness is 20% among U.S. women ages 18 - 45 with a household income of $50,000 or more.

Many of our customers share a love of the Rent the Runway experience and value proposition, which starts conversations both online and offline and leads to word of mouth adoption. Because of how customers use Rent the Runway, renting bold dynamic pieces, our clothing becomes a visual billboard and advertisement for our platform. When women wear Rent the Runway, they feel confident and often want to share their experience on social media and in their personal lives, which drives brand awareness. This means that when our customers are wearing RTR and someone compliments them or asks about what they are wearing, 96% of our customers share that it's Rent the Runway as opposed to the designer brand name. The majority of our subscribers have posted themselves wearing RTR on their social media over five times. Renting from us is an inherently social behavior: 86% of our subscribers rent along with a friend or colleague. Our high level of continued organic growth has also been driven by the strong press coverage that we have generated.

While a majority of our new customers have historically come to Rent the Runway organically, we view paid marketing as a way to supplement our organic growth. Our paid efforts have included both middle-of-the funnel prospecting and bottom-of-the funnel direct response campaigns which also benefit from our top-of-the-funnel brand marketing efforts that drive awareness. To date, our primary channels for paid marketing have been focused on social media marketing, influencers and our brand ambassadors, programmatic directed spend and affiliate marketing.

Our Data Advantage

One of our significant differentiators is the vast amount of quality, actionable data that we are able to collect on our customers and our products. We leverage this data to create benefits for our customers, our brand partners and our business.

We capture more than 6,200 unique data points per subscriber per year and up to 27 unique data points per item each time it is rented across four channels including site data, post-wear data, operations data and customer data. We also identify and tag over 60 detailed attributes per style. By mapping our interactions with our products' inherent attributes, we create a strong feedback loop which allows us to optimize the supply of products in ways we believe that would be difficult for traditional retailers to achieve or replicate. This is one of our biggest competitive advantages.

We gather insights from the following:

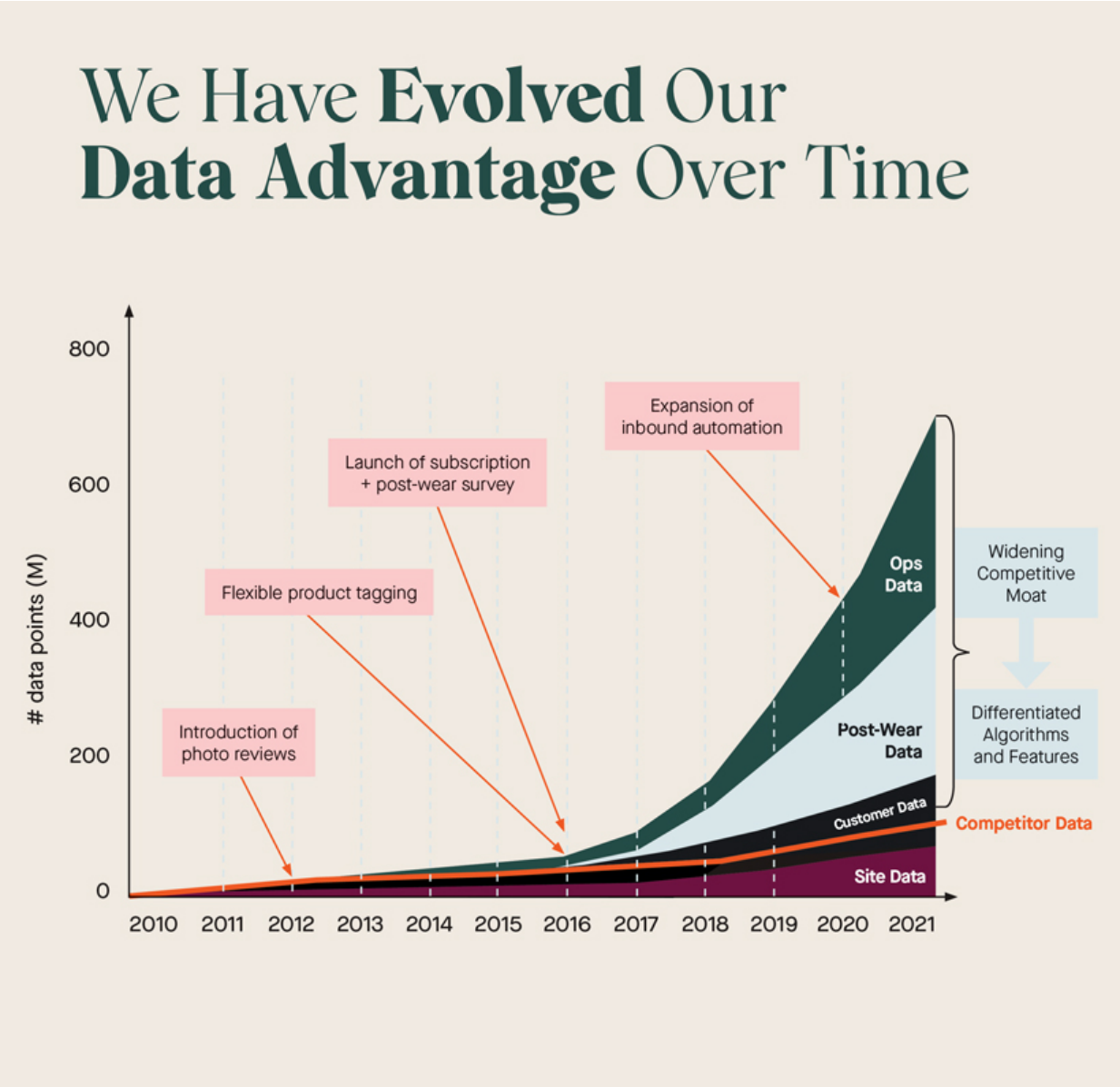
- **Site Data:** Site activity, including hearts and dislikes, shortlists, clicks, browse time, and add to carts.
- **Post-Rental Feedback Loop:** Overall happiness with experience, single-SKU usage including how many times she wears each item, fit across many dimensions (for example, if the item is too small in her waist), quality of the item, and occasion she wore it.
- **Operations:** Unit-level wears, cleans, repairs and customer damage data, and insight on fabrics and garment specs.

- **Customer Data:** Photo reviews, events, preferences, size and body dimensions, life stage, and profession.

The way we collect data also differentiates us:

- **Depth of Data:** Given the frequency of subscriber engagement with RTR (our average subscribers visit our app 20 times per month and wear RTR 83 days per year), we have a deeper understanding of the fashion preferences and lifestyles of our subscribers and how they evolve over time compared to our peers.[28] We also have 12 years of aggregating this data.
- **Speed of Data:** Our real-time feedback from customers enables faster feedback for our brand partners, our buying team and the way we manage our overall business. The same is true in our fulfillment centers operations - we track every interaction through an item's lifecycle including cleaning, quality inspection and repairs, and we use this data to improve each item's longevity.
- **Explicit Data:** The vast majority of our data is voluntarily provided by our customers in the form of structured post-rental surveys, free form photos and text reviews. While all feedback is optional, customer engagement is very high (94% response rate on post-rental surveys and 71% of subscribers provide free-form reviews of their experience, which are visible and valuable to other customers) given that our customers trust that the data they provide improves their experience over time.
- **SKU-level:** We track our items at the SKU level, mapping every interaction with customers and our operations over its lifetime. This enables us to note any issues at the item level, and perform specific garment restoration to maximize product return on investment.

28 Average subscriber wears calculated based on subscriber engagement in calendar year 2019 on an annualized basis.

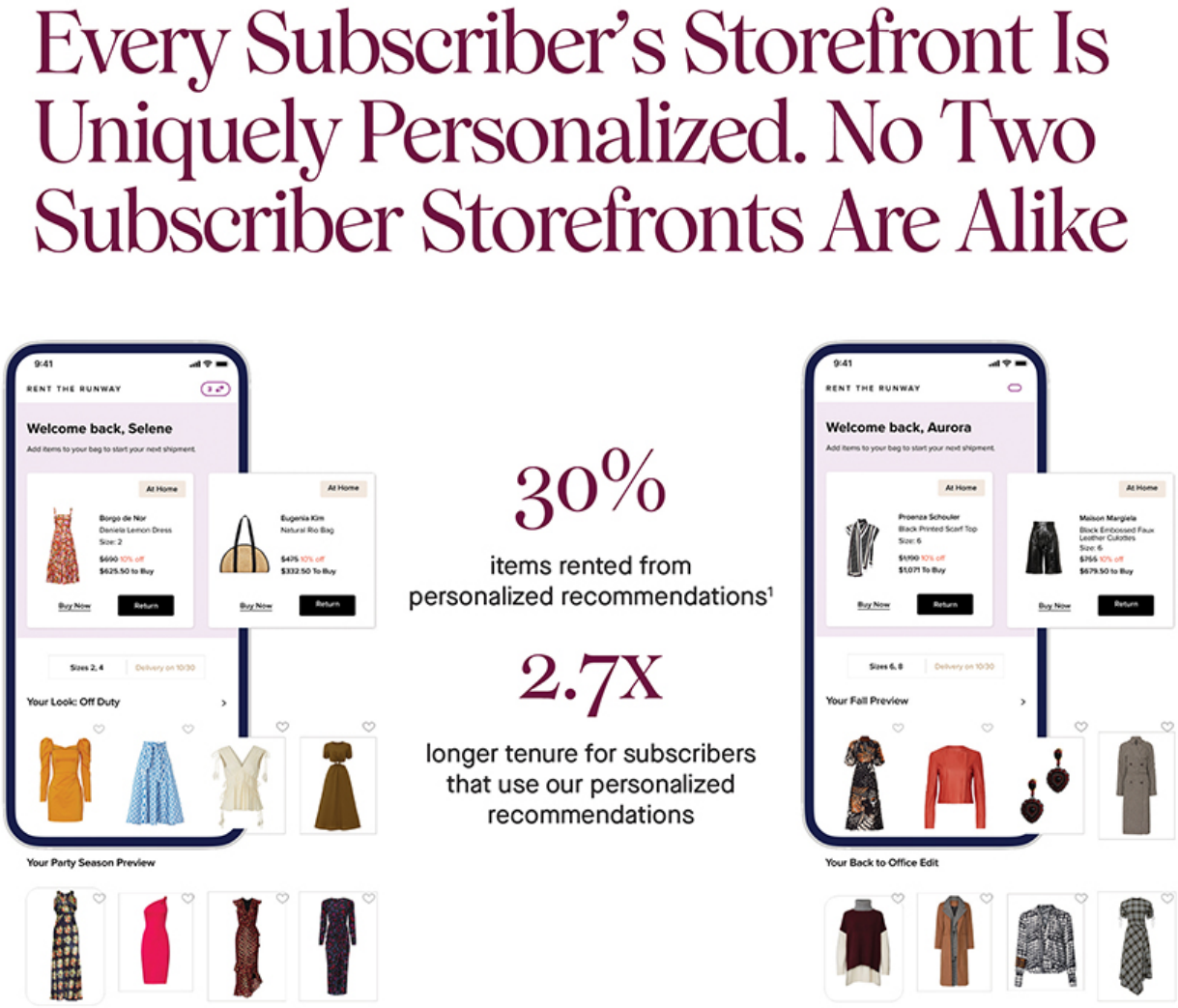


Our differentiated business model enables us to collect substantially more data than others in our space and we use this data to continuously improve the customer experience. Customers learn that providing data enhances their experience on the platform over time, which enables us to collect even more data from them. This flywheel helps propel the exponential growth of our post-wear, customer and operations data. We use our data to create what we believe are the most relevant assortment and personalized experience for our customers, which in turn drives loyalty. As we learn more about a customer, our personalized features give us greater ability to direct her towards the items that optimize both customer lifetime value and rental product return on investment for us. Our differentiated capabilities include:

- **Relevant Assortment:** Our goal is to create the most relevant assortment of products for each customer so that we can retain her as long as possible. By leveraging our knowledge of an individual customer's preferences, we calculate "relevancy scores" for each possible combination of items and customers, which is a composite metric to quantify how well suited our assortment is for a given customer. These scores and our retention predictive model allow

us to understand for which customers we already have the right product selection, for which customers we could improve, and which types of styles and at what depth we would have to acquire these styles to increase the probability of customer retention. Our ability to leverage this data improves dramatically as we scale.

- **Personalized Storefront:** We personalize the storefront for each of our subscribers; no two subscribers see the same storefront. We make data actionable for our subscribers by showing them the items that are most relevant for their life, body and style. Our personalized storefront is updated daily as we gather more information on each of our customers. 30% of units rented in fiscal year to date through June 2021 were a result of our personalized recommendations. In fiscal year 2019, customers who used our personalized recommendations had 2.7x longer tenure. We use personalization to broaden our customers' relationship with fashion in the same way that Spotify and Netflix broadens customers' relationship with music and entertainment, respectively. In the first half of fiscal year 2021, on average, our subscribers rented seven brands in their first month with us.



[1] Fiscal year to date through June 2021.

- **Fit:** We make personalized size recommendations to each customer at the item level. Since we launched our fit recommendation tool nearly two years ago, we have improved customer fit rate by 24%. We also leverage fit scores at the style level in our personalization algorithms so every customer is more likely to see styles that are a great fit for her body.
- **Review Data:** We surface the most relevant product reviews to each customer so she sees how women with similar height, weight and body dimensions to her look in each style. Conversion on items with eight or more reviews is 264% higher than on items with less than eight reviews.

RACHEL

SIZE WORN:	4R
OVERALL FIT:	TRUE TO SIZE
RENTED FOR:	OTHER
USUALLY WEARS:	6
HEIGHT:	5'6"
AGE:	40
BUST SIZE:	34D
BODY TYPE:	HOURGLASS
WEIGHT:	145LBS

★★★★★

This dress was giving everything!

I wore this dress to a private event a winery and when I tell you how many compliments I received???!!!! Bay-bee!! I was stopped no less than 10x. This dress is amazing! The colors are vibrant and was perfect for my skin complexion. I paired it with chunky gold leaf earrings, straw purse and braided gold flat sandals. Perfect in every way!

STEFFANY

SIZE WORN:	XSR
OVERALL FIT:	TRUE TO SIZE
RENTED FOR:	EVERYDAY
USUALLY WEARS:	2
HEIGHT:	5'7"
AGE:	28
BUST SIZE:	32B
BODY TYPE:	HOURGLASS
WEIGHT:	120LBS

★★★★★

I loved it so much I bought it!

So cute! Perfectly lightweight for hot summer days. The material isn't so thin that it's really see-through, but it does not need light colored underwear/bra. If you're any taller than 5'7", it might be too short in the body portion. I wore it with white tennis shoes for a museum day, but cute little white heels or sandals would make it a little dressier from brunch or a date.

ANGELA

SIZE WORN:	8R
RENTED FOR:	FORMAL AFFAIR
USUALLY WEARS:	8
HEIGHT:	5'9"
AGE:	38
BUST SIZE:	36B
BODY TYPE:	PEAR
WEIGHT:	165LBS

★★★★★

Rose Garden Goddess Qween!

This dress is everything! Wore it to a formal every and it was PERFECT! I love AMUR and this dress does not disappoint. It's gorgeous!!! Now, I will say that it's definitely made for a tall person- I'm 5'9" and had to wear 3 inch heels in order for the dress to not drag. I would also say that it would work best for an A-C cup as the top part of the dress and straps are not adjustable. Fits true to size.

RTR CUSTOMER

SIZE WORN:	LR
OVERALL FIT:	TRUE TO SIZE
RENTED FOR:	PARTY
USUALLY WEARS:	10
HEIGHT:	5'5"
AGE:	36
BUST SIZE:	38C
BODY TYPE:	HOURGLASS
WEIGHT:	155LBS

★★★★★

Baby shower beauty

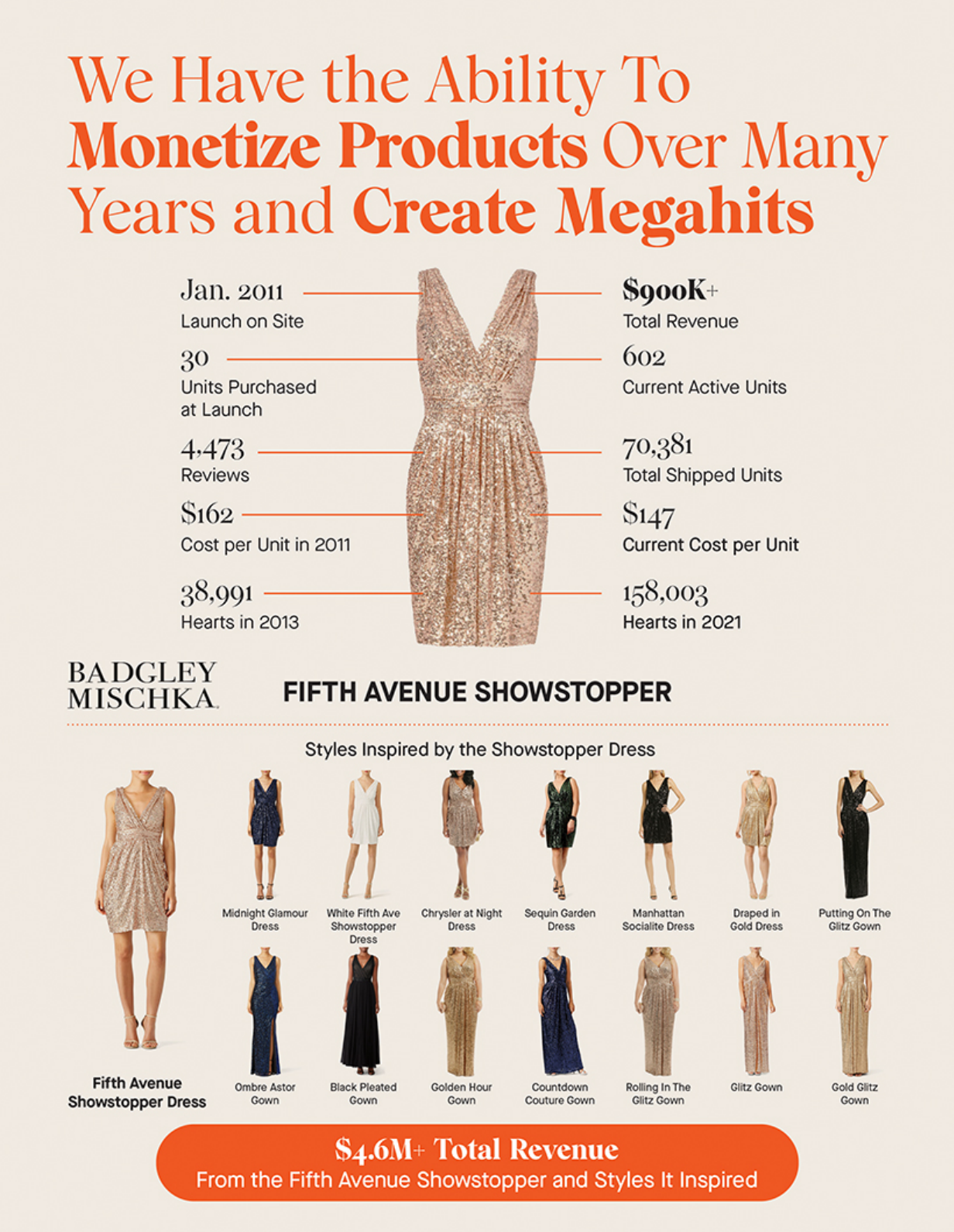
Wore this to my baby shower. Loved how light and airy it is and the colors were amazing. Fit over my 24 week bumpy and I still had plenty of room. Would love to rent again when I'm not pregnant. Sleeves are adjustable as well as the neckline for more or less coverage.

Our data advantage benefits brand partners in numerous ways:

- **Understanding the Garment Life Cycle:** We help partners grow their business through the data we provide. Every brand partner gets a detailed and personalized dashboard, including deep aggregate insights that help them improve their product offering in terms of quality, fit, fashion trends, product longevity and assortment gaps. Product longevity data often help our brands increase the life of their garments, which can support their sustainability goals.
- **Understanding Customer Demand:** As our customers wear (or don't wear) and review items, we can determine demand for trend, category, season, style, color, size, etc. due to our robust attribution of products (over 60 attributes) paired with customer interaction data. This data highlights growth opportunities for brands as well as areas for improvement. Brands also get a clear picture of who their true customer is versus their perceived or desired customer, which in turn allows them to design the most relevant offering.

Our data also allows us to continually optimize the return on investment on products and customer lifetime value, which are dependent on the following inputs, all of which continuously improve as our business scales.

- **Scientific Product Acquisition:** Our data provides a comprehensive picture of our products by bringing together customer feedback, operations data and inherent product attributes. Our analytics teams utilize this data to optimize the styles we need and the quantity per style. In addition, we are able to strategically select which acquisition structure is best suited to which product type - Wholesale, Share by RTR or Exclusive Designs. We have improved at selecting our assortment over time, evidenced by the fact that the utilization of our seasonally-relevant products has increased from 55% utilized in fiscal year 2015 to 63% utilized in the first half of fiscal year 2021, while the business was still ramping back from the COVID-19 pandemic. We track the demand arc of styles over time and have disproved the misconception that fashion quickly goes out of style. Over 40% of our styles continue to turn for three or more years.



- **Price Optimization:** Our dynamic pricing algorithm optimizes how our products are consumed across Subscription, Reserve rentals and Resale by taking into account demand signals and

the expected useful life and turns of each item. We have the flexibility to optimize prices for revenue, margin and product return on investment based on the business needs.

- **Lower Cost Product:** We leverage our data to create highly desirable Exclusive Designs in collaboration with our brand partners that we manufacture to be more durable at significantly lower cost.
- **Longer Product Life:** Our feedback to brands helps us customize for higher longevity of our products - we understand how to clean and care for garments to maximize multi-year monetization and incremental turns per unit.

Data Science Capabilities and Algorithms

Data is the fabric of Rent the Runway and powers our technology, logistics and data science efforts across all parts of our business, from recommender systems to pricing algorithms and forecasting. Experimentation and algorithm development are deeply embedded in all parts of our business. We have created 40+ data science algorithms that help us continuously achieve better outcomes for the business including in our two of our biggest levers: customer lifetime value and product monetization. As our data sets grow, our algorithms become more powerful and gain leverage.

Some of our most impactful proprietary algorithms include:

- **Deep 1:1 Personalization:** For each customer and item, we compute several scores that measure the affinity of item and customer through factorization machines and deep learning. We leverage these personalization scores across the business to: rank products on our subscriber personalized storefront and in search results, recommend a specific size within a style on product pages, compute general product relevance at the subscriber level and inform product acquisition, inform sizing of new apparel designs with our brand partners and more.
- **Retention Predictive Model:** We leverage a retention predictive model to understand the relative importance of more than 180 drivers of loyalty and LTV, at the single customer level to understand which interventions have the highest probability of improving customer retention. We regularly leverage this data to experiment with different approaches to retain customers based on this model in a targeted and personalized way.
- **Computer Vision for Products:** For each style in our assortment, we generate over 2,000 visual style embeddings using deep learning that capture color, pattern shape, sleeve length, etc. We leverage this data as a feature in our recommender systems, to cluster styles to inform product acquisition and provide product attributes in our product catalog amongst other uses.

Our Technology and Logistics Advantage

We have built a cohesive platform that pairs proprietary and third-party intelligent software with differentiated infrastructure and hardware all tailored to the sharing economy of physical goods. Our proprietary software leverages our vast and unique dataset to optimize key outcomes for RTR.

Proprietary Software and Systems

Because our product offering is highly innovative, we have purpose-built a technology stack to support three key areas of our business:

- 2-Way e-commerce
- Rental Reverse Logistics
- Merchandising & Products Control

2-Way e-commerce

We have a 2-way relationship with our customers — in that nearly every item is returned and the customer provides feedback. We have built a custom frontend platform that supports Subscription, Reserve and Resale in one easy experience for the customer. This allows us to optimize the product offering for the customer based on her needs.

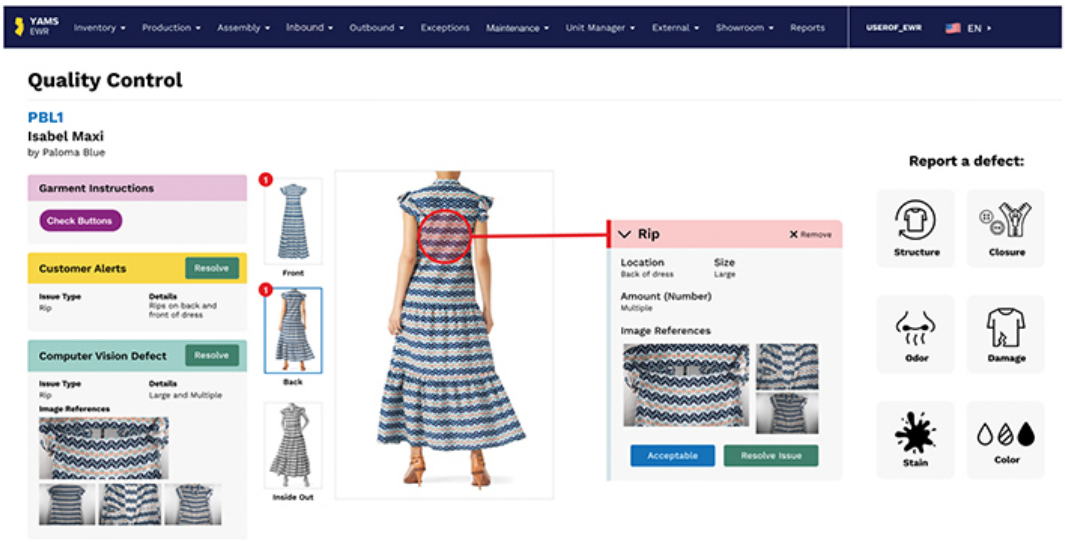
- **Membership Platform**: Provides flexibility of creating new subscription offerings and collects detailed feedback from subscribers during every action. Subscribers control their membership and can customize based on their current needs or schedule changes in advance.
- **Rapid Iteration and Experimentation:** Our custom frontend platform is built from the ground up to enable rapid iteration and experimentation across all components, from site layout to product placement, product recommendations and conversion funnel.
- **Reservation Calendar:** Our booking engine manages a single pool of products across our three offerings and maximizes product availability utilization by calculating current and projected product needs.
- **Flexible Referrals and Promotions:** We utilize dynamic and highly targeted marketing incentives to stimulate customer acquisition and conversion.
- **Customer Service:** We service our customers through both self-service tools as well as live support via chat, email and phone. Our customer service team is powered by an internally built platform that manages all elements of our customers' experience, and connects to best-in-class third party software.

Rental Reverse Logistics

We designed our patented technology to support the processes in our fulfilment centers and ensure that we can process orders efficiently and extend the useful life of our products.

- **Garment Science:**
  - Cleaning Intelligence: We have over a decade of data and expertise in optimizing the life of a garment by leveraging different cleaning and care methods. Our cleaning equipment is fully networked, allowing us to monitor water temperature, cycle time and cleaning programs to maximize usage of our machines.
  - Cleaning Automation: Automation supports dynamic sorting of items into as many as 26 different cleaning programs.
  - Garment Care and Restoration: All units undergo one or more quality audits before being available to rent for the next customer. We surface customer feedback data to our associates to ensure units are properly treated. Units that need repair are tracked through every step in the restoration process.

Our Expertise in Garment Science is Enhanced by Proprietary Data and Technology, Allowing Us to Achieve Multi-Year Monetization on Our Products



- **Intelligent Fulfillment Network:** Our unified booking engine, the “brain” of our distribution capabilities, dynamically manages decisions such as which fulfillment center to ship a unit from or which transportation type to select to reduce cost. We are therefore able to maintain uptime throughout the year, such as during snowstorms or power outages by moving demand to another facility.
- **Optimized Storage:** Garments and accessories are stored in multi-story pick modules that utilize both on-hanger and flat pack storage solutions. All items are stored randomly,

maximizing the utilization of cubic storage space. Random storage allows for efficient putaway of garments and dynamically created pick paths that save labor cost.

- **RFID:** We tag each unit and all reusable garment bags with RFID tags, which increases throughput, reduces cost, improves inventory control and enables new forms of automation.
- **Fulfilment Efficiency:** We have automated various parts of the fulfilment process including picking, order consolidation and packing. Our fulfilment engine dynamically prioritizes customer orders based on promised delivery date, transportation departure schedules and available capacity.
- **Transportation Innovation:** Convenient places to return your rental are an important part of our customer experience. We have invested in an inbound network that allows our customers to select from national returns logistics providers and Rent the Runway designed and managed return methods including physical drop-off points, mobile trucks and RTR drop-off boxes strategically positioned in retail stores or corporate offices.

Merchandising and Product Control

Our proprietary product catalog system is the backbone of our inventory management. A flexible taxonomy supports myriad types of products which goes well beyond women's fashion, and allows us to ingest and manage items at the SKU level, functionality that does not typically exist in off-the-shelf inventory management systems. This system uses a combination of manual and dynamic image algorithm driven attribution to assign over 60 product attributes per style, making the ingestion of new styles into the Rent the Runway catalog fast and easy without sacrificing valuable data collection. This system supports the many ways we acquire products, including Wholesale, Share by RTR and Exclusive Designs. The catalog serves as the starting point for products at RTR, and drives many areas of the Rent the Runway site and operation including quality control, search, navigation, and filtering.

While we have built the majority of our circular platform, we strategically leverage third-party software for commodity functionality where our problems are not unique. These include pieces of the customer experience, customer service tools and ERP capabilities.

Logistics Infrastructure

Our warehouses are more than just facilities - they are Dream Fulfillment Centers, or DFCs, that aim to deliver a Cinderella experience to every customer every time. Within these facilities, we have integrated best-in-class garment care equipment, internally and externally developed fulfillment software and proprietary cleaning programs to deliver high-end garment processing at massive scale. We have also built large-scale, innovative automation and other processes for garment storage, picking, shipping, receiving and restoration of garments to excellent condition. These processes result in labor and other cost savings, while increasing our total shipment capacity and increasing the total lifetime of products, our biggest asset.

- **Strategic Distribution:** We have two fulfilment centers, in Arlington, Texas and Secaucus, New Jersey totaling 540,000 square feet. We have the capacity to store more than two million garments and accessories on multiple floors across our fulfillment centers. These strategically located fulfillment centers cover 67% of our subscriber base as of June 2021 within two days of ground transportation. Customers view selection in their closest distribution center allowing for minimum transit time and the lowest shipping costs. We aim to deliver industry leading fulfillment promises with a goal of delivering orders within two business days in most markets. For 50% of subscribers that reside in the geographies near our fulfillment centers, such as Manhattan, we aim to deliver within one business day. Since inception, we have shipped over 40 million units ($15.9 billion GMV).

- **Garment Care Hardware:** Our facilities are equipped with a curated set of 470 pieces of digitally integrated garment care hardware including wet cleaning, dry cleaning and spray cleaning machines; dryers, steam tunnels, pressers, spotting boards, auto-baggers and commercial sewing machines.
- **Processing:** Garments flow through the facility on both rail and belt-driven conveyance guided by RFID tags linked to a massive array of cleaning instructions set by our proprietary operating system. A variety of item types are sorted based on cleaning, storage and repair methods. After discrete processing, they fall back into continuous flow and random storage, which drives labor efficiency and maximizes use of physical space in our DFCs.
- **Proven Scalability:** Our infrastructure is highly scalable. Our existing facilities have the physical capacity to process over two million units per week and we expect our weekly processing capacity to increase over time. We believe that the process improvements we made over COVID-19 enable us to expand our capacity to handle approximately 4x what our maximum subscriber count was in fiscal year 2019 in our two current facilities.
- **Transportation Management:** We partner with a wide variety of national, regional and local last mile service providers in order to close the loop between our Dream Fulfillment Centers and our customers. Our transportation management system allows us to rate shop across these providers and opt into the best shipping method based upon cost and capacity.

Total Addressable Market

Apparel is a large market that is rapidly shifting online. According to Euromonitor, the U.S. apparel market was $286 billion in 2020 of which 37% or $107 billion is online. The online U.S. apparel market is expected to grow at a 12% CAGR compared to the overall apparel market, which is expected to grow at a 3% CAGR between 2020 and 2025. In 2025, the U.S. apparel market is expected to be $395 billion of which 49% or $192 billion is expected to be online.[29]

We address the secondhand market, which is the fastest growing portion of the apparel market today. According to GlobalData, this market is at $27 billion in 2020 and is expected to increase to $77 billion in 2025, growing at a 23% CAGR. We are changing consumer purchasing behavior by creating a sharing economy for fashion and believe we will contribute to the growth of this market.

We believe we are in the early innings of this opportunity. As of the end of fiscal year 2019 and 2020, respectively, we had 147,866 and 95,245 total subscribers (which includes both active and paused). Since 2009, we have had over 2.5 million lifetime customers across all of our offerings, and as of July 31, 2021, we had 126,841 total subscribers (active and paused), representing less than 1% of the total population of women aged 18 and above in the U.S.

According to the U.S. Census Bureau, as of 2020, there are 38 million women 25 years and older that both work and are college educated, 61 million women 18 years and older that are college educated, and 130 million total women 18 years and older in the U.S. Today, the majority of our subscribers and customers are college educated or working women, but we believe we can continue to diversify our subscriber and customer base over time, particularly given subscription and rental behavior trends in our favor. According to the July 2021 Lab42 Survey, 24% of women have subscribed to fashion in the past, and 59% are open to it. Additionally, 19% of women have rented clothing or accessories in the past, and 55% are open to it. 56% of women state that they will subscribe to fashion at some point in the next five years.

Our Growth Strategies

The key elements of our growth strategy are:

- ***Grow our Subscribers:*** We have experienced success growing our subscriber base and as of July 31, 2021, we had 126,841 ending total subscribers. We believe we have significant runway ahead of us given our customers span broad geographic and age ranges. With our differentiated brand and organic virality, strong funnel of new customers through Reserve and Resale and our continued focus on marketing efficiency, we are focused on growing our subscriber base.
- ***Expand our Assortment by Adding New Brand Partners and Deepening Existing Brand Partner Relationships:*** We are focused on expanding our product assortment and in particular, we intend to accelerate our capex-light partnerships via Share by RTR and Exclusive Designs. Having a broader assortment choice for our customers has the potential to increase both the engagement and loyalty of our current subscribers and accelerate growth of new subscribers. We also have the opportunity to carry broader assortments from the more than 750 brand partners on our platform as we typically bring in less than 10% of a brand partner's total available styles initially.
- ***Continue to Invest in the Customer Experience:*** By continuing to improve our customer experience, we aim to improve subscriber retention and engagement. Our customer experience

[29] Euromonitor Apparel & Footwear 2021.

includes interactions online and the experience customers have offline wearing Rent the Runway. We are focused on driving continuous improvements in both areas, particularly on personalization, social features and transportation innovation.

- ***Launch New Categories and Offerings:*** Our flexible membership platform and physical logistical infrastructure means that we can launch new categories and offerings that resonate with our customers and their lifestyles. For example, over 30% of our customers have children or are pregnant. In fiscal year 2019, our test launch for our kids category was successful and we continue to carry kids products on our platform. Having a broader selection of categories for our customers increases both the engagement and loyalty of our current subscribers and accelerates growth of new subscribers. We plan to continue to invest in these categories, expanding with existing and new brand partners, and growing our offerings within rental and resale. We may also choose to expand our platform through partnerships, joint ventures or acquisitions.
- ***Deepen our Brand Partner Marketplace Enablement Tools:*** Our goal is to help our brands build bigger businesses both on and off our platform. We intend to continue to expand Share by RTR and provide more tools to our brand partners to grow their businesses and assortments across subscription, rental and resale. This includes building upon the quarterly data packs already provided to each brand partner. Additionally, as consumers and brands become more comfortable with our platform, the opportunity exists to leverage the operating system we have built to power rental, resale and subscription for our brand partners in their own DTC channels.
- ***Drive Leverage in Operational Efficiency:*** We plan to continue to leverage our treasure trove of data through increased automation of our operations. We are focused on using our data to drive actionable insights and improve key operations such as item longevity, fulfillment and garment science while optimizing our return on investment for each individual SKU.
- ***Expand Internationally:*** Our brand partners are focused on ways to grow with us and continue to approach us to help them grow their customer bases internationally. Similarly, our research indicates there are large potential customer segments internationally. We may invest in creating a sharing economy of physical goods around the world. We may choose to do this organically or through partnerships and acquisitions.

Our ESG (Environmental, Social, and Governance) Impact Summary

Our mission has remained the same since our founding: powering women to feel their best every day. We believe our platform is powering a new frontier for fashion, one in which women buy less and wear more, disrupting a centuries old industry and contributing to a more sustainable future.

Our Environmental Impact

***Driving A Paradigm Shift in Consumption to Protect Our Planet*:** The negative environmental impacts of the fashion industry are well documented and raise concerns that business-as-usual linear models, which generate significant waste and require substantial natural resources, cannot be sustained.

According to the Ellen MacArthur Foundation, or EMF, from 2002 to 2017, global clothing production approximately doubled but utilization decreased by 36%.[30] EMF estimates that in a business-as-usual scenario, more than 150 million tons of clothing would be landfilled or burned in 2050 - with the weight of clothing produced between 2015 and 2050 accumulating to more than ten times that of the aggregate weight of the world's population in 2017.[31]

30 Ellen MacArthur Foundation, A New Textiles Economy: Redesigning Fashion's Future, 2017.
31 Based on an estimated weight of the 2017 world's population of 300 million tons.

Textile production is energy- and water-intensive, and EMF estimates that textile production resulted in 1.2 billion tons of carbon dioxide (CO2) equivalent in 2015, more than the emissions from all international flights and maritime shipping combined that year, and uses around 93 billion cubic meters of water annually, contributing to water scarcity in many regions of the world.[32]

These realities have accelerated the need for change, and specifically for innovative business models that curb the environmental impacts of the industry. According to a 2020 study published by McKinsey & Co. and the Global Fashion Agenda (GFA), circular business models including rental, re-commerce, repair and refurbishment could enable the industry to cut approximately 143 million tons of Greenhouse Gas (GHG) emissions by 2030 (out of the estimated 2.1 billion tons the industry generates).[33] Their analysis also found that one in five garments will need to be traded through circular business models in order for the industry to achieve a 1.5 degree pathway by 2030 (limiting global warming to less than 1.5 degrees Celsius above pre-industrial levels), a goal set forth by the United Nations Paris Climate Accord.[34]

We believe that our scalable platform, which distinctly offers the options to rent a-la-carte, subscribe and purchase resale, holds significant potential as a key contributor to reducing waste and natural resource consumption. Our ultimate goal is displacement of new clothing, meaning that rental and purchase of “pre-loved” clothing ultimately replaces production of new clothing. We have seen that renting through our shared Closet in the Cloud creates less overall clothing consumption amongst our customer base. Our subscribers consistently indicate that they purchase less new clothing because of our business; as of June 2021, 89% of our subscribers said they buy fewer clothes than they used to prior to joining RTR, with close to one-third of our subscribers saying they buy six to over 20 fewer items of clothing per month since signing up for RTR. Our subscribers also spend less on buying clothes: 60% of our subscribers report spending between $100 and $500 less per month on clothes and at least $25 less on dry cleaning per month when they have a subscription to RTR.

Our business model aims to teach customers a rent versus buy mindset when it comes to building and maximizing their wardrobes: that they should invest in purchasing high-quality pieces that they will wear with frequency over many years, and that they should rent pieces they will wear less. Notably, 83% of our subscribers have bought less fast fashion since using RTR. We believe the substitution of Rent the Runway for fast fashion has positive sustainability impact as it is estimated that more than half of fast fashion produced is disposed of each year.[35]

Additionally, we commissioned a first of its kind study in the U.S. with Green Story and SgT, third-party consultants specializing in apparel Life Cycle Assessments, or LCA Study, to assess the environmental impacts of business-as-usual linear models compared to the Rent the Runway rental platform.

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32 EMF estimate includes cotton farming.
33 McKinsey & Co. in partnership with the Global Fashion Agenda, Fashion On Climate, 2020.
34 An agreement within the United Nations Framework Convention on Climate Change (UNFCCC) developed in 2015. The goal of the agreement is to keep the global average temperature from rising 2°C and preferably to 1.5°C (compared to temperatures pre-industrial revolution) by the end of the century.
35 McKinsey & Co., Style That’s Sustainable: A New Fast-Fashion Formula, October 2016.

Displacement of New Garment Production

Using our data provided for the LCA Study, we estimate that our rental model has displaced production of new garments. Specifically:

- We estimate that approximately 1.3 million total new garments have been displaced since 2010, resulting in the savings of 67.0 million gallons of water, 98.6 million kWh of energy and 44.2 million pounds of CO2 emissions.[36]
- We estimate that these environmental savings are the equivalent of approximately 134 million days of drinking water, 12,697 U.S. households' annual electricity usage and 47,737 round trip flights between Newark and Dallas, respectively.[37]

Environmental Savings

When a customer rents a garment from our Closet in the Cloud, the result is net environmental savings when compared to purchasing as follows:[38]

- The LCA Study found environmental savings on a per wear basis when compared to purchasing a new garment. Overall, across all 12 categories studied, we estimate net environmental savings of a 24% reduction in water usage, a 6% reduction in kWh of energy usage, and 3% reduction in pounds of CO2 emissions for one rental garment.[39]
  - The estimated environmental savings for water, energy, and emissions varied across different categories. For example, renting from certain product categories such as cocktail dresses and sweaters yields significant environmental savings, whereas renting from certain product categories such as jeans and pants does not yield environmental savings.
  - Understanding the nuances between our product categories is key in our efforts to improve the overall number of wears of our products and increase the positive environmental impact of our platform.
- With approximately 27.1 million wears estimated across all 12 categories since 2010, we estimate that we have saved 54.7 million gallons of water, 33.0 million kWh of energy and 13.3 million pounds of CO2 emissions.[40] We estimate that these environmental savings are the equivalent of approximately 109.4 million days of drinking water, 4,250 U.S. households' annual electricity usage and 14,329 round trip flights between Newark and Dallas.[41]

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36 Displacement by category was calculated by the total amount of wears of RTR products, or Rental Wears, then estimating how many garments otherwise would have been bought and worn in the traditional manner (which is not a rental model, known here as "Linear Wears") had the RTR Rental Wears not taken place. Specifically, this displacement is calculated by (Rental Wears - Linear Wears) / Linear Wears. The displacement per category was then multiplied by the estimated number of units across all product categories from 2010 to 2021. Environmental savings are based on results of the LCA Study and specifically the net upstream production impact across 12 product categories assessed in the LCA Study: blouses, sweaters, skirts, jeans, pants, jumpsuits, daytime dresses, maxi dresses, gowns, cocktail dresses, jackets and coats. These categories represented approximately 85% of our 2019 product assortment. Examples of categories not included in our calculations include accessories and home goods. These savings calculations reflect the difference between the rental model and the full environmental cost of purchasing under the linear model, while the savings referenced below under "Environmental Savings", reflect the difference in environmental savings between purchasing under a rental model as opposed to a linear model.

37 Equivalency estimates were calculated using EPA's Greenhouse Gas Equivalencies Calculator and data from ICAO.

38 A garment means one item in the following 12 product categories assessed in the LCA Study: blouses, sweaters, pants, jeans, skirts, jumpsuits, daytime dresses, maxi dresses, gowns, cocktail dresses, jackets and coats.

39 Percentage of savings are based on (a) the calculation of individual environmental impact of each category as presented in the LCA, weighted by (b) the percentage of estimated total wears for each of the 12 categories, as measured from 2010 through 2021.

40 Based on total number of wears in the 12 product categories measured from 2010 to 2021.

41 Data extrapolated using results of LCA Study, which used 2019 company data, and total wears for each of the 12 categories measured from 2010 through 2021. These savings calculations reflect the difference in environmental savings between purchasing under a rental model as opposed to a linear model, while the savings referenced above under

"Displacement of New Garment Production", reflect the difference between the rental model and the full environmental cost of purchasing under the linear model. Equivalency estimates were calculated using EPA's Greenhouse Gas Equivalencies Calculator and data from ICAO.

While there is no silver bullet to solving the numerous environmental challenges facing the fashion industry, we believe we can harness our platform to fundamentally shift mindsets and behaviors, ultimately leading to higher wears per garment and less overall clothing production.

We Are Building A More Sustainable Fashion Industry By Encouraging Women To Buy Less and Wear More

RTR CUSTOMERS BUY LESS

89%
buy fewer clothes after joining RTR

83%
buy less fast fashion since using RTR

RTR PLATFORM DRIVES ENVIRONMENTAL GAINS

~1.3M
estimated new garments have been displaced since 2010[1]

Resulting in Est. Savings[2] of:	Net Environmental Savings[3] Per Wear vs. Buying New:
67M gallons of water	24% Water
99M kWh of energy	6% Energy
44M pounds of CO_2 emissions	3% CO_2 emissions

See "Our ESG (Environmental, Social, and Governance) Impact Summary" section for additional detail.

[1] Displacement was calculated by (Rental Wears - Linear Wears) / Linear Wears. Displacement was multiplied by estimated number of units in all categories studied.

[2] Environmental savings are based on results of an LCA Study, specifically the net upstream production impact across all categories studied.

[3] Percentage of savings are based on (a) the calculation of individual env. impact of each category as presented in the LCA Study, weighted by (b) the percentage of estimated total wears for each of the categories studied, from 2010-2021.

Our Social Impact

***Equalizing the Playing Field, While Powering Women to Feel Their Best*:** Whether it's commanding a meeting room, performing center-stage or completing a carpool pickup, women have busy and demanding lives that require versatile clothing. Yet despite the significant role women play in driving the global economy, they are disproportionately challenged to dress and feel their best when compared to men.

Consider the "appearance expectation gap." In many industries, women face greater cultural expectations for their physical appearance at work. There are many unspoken (and sometimes spoken) rules around how professional women should dress including what items are appropriate, what designers are preferred, and what styles are suitable for the office. These expectations are not limited to only certain job levels; interns to entry-level employees through management often encounter barriers of both affordability and access when trying to fit into these environments.

In a 2018 survey conducted by The Business of Fashion in partnership with Thrive Global, 49% of women reported feeling self-conscious about repeating outfits at work, 50% of women reported feeling pressure to be "put together" at work and 41% said that how they dress impacts how they are viewed as leaders.[42]

These cultural and economic disparities are compounded by the fact that women earn less than their male counterparts. Per the latest U.S. Census Bureau data as of 2019, the average full-time working American woman makes 82 cents for every dollar earned by their male counterpart.[43]

We believe that our Closet in the Cloud powers women to unlock their confidence and therefore their greatest potential through access to versatile and affordable designer clothing and accessories.

Rent the Runway offers customers access to aspirational clothing that is often —consciously or subconsciously—expected in the workforce. We help reduce the barriers to entry of being a professional working woman, which make up the majority of our customers. We deliver significant financial value to customers, with our average subscriber wearing clothes worth more than 20 times what she pays for a monthly RTR subscription on an annualized basis (more than $37,000 in designer retail value annualized for the first six months of fiscal year 2021).[44]

Furthermore, the convenience of a Rent the Runway subscription saves women on average three hours a week on getting dressed giving our subscribers time back so that they can spend it on the things that matter most.

Lastly, we are democratizing fashion by making products available at a price point that is more widely accessible. Fashion is at the center of many of life's most important traditions and moments, but the cost of fashion can be restrictive. For instance, families with a household income of less than $25,000 plan to spend $1,393 for the prom, compared to those making more than $50,000, who plan to spend an average of $799.[45] Our business provides the experience of wearing the "real thing" to everyone and we make it possible to feel your best, regardless of your household income. We believe everyone deserves to celebrate special occasions with confidence. Approximately 87% of our customers say that RTR gives them more access to brands that they cannot afford, based on our June

42 Business of Fashion, Women Need Work Clothes. These Brands Want to Give Them More Options, October 10, 2018.
43 The U.S. Census Bureau, Income, Poverty and Health Insurance Coverage in the United States: 2019, September 15, 2020.
44 We calculate designer retail values using original retail and/or comparable value prices. An original retail price is the price at which the manufacturer suggested that retailers in the marketplace, including department stores and specialty retailers, sell the item in new condition. A comparable value price is used for our Exclusive Designs and is based on an evaluation of prices for new comparable merchandise sold elsewhere in the marketplace.
45 CNN Money, Poor Families Spend $600 More On Prom than Wealthier Ones, March 2015.

2021 Customer Survey. Since our founding we have been deliberate about partnering directly with designers to transform the fashion industry, by providing widespread access to high-end and designer products and removing barriers around price, all while maintaining brand equity for our partners and helping them to grow their businesses.

ESG Actions Taken

We aim to use our platform to set the standard for sustainable practices for our unique business model as well as catalyze transformation within the fashion industry. We lead with our mission and take actions aimed to accelerate the environmental and social wellbeing of our customers, employees, brand partners and the communities in which we operate.

Environmental Actions

We actively measure the use of resources in our operations using third-party software that streamlines data collection across our facilities. In July 2021, we completed our first Scope 1 (direct emissions from our owned and controlled sources) and Scope 2 (indirect emissions from our generation of purchased energy) greenhouse gas emissions footprint for fiscal year 2019, in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. We will continue to measure these emissions so that we may begin to set targets to reduce them, and we also intend to measure our Scope 3 emissions (all indirect emissions not included in Scope 2 that occur in our value chain) in the future.

Additionally, we continue to implement solutions aimed at lowering the environmental impact of our operations, while also improving efficiencies and reducing costs, including:

- The lifecycle of our products does not end with our operations and we recognize the importance of responsible end of life practices; we resell, donate, or recycle all products when they are no longer able to cycle through the Closet in the Cloud to approved third-party organizations. Our Revive program resells products through our own sample sales or in collaboration with partners like ThredUp. Additionally, as of June 2021 we have donated over 30,000 units of clothing, accessories, and reusable packaging and recycled over 28,000 units through our partner organizations.[46] Key donation partners include Dress for Success, Materials for the Arts and Henry Street Settlement while key recycling partners include Looptworks and FabScrap. In total, we estimate that approximately 1.1 million products weighing approximately 900,000 lbs have been either resold, donated or recycled and diverted from landfill. This equates to approximately 330,000 lbs of CO_2 emissions (carbon dioxide equivalence) avoided when compared to linear, or the equivalent of approximately 167,000 pounds of coal burned.[47]
- We keep our plastic packaging out of landfills by encouraging customers to send back the plastic polybags that protect our garments as well as our two-way poly mailers (made of up to 50% post-industrial recycled materials, which were launched in 2020) so we can recycle them through our third-party partner, Trex Company, Inc., who recycles these items into wood-alternative building and decking materials. Approximately 408 tons have been recycled since 2017 through this program, the equivalent weight of 68 elephants.
- We set a new standard for reusable packaging with the launch of our patented garment bag in 2014, transforming the way customers receive and send products. In the fall of 2021, we are excited to launch the latest version of our reusable garment bag which we believe will reduce

46 Donated and recycled quantities from January 2018 through June 2021.
47 Environmental savings were calculated as a part of the LCA Study and are based on end of life impact for a linear business model.

costs and improve our operational efficiency and reduce water usage by 1.25 gallons per bag use, as compared to our prior garment bag. With a planned usage of approximately 20% of shipments in fiscal year 2022, the next version of our garment bag is expected to save an estimated 6.7 million gallons of water through fiscal year 2024.

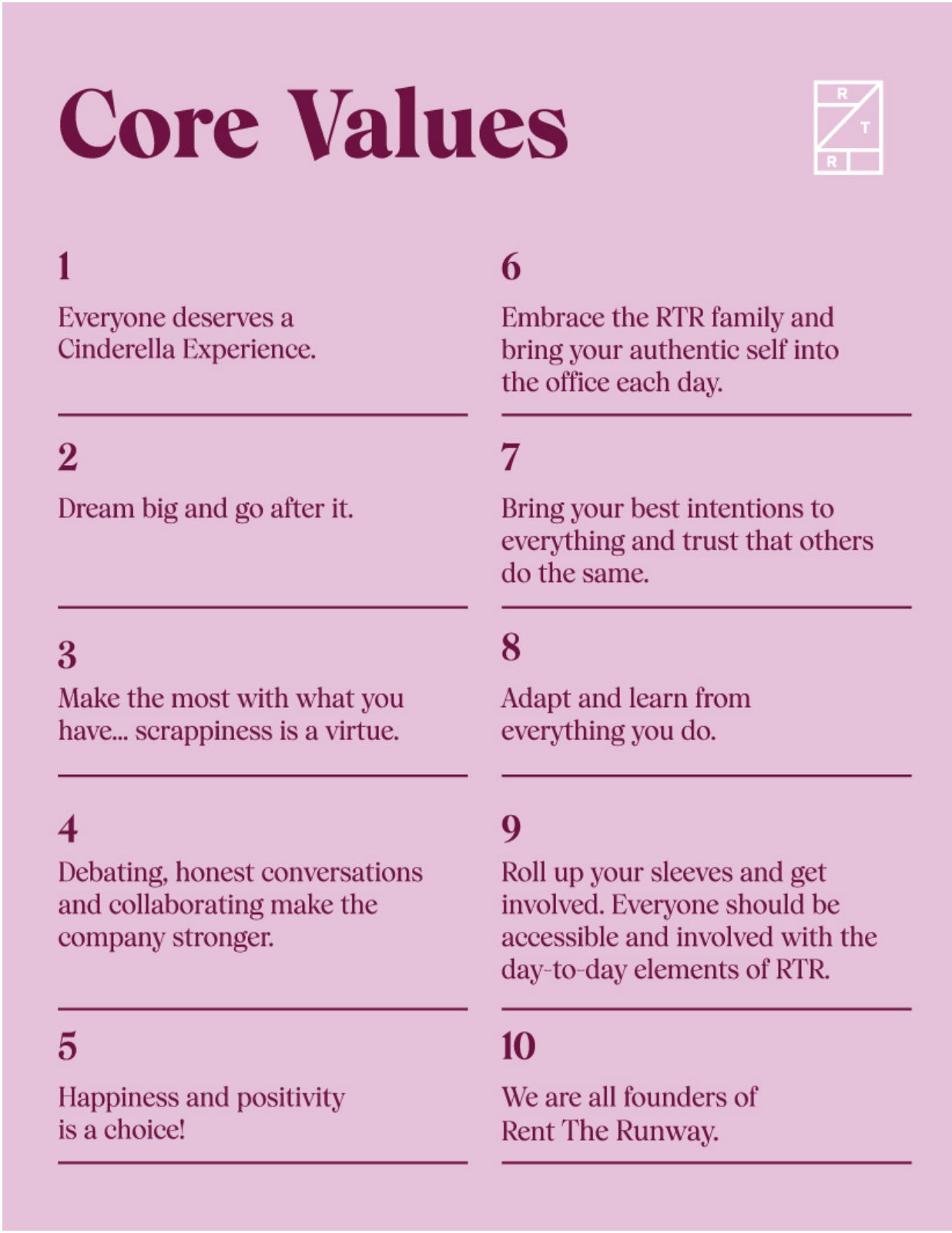
- Our staff of experts provide the utmost care and skill in assessing, cleaning and repairing products (as necessary). Their goal is to keep our items in excellent condition and in circulation as long as possible. Since the beginning of calendar year 2018, we've completed approximately 4.1 million repairs, successfully extending the useful rental life of our products.
- Through Exclusive Designs, we partner with brands to co-manufacture products using the powerful customer insights we maintain. With real time analytics coupling customer preferences and product wear and tear, we are able to drive design decisions to improve the durability of the products manufactured. Exclusive Designs accounted for 18% of our product acquisition in fiscal year 2020.

Social Actions

Our business impacts the lives of a wide number of stakeholders, from the suppliers that manufacture our products to our employees. We believe that businesses have a moral obligation to create positive change in the communities they build and hold ourselves and our partners to high standards in order to do so.

***Our Employee Benefits*:** We recognize that our employees have and always will be paramount to the success of our company. We aim to build and empower the best teams in the world. We are a values-led organization, and our commitment to the Core Values we created as a Founding Team in 2010 underpins our culture by guiding how we interact and collaborate. Our culture is fast-paced, entrepreneurial, and rooted in passion, kindness, and positivity. Employees are passionate about our mission and committed to our customers. Core Values that have guided our culture include:

- We are all Founders of Rent the Runway
- Dream BIG and go after it
- Adapt and learn from everything you do
- Debating, honest conversations and collaborating make the company stronger



In line with our values, in 2018, we equalized leave benefits across all hourly and salaried U.S. employees on our Corporate, Customer Experience and Warehouse teams. Regardless of gender, all

U.S. employees are eligible to take the same parental leave (up to 12 weeks fully paid and up to an additional 8 weeks unpaid). In addition, all U.S. employees receive the same family sick leave (up to 10 days), bereavement (up to 20 days), and sabbatical benefits (6 weeks). We prioritize the health and wellbeing of all employees across our organization.

Diversity, Equity & Inclusion: As a business founded by and for women, Diversity, Equity and Inclusion, or DE&I, has always been and will continue to be a priority for our organization. We are proud of the progress we have made across our four key areas of focus — Representation, Belonging, Behaviors and Accountability, and are committed to building on our progress by establishing a long-term strategy to fight systemic inequities in order to make Rent the Runway, and the wider fashion community, more diverse and inclusive. Given our pursuit of women's empowerment for over a decade, we are immensely proud that our IPO will be the first-ever IPO with a female CEO, CFO and COO leading the company. In addition, 55% of the members of our board of directors identify as women. For RTR employees and partners, as of June 2021:[48]

- 70% of our employees identify as women and 57% of our employees identify as a Black, Indigenous or Person of Color, or BIPOC;
- 75% of the members of our executive team identify as women and 50% identify as BIPOC;
- 55% of our senior leadership identifies as women and 45% identifies as BIPOC;[49] and
- 41% of our technology team (including engineers, data scientists and product managers) identifies as women and 45% identifies as BIPOC.

Our partners:

- We increased the penetration of BIPOC designers featured on our platform from 4% of brands on RTR in fall of 2020 to 10% in spring 2021;
- We increased the representation of BIPOC models featured on our platform from 40% in fiscal year 2019 to 54% in fiscal year 2020; and
- Current and new partnership spend with BIPOC vendors is up 37% between fall of 2020 and fall of 2021.

Other notable actions we have taken over the past 12 months in our key areas of focus include:

Representation

- We committed to meaningful, lasting change by becoming one of the first brands to sign Aurora James' 15 Percent Pledge. While James called on brands to earmark 15% of shelf space to Black-owned businesses, we approached the effort holistically across the Rent the Runway ecosystem, pledging to increase fashion talent represented on our platform, as well as in our marketing and editorial content.
- As of spring of 2021, we have exceeded our commitment of $1 million to support Black-owned businesses through our Wholesale, Share by RTR and Exclusive Designs initiatives. We are proud that since making this commitment we have tripled the number of Black-owned brands offered on our site.
- We implemented a recruiting initiative that encourages applicants to self-identify and provide their demographic data so we can better understand our recruiting funnel, measure progress, and explore new recruiting strategies, helping to ensure that a wider, more diverse pool of candidates has access to career opportunities and that we recruit top talent.

48 Includes U.S. employees only.
49 C-suite executives, and members of our senior leadership team which consists of senior vice presidents, vice presidents and some senior directors.

Belonging

- We engaged a third-party consultant to advise on best practices and make recommendations on how we can further prioritize DE&I within our workplace.
- We have debuted four Employee Resource Groups to unite team members across the organization and provide a platform for thought leadership and community building.

Behaviors

- We introduced training regarding inclusive hiring, anti-harrasment and discrimination and unconscious bias, including additional resources for people managers, that include regular reminders for our employees about our anti-retaliation and employee reporting procedures.
- Our employees launched two inclusion-based tools: one detects non-inclusive language in our software development source code and another translates our fulfillment centers software into multiple languages. The purpose of first tool is to point out places where improvements to coding language can be made by removing non-inclusive language and replacing it with more inclusive alternatives. We use this tool internally and provided it to the development community as open source (i.e. free of charge).

Accountability

- We shared employee demographic data with our organization and plan to publish this data publicly.

***Responsible Manufacturing*:** We are committed to responsible manufacturing in our supply chain and we believe our policies promote legal and ethical business practices. We update our Vendor Code of Conduct on an annual basis. This code requires vendors to comply with all applicable laws and embrace RTR's high standards of ethical behavior, treat workers fairly and safely, commit to protecting the environment, maintain accurate records and be an ethical partner to RTR.

Project Entrepreneur: In 2015, in partnership with UBS, Rent the Runway's Co-Founders, Jennifer Y. Hyman and Jennifer Fleiss, launched Project Entrepreneur, an accelerator for startups founded by women. The aim of Project Entrepreneur was to provide these founders with the networks, tools and training needed to successfully raise capital and scale their companies. In the nearly five years that Ms. Hyman and Mrs. Fleiss ran Project Entrepreneur, they mentored thousands of women and helped them collectively raise nearly $60 million in funding. In 2019, Ms. Hyman and Mrs. Fleiss successfully transitioned the program to UBS.

Governance Highlights

As sustainability is at the core of our business, accountability for ESG matters starts at the highest level. The Nominating and ESG Committee of the Board of Directors will be responsible for overseeing our ESG strategy and progress and will receive regular updates from management.

Our President and Chief Operating Officer directs the development and implementation of our sustainability strategy and initiatives and is supported by our Senior Director of Sustainability, who manages the program. We additionally have a Sustainability Alliance, with participation from senior leaders across our operations, finance, marketing, merchandising, people and legal teams. The Sustainability Alliance meets regularly and helps to drive performance of sustainability initiatives throughout our company.

Competition

The fashion industry is highly fragmented and competitive. Our competitors include other fashion rental companies and also a range of traditional and online retail and resale fashion companies. Our

ability to remain competitive depends on the continued shift from an ownership to an access model. While other competitors may change their business models and endeavor to expand into the rental and resale space, online fashion rental and resale presents unique operational and technical challenges.

We compete primarily on the basis of brand recognition, customer and brand partner experience, product mix and quality, quality of our e-commerce experiences and services and price. Additionally, we experience competition for consumer discretionary spending from other product and experiential categories. We believe we are able to compete effectively because there are numerous trends in our favor that support the continued growth and success of online fashion rental. See the section titled "Risk Factors—Risks Relating To Our Business and Industry—The global fashion industry is highly competitive and rapidly changing, and we may not be able to compete effectively."

Government Regulation

We are subject to a wide variety of complex laws and regulations in the United States and other jurisdictions in which we operate. The laws and regulations govern many issues related to our business practices, including those regarding consumer protection, worker classification, wage and hour, sick pay and leaves of absence, anti-discrimination and harassment, whistleblower protections, background checks, privacy, data security, intellectual property, health and safety, environmental, competition, fees and payments, pricing, product liability and disclosures, property damage, communications, employee benefits, taxation, unionization and collective bargaining, contracts, arbitration agreements, class action waivers, terms of service, and accessibility of our mobile app or website.

These laws and regulations are constantly evolving and may be interpreted, applied, created, superseded, or amended in a manner that could harm our business. These changes may occur immediately or develop over time through judicial decisions or as new guidance or interpretations are provided by regulatory and governing bodies, such as federal, state and local administrative agencies. As we expand our business into new markets or introduce new features or offerings into existing markets, regulatory bodies or courts may claim that we are subject to additional requirements, or that we are prohibited from conducting business in certain jurisdictions.

Additionally, because we receive, use, store, transmit, and disclose personal data relating to customers on our platform, we are subject to numerous laws and regulations in the United States and other countries where we do business, as well as industry standards, relating to privacy, data security and data protection, direct marketing, and online advertising. Such laws, regulations, and industry standards include, but are not limited to, Section 5(a) of the Federal Trade Commission Act, the Telephone Consumer Protection Act of 1991 and all regulations promulgated thereunder, the Controlling the Assault of Non-Solicited Pornography And Marketing Act of 2003, the California Consumer Privacy Act of 2018, the California Privacy Rights Act of 2020, the California Online Privacy Protection Act, and the Payment Card Industry Data Security Standard.

See the section titled "Risk Factors—Risks Related to Our Legal and Regulatory Environment" for additional information about the laws and regulations we are subject to and the risks to our business associated with such laws and regulations.

Intellectual Property

Our intellectual property is an important component of our business. We rely on a combination of trademarks, copyrights, patents, trade secrets, license agreements, confidentiality procedures, non-disclosure agreements, employee non-disclosure and invention assignment agreements, and other legal and contractual rights, and policies and procedures, to establish and protect our proprietary rights.

As of June 30, 2021, we had five issued patents in the United States that expire between 2031 and 2038, no allowed patent applications in the United States, and one patent application (including active PCT applications) pending in the United States and globally. While we believe our patents and patent applications in the aggregate enhance our competitive position, no single patent or patent application is material to us as a whole.

We register our brand names and product names, taglines and logos in the United States to the extent we determine appropriate and cost-effective. As of June 30, 2021, we had a total of 19 registered trademarks in the United States and six registered trademarks in non-U.S. jurisdiction. As of June 30, 2021, we had also registered a total of four copyrights. We also register domain names for certain websites that we use in our business, such as www.renttherunway.com, as well as similar variations to protect our brands and marks from cybersquatters.

We control access to and use of our proprietary technology and other confidential information through the use of internal and external controls, including contractual protections with employees, contractors, customers, and partners. It is our practice to enter into confidentiality and invention assignment agreements (or similar agreements) with our employees, consultants, and contractors involved in the development of intellectual property on our behalf. We also enter into confidentiality agreements with other third parties in order to limit access to, and disclosure and use of, our confidential information and proprietary information. We further control the use of our proprietary technology and intellectual property through provisions in our terms of service. We intend to pursue additional actions to establish and protect our intellectual property rights to the extent we believe it would be beneficial and cost effective.

Our Facilities

Our corporate headquarters is located in Brooklyn, New York, which consists of approximately 59,430 square feet of space under a lease that expires in November 2032. We also lease a corporate space and photo studio in New York, New York and lease and operate fulfillment centers in Secaucus, New Jersey and Arlington, Texas totaling 540,000 square feet, under leases that expire in August 2024 and May 2030, respectively. We also lease a corporate space in Galway, Ireland.

We believe our facilities are suitable for our current needs. We intend to expand our facilities or add new facilities as we grow and believe that suitable additional or alternative space will be available as needed to accommodate such growth.

Employees and Human Capital Resources

As of July 31, 2021, we had a total of 893 full-time employees and 81 part-time employees in the United States and Ireland. As of July 31, 2021, our talented technology team consisted of 201 employees, across engineering, data analytics, IT, product, software quality assurance, user experience and design, including a team of 51 in Galway, Ireland, primarily in engineering and data analytics. None of our employees are represented by a labor union or covered by collective bargaining agreements and we have not experienced any work stoppages.

We strive to make Rent the Runway a diverse, inclusive, and safe workplace, with opportunities for our employees to grow and develop in their careers, supported by strong compensation and benefits programs. Our culture is underpinned by our Core Values, including that we are all Founders of Rent the Runway, Dream BIG and go after it, adapt and learn from everything you do and debating, honest conversations and collaborating make the company stronger.

The core objective of our compensation program is to provide competitive compensation packages to attract and retain the best employees. See the section titled “Business—Our ESG

(Environmental, Social and Governance) Impact Summary" for more information about our values, commitments and human capital measures and objectives.

Legal Proceedings

We are subject to routine legal proceedings in the normal course of operating our business. We are not involved in any legal proceedings which reasonably could be expected to have a material adverse effect on our business, results of operations or financial condition.

MANAGEMENT

The following table sets forth information for our executive officers and directors as of the date of this prospectus:

Name	Age	Position
Executive Officers		
Jennifer Y. Hyman	41	Co-Founder; Chief Executive Officer; Chair
Scarlett O'Sullivan	51	Chief Financial Officer
Anushka Salinas	39	President; Chief Operating Officer
Brian Donato	50	Chief Supply Chain Officer
Andrea Alexander	39	Chief People Officer
Cara Schembri	45	General Counsel; Secretary
Larry Steinberg	53	Chief Technology Officer
Sarah Tam	48	Chief Merchant Officer
Non-Employee Directors		
Tim Bixby(1)	56	Director
Jennifer Fleiss(3)	38	Co-Founder; Director
Scott Friend(2)	56	Director
Melanie Harris(1)	42	Director
Beth Kaplan(1)(2)	63	Director
Dan Nova(1)(2)	60	Director
Gwyneth Paltrow(3)	49	Director
Carley Roney(3)	53	Director
Dan Rosensweig(2)(3)	60	Director
Mike Roth(2)	55	Director

(1) Member of the audit committee.
(2) Member of the compensation committee.
(3) Member of the nominating and ESG committee.

Executive Officers

Jennifer Y. Hyman has served as our Co-Founder since November 2008 and our Chief Executive Officer and the Chair of our board of directors since March 2009. Prior to co-founding Rent the Runway, she served as Director of Business at IMG, a global talent management company, from 2006 to 2007. Ms. Hyman also serves on the Board of Directors of The Estee Lauder Companies Inc., a global manufacturer and marketer of luxury beauty products, and on the Supervisory Board of Zalando SE, a European online fashion platform. Ms. Hyman holds a B.A. in Social Studies from Harvard University and an M.B.A. from Harvard Business School. We believe Ms. Hyman is qualified to Chair our Board of Directors because of the perspective and experience she brings as our Chief Executive Officer and as one of our Co-Founders, as well as her proven innovation and expertise at the intersection of the consumer, retail and technology sectors.

Scarlett O'Sullivan has served as our Chief Financial Officer since September 2015. Prior to joining us, Ms. O'Sullivan was a Partner at Softbank Capital and Softbank China & India Holdings, leading early-stage and growth-stage venture capital investments in consumer Internet, for nine years from 2007 to 2015. Prior to that, Ms. O'Sullivan spent 10 years as an investment banker at Robertson Stephens and Morgan Stanley, primarily focused on the technology sector. Ms. O'Sullivan also serves on the board of directors of Olivela Inc., an innovative luxury shopping and philanthropy e-commerce platform, and Simon Property Group Acquisition Holdings, Inc., a special purpose acquisition company targeting innovative businesses that operate in the "Live, Work, Play, Stay, Shop" ecosystem.

Ms. O'Sullivan holds a B.S. in Economics from Yale University and an M.B.A. from the Wharton School of Business at the University of Pennsylvania.

Anushka Salinas has served as our President and Chief Operating Officer since October 2019. Prior to that, she served as our Chief Revenue Officer from May 2018 to October 2019 and General Manager of Subscription from February 2017 to May 2018. Ms. Salinas was also a member of Rent the Runway's founding team serving as our Vice President of Merchandising from 2012 to 2013 and Director, Merchandising from 2010 to 2012. Before re-joining us, Ms. Salinas served as the Head of Commerce at Resonance Companies, a sustainability-focused company that aims to disrupt clothing manufacturing and supporting designers to grow their businesses, from August 2015 to February 2017 and as VP of e-commerce at Hudson Bay's Company where she oversaw lordandtaylor.com and thebay.com from 2013 to 2015. Ms. Salinas holds a B.A. in Economics from the University of Pennsylvania and an M.B.A. from Columbia Business School.

Brian Donato has served as our Chief Supply Chain Officer since March 2020. Before joining us, he was the Senior Vice President of Operations for Bowery Farming, a vertical farming company, from March 2018 to March 2020. From January 2012 to May 2018, Mr. Donato served in various capacities at Amazon.com, an e-commerce marketplace, including leading operations for North American Customer Returns, Worldwide Fresh, Worldwide Pantry and half of the North American Fulfillment Network. Additionally, Mr. Donato served as the Director of Operations for Moen, Inc., a manufacturer of faucets and other plumbing products from May 2007 to December 2011. Mr. Donato holds a B.S. in Mechanical Engineering from Pennsylvania State University as well as an M.S. in Mechanical Engineering and an M.B.A. from the Massachusetts Institute of Technology.

Andrea Alexander has served as our Chief People Officer since June 2021. Prior to joining us, Ms. Alexander served in various roles of increasing responsibility, including Associate Partner, and Professional Development Manager at McKinsey & Company, a management consulting company, from September 2009 to June 2021. Ms. Alexander also serves on the board of directors of two non-profit organizations, Teach for America Houston and Buffalo Bayou Partnership. Ms. Alexander holds a B.Sc. in Business from the Wharton School of Business at the University of Pennsylvania and an M.B.A. from Harvard Business School.

Cara Schembri has served as our General Counsel and Corporate Secretary since December 2019 and prior to that, she served as our Interim Chief People Officer from March to September 2020. From September 2014 to November 2019, Ms. Schembri served in various roles at Etsy, Inc., a global online marketplace, most recently as the Vice President, Deputy General Counsel and Assistant Secretary. Prior to that, Ms. Schembri served as Senior Counsel and Assistant Corporate Secretary for Avon Products, Inc., a multinational cosmetics and personal care company, from September 2008 to September 2014. From September 2005 to August 2008, she was a senior associate at Norton Rose Fulbright LLP and from September 2003 to September 2005, she was an associate at Sidley Austin LLP. Ms. Schembri holds a B.A. in Philosophy from Binghamton University and a J.D. from The George Washington University Law School.

Larry Steinberg has served as our Chief Technology Officer since July 2020. Before joining us, Mr. Steinberg was a partner at AKF Partners, an advisory services firm specializing in technology growth, and the Chief Technology Officer and Senior Vice President of Technology at Agilysys, a hospitality software provider, from May 2012 to April 2018. In March 1995, Mr. Steinberg founded Engryo (formerly known as Dirigo) and served as its Chief Technology Officer until May 2007 when it was acquired by Microsoft. At Microsoft, he served as a Principal Architect in System Center from June 2007 to September 2009 and Development Manager for Microsoft System Center from September 2009 to May 2012. Mr. Steinberg holds a B.S. in Applied Mathematics from Kent State University.

Sarah Tam has served as our Chief Merchant Officer since August 2017. Prior to that, she served as our Senior Vice President of Merchandising and Planning from February 2015 to August 2017. Before joining us, Ms. Tam spent 19 years at Saks Fifth Avenue, where she most recently served as VP DMM, heading up Women's Designer RTW, Bridal & Evening. Ms. Tam oversaw the creation, execution and merchandising strategy of the Women's European and American Designer business across e-commerce and stores nationwide. During her career at Saks Fifth Avenue, she held leadership positions across the Buying and Planning organization encompassing multiple categories including Designer RTW, Luxury Handbags, Women's Designer Shoes and Men's Sportswear. Ms. Tam holds a B.S. in Business Administration and Management from Geneseo University.

Non-Employee Directors

Tim Bixby has served as a member of our board of directors since February 2021. Mr. Bixby has been the Chief Financial Officer of Lemonade, Inc., a homeowners and renters insurance provider, since June 2017. From 2016 to 2020, Mr. Bixby has served as a member of the board of advisors for Sightworthy, an on-demand video marketing company. Prior to that, he served as the Chief Financial Officer of Shutterstock, Inc., a digital content licensing marketplace, from 2011 to 2015. Mr. Bixby holds a B.A. in Mathematics from Dartmouth College and an M.B.A. from Harvard Business School. We believe Mr. Bixby is qualified to serve on our board of directors because of his experience as a public company chief financial officer and his extensive knowledge of technology-based companies.

Jennifer Fleiss has served as our Co-Founder since November 2008 and as a member of our board of directors since March 2009. She previously served as our Head of Logistics and Business Development from November 2008 to March 2017. From March 2017 to January 2020, she served as the Co-Founder & Chief Executive Officer of JetBlack, a digital commerce platform and subsidiary of Walmart, Inc. Ms. Fleiss joined Volition Capital, a growth equity firm, in February 2021. She also serves as an advisor at investment firms, Prelude Growth Partners and Torch Capital. Ms. Fleiss currently serves on the board of Apollo Strategic Growth Capital, a publicly-traded special purpose acquisition company; Party City, a publicly traded retail chain of party stores; and Shutterfly, Inc., a manufacturer and digital retailer of personalized products and services. Ms. Fleiss holds a B.A. in Political Science from Yale University and an M.B.A. from Harvard Business School. We believe Ms. Fleiss is qualified to serve on our board of directors because of the perspective she brings as one of our Co-Founders, as well as her experience advising public and private companies.

Scott Friend has served as a member of our board of directors since July 2009. Mr. Friend has been a partner at Bain Capital Ventures, the venture capital division of Bain Capital, a multi-asset alternative investment firm, since September 2006. Mr. Friend currently serves on the board of directors of Persado, an AI-generated language platform; Attentive, a mobile marketing platform; Flow Commerce, Inc., a platform expanding e-commerce companies' global reach; Mirakl, a French cloud-based e-commerce company which provides online marketplace software to retailers, manufacturers and wholesalers; and mParticle, a customer data platform. Mr. Friend holds a B.A. in Engineering and Economics from Brown University and an M.B.A. from Harvard Business School. We believe Mr. Friend is qualified to serve on our board of directors because of his extensive corporate strategy, financial, and management experience.

Melanie Harris has served as a member of our board of directors since July 2021. Ms. Harris has been the Vice President, Strategy & Development at Nike, Inc. since May 2019. She previously served in various capacities at Bain & Company from January 2010 to May 2019, most recently as a Partner. Ms. Harris holds a B.A. in Political Science from Yale University and an M.B.A. from Harvard Business School. We believe Ms. Harris is qualified to serve on our board of directors because of her extensive leadership experience with e-commerce and consumer products companies and her financial background.

Beth Kaplan has served as a member of our board of directors since February 2014 and formerly served as our President and Chief Operating Officer from 2012 to 2015. Ms. Kaplan is the managing member of Axcel Partners, LLC, a venture capital firm investing in early stage and growth companies founded and led by women, and previously served as the President and Chief Operating Officer of GNC. Ms. Kaplan currently serves on the board of directors of a number of companies, including public companies Brilliant Earth, a jewelry company; Howard Hughes Corporation, a real estate development and management company; Crocs, a manufacturer of foam clogs; Meredith Corporation, a media conglomerate; and private company, Cooper's Hawk, a full-service restaurant and winery chain. Ms. Kaplan holds a B.S. in Marketing, Finance and Economics and an M.B.A. from the Wharton School of Business at the University of Pennsylvania. We believe Ms. Kaplan is qualified to serve on our board of directors because of her strategic, operational and management and directorship experience in public and private companies.

Dan Nova has served as a member of our board of directors since February 2010. Mr. Nova has been a General Partner at Highland Capital Partners, a global venture capital firm with offices in Cambridge and Silicon Valley, since 1996. Since October 2020, Mr. Nova has also served as the Chief Investment Officer and a director of Highland Transcend Partners I Corp., a publicly-traded special purpose acquisition company. Mr. Nova also serves on the board of directors and compensation committee of ThredUp Inc., a publicly-traded online resale platform, and serves on the board of directors of a number of privately held companies, including Catalant, Clearbanc, Kyruus and RapidSOS. Mr. Nova holds a B.S. in Computer Science and Marketing from Boston College and an M.B.A. from Harvard Business School. We believe Mr. Nova is qualified to serve on our board of directors because of his profound experience in the venture capital industry, financial expertise and extensive private and public board, financial and management experience.

Gwyneth Paltrow has served as a member of our board of directors since May 2021. Ms. Paltrow is an entrepreneur, an Oscar- and Emmy-winning actress, and a New York Times–bestselling author. She founded Goop, Inc., or goop—a global lifestyle brand and contextual commerce business—in 2008 and has served as the chief executive officer since 2016, having previously served as the chief creative officer since 2008. Under Ms. Paltrow's direction, goop has expanded internationally to the United Kingdom and the European Union and has extended its ventures to include The goop Lab, a television show on Netflix; The goop Podcast; a book imprint; permanent and pop-up retail stores; a digital shop; live events; and goop-brand products across beauty, fashion, and wellness. We believe Ms. Paltrow is qualified to serve on our board of directors because of her entrepreneurial expertise, her deep understanding of consumer marketing, and her experience leading an e-commerce company.

Carley Roney has served as a member of our board of directors since May 2011. Ms. Roney is the co-founder and Chief Creative Officer of XO Group, creator of global leading digital wedding planning and e-commerce platform, The Knot. Under her leadership as co-founder and Chief Creative Officer from 1996 to 2018, XO Group became a public company with presence across multiple media platforms and partnerships across Asia, Europe, Australia and Brazil. Ms. Roney also advises start-up companies and serves as a board member for two organizations focused on racial equity, Brooklyn Community Foundation and Power of Two. Ms. Roney holds a B.F.A. in Film and Television and an M.A. in Critical Theory from New York University. We believe Ms. Roney is qualified to serve on our board of directors because of her entrepreneurial expertise, her marketing and product innovation and her public company management experience.

Dan Rosensweig has served as a member of our board of directors since November 2012. Mr. Rosensweig has served as the President and Chief Executive Officer of Chegg, Inc., an education technology company, since February 2010 and as the Chairman of the board of directors since March 2010. Prior to that, Mr. Rosensweig served as Chief Operating Officer of Yahoo and developer, publisher and distributor of Guitar Hero. Mr. Rosensweig also currently serves on the board of directors of Adobe Systems. Mr. Rosensweig holds a B.A. in Political Science from Hobart and William Smith Colleges. We believe Mr. Rosensweig is qualified to serve on our board of directors because of his extensive experience as a public company chief executive officer and his knowledge of technology companies.

Mike Roth has served as a member of our board of directors since January 2020. From 1999 to 2019, Mr. Roth has served in various capacities at Amazon.com, Inc., most recently as Vice President of Global Customer Fulfillment Operations & Transportation. Mr. Roth also currently serves on the board of directors for Inpost A.S, a Polish logistics company; Fleetpride, Inc., the largest truck and trailer parts distributor in the U.S.; and LaserShip, Inc., a last-mile delivery company. Mr. Roth holds a Diplom Chemiker degree in Chemistry from Universität Tübingen, Germany. We believe Mr. Roth is qualified to serve on our board of directors because of his extensive leadership experience in e-commerce companies and his knowledge in logistical operations.

Family Relationships

There are no family relationships among any of our executive officers or directors.

Composition of Our Board of Directors

In accordance with our Amended Charter that will be in effect immediately following the effectiveness of the registration statement of which this prospectus forms a part, our board of directors will be divided into three classes with staggered three-year terms. At each annual meeting of stockholders, only one class of directors will be elected to serve until the third annual meeting following election and until such directors' successors are duly elected and qualified. Our directors will be divided among the three classes as follows:

- the Class I directors will be Tim Bixby, Jennifer Fleiss and Carley Roney, and their terms will expire at our first annual meeting of stockholders upon the completion of this offering;
- the Class II directors will be Scott Friend, Melanie Harris, Dan Nova and Mike Roth, and their terms will expire at our second annual meeting of stockholders upon the completion of this offering; and
- the Class III directors will be Jennifer Hyman, Beth Kaplan, Gwyneth Paltrow and Dan Rosensweig, and their terms will expire at our third annual meeting of stockholders upon the completion of this offering.

We expect that any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

Director Independence

Our board of directors has reviewed the independence of each director. Based on information provided by each director concerning his or her background, employment, and affiliations, our board of directors has determined that Tim Bixby, Jennifer Fleiss, Scott Friend, Melanie Harris, Beth Kaplan, Dan Nova, Gwyneth Paltrow, Carley Roney, Dan Rosensweig, and Mike Roth do not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the Nasdaq listing standards. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our shares held by each non-employee director and the transactions described in the section titled "Certain Relationships and Related Party Transactions."

Committees of Our Board of Directors

Our board of directors has established an audit committee, a compensation committee, and a nominating and ESG committee. The composition and responsibilities of each of the committees of our board of directors are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors. Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

Audit Committee

Our audit committee consists of Tim Bixby, Melanie Harris, Beth Kaplan and Dan Nova. Our board of directors has determined that each member of our audit committee satisfies the independence requirements under the listing standards of Nasdaq and Rule 10A-3(b)(1) of the Exchange Act. The chair of our audit committee is Tim Bixby. Our board of directors has determined that Tim Bixby and Dan Nova is each an "audit committee financial expert" within the meaning of SEC regulations. Each member of our audit committee can read and understand fundamental financial statements in accordance with applicable requirements. In arriving at these determinations, our board of directors has examined each audit committee member's scope of experience and the nature of their employment.

The primary purpose of our audit committee is to discharge the responsibilities of our board of directors with respect to our corporate accounting and financial reporting processes, systems of internal control, and financial statement audits and to oversee our independent registered public accounting firm.

Specific responsibilities of our audit committee include:

- overseeing our corporate accounting and financial reporting processes;
- managing the selection, engagement, qualifications, independence, and performance of a qualified firm to serve as the independent registered public accounting firm to audit our financial statements and the effectiveness of our internal control over financial reporting, when required;
- discussing the scope and results of the audit with the independent registered public accounting firm and reviewing, with management and the independent registered public accounting firm, our interim and year end results of operations;
- developing procedures for the receipt, retention and treatment of complaints received by our company regarding accounting, internal accounting controls or auditing matters and for employees to submit concerns anonymously about questionable accounting or auditing matters;
- reviewing related party transactions;
- pre-approving, audit and permissible non-audit services to be performed by the independent registered public accounting firm; and
- preparing the audit committee report that the SEC requires in our annual proxy statement.

Our audit committee will operate under a written charter, to be effective upon the completion of this offering, that satisfies the applicable listing standards of Nasdaq.

Compensation Committee

Our compensation committee consists of Beth Kaplan, Scott Friend, Dan Nova, Dan Rosensweig and Mike Roth. The chair of our compensation committee is Beth Kaplan. Our board of directors has

determined that each member of our compensation committee is independent under the listing standards of Nasdaq and a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act.

The primary purpose of our compensation committee is to discharge the responsibilities of our board of directors in overseeing our compensation policies, plans, and programs, and to review and determine the compensation to be paid to our executive officers, directors, and other senior management, as appropriate.

Specific responsibilities of our compensation committee include:

- reviewing and recommending to our board of directors the compensation of our chief executive officer and other executive officers;
- reviewing and recommending to our board of directors the compensation of our directors;
- administering our equity incentive plans and other benefit programs;
- reviewing and approving employment agreements and severance arrangements for our executive officers; and
- overseeing our talent and employee development programs and our strategy, efforts and results regarding diversity, equity and inclusion.

Our compensation committee will operate under a written charter, to be effective upon the completion of this offering, that satisfies the applicable listing standards of Nasdaq.

Nominating and ESG Committee

Our nominating and ESG committee consists of Dan Rosensweig, Jennifer Fleiss, Gwyneth Paltrow and Carley Roney. The chair of our nominating and ESG committee is Dan Rosensweig.

Specific responsibilities of our nominating and ESG committee include:

- identifying and evaluating candidates, including the nomination of incumbent directors for reelection and nominees recommended by stockholders, to serve on our board of directors;
- considering and making recommendations to our board of directors regarding the composition and chairmanship of the committees of our board of directors;
- developing and making recommendations to our board of directors regarding corporate governance guidelines and matters;
- overseeing periodic evaluations of the board of directors' performance, including committees of the board of directors; and
- overseeing our sustainability strategies, policies and practices.

Our nominating and ESG committee will operate under a written charter, to be effective upon the completion of this offering.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics applicable to all of our directors, officers (including our principal executive officer, principal financial officer, and principal accounting officer) and all global employees. Upon the completion of this offering, our Code of Business Conduct

and Ethics will be available on our website at *www.renttherunway.com*. We expect that amendments to the Code of Business Conduct and Ethics, or waivers of its requirements, will, if required, be disclosed on our website or in filings under the Exchange Act as required by law or Nasdaq rules.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is currently or has been within the past three years one of our officers or an employee. None of our executive officers currently serves, or has served during the last year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

Board Leadership Structure

Ms. Hyman is the chair of our board of directors. As Ms. Hyman is not an "independent director," our board of directors has appointed Scott Friend to serve as our lead independent director, effective at the time of effectiveness of the registration statement of which this prospectus forms a part. The lead independent director's responsibilities include, but are not limited to: presiding over all meetings of the board of directors at which the chair of the board of directors is not present, including any executive sessions of the independent directors; working with management to set board meeting schedules and agendas; leading the board evaluation process with the nominating and ESG committee; and acting as the liaison between the independent directors on the one hand and the chief executive officer and chair of our board of directors on the other. Our corporate governance guidelines provide the flexibility for our board of directors to modify our leadership structure in the future as it deems appropriate.

Risk Oversight

Our board of directors is responsible for overseeing our risk management process. Our board of directors focuses on our general risk management strategy, the most significant risks facing us, and oversees the implementation of risk mitigation strategies by management. Our board of directors administers its oversight function directly through our board of directors as a whole, and, following the completion of the offering, through various our standing committees that address risks inherent in their respective areas of oversight. Following completion of the offering, our audit committee will review legal, regulatory, and compliance matters that could have a significant impact on our financial statements. Our compensation committee will assess and monitor risks relating to our compensation plans, policies, and practices. Our nominating and ESG committee and will monitor the effectiveness of our corporate governance practices and will be responsible for overseeing our ESG strategy and progress. While each committee will be responsible for evaluating certain risks and overseeing the management of such risks, our entire board of directors will be regularly informed through committee reports about such risks.

Board Diversity

Our nominating and ESG committee will be responsible for reviewing with the board of directors, on an annual basis, the appropriate characteristics, skills, and experience required for the board of directors as a whole and its individual members. As of the date of this prospectus, 55% of the members of our board of directors identify as women. Although our board of directors does not have a formal written diversity policy with respect to the evaluation of director candidates, in its evaluation of director candidates, our nominating and ESG committee will consider factors including, without limitation, issues of character, integrity, judgment, potential conflicts of interest, other commitments,

and diversity, and with respect to diversity, such factors as gender, race, ethnicity, experience, and area of expertise, as well as other individual qualities and attributes that contribute to the total diversity of viewpoints and experience represented on the board of directors.

EXECUTIVE COMPENSATION

This section discusses the material components of the executive compensation program for our executive officers who are named in the "Summary Compensation Table" below. In fiscal year 2020, which ended on January 31, 2021, our "named executive officers" and their positions were as follows:

- Jennifer Y. Hyman, Co-Founder, Chief Executive Officer and Chair;
- Scarlett O'Sullivan, Chief Financial Officer;
- Anushka Salinas, President and Chief Operating Officer; and
- Brian Donato, Chief Supply Chain Officer.

As an "emerging growth company" as defined in the JOBS Act, we are not required to include a Compensation Discussion and Analysis section and have elected to comply with the scaled disclosure requirements applicable to emerging growth companies.

Summary Compensation Table

The following table presents all of the compensation awarded to, earned by or paid to our named executive officers for the year ended January 31, 2021.

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)(2)	Stock Awards ($)(3)	Option Awards ($)(3)	All Other Compensation($) (4)	Total
Jennifer Y. Hyman	2020	525,000	—	0	1,187,582	16,428	1,729,010
Co-Founder, Chief Executive Officer and Chair							
Scarlett O'Sullivan	2020	555,000	—	0	27,915	11,400	594,315
Chief Financial Officer							
Anushka Salinas	2020	555,000	—	0	243,418	13,754	812,172
President and Chief Operating Officer							
Brian Donato	2020	480,000	150,000	0	—	8,000	638,000
Chief Supply Chain Officer							

(1) Amounts reflect the actual base salaries paid to each named executive officer in respect of fiscal 2020, which reflect the salary decreases in effect for each named executive officer during fiscal 2020. For additional information, see "Base Salaries" below.

(2) Amount reflects a one-time signing bonus paid to Mr. Donato in connection with his commencement of service with us in March 2020.

(3) Amounts reflect the full grant-date fair value of restricted stock units, or RSUs, granted during fiscal 2020 to each of our named executive officers, computed in accordance with ASC Topic 718, and the incremental grant-date fair value of repriced options held by Ms. Hyman, Ms. O'Sullivan and Ms. Salinas that were deemed to have been modified during fiscal 2020 (as described in further detail below under "Equity Compensation – Stock Plans and Outstanding Awards"), rather than the amounts paid to or realized by the named individual. The RSUs are subject to both service-based and liquidity event-based vesting conditions. As required pursuant to SEC disclosure rules, the grant-date fair values of these awards included in the table above were computed based on the probable outcomes of the performance conditions as of the applicable grant date; for purposes of calculating the grant-date fair value of such restricted stock units, the achievement of the liquidity event-based condition was deemed not probable on the date of grant and, accordingly, no value is included in the table for these awards. Assuming achievement of the performance conditions, the values of these RSUs granted to each of Ms. Hyman, Ms. O'Sullivan, Ms. Salinas and Mr. Donato, as of the grant date, are $3,002,134, $1,755,841, $1,755,841, and $4,353,000, respectively. We provide information regarding the assumptions used to calculate the value of all restricted stock unit awards and option awards made to executive officers in Note 13 to our audited consolidated financial statements included elsewhere in this prospectus.

(4) Amount for Ms. Hyman reflects: (i) $5,028 for a free Rent the Runway monthly subscription and Reserve rentals, and (i) $11,400 in matching contributions made by us on behalf of Ms. Hyman to her 401(k) plan account. Amount for Ms. Salinas

reflects: (i) $2,354 for a free Rent the Runway monthly subscription, and (i) $11,400 in matching contributions made by us on behalf of Ms. Salinas to her 401(k) plan account. Amounts reported for Ms. O'Sullivan and Mr. Donato reflect matching contributions made by us on behalf of Ms. O'Sullivan and Mr. Donato to their 401(k) plan accounts.

Elements of Our Executive Compensation Program

For the year ended January 31, 2021, the compensation for our named executive officers generally consisted of a base salary, cash bonuses (as applicable) and equity awards. These elements (and the amounts of compensation and benefits under each element) were selected because we believe they are necessary to help us attract and retain executive talent which is fundamental to our success.

Below is a more detailed summary of the current executive compensation program as it relates to our named executive officers.

Base Salaries

Our named executive officers receive a base salary to compensate them for the services they provide to our company. The base salary payable to each named executive officer is intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role and responsibilities.

Each of our named executive officers had an initial base salary for fiscal 2020 of $600,000. In response to the COVID-19 pandemic, the base salaries paid to our named executive officers were reduced from April 1, 2020 to June 30, 2020. The base salary paid to Ms. Hyman was reduced by 50% and the base salaries paid to Ms. O'Sullivan, Ms. Salinas and Mr. Donato were reduced by 30%.

The actual salaries paid to each named executive officer for fiscal 2020 are set forth in the "Summary Compensation Table" above in the column titled "Salary."

In connection with Ms. Hyman's Amended CEO Agreement (as defined below), her base salary was increased to $650,000.

Bonus Compensation

Fiscal 2020 Performance-Based Bonuses. Ms. Hyman would have been eligible to earn an annual performance-based bonus in respect of fiscal year 2020 with a target equal to 50% of her annual base salary based on the company's achievement of specified revenue and EBITDA performance goals. However, pursuant to her employment agreement amendment, Ms. Hyman elected to waive any right to receive an annual bonus with respect to fiscal 2020.

Pursuant to her offer letter, Ms. O'Sullivan is eligible to participate in our annual incentive bonus plan as may be in effect from time to time. However, as we did not maintain an annual incentive bonus plan for our executives in fiscal year 2020, Ms. O'Sullivan was not eligible to earn an annual bonus in respect of fiscal year 2020.

Donato Sign-on Bonus. In fiscal 2020, Mr. Donato received a sign-on bonus in an aggregate amount of $150,000 as an incentive for him to join the company. In the event that Mr. Donato resigns from his employment with us or is terminated for cause within eighteen months of his start date, he will be required to repay the full amount of his sign-on bonus to the company.

The amount of Mr. Donato's sign-on bonus is set forth in the "Summary Compensation Table" above in the column titled "Bonus."

Fiscal 2021 Bonuses. Pursuant to our fiscal 2021 bonus program, our compensation committee determined that each of our named executive officers would be eligible to receive a cash performance bonus in the following amounts: Ms. Hyman has a target opportunity of 100% of her base salary and a maximum opportunity of 150% of her base salary; Ms. O'Sullivan has a target opportunity of $125,000; Ms. Salinas has a target opportunity of $125,000; and Mr. Donato has a target opportunity of $100,000.

Equity Compensation

Stock Plans and Outstanding Awards. We maintain the 2009 Stock Incentive Plan, referred to as the 2009 Plan, and the 2019 Stock Incentive Plan, referred to as the 2019 Plan, in order to facilitate the grant of equity incentives to directors, employees (including our named executive officers), consultants and other service providers of our company and affiliates to obtain and retain services of these individuals, which is essential to our long-term success. The 2009 Plan was frozen as to new grants upon the effectiveness of the 2019 Plan, though any shares underlying outstanding awards granted pursuant to the 2009 Plan remain outstanding and eligible to vest in accordance with their terms, as applicable.

In connection with this offering, our board of directors amended our 2009 Plan and 2019 Plan to provide for outstanding awards granted thereunder to be exercisable for or settle shares of Class A common stock, or, if provided by our board of directors or the administrator, as applicable, shares of Class B common stock. All outstanding awards held by Ms. Hyman were also amended to provide for the settlement of such awards when vested and/or exercisable, as applicable, into shares of Class B common stock.

We have historically granted stock options, including both incentive stock options and nonstatutory stock options, and RSUs to our executives. Our stock options generally vest over four years, subject to continued service. Our RSUs have both service-based and liquidity-based vesting conditions. The service-based vesting period for these RSU awards is scheduled over four years as follows: for Ms. Hyman, Ms. O'Sullivan and Ms. Salinas, the service-based condition will be satisfied as to 6.25% of the RSUs in ratable installments on each quarterly anniversary of February 1, 2020; and for Mr. Donato, the service-based condition will be satisfied as to 25% of the RSUs on the first anniversary of February 1, 2020 and as to 6.25% of the RSUs in ratable installments on each quarterly anniversary of February 1, 2021, in each case subject to continued service. The liquidity-based vesting condition is satisfied upon (i) the six-month anniversary (or if earlier, March 15th of the year following) of an initial public offering or direct listing of our securities or (ii) a reorganization event (as defined in our 2019 Plan). In connection with this offering, and in accordance with the terms of such RSU agreements, we expect that the liquidity-based vesting condition will be deemed satisfied upon the six-month anniversary (or if earlier, March 15th of the year following) of this offering.

On April 1, 2020, Ms. Hyman was granted 206,901 RSUs, Ms. O'Sullivan was granted 121,009 RSUs, Ms. Salinas was granted 121,009 RSUs, and Mr. Donato was granted 300,000 RSUs, in each case which vest as described above.

In addition, effective October 26, 2020 we amended certain outstanding options held by our employees, including our named executive officers other than Mr. Donato (who did not hold options at that time), which had option exercise prices above the current fair market value of our common stock, or the Repricing. Under the Repricing, eligible options with an exercise price of $12.43 or higher were amended to reduce such exercise price to $7.01/share, the fair market value of our common stock as determined by our board of directors on the date of the repricing. We believe that the Repricing was important for the growth and development of our business in order to provide appropriate retention and incentives for our employee optionholders.

IPO RSU Awards. In connection with our preparation for this offering, we entered into an award letter with each of Ms. Hyman, Ms. O'Sullivan and Ms. Salinas on May 4, 2021, pursuant to which each

such executive would be granted 67,842 RSUs on the date of consummation of an IPO (as defined below), provided that such IPO occurred on or prior to July 31, 2022. Such awards are scheduled to vest as to 25% of the RSUs on the grant date and as to 6.25% of such RSUs in ratable installments on each quarterly anniversary thereafter such that the award will be fully vested on the fourth anniversary of the grant date, subject to the named executive officer's continued service with us through the applicable vesting dates, or the IPO RSU Awards. We expect that Ms. Hyman, Ms. O'Sullivan and Ms. Salinas will be granted the IPO RSU Awards upon the date of consummation of this offering.

For purposes of the IPO RSU Awards, "IPO" means: (i) the initial public offering of equity securities of the company or any subsidiary of the company (or any other successor of the company or any subsidiary of the company) for cash pursuant to an effective registration statement under the Securities Act of 1933 or the comparable statute of any applicable jurisdiction or (ii) the consummation of a merger of the company with, or the acquisition of the company (or of company securities) by, a publicly-traded special purpose acquisition company, or the SPAC, following which the securities of the SPAC are listed on a national securities exchange.

Other Elements of Compensation

Retirement Plans. We currently maintain a 401(k) retirement savings plan for our employees, including our named executive officers, who satisfy certain eligibility requirements. The Code allows eligible employees to defer a portion of their compensation, within prescribed limits, on a pre-tax basis through contributions to the 401(k) plan. Currently, we provide matching contributions in the 401(k) plan up to a specified percentage of the employee's contributions. We do not maintain any defined benefit pension plans or deferred compensation plans for our named executive officers.

Employee Benefits and Perquisites. All of our full-time employees, including our named executive officers, are eligible to participate in our health and welfare plans, including:

- medical, dental and vision benefits;
- medical and dependent care flexible spending accounts;
- short-term and long-term disability insurance; and
- life and accidental death & dismemberment insurance.

No tax gross-ups. We generally do not provide tax gross-ups to our named executive. Historically, Ms. Hyman was entitled to a Section 280G excise tax gross-up pursuant to the CEO Agreement (as defined below), but such gross-up is no longer provided to her in connection with her execution of the Amended CEO Agreement.

Outstanding Equity Awards at Fiscal Year-End

The following table presents information regarding outstanding equity awards held by our named executive officers as of January 31, 2021. The exercise prices of certain stock options represent the post-Repricing exercise price of $7.01 that was effected in October 2020, as described further above. Following the completion of this offering, Ms. Hyman will hold equity awards with respect to shares of our Class B common stock and our other named executive officers will hold equity awards with respect to shares of our Class A common stock.

		Option Awards				Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(1)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(2)
Jennifer Y. Hyman	04/01/2020	—	—	—	—	—	—	206,901	1,398,651
	12/14/2012	327,128(3)	—	2.86	12/15/2022	—	—	—	—
	01/16/2014	191,812(3)	—	2.38	01/15/2024	—	—	—	—
	05/24/2016	83,121(4)	—	7.02	05/24/2026	—	—	—	—
	03/02/2017	395,218(5)	—	7.66	03/01/2027	—	—	—	—
	03/08/2018	204,609(5)	75,997	9.89	03/07/2028	—	—	—	—
	02/08/2019	246,653(5)	268,101	7.01	02/07/2029	—	—	—	—
	07/03/2019	226,352(3)	377,254	7.01	07/02/2029	—	—	—	—
Scarlett O'Sullivan	04/01/2020	—	—	—	—	—	—	121,009	818,021
	09/28/2015	335,552(6)	—	5.10	09/27/2025	—	—	—	—
	08/21/2017	144,566(5)	28,913	7.66	08/20/2027	—	—	—	—
	08/17/2019	9,375(3)	15,625	7.01	08/16/2029	—	—	—	—
Anushka Salinas	04/01/2020	—	—	—	—	—	—	121,009	818,021
	03/02/2017	156,666(3)	3,334	7.66	03/01/2027	—	—	—	—
	03/08/2018	14,583(3)	5,417	9.89	03/07/2028	—	—	—	—
	01/14/2019	9,583(3)	10,417	7.01	01/13/2029	—	—	—	—
	07/03/2019	75,000(3)	125,000	7.01	07/02/2029	—	—	—	—
Brian Donato	04/01/2020	—	—	—	—	—	—	300,000	2,028,000

(1) Represents RSUs that vest based on the satisfaction of both a service-based vesting condition and a liquidity-based vesting condition, which is satisfied as described above under "Elements of Our Executive Compensation Program — Equity Compensation."

(2) Amounts are calculated by multiplying the number of shares shown in the table by $6.76, the fair market value of our common stock as of January 31, 2021, as determined by our board of directors.

(3) The option vests or vested as to 25% of the shares subject to the option on the first anniversary of the vesting commencement date and as to ratable monthly installments on each monthly anniversary thereafter such that the option was or will be fully vested on the fourth anniversary of the vesting commencement date, subject to the executive's continued service with us through the applicable vesting dates. The vesting commencement dates for the applicable option grants are as follows: Ms. Hyman's 12/14/2012 grant – 01/01/2013; Ms. Hyman's 01/16/2014 grant – 01/01/2014; Ms. Hyman's 07/03/2019 grant – 07/03/2019; Ms. O'Sullivan's 08/17/2019 grant – 07/03/2019; Ms. Salinas' 03/02/2017 grant – 02/27/2017; Ms. Salinas' 03/08/2018 grant –2/27/2018; Ms. Salinas' 01/14/2019 grant – 02/27/2019; and Ms. Salinas' 07/03/2019 grant – 07/03/2019.

(4) The option vests as to 2.0833% of the shares subject to the option on each monthly anniversary of January 31, 2016 such that the option became fully vested on January 31, 2020.

(5) The option vests as to 2.0833% of the shares subject to the option on each monthly anniversary of the vesting commencement date such that the option will be fully vested on the fourth anniversary of the vesting commencement date, subject to the executive's continued service with us. The vesting commencement dates for the applicable option grants are as follows: Ms. Hyman's 03/02/2017 grant – 01/29/2017; Ms. Hyman's 03/08/2018 grant – 02/01/2018; Ms. Hyman's 02/08/2019 grant – 02/01/2019; and Ms. O'Sullivan's 08/21/2017 grant – 09/28/2017.

(6) The option vested as to 20% of the shares subject to the option on October 5, 2016 and as to ratable monthly installments on each monthly anniversary thereafter such that the option became fully vested on October 5, 2020, subject to the executive's continued service with us through the applicable vesting dates.

Executive Compensation Arrangements

Below are written descriptions of our employment arrangements with each of our named executive officers. Each of our named executive officers' employment is "at will" and may be terminated at any time.

We entered into a new employment agreement with Ms. Hyman to be effective upon the completion of this offering.

Jennifer Y. Hyman

Prior CEO Agreement

On July 6, 2015, we entered into an employment agreement with Ms. Hyman providing for her employment as our Co-Founder and Chief Executive Officer, which was subsequently amended on November 20, 2020, or as amended, the "CEO Agreement.

Pursuant to the CEO Agreement, Ms. Hyman was entitled to an initial annual base salary of $300,000, which base salary was subsequently increased to $600,000. The CEO Agreement also provides that Ms. Hyman is eligible to receive an annual performance-based cash bonus with a target bonus opportunity of 100% of her base salary and a maximum bonus opportunity of 150% of her base salary based on the achievement of performance criteria established by our board of directors or its authorized delegate for fiscal 2021.

The CEO Agreement provides that Ms. Hyman would be entitled to receive an annual stock option award under the 2009 Plan in each of the 2015, 2016 and 2017 fiscal years equal to a percentage of the outstanding fully-diluted shares of the company as of the grant date, which percentage was based on the achievement of certain company financial plan performance metrics approved by our board of directors. Such stock options have been granted and are reflected in the "Outstanding Equity Awards at Fiscal Year-End" table above. The CEO Agreement also provides that any outstanding equity awards held by Ms. Hyman would accelerate and vest in full upon the occurrence of a "change of control" (as defined in the CEO Agreement); provided, that, to the extent any such equity awards were assumed or substituted by an acquirer or successor, such awards would accelerate and vest upon the earlier of (x) the time provided for in the applicable award agreement or the equity plan, (y) the one-year anniversary of such change of control, subject to Ms. Hyman's continued employment through such date and (y) the date of Ms. Hyman's termination of employment by the company without "cause," by Ms. Hyman for "good reason" or due to Ms. Hyman's death or "disability" (each as defined in the CEO Agreement).

Pursuant to the CEO Agreement, if Ms. Hyman's employment is terminated by us without "cause" or by Ms. Hyman for "good reason," then, subject to her timely execution and non-revocation of a release of claims and continued compliance with the applicable restrictive covenants, she will be entitled to, in addition to accrued amounts: (i) a cash amount equal to the sum of (x) her then-current annualized base salary and (y) the greater of (1) the average of the annual bonuses paid to her over the three fiscal years immediately preceding the year in which the date of termination occurs and (2) her target annual bonus for the fiscal year in which the date of termination occurs (such sum, the "Cash Severance Payment"), payable in equal installments during the 12-month period following the date of termination, (ii) a pro rata annual bonus for the fiscal year in which termination occurs, payable in a lump sum on the 60th day following the date of termination, or the Pro-Rata Bonus, (iii) continued group health coverage for a period of up to 18 months following termination, and (iv) an extended post-termination option exercise period in accordance with the terms of the CEO Agreement. In the event such a termination of employment occurs on or within the 24-month period following a "change of

control," in lieu of (i), Ms. Hyman will be entitled to receive two times the Cash Severance Payment, payable in a lump sum on the 60th day following the date of termination. Additionally, in the event such a termination of employment occurs prior to or upon the "change of control," the vesting of Ms. Hyman's outstanding equity awards held as of July 6, 2015 or that were otherwise granted under the CEO Agreement will accelerate in full.

In the event Ms. Hyman's employment is terminated due to death or "disability," she will be entitled to receive, subject to her timely execution and non-revocation of a release of claims and continued compliance with the applicable restrictive covenants, in addition to any accrued amounts: (i) the Pro-Rata Bonus, (ii) an extended post-termination option exercise period in accordance with the terms of the CEO Agreement, (iii) acceleration in full of the vesting of her outstanding equity awards held as of July 6, 2015 or that were otherwise granted under the CEO Agreement, and (iv) if her termination is due to "disability," continued group health coverage for a period of up to 18 months following termination.

The CEO Agreement contains a 12-month post-termination non-competition covenant (which is extended to 24 months in the event Ms. Hyman is terminated on or following a change of control) and 12-month post-termination non-solicitation of customers and employees covenants, as well as perpetual confidentiality and non-disparagement covenants. In addition, the CEO Agreement provides that, in the event of a transaction in which Ms. Hyman receives payments or benefits that are subject to the excise tax provisions of Section 280G of the Code and the company (or its applicable subsidiaries) is a publicly held company, Ms. Hyman will be entitled to receive a gross-up payment equal to 50% of the Section 280G excise taxes imposed on such payments or benefits, excluding those related to any equity awards that weren't held by Ms. Hyman as of the effective date of the CEO Agreement or granted pursuant to the CEO Agreement (plus an additional gross-up amount covering taxes imposed on the gross-up payment(s)), if such transaction occurs during the three-year period following the company's initial public offering. Notwithstanding the foregoing, if the value of such payments and benefits does not exceed 110% of the highest value of payments or benefits that can be made such that they would not be subject to the excise tax provisions of Section 280G of the Code, such payments and benefits will be reduced to the extent necessary to avoid the imposition of any excise tax under Section 280G of the Code and accordingly no gross-up payments would be made.

Amended CEO Agreement

In connection with this offering, we entered into an employment agreement, or the Amended CEO Agreement, with Ms. Hyman amending and restating the CEO Agreement, which provides for her continued employment with us as Co-Founder and Chief Executive Officer, effective as of the closing date of this offering. The Amended CEO Agreement provides for a three-year initial term of employment with successive one-year automatic extensions of the term, provided that either party does not provide prior written notice of non-extension of the term. Notwithstanding the foregoing, if Ms. Hyman voluntarily agrees to transition into the role of Executive Chair of our board of directors or an officer position other than Chief Executive Officer, she will be entitled to receive compensation and other benefits at the same levels as described below through the end of the fiscal year in which such transition occurs, following which the compensation committee may determine whether to amend the Amended CEO Agreement or enter into a new Executive Chair Agreement with Ms. Hyman.

Pursuant to the Amended CEO Agreement, Ms. Hyman is entitled to an initial annual base salary of $650,000. The Amended CEO Agreement also provides that, with respect to fiscal year 2022 and thereafter, Ms. Hyman is eligible to receive an annual performance-based cash bonus with a target bonus opportunity of 50% of her base salary and a maximum bonus opportunity of 120% of her base salary based on the achievement of performance criteria established by our board of directors or its

authorized delegate. In addition, pursuant to the Amended CEO Agreement Ms. Hyman will receive data security consulting benefits and we will engage a security consultant to perform an assessment of Ms. Hyman's personal security considerations in connection with her position with us (following which the compensation committee will determine any reasonable security enhancements to be adopted after its review of such assessment). Ms. Hyman will be entitled to reimbursement of legal fees of up to $50,000 incurred in connection with the negotiation and preparation of the Amended CEO Agreement and any related equity documents.

In addition, the "change of control" (as defined in the Amended CEO Agreement) equity acceleration described above as set forth in Ms. Hyman's original CEO Agreement will continue to apply.

Pursuant to the Amended CEO Agreement, if Ms. Hyman's employment is terminated by us without "cause" or by Ms. Hyman for "good reason" (each as defined in the Amended CEO Agreement), whether outside or within the 24-month period following a change of control, then, subject to her timely execution and non-revocation of a release of claims and continued compliance with the applicable restrictive covenants, she will be entitled to, in addition to accrued amounts: (i) a cash amount equal to two times the sum of (x) her then-current annual base salary and (y) the greater of (1) the bonus that Ms. Hyman would have earned had she remained employed for the full year in which termination occurs, based on actual achievement and (2) her target annual bonus for the fiscal year in which the date of termination occurs (such sum, the "Cash Severance Payment"); (ii) continued group health coverage for a period of up to 18 months following termination, and (iii) an extended post-termination option exercise period in accordance with the terms of the Amended CEO Agreement. Ms. Hyman will continue to receive the same severance benefits in the event of a termination due to death or disability. Additionally, in the event a termination of employment other than for a termination for cause or a resignation that is not for good reason occurs prior to or upon the change of control, the vesting of Ms. Hyman's outstanding equity awards will accelerate in full.

The restrictive covenants described above will continue to apply under the Amended CEO Agreement. The Amended CEO Agreement also provides for a Section 280G "best net" cutback, though Ms. Hyman will no longer be eligible for the Section 280G gross-up payment provided for in the prior CEO Agreement.

Scarlett O'Sullivan

On September 4, 2015, we entered into an offer letter with Ms. O'Sullivan to employ her as our Chief Financial Officer, or the CFO Offer Letter. The CFO Offer Letter provides for an initial annual base salary of $300,000, which base salary was subsequently increased to $600,000. The CFO Offer Letter also provides for Ms. O'Sullivan's initial stock option grant and her eligibility to participate in the company's annual incentive bonus program then in effect with a target bonus opportunity of 50% of her base salary. The CFO Offer Letter provides that upon a "change of control" (as defined in the CFO Offer Letter), the vesting schedule of such initial option will accelerate as to 25% of such option. Additionally, if Ms. O'Sullivan's employment is terminated by us without "cause" or by Ms. O'Sullivan for "good reason" (in each case as defined in the CFO Offer Letter), following a "change of control," then the vesting of such option will fully accelerate, subject to her timely execution and non-revocation of a release of claims.

Pursuant to the CFO Offer Letter, if Ms. O'Sullivan's employment is terminated by us without "cause", then, subject to her timely execution and non-revocation of a release of claims, she will be entitled to a lump sum cash payment equal to six months' then-current base salary.

In addition to the CFO Offer Letter, Ms. O'Sullivan entered into the company's Invention and Non-Disclosure Agreement as well as Non-Competition and Non-Solicitation Agreement in connection

with her employment, which provides that Ms. O'Sullivan will be subject to 12-month post-termination non-competition and non-solicitation of customers and employees covenants, as well as perpetual non-disparagement covenants.

Anushka Salinas

On January 20, 2017, we entered into an offer letter with Ms. Salinas to employ her as our General Manager of Subscription, though she currently serves as our President and Chief Operating Officer, or the COO Offer Letter. The COO Offer Letter provides for an initial annual base salary of $400,000, which base salary was subsequently increased to $600,000. The COO Offer Letter also provides for Ms. Salinas' initial stock option grant as well as for additional stock option grants Ms. Salinas would be eligible to receive in 2018 and 2019 in the event she achieved certain goals with respect to subscriber attainment. The COO Offer Letter provides that if Ms. Salinas' employment is terminated by us without "cause" or by Ms. Salinas for "good reason" (in each case as defined in the COO Offer Letter), within six months following a "change of control," then, the vesting of all options held by Ms. Salinas as of the date of the "change in control" will accelerate as to 25%; provided that any option awards held by Ms. Salinas for which the one-year cliff vest has been achieved will instead fully accelerate, subject to her timely execution and non-revocation of a release of claims.

Pursuant to the COO Offer Letter, if Ms. Salinas' employment is terminated by us without "cause," then, subject to her timely execution and non-revocation of a release of claims, she will be entitled to a lump sum cash payment equal to four months' then-current base salary as well as six months of continued group health coverage. Notwithstanding the foregoing, if such termination occurs within six months following a "change in control," then such lump sum cash payment will instead be equal to six months' then-current base salary and Ms. Salinas will be entitled to six months of continued group health coverage.

In addition to the COO Offer Letter, Ms. Salinas entered into the company's Invention and Non-Disclosure Agreement as well as Non-Competition and Non-Solicitation Agreement in connection with her employment, which provides that Ms. Salinas will be subject to 12-month post-termination non-competition and non-solicitation of customers and employees covenants, as well as perpetual non-disparagement covenants.

Brian Donato

On January 17, 2020, we entered into an offer letter with Mr. Donato to employ him as our Chief Supply Chain Officer, or the CSO Offer Letter. The CSO Offer Letter provides for an initial annual base salary of $600,000, a one-time signing bonus of $150,000, as well as the right to receive an equity grant of 300,000 RSUs, subject to the approval of our board of directors. The CSO Offer Letter provides that if we do not consummate an initial public offering in 2021, we will offer certain senior executives (including Mr. Donato) the option to sell a percentage of our shares they hold in private markets in 2022.

Pursuant to the CSO Offer Letter, in the event Mr. Donato's employment is terminated for any reason other than for cause prior to September 16, 2021, he would be entitled to receive his full base salary through September 16, 2021.

In addition to the CSO Offer Letter, Mr. Donato entered into the company's Invention and Non-Disclosure Agreement as well as Non-Competition and Non-Solicitation Agreement in connection with his employment, which provides that Mr. Donato will be subject to 12-month post-termination non-competition and non-solicitation of customers and employees covenants, as well as perpetual confidentiality and non-disparagement covenants.

Executive Severance Plan

In connection with this offering, we intend to adopt the Executive Severance Plan, or the Severance Plan, pursuant to which senior employees (including our named executive officers other than Ms. Hyman) are eligible to participate. The Severance Plan provides for the payment of certain severance and other benefits to participants according to their position in the event of a qualifying termination of employment with us.

Under the Severance Plan, in the event of a termination of (i) Ms. O'Sullivan or Ms. Salinas' employment by us without "cause" or by the named executive officer for "good reason" (each as defined in the Severance Plan), or (ii) Mr. Donato's employment by us without "cause", in either case at any time other than during the period beginning 3 months before and ending on the 12 month anniversary of a Change in Control (as defined in the 2021 Plan), such named executive officers will be eligible to receive the following benefits:

- Ms. O'Sullivan and Ms. Salinas:
  - a cash payment equal to 0.75x the named executive officer's then-current base salary (or, if the named executive officer has been employed with us for more than five years at the time of the termination of employment, a cash payment equal to 1.25x the named executive officer's base salary), payable in installments over a period of years or partial years equal to the named executive officer's severance multiple;
  - a lump-sum cash payment equal to the cash bonus with respect to the fiscal year in which such named executive officer's termination of employment occurs, based on actual achievement of any applicable company performance goals or objectives and any applicable individual performance goals or objectives, prorated for the number of days the named executive officer was employed during that fiscal year, or the Prorated Bonus; and
  - company-paid COBRA premium payments for up to a period of years or partial years equal to the named executive officer's severance multiple.
- Mr. Donato:
  - a cash payment equal to 0.50x his then-current base salary (or, if he has been employed with us for more than five years at the time of the termination of employment, a cash payment equal to 1x his base salary), payable in installments over a period of years or partial years equal to his severance multiple;
  - the Prorated Bonus; and
  - company-paid COBRA premium payments for up to a period of years or partial years equal to his severance multiple.

In the event of a termination of Ms. O'Sullivan's, Ms. Salinas' or Mr. Donato's employment by us without "cause" or by such named executive officer for "good reason" during the period beginning 3 months before and ending on the 12 month anniversary of a Change in Control, the named executive officer will be eligible to receive the following benefits:

- Ms. O'Sullivan and Ms. Salinas:
  - a lump sum cash payment equal to 1.25x the named executive officer's then-current annual base salary;
  - a lump sum cash payment equal to 1.25x the greater of (1) the bonus that the named executive officer would have earned had she remained employed for the full year in which termination occurs, based on actual achievement and (2) the named executive officer's target annual bonus for the fiscal year in which the date of termination occurs;

- company-paid COBRA premium payments for the named executive officer and her covered dependents for up to 15 months; and
- accelerated vesting of all equity awards which vest based solely on the named executive officer's continued service with us or the passage of time, with awards that vest based on the achievement of performance objectives or conditions eligible to vest based on the applicable award agreement, or the Equity Acceleration.

- Mr. Donato:
  - a lump sum cash payment equal to 1x his then-current annual base salary;
  - a lump sum cash payment equal to 1x the greater of (1) the bonus that he would have earned had he remained employed for the full year in which termination occurs, based on actual achievement and (2) his target annual bonus for the fiscal year in which the date of termination occurs;
  - company-paid COBRA premium payments for Mr. Donato and his covered dependents for up to 12 months; and
  - the Equity Acceleration.

In the event that the named executive officers participating in the Severance Plan provides at least three months' advance notice of his or her intent to resign without good reason, such named executive officer will be entitled to an additional fiscal quarter of acceleration of the named executive officer's outstanding equity awards subject to the passage of time.

Any named executive officer's right to receive the severance payments and benefits described above is subject to his or her delivery and, as applicable, non-revocation of a general release of claims in our favor, and his or her continued compliance with any applicable restrictive covenants.

In addition, in the event that any payment under the Severance Plan, together with any other amounts paid to the participant by us, would subject such participant to an excise tax under Section 4999 of the Internal Revenue Code, such payments will be reduced to the extent that such reduction would produce a better net after-tax result for the named executive officer.

Director Compensation

The following table sets forth information for individuals who served on our board of directors during fiscal year 2020 and who earned compensation for their service in respect of such fiscal year. Ms. Hyman, our Chief Executive Officer and Chair, did not receive additional compensation for her service as a director in 2020, and therefore is not included in the Director Compensation table below. All compensation paid to Ms. Hyman is reported above in the "2020 Summary Compensation Table."

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	Option Awards ($)(2)	Total ($)
Dan Rosensweig	—	—	17,877	17,877
Mike Roth	—	0	—	0

(1) None of the non-employee directors received cash compensation for their service as a director during fiscal year 2020.
(2) Amounts reflect the full grant-date fair value of restricted stock units granted to Mr. Roth during fiscal year 2020 computed in accordance with ASC Topic 718 and the incremental grant-date fair value of repriced options held by Mr. Rosensweig that were deemed to have been modified during 2020 (pursuant to the Repricing, as described in further detail above under "Equity Compensation – Stock Plans and Outstanding Awards"), rather than the amounts paid to or realized by the named individual. Mr. Roth's restricted stock units are subject to both service-based and liquidity event-based vesting conditions. As required pursuant to SEC disclosure rules, the grant-date fair value of this award included in the table above was computed

based on the probable outcomes of the performance conditions as of the applicable grant date; for purposes of calculating the grant-date fair value of such restricted stock units, the achievement of the liquidity event-based condition was deemed not probable on the date of grant and, accordingly, no value is included in the table for this award. Assuming achievement of the performance conditions, the value of the RSUs granted to Mr. Roth, as of the grant date, is $362,750. We provide information regarding the assumptions used to calculate the value of all restricted stock unit awards and option awards made to our directors in Note 13 to our audited consolidated financial statements included elsewhere in this prospectus.

The table below shows for each non-employee director who was serving, and held outstanding equity awards, as of January 31, 2021, the aggregate number of restricted stock unit awards and option awards (vested and unvested) held by each such non-employee director as of such date.

Name	Shares Underlying Options Outstanding (Vested) at Fiscal Year End	Shares Underlying Options Outstanding (Unvested) at Fiscal Year End	Unvested Stock Awards Outstanding at Fiscal Year End
Beth Kaplan	55,167	—	—
Dan Rosensweig	45,016	10,000	—
Mike Roth	—	—	25,000

Historically, we have not had a formalized non-employee director compensation program; however, we have granted certain of our non-employee directors equity grants upon commencement of service in the form of stock options or, beginning in fiscal year 2020, restricted stock units. We also occasionally grant refresh equity awards to non-employee directors who have not recently been granted equity in recognition of their contributions on our board of directors. Our stock options awarded to directors generally vest over four years, subject to continued service. During fiscal year 2020, we granted Mr. Roth 25,000 RSUs. The RSUs granted to Mr. Roth have both service-based and liquidity-based vesting conditions. The service-based vesting period for the RSUs will be satisfied as to 25% of the RSUs on the first anniversary of February 1, 2020 and as to 6.25% of the RSUs in ratable installments on each quarterly anniversary of February 1, 2021, such that the service condition will be satisfied over four years, subject to continued service. The liquidity-based vesting condition is satisfied upon (i) the six-month anniversary (or if earlier, March 15th of the year following) of an initial public offering or direct listing of our securities or (ii) a reorganization event (as defined in our 2019 Plan).

We also granted RSUs to certain of our non-employee directors in early fiscal year 2021 (including Ms. Kaplan, Ms. Fleiss, Ms. Roney and Mr. Roth as well as to Mr. Bixby and Ms. Paltrow (who commenced service in fiscal year 2021)), which also have both service-based and liquidity-based vesting conditions. The service-based vesting condition for the fiscal year 2021 RSUs is generally satisfied quarterly over a period of between two to four years (other than with respect to Ms. Roney's fiscal year 2021 grant, for which the service-based vesting condition was deemed satisfied on the date of grant) and the liquidity-based vesting condition is satisfied as described above.

In connection with this offering, and in accordance with the terms of the RSU agreements, we expect that the liquidity-based vesting condition will be deemed satisfied upon the six-month anniversary (or if earlier, March 15th of the year following) of this offering.

In connection with this offering, we intend to adopt a non-employee director compensation policy that will be applicable to each of our non-employee directors. Pursuant to this policy, each non-employee director will receive a mixture of cash and equity compensation.

Pursuant to this policy, each non-employee director will receive an annual cash retainer of $40,000 that will be paid quarterly in arrears. The lead independent director will receive an additional cash retainer of $15,000, the chairperson of the audit committee will receive an additional cash retainer of $20,000 and each other member of the audit committee will receive an additional cash retainer of $10,000, the chairperson of the compensation committee will receive an additional cash retainer of

$13,000 and each other member of the compensation committee will receive an additional cash retainer of $6,500, and the chairperson of the nominating and governance committee will receive an additional cash retainer of $8,000 and each other member of the nominating and governance committee will receive an additional annual cash retainer of $4,000.

Also, pursuant to this policy, we intend to grant new non-employee directors an initial equity award of restricted stock units that has a grant date value of $330,000 upon election to our board of directors, which will vest in three ratable annual installments subject to the non-employee director's continued service through the applicable vesting date. Each incumbent non-employee director shall receive an annual equity award of restricted stock units that has a grant date value of $165,000, which will vest in full on the earlier of (i) the next occurring annual meeting of our stockholders or (ii) the first anniversary of the grant date, subject to the non-employee director's continued service through the applicable vesting date. Any outstanding awards held by a non-employee director pursuant to this policy will accelerate and vest upon the occurrence of a change in control.

Equity Plans

2019 Stock Incentive Plan. We currently maintain an equity incentive plan, the 2019 Stock Incentive Plan (as amended), or the 2019 Plan, which provides for certain designated employees, officers, directors, consultants and advisors to be eligible for equity ownership opportunities and performance-based incentives that are intended to align the interest of such persons with those of our stockholders. We believe that such awards attract, retain and motivate persons who are expected to make important contributions to us. The 2019 Plan is generally administered by our compensation committee and provides for the grant of options, restricted stock, restricted stock units and other stock-based awards, including stock appreciation rights. As of July 31, 2021 there were shares of our common stock available for issuance under the 2019 Plan. As of July 31, 2021 there were shares subject to outstanding options with a weighted average exercise price of $ per share and shares subject to outstanding restricted stock units, in each case that have been granted under the 2019 Plan. On and after the closing of this offering and following the effectiveness of the 2021 Plan, no further grants will be made under the 2019 Plan.

This summary is not a complete description of all provisions of the 2019 Plan and is qualified in its entirety by reference to the 2019 Plan, which is filed as an exhibit to the registration statement of which this prospectus is part.

2009 Stock Incentive Plan. We currently maintain an equity incentive plan, the 2009 Stock Incentive Plan, or the 2009 Plan, which provided certain designated employees, officers, directors, consultants and advisors with the opportunity to be granted options, restricted stock, restricted stock units and other stock-based awards, including stock appreciation rights. As of July31, 2021 there were shares subject to outstanding options with a weighted average exercise price of $ per share.

This summary is not a complete description of all provisions of the 2009 Plan and is qualified in its entirety by reference to the 2009 Plan, which is filed as an exhibit to the registration statement of which this prospectus is part.

2021 Incentive Award Plan. In connection with this offering, we intend to adopt the 2021 Incentive Award Plan, or the 2021 Plan, under which we may grant cash and equity-based incentive awards to eligible service providers in order to attract, motivate and retain the talent for which we compete. The material terms of the 2021 Plan, as it is currently contemplated, are summarized below. This summary is not a complete description of all provisions of the 2021 Plan and is qualified in its entirety by reference to the 2021 Plan, which will be filed as an exhibit to the registration statement of which this prospectus is a part.

Eligibility and Administration

Our employees, consultants and directors, and employees, consultants and directors of our subsidiaries are eligible to receive awards under the 2021 Plan. The 2021 Plan is expected to be initially administered by our board of directors, which may delegate its duties and responsibilities to committees of our directors and/or officers (referred to collectively as the plan administrator below), subject to certain limitations that may be imposed under Section 16 of the Exchange Act, and/or stock exchange rules, as applicable. The plan administrator has the authority to make all determinations and interpretations under, prescribe all forms for use with, and adopt rules for the administration of, the 2021 Plan, subject to its express terms and conditions. The plan administrator will also set the terms and conditions of all awards under the 2021 Plan, including any vesting and vesting acceleration conditions.

Limitation on Awards and Shares Available

The maximum number of shares of our Class A common stock (and Class B common stock, if determined by the plan administrator) available for issuance under the 2021 Plan is equal to the sum of (i) a number of shares of our common stock equal to 12% of the shares of common stock outstanding as of immediately prior to this offering, plus (ii) an annual increase on the first day of each year beginning in 2022 and ending in and including 2031, equal to the lesser of (A) five percent (5%) of the outstanding shares of our common stock on the last day of the immediately preceding fiscal year and (B) such lesser amount as determined by our board of directors, and (iii) any shares of our common stock available for issuance under the 2009 Plan and the 2019 Plan as of the effective date of the 2021 Plan or that are subject to awards under the 2009 Plan and the 2019 Plan which are forfeited or lapse unexercised and which following the effective date of the 2021 Plan are not issued under such prior plans; provided, however, no more than shares may be issued upon the exercise of incentive stock options, or ISOs. The share reserve formula under the 2021 Plan is intended to provide us with the continuing ability to grant equity awards to eligible employees, directors and consultants for the ten-year term of the 2021 Plan.

Awards granted under the 2021 Plan upon the assumption of, or in substitution for, outstanding equity awards previously granted by an entity in connection with a corporate transaction with us, such as a merger, combination, consolidation or acquisition of property or stock will not reduce the shares authorized for grant under the 2021 Plan. The maximum grant date fair value of cash and equity awards granted to any non-employee director pursuant to the 2021 Plan during any calendar year is $750,000, increased to $1,000,000 for the non-employee director's initial year of service as a non-employee director.

Awards

The 2021 Plan provides for the grant of stock options, including ISOs and nonqualified stock options, or NSOs, restricted stock, dividend equivalents, stock payments, restricted stock units, or RSUs, other incentive awards, SARs, and cash awards. No determination has been made as to the types or amounts of awards that will be granted to certain individuals pursuant to the 2021 Plan. Certain awards under the 2021 Plan may constitute or provide for a deferral of compensation, subject to Section 409A of the Code, which may impose additional requirements on the terms and conditions of such awards. All awards under the 2021 Plan will be set forth in award agreements, which will detail all terms and conditions of the awards, including any applicable vesting and payment terms and post-termination exercise limitations. Awards other than cash awards generally will be settled in shares of our common stock, but the plan administrator may provide for cash settlement of any award. A brief description of each award type follows.

- *Stock Options*. Stock options provide for the purchase of shares of our common stock in the future at an exercise price set on the grant date. ISOs, by contrast to NSOs, may

provide tax deferral beyond exercise and favorable capital gains tax treatment to their holders if certain holding period and other requirements of the Code are satisfied. The exercise price of a stock option may not be less than 100% of the fair market value of the underlying share on the date of grant (or 110% in the case of ISOs granted to certain significant stockholders), except with respect to certain substitute options granted in connection with a corporate transaction. The term of a stock option may not be longer than ten years (or five years in the case of ISOs granted to certain significant stockholders).

- *SARs*. SARs entitle their holder, upon exercise, to receive from us an amount equal to the appreciation of the shares subject to the award between the grant date and the exercise date. The exercise price of a SAR may not be less than 100% of the fair market value of the underlying share on the date of grant (except with respect to certain substitute SARs granted in connection with a corporate transaction). The term of a SAR may not be longer than ten years.
- *Restricted Stock and RSUs*. Restricted stock is an award of nontransferable shares of our common stock that remain forfeitable unless and until specified conditions are met, and which may be subject to a purchase price. RSUs are contractual promises to deliver shares of our common stock in the future, which may also remain forfeitable unless and until specified conditions are met. Delivery of the shares underlying RSUs may be deferred under the terms of the award or at the election of the participant, if the plan administrator permits such a deferral.
- *Stock Payments, Other Incentive Awards and Cash Awards*. Stock payments are awards of fully vested shares of our common stock that may, but need not, be made in lieu of base salary, bonus, fees or other cash compensation otherwise payable to any individual who is eligible to receive awards. Other incentive awards are awards other than those enumerated in this summary that are denominated in, linked to or derived from shares of our common stock or value metrics related to our shares, and may remain forfeitable unless and until specified conditions are met. Cash awards are cash incentive bonuses subject to performance goals.
- *Dividend Equivalents*. Dividend equivalents represent the right to receive the equivalent value of dividends paid on shares of our common stock and may be granted alone or in tandem with awards other than stock options or SARs. Dividend equivalents are credited as of dividend record dates during the period between the date an award is granted and the date such award vests, is exercised, is distributed or expires, as determined by the plan administrator.

Vesting

Vesting conditions determined by the plan administrator may apply to each award and may include continued service, performance and/or other conditions.

Certain Transactions

The plan administrator has broad discretion to take action under the 2021 Plan, as well as make adjustments to the terms and conditions of existing and future awards, to prevent the dilution or enlargement of intended benefits, facilitate the transaction, or give effect to changes in applicable law or accounting principles, in connection with certain transactions and events affecting our common stock, such as a change in control, stock dividends, stock splits, mergers, consolidations and other corporate transactions. This includes cancelling awards for cash or property, accelerating the vesting of awards, providing for the assumption or substitution of awards by a successor entity, adjusting the number and type of shares subject to outstanding awards and/or with respect to which awards may be granted under the 2021 Plan and replacing or terminating awards under the 2021 Plan. In addition, in

the event of certain non-reciprocal transactions with our stockholders known as “equity restructurings,” the plan administrator will make equitable adjustments to the 2021 Plan and outstanding awards. In the event of a “change in control” of our company (as defined in the 2021 Plan), to the extent that the surviving entity declines to continue, convert, assume or replace outstanding awards, then all such awards may become fully vested and exercisable in connection with the transaction. Individual award agreements may provide for additional accelerated vesting and payment provisions.

Non-U.S. Participants, Claw-Back Provisions, Transferability, and Participant Payments

The plan administrator may modify award terms, establish subplans and/or adjust other terms and conditions of awards, subject to the share limits described above, in order to facilitate grants of awards subject to the laws and/or stock exchange rules of countries outside of the United States. All awards will be subject to the provisions of any claw-back policy implemented by us to the extent set forth in such claw-back policy and/or in the applicable award agreement. With limited exceptions for estate planning, domestic relations orders, certain beneficiary designations and the laws of descent and distribution, awards under the 2021 Plan are generally non- transferable, and are exercisable only by the participant. With regard to tax withholding, exercise price and purchase price obligations arising in connection with awards under the 2021 Plan, the plan administrator may, in its discretion, accept cash or check, provide for net withholding of shares, allow shares of our common stock that meet specified conditions to be repurchased, allow a “market sell order” or such other consideration as it deems suitable.

Plan Amendment and Termination

Our board of directors may amend or terminate the 2021 Plan at any time; however, except in connection with certain changes in our capital structure, stockholder approval will be required for any amendment that increases the number of shares available under the 2021 Plan. No award may be granted pursuant to the 2021 Plan after the tenth anniversary of the earlier of (i) the date on which our board of directors adopts the 2021 Plan and (ii) the date on which our stockholders approve the 2021 Plan.

2021 Employee Stock Purchase Plan. In connection with this offering, we intend to adopt the 2021 Employee Stock Purchase Plan, or the ESPP, subject to approval by our stockholders. The ESPP is designed to allow our eligible employees to purchase shares of our Class A common stock, at periodic intervals, with their accumulated payroll deductions. The ESPP consists of two components: a Section 423 component, which is intended to qualify under Section 423 of the Code and a non-Section 423 component, which need not qualify under Section 423 of the Code. The material terms of the ESPP as currently contemplated are summarized below. This summary is not a complete description of all provisions of the ESPP and is qualified in its entirety by reference to the ESPP, which will be filed as an exhibit to the registration statement of which this prospectus is a part.

Shares Available; Administration

The aggregate number of shares of our Class A common stock that will initially be reserved for issuance under the ESPP will be equal to (i) a number of shares equal to two percent (2%) of the shares of common stock outstanding as of immediately prior to this offering, plus (ii) an annual increase on the first day of each year beginning in 2022 and ending in and including 2031, equal to the lesser of (A) one percent (1%) of the outstanding shares of our common stock on the last day of the immediately preceding fiscal year and (B) such lesser amount as determined by our board of directors; provided that in no event will more than shares of our common stock be available for issuance under the Section 423 component of the ESPP. Our board of directors or the compensation committee will have authority to interpret the terms of the ESPP and determine eligibility of participants. We expect that the board of directors will be the initial administrator of the ESPP.

Eligibility

The plan administrator may designate certain of our subsidiaries as participating "designated subsidiaries" in the ESPP and may change these designations from time to time. We expect that our employees, other than employees who, immediately after the grant of a right to purchase common stock under the ESPP, would own (directly or through attribution) stock possessing 5% or more of the total combined voting power or value of all classes of our common or other class of stock (including Class B common stock), will be eligible to participate in the ESPP.

Grant of Rights

The Section 423 component of the ESPP will be intended to qualify under Section 423 of the Code and shares of our common stock will be offered under the ESPP during offering periods. The length of the offering periods under the ESPP will be determined by the plan administrator and may be up to 27 months long. Employee payroll deductions will be used to purchase shares on each purchase date during an offering period. The purchase dates for each offering period will be the final trading day in each purchase period. Offering periods under the ESPP will commence when determined by the plan administrator. The plan administrator may, in its discretion, modify the terms of future offering periods. We do not expect that any offering periods will commence under the ESPP at the time of this offering.

The ESPP will permit participants to purchase Class A common stock through payroll deductions of up to a percentage of their eligible compensation, which includes a participant's gross base compensation for services to us. The plan administrator will establish a maximum number of shares that may be purchased by a participant during any offering period, which, in the absence of a contrary designation, will be equal to shares. In addition, under the Section 423 component, no employee will be permitted to accrue the right to purchase stock under the ESPP at a rate in excess of $25,000 worth of shares during any calendar year during which such a purchase right is outstanding (based on the fair market value per share of our Class A common stock as of the first trading day of the offering period).

On the first trading day of each offering period, each participant will automatically be granted an option to purchase shares of our Class A common stock. The option will expire at the end of the applicable offering period and will be exercised on each purchase date during such offering period to the extent of the payroll deductions accumulated during the offering period. The purchase price will be the lower of 85% of the fair market value of a share on the first day of an offering period in which a participant is enrolled or 85% of the fair market value of a share on the purchase date, which will occur on the last day of each purchase period. Participants may voluntarily end their participation in the ESPP prior to the end of the applicable offering period, and will be paid their accrued payroll deductions that have not yet been used to purchase shares of common stock.

Unless a participant has previously canceled his or her participation in the ESPP before the purchase date, the participant will be deemed to have exercised his or her option in full as of each purchase date. Upon exercise, the participant will purchase the number of whole shares that his or her accumulated payroll deductions will buy at the option purchase price, subject to the participation limitations listed above. Participation will end automatically upon a participant's termination of employment.

A participant will not be permitted to transfer rights granted under the ESPP other than by will, the laws of descent and distribution or as otherwise provided under the ESPP.

Certain Transactions

In the event of certain transactions or events affecting our common stock, such as any stock dividend or other distribution, reorganization, merger, consolidation, or other corporate transaction, the plan administrator will make equitable adjustments to the ESPP and outstanding rights if the plan administrator determines it is appropriate to prevent dilution or enlargement of rights. In addition, in the event of the foregoing transactions or events or certain significant transactions, the plan administrator may provide for (1) either the replacement of outstanding rights with other rights or property or termination of outstanding rights in exchange for cash, (2) the assumption or substitution of outstanding rights by the successor or survivor corporation or parent or subsidiary thereof, if any, (3) the adjustment in the number and type of shares of stock subject to outstanding rights, (4) the use of participants' accumulated payroll deductions to purchase stock on a new purchase date prior to the next scheduled purchase date and termination of any rights under ongoing offering periods or (5) the termination of all outstanding rights.

Plan Amendment

The plan administrator may amend, suspend or terminate the ESPP at any time. However, stockholder approval of any amendment to the ESPP will be obtained for any amendment that increases the aggregate number or changes the type of shares that may be sold pursuant to rights under the ESPP, or changes the corporations or classes of corporations the employees of which are eligible to participate in the ESPP.

Plan Amendment and Termination

The plan administrator may amend, suspend or terminate the ESPP at any time. However, stockholder approval will be obtained for any amendment to the ESPP that increases the aggregate number or changes the type of shares that may be sold pursuant to rights under the ESPP or as may otherwise be required under Section 423(b) of the Code or other applicable law.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than compensation arrangements for our directors and executive officers, which are described elsewhere in this prospectus, below we describe transactions since January 1, 2018 and each currently proposed transaction, in which:

- we have been or are to be a participant;
- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers, or holders of more than 5% of our outstanding capital stock, or any immediate family member of, or person sharing the household with, any of these individuals or entities, had or will have a direct or indirect material interest.

We believe the terms obtained or consideration that we paid or received, as applicable, in connection with the transactions described below were comparable to terms available or the amounts that would be paid or received, as applicable in arm's-length transactions.

Series E Preferred Stock Financing

From December 2016 to February 2019, we sold an aggregate of 3,723,110 shares of our Series E redeemable preferred stock at a purchase price of $21.7560 per share, for an aggregate purchase price of approximately $81.0 million. The following table summarizes purchases of our Series E redeemable preferred stock by related persons:

Stockholder	Shares of Series E Redeemable Preferred Stock	Total Series E Redeemable Preferred Stock Purchase Price
Entities affiliated with Bain Capital Ventures(1)	550,469	$11,976,003.56
Entities affiliated with Highland Capital Partners(2)	174,430	$ 3,794,899.08
Entities affiliated with Technology Crossover Ventures(3)	153,640	$ 3,342,591.84

(1) Entities affiliated with Bain Capital Ventures holding our securities whose shares are aggregated for purposes of reporting share ownership information. These entities beneficially own more than 5% of our outstanding capital stock and Scott Friend, a member of our board of directors, is a managing director at Bain Capital Ventures.
(2) Entities affiliated with Highland Capital Partners holding our securities whose shares are aggregated for purposes of reporting share ownership information. These entities beneficially own more than 5% of our outstanding capital stock and Dan Nova, a member of our board of directors, is a founding and general partner at Highland Capital Partners.
(3) Entities affiliated with Technology Crossover Ventures holding our securities whose shares are aggregated for purposes of reporting share ownership information. These entities beneficially own more than 5% of our outstanding capital stock.

Series F Preferred Stock Financing

From March 2019 to January 2020, we sold an aggregate of 6,039,272 shares of our Series F redeemable preferred stock at a purchase price of $22.3537 per share, for an aggregate purchase price of approximately $135.0 million. The following table summarizes purchases of our Series F redeemable preferred stock by related persons:

Stockholder	Shares of Series F Redeemable Preferred Stock	Total Series F Redeemable Preferred Stock Purchase Price
Entities affiliated with Bain Capital Ventures(1)	558,074	$12,475,018.77
Entities affiliated with Highland Capital Partners(2)	89,471	$ 2,000,007.89
Entities affiliated with Technology Crossover Ventures(3)	223,676	$ 4,999,986.20

(1) Entities affiliated with Bain Capital Ventures holding our securities whose shares are aggregated for purposes of reporting share ownership information. These entities beneficially own more than 5% of our outstanding capital stock and Scott Friend, a member of our board of directors, is a managing director at Bain Capital Ventures.
(2) Entities affiliated with Highland Capital Partners holding our securities whose shares are aggregated for purposes of reporting share ownership information. These entities beneficially own more than 5% of our outstanding capital stock and Dan Nova, a member of our board of directors, is a founding and general partner at Highland Capital Partners.
(3) Entities affiliated with Technology Crossover Ventures holding our securities whose shares are aggregated for purposes of reporting share ownership information. These entities beneficially own more than 5% of our outstanding capital stock.

Series G Preferred Stock Financing

From April 2020 to May 2021, we sold an aggregate of 5,506,564 shares of our Series G redeemable preferred stock at a purchase price of $14.74096 per share, for an aggregate purchase price of approximately $81.2 million. The following table summarizes purchases of our Series G redeemable preferred stock by related persons:

Stockholder	Shares of Series G Redeemable Preferred Stock	Total Series G Redeemable Preferred Stock Purchase Price
Ares Corporate Opportunities Fund V, L.P.	1,695,955	$ 25,000,004.82
Entities affiliated with Bain Capital Ventures(1)	135,406	$ 1,996,014.43
Entities affiliated with Highland Capital Partners(2)	915,816	$ 13,500,007.02
Entities affiliated with Technology Crossover Ventures(3)	67,838	$ 999,997.24
Larry Steinberg	23,744	$ 350,009.35

(1) Entities affiliated with Bain Capital Ventures holding our securities whose shares are aggregated for purposes of reporting share ownership information. These entities beneficially own more than 5% of our outstanding capital stock and Scott Friend, a member of our board of directors, is a managing director at Bain Capital Ventures.
(2) Entities affiliated with Highland Capital Partners holding our securities whose shares are aggregated for purposes of reporting share ownership information. These entities beneficially own more than 5% of our outstanding capital stock and Dan Nova, a member of our board of directors, is a founding and general partner at Highland Capital Partners.
(3) Entities affiliated with Technology Crossover Ventures holding our securities whose shares are aggregated for purposes of reporting share ownership information. These entities beneficially own more than 5% of our outstanding capital stock.

Simultaneously with the sale of our Series G redeemable preferred stock to Ares Corporate Opportunities Fund V, L.P., or Ares, and the Ares Facility described under “Management’s Discussion and Analysis of Financial Position and Results of Operations - Indebtedness - Ares Credit Facility,” we issued Ares a common stock warrant which currently represents the right to purchase 1,692,529 shares of common stock at an exercise price of $0.01 per share. Pursuant to a letter agreement entered into at the same time, we have a right to require Ares to invest up to $25.0 million under certain conditions and, if we elect to require their investment, Ares has a right to invest up to an additional $25.0 million, for a maximum potential investment of $50.0 million. These investment rights will terminate on the maturity date of the Ares Facility or immediately prior to the completion of this offering, whichever comes first.

Investors’ Rights Agreement

After the completion of this offering, certain holders of our common stock will be entitled to rights with respect to the registration of their shares under the Securities Act. These registration rights are contained in the eighth amended and restated investors’ rights agreement, as amended, or the Investors’ Rights Agreement, which we are a party to, along with certain holders of our capital stock, including our Chief Executive Officer and director, Jennifer Y. Hyman; our director Jennifer Fleiss; entities affiliated with Bain Capital Ventures, a holder of greater than 5% of our outstanding capital

stock and affiliate of our director, Scott Friend; entities affiliated with Highland Capital Partners, a holder of greater than 5% of our outstanding capital stock and affiliate of our director, Dan Nova; and entities affiliated with Technology Crossover Ventures, a holder of greater than 5% of our outstanding capital stock. The Investors' Rights Agreement provides certain holders of our capital stock with certain registration rights, including the right to demand that we file a registration statement or request that their shares be covered by a registration statement that we are otherwise filing. For a description of these registration rights, see the section titled "Description of Capital Stock—Registration Rights." The Investors' Rights Agreement also provides certain of these stockholders with information and inspection rights, which will terminate upon the effectiveness of the registration statement of which this prospectus forms a part, and preemptive rights with regard to certain issuances of our capital stock, which will terminate upon the effectiveness of the registration statement of which this prospectus forms a part.

Other Transactions

Our Vice President of Customer Experience, or VP CX, is the sister of Jennifer Y. Hyman, our Co-Founder, Chief Executive Officer, and Chair and is currently employed by us. She does not share a household with Ms. Hyman and is not one of our executive officers. During fiscal years 2019 and 2020, the VP CX had total cash compensation of $300,000 and $281,250, respectively, consisting solely of base salary. During fiscal year 2020, the VP CX was granted 16,105 RSUs, which vest subject to the achievement of both service-based and liquidity-based vesting conditions. Since commencing employment as a member of our founding team in 2010, other than during fiscal years 2019 and 2020, the VP CX has also been granted options to purchase shares of our common stock, which generally vest over four years subject to her continued employment.

The compensation levels described above were based on reference to external market practice of similar positions or internal pay equity when compared to the compensation paid to employees in similar positions that were not related to our executive officers. The VP CX is also eligible to participate in employee benefit plans and receive incentive equity awards on the same general terms and conditions as applicable to other employees in similar positions who were not related to our executive officers.

To facilitate the Class B Exchange, we will enter into an exchange agreement with our Co-Founders, effective as of immediately after the effectiveness of the Amended Charter, pursuant to which shares of our Class A common stock held by our Co-Founders will automatically be exchanged for an equivalent number of shares of Class B common stock immediately prior to the completion of this offering.

Indemnification Agreements

Our Amended Charter that will be in effect immediately following the effectiveness of the registration statement of which this prospectus forms a part will contain provisions limiting the liability of directors to the fullest extent permitted under Delaware law, and our Amended Bylaws that will be in effect immediately following the effectiveness of the registration statement of which this prospectus forms a part will provide that we will indemnify each of our directors and officers to the fullest extent permitted under Delaware law. Our Amended Charter and Amended Bylaws will also provide our board of directors with discretion to indemnify our employees and other agents when determined appropriate by the board. In addition, we have entered or will enter into an indemnification agreement with each of our directors and executive officers, which requires us to indemnify them in certain circumstances.

Policies and Procedures for Related Person Transactions

Upon the completion of this offering, our board of directors will adopt a written Related Person Transaction Policy and Procedures, setting forth the policies and procedures for the review and approval or ratification of related person transactions. This policy will cover, with certain exceptions consistent with Item 404 of Regulation S-K, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we (including any of our subsidiaries) are, were or will be a participant, where the amount involved exceeds $120,000 and a related person has, had or will have a direct or indirect material interest.

Under the policy, our legal team will be responsible for implementing procedures to obtain information with respect to potential related person transactions, and then determining whether such transactions constitute related person transactions subject to the policy. Our General Counsel then is required to present to the Audit Committee each proposed related person transaction. In reviewing and approving any such transactions, our Audit Committee is tasked to consider all relevant facts and circumstances, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction and the extent of the related person's interest in the transaction and take into account our Code of Business Conduct and Ethics. If advance Audit

Committee approval of a related person transaction is not feasible, then the transaction may be preliminarily entered into by management upon prior approval by the Chairperson of the Audit Committee, subject to ratification of the transaction by the Audit Committee at the Audit Committee's next regularly scheduled meeting. Management is responsible for updating the Audit Committee as to any material changes to any approved or ratified related person transaction and for providing a status report at least annually of all current related person transactions at a regularly scheduled meeting of the Audit Committee. No director may participate in approval of a related person transaction for which he or she is a related person.

PRINCIPAL STOCKHOLDERS

The following table sets forth information with respect to the beneficial ownership of our Class A common stock and Class B common stock (1) reflecting the Transactions and (2) as adjusted to give effect to this offering, for:

- each person known by us to beneficially own more than 5% of our Class A common stock or our Class B common stock;
- each of our directors;
- each of our named executive officers; and
- all of our executive officers and directors as a group.

The number of shares beneficially owned by each stockholder is determined under rules issued by the SEC. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, shares of common stock subject to options, or other rights held by such person that are currently exercisable or will become exercisable within 60 days of September 24, 2021 and shares of RSUs that are vested or will become vested within 60 days of September 24, 2021, are considered outstanding, although these shares are not considered outstanding for purposes of computing the percentage ownership of any other person.

The percentage ownership of each individual or entity before this offering is based on 43,944,222 shares of Class A common stock and 2,922,967 shares of Class B common stock as of September 24, 2021, after giving effect to the Transactions. The applicable percentage ownership after this offering is based on shares of our Class A common stock outstanding and shares of our Class B common stock outstanding, in each case, immediately following the completion of this offering. Unless otherwise indicated, the address of all listed stockholders is 10 Jay Street, Brooklyn, New York 11201.

Each of the stockholders listed has sole voting and investment power with respect to the shares beneficially owned by the stockholder unless noted otherwise, subject to community property laws where applicable.

	Class A Common Stock Beneficially Owned						Class B Common Stock Beneficially Owned						Combined Voting Power(1)			
	Before this Offering		After this Offering (No Exercise of Over-allotment Option)		After this Offering (With Full Exercise of Over-allotment Option)		Before this Offering		After this Offering (No Exercise of Over-allotment Option)		After this Offering (With Full Exercise of Over-allotment Option)		After this Offering (No Exercise of Over-allotment Option)		After this Offering (With Full Exercise of Over-allotment Option)	
Name of Beneficial Owner	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
5% Stockholders:																
Ares Corporate Opportunities Fund V, L.P.[2]	1,695,955	3.9%			—	— %										
Entities affiliated with Bain Capital Ventures[3]	8,176,418	18.6%			—	— %										
Entities affiliated with Highland Capital[4]	5,104,393	11.6%			—	— %										
Entities affiliated with Technology Crossover Ventures[5]	3,902,050	8.9%			—	— %										

Name of Beneficial Owner	Class A Common Stock Beneficially Owned						Class B Common Stock Beneficially Owned						Combined Voting Power(1)			
	Before this Offering		After this Offering (No Exercise of Over-allotment Option)		After this Offering (With Full Exercise of Over-allotment Option)		Before this Offering		After this Offering (No Exercise of Over-allotment Option)		After this Offering (With Full Exercise of Over-allotment Option)		After this Offering (No Exercise of Over-allotment Option)		After this Offering (With Full Exercise of Over-allotment Option)	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Named Executive Officers and Directors:																
Jennifer Y. Hyman[6]	—	— %					4,158,685	84%								
Scarlett O'Sullivan[7]	633,515	1.4%					—	— %								
Anushka Salinas[8]	401,499	*					—	— %								
Brian Donato[9]	131,250	*					—	— %								
Tim Bixby	—	— %					—	— %								
Jennifer Fleiss[10]	—	— %					609,081	21%								
Scott Friend[11]	—	— %					—	— %								
Melanie Harris	—	— %					—	— %								
Beth Kaplan[12]	923,751	2.1%					—	— %								
Dan Nova[13]	5,104,393	11.6%					—	— %								
Gwyneth Paltrow	—	— %					—	— %								
Carley Roney[14]	58,270	*					—	— %								
Dan Rosensweig[15]	51,578	*					—	— %								
Mike Roth[16]	91,918	*					—	— %								
All executive officers and directors as a group (18 individuals)[17]	**7,689,944**	**16.9%**					**—**	**— %**								

* Represents beneficial ownership of less than 1%.

(1) Represents the percentage of voting power of our Class A common stock and Class B common stock voting as a single class. Each holder of Class A common stock shall be entitled to one vote per share of Class A common stock and each holder of Class B common stock shall be entitled to 20 votes per share . The Class A common stock and Class B common stock will vote as a single class on all matters presented to stockholders for a vote generally, including the election of directors, except as required by law or the certificate.

(2) Consists of 1,695,955 shares of Class A common stock held by Ares Corporate Opportunities Fund V, L.P. The manager of Ares Corporate Opportunities Fund V, L.P. is ACOF Investment Management LLC, and the sole member of ACOF Investment Management LLC is Ares Management LLC. The sole member of Ares Management LLC is Ares Management Holdings L.P., and the general partner of Ares Management Holdings L.P. is Ares Holdco LLC. The sole member of Ares Holdco LLC is Ares Management Corporation. Ares Management Corporation is indirectly controlled by Ares Partners Holdco LLC. We refer to all of the foregoing entities collectively as the Ares Entities. Ares Partners Holdco LLC is managed by a board of managers, which is composed of Michael Arougheti, Ryan Berry, R. Kipp deVeer, David Kaplan, Antony Ressler and Bennett Rosenthal. Mr. Ressler generally has veto authority over decisions by the board of managers of Ares Partners Holdco LLC. Each of the members of the board of managers expressly disclaims beneficial ownership of the shares owned by Ares Corporate Opportunities Fund V, L.P. Each of the Ares Entities (other than Ares Corporate Opportunities Fund V, L.P., with respect to the securities owned by it) and the equity holders, partners, members and managers of the Ares Entities and the executive committee of Ares Partners Holdco LLC expressly disclaims beneficial ownership of these shares. The principal business address for each of the entities in this paragraph is 2000 Avenue of the Stars, 12th Floor, Los Angeles, CA 90067.

(3) Consists of (i) 7,644,627 shares of Class A common stock held by Bain Capital Venture Fund 2009, L.P., or BCV Fund 2009, (ii) 466,750 shares of Class A common stock held by BCIP Venture Associates, or BCIP Venture, and (iii) 65,041 shares of Class A common stock held by BCIP Venture Associates-B, or BCIP Venture-B, and together with BCV Fund 2009 and BCIP Venture, the Bain Capital Venture Entities. Bain Capital Venture Investors, LLC, or BCVI, the Executive Committee of which consists of Enrique Salem and Ajay Agarwal, is the ultimate general partner of BCV Fund 2009 and governs the investment strategy and decision-making process with respect to investments held by BCIP Venture and BCIP Venture-B. By virtue of the relationships described herein, each of BCVI and Messrs. Salem and Agarwal may be deemed to share voting and dispositive power over the shares held by the Bain Capital Venture Entities. The principal business address for each of the entities in this paragraph is c/o Bain Capital Ventures, 200 Clarendon Street, Boston, MA 02116.

(4) Consists of (i) 3,088,560 shares of Class A common stock held by Highland Capital Partners VIII Limited Partnership, or Highland Capital 8, (ii) 47,885 shares of Class A common stock held by Highland Capital Partners VIII-B Limited Partnership, or Highland Capital 8-B, (iii) 1,119,970 shares of Class A common stock held by Highland Capital Partners VIII-C

Limited Partnership, or Highland Capital 8-C, and together with Highland Capital 8 and Highland Capital 8-B, the Highland 8 Investing Entities, and (iv) 847,978 shares of Class A common stock held by Highland Leaders Fund I Limited Partnership, or Highland Leaders, and together with Highland 8 Investing Entities, the Highland Capital Entities. Highland Management Partners VIII Limited Partnership, a Cayman limited partnership, or HMP 8 LP, is the general partner of the Highland 8 Investing Entities. Highland Management Partners 8 Ltd, a Cayman limited company, or HMP 8 Ltd, is the general partner of HMP 8 LP. Robert Davis, Dan Nova, Paul Maeder and Corey Mulloy are the Directors of HMP 8 Ltd. HMP 8 Ltd, as the general partner of the general partner of the Highland 8 Investing Entities, respectively, may be deemed to have beneficial ownership of the Class A common stock held by the Highland 8 Investing Entities. The Directors have shared power over all investment decisions of HMP 8 Ltd and therefore may be deemed to share beneficial ownership of the shares held by the Highland 8 Investing Entities by virtue of their status as controlling persons of HMP 8 Ltd. Each Director of HMP 8 Ltd disclaims beneficial ownership of the shares held by the Highland 8 Investing Entities, except to the extent of each such Director's pecuniary interest therein. Each of HMP 8 Ltd and HMP 8 LP disclaims beneficial ownership of the shares held by the Highland 8 Investing Entities, except to the extent of each such entity's pecuniary interests therein. Highland Leaders Fund I GP, L.P., a Delaware limited partnership, or Highland Leaders LP, the general partner of the Highland Leaders Fund. Highland Leaders Fund I GP, LLC, a Delaware limited liability company, or Highland Leaders LLC, is the general partner of Highland Leaders LP. Robert Davis, Dan Nova, Paul Maeder, Craig Driscoll and Corey Mulloy are the Managing Members of Highland Leaders LLC. Highland Leaders LLC, as the general partner of the general partner of the Highland Leaders Fund, may be deemed to have shared power over all investment decisions of Highland Leaders Fund. The Managing Members have shared power over all investment decisions of Highland Leaders LLC and therefore may be deemed to share beneficial ownership of the shares held by the Highland Leaders Fund by virtue of their status as controlling persons of Highland Leaders LLC. Each Managing Member of Highland Leaders LLC disclaims beneficial ownership of the shares held by the Highland Leaders Fund, except to the extent of each such Managing Member's pecuniary interest therein. Each of Highland Leaders LLC and Highland Leaders LP disclaims beneficial ownership of the shares held by the Highland Leaders Fund, except to the extent of each such entity's pecuniary interest therein. The principal business address for each of the entities in this paragraph is One Broadway, 16th Floor, Cambridge, MA 02142.

(5) Consists of (i) 2,781,224 shares of Class A common stock held by TCV VIII,L.P., (ii) 750,009 shares of Class A common stock held by TCV VIII (A), L.P., (iii) 172,737 shares of Class A common stock held by TCV VIII (B), L.P., and (iv) 198,080 shares of Class A common stock held by TCV Member Fund, L.P., or the Member Fund. Technology Crossover Management VIII, Ltd., or Management VIII, is a general partner of the Member Fund and the general partner of Technology Crossover Management VIII, L.P., or TCM VIII. TCM VIII is the general partner of each of TCV VIII,L.P., TCV VIII (A), L.P., and TCV VIII (B), L.P., together with the Member Fund, the TCV VIII Funds. Management VIII and TCM VIII may be deemed to beneficially own the securities held by the TCV VIII Funds directly or indirectly controlled by them, but each disclaims beneficial ownership of such shares except to the extent of its pecuniary interest therein. Christopher (Woody) Marshall, a director, is a Class A Director of Management VIII and a limited partner of TCM VIII and Member Fund. Mr. Marshall disclaims beneficial ownership of the securities held by the TCV VIII Funds except to the extent of his pecuniary interest therein. The principal business address for each of the entities in this paragraph is 250 Middlefield Road, Menlo Park, CA 94025.

(6) Consists of: (i) 2,114,563 shares of Class B common stock held by Ms. Hyman; and (ii) 2,044,122 shares of Class B common stock issuable pursuant to outstanding stock options and RSUs held by Ms. Hyman that are exercisable or vested and settled within 60 days of September 24, 2021.

(7) Consists of: (i) 40,000 shares of Class A common stock held by Ms. O'Sullivan; and (ii) 593,515 shares of Class A common stock issuable pursuant to outstanding stock options and RSUs held by Ms. O'Sullivan that are exercisable or vested and settled within 60 days of September 24, 2021.

(8) Consists of: (i) 23,266 shares of Class A common stock held by Ms. Salinas; and (ii) 378,233 shares of Class A common stock issuable pursuant to outstanding stock options and RSUs held by Ms. Salinas that are exercisable or vested and settled within 60 days of September 24, 2021.

(9) Consists of: 131,250 shares of Class A common stock issuable pursuant to outstanding stock options and RSUs held by Mr. Donato that are exercisable or vested and settled within 60 days of September 24, 2021.

(10) Consists of: (i) 571,240 shares of Class B common stock held by Ms. Fleiss; and (ii) 37,841 shares of Class B common stock issuable pursuant to outstanding stock options and RSUs held by Ms. Fleiss that are exercisable or vested and settled within 60 days of September 24, 2021.

(11) Does not include the shares of Class A common stock held by the Bain Capital Venture Entities. Mr. Friend is a Managing Director of BCVI. As a result, by virtue of the relationships described in footnote (3) above, Mr. Friend may be deemed to share beneficial ownership of such securities held by the Bain Capital Venture Entities. The address of Mr. Friend is c/o Bain Capital Ventures, 200 Clarendon Street, Boston, MA 02116.

(12) Consists of: (i) 368,222 shares of Class A common stock held by Axcel Partners VIII; (ii) 462,521 shares of Class A common stock held by Ms. Kaplan; and (iii) 93,008 shares of Class A common stock issuable pursuant to outstanding stock options and RSUs held by Ms. Kaplan that are exercisable or vested and settled within 60 days of September 24, 2021. Ms. Kaplan is the managing member of Axcel Partners, LLC, and may be deemed to have voting & dispositive power over the shares held by Axcel Partners VIII.

(13) Consists of: the shares held by the entities affiliated with Highland Capital identified in footnote 4.
(14) Consists of: (i) 37,812 shares of Class A common stock held by Ms. Roney; and (ii) 20,458 shares of Class A common stock issuable pursuant to outstanding stock options and RSUs held by Ms. Roney that are exercisable or vested and settled within 60 days of September 24, 2021.
(15) Consists of: (i) 3,229 shares of Class A common held held by The Rosensweig 2012 Irrevocable Children's Trust, (ii) 45,682 shares of Class A common stock held by Mr. Rosensweig; and (iii) 2,667 shares of Class A common stock issuable pursuant to outstanding stock options and RSUs held by Mr. Rosensweig that are exercisable or vested and settled within 60 days of September 24, 2021. Mr. Rosensweig may be deemed to have voting & dispositive power over the shares held by The Rosensweig 2012 Irrevocable Children's Trust.
(16) Consists of: (i) 67,838 shares of Class A common stock held by Mr. Roth; and (ii) 24,080 shares of Class A common stock issuable pursuant to outstanding stock options and RSUs held by Mr. Roth that are exercisable or vested and settled within 60 days of September 24, 2021.
(17) Consists of: (i) 6,176,707 shares of Class A common stock; (ii) 1,513,137 shares of Class A common stock issuable pursuant to outstanding stock options and/or RSUs that are exercisable and/or vested and settled within 60 days of September 24, 2021; (iii) 2,685,803 shares of Class B common stock; and (iv) 2,081,963 shares of Class B common stock issuable pursuant to outstanding stock options and/or RSUs that are exercisable and/or vested and settled within 60 days of September 24, 2021.

DESCRIPTION OF CAPITAL STOCK

General

The following summary describes our capital stock and certain material provisions of our Amended Charter and our Amended Bylaws and the General Corporation Law of the State of Delaware, or the DGCL. Because the following is only a summary, it does not contain all of the information that may be important to you and is qualified in its entirety by our Amended Charter and Amended Bylaws. For a complete description, you should read our Amended Charter and our Amended Bylaws, which are included as exhibits to the registration statement of which this prospectus forms a part.

Certain provisions of our Amended Charter and our Amended Bylaws summarized below may be deemed to have an anti-takeover effect and may delay or prevent a tender offer or takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares of Class A common stock.

In connection with this offering, we will file an Amended Charter, and we will adopt our Amended Bylaws. Our Amended Charter will authorize capital stock consisting of:

- shares of Class A common stock, par value $ per share;
- shares of Class B common stock, par value $ per share; and
- shares of preferred stock, par value $ per share.

We are selling shares of Class A common stock in this offering (shares if the underwriters exercise in full their option to purchase additional shares). All shares of our Class A common stock outstanding upon consummation of this offering will be fully paid and non-assessable.

Prior to the completion of this offering, we intend to effectuate the Transactions. After giving effect to the Transactions, as of July 31, 2021, there were shares of our Class A common stock outstanding, held by stockholders of record, shares of our Class B common stock outstanding held by stockholders of record, and no shares of our preferred stock outstanding.

Common Stock

We have two classes of authorized common stock, Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion.

Class A Common Stock. Holders of shares of our Class A common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. The holders of our Class A common stock do not have cumulative voting rights in the election of directors.

Holders of shares of our Class A common stock will vote together with holders of our Class B common stock as a single class on all matters (including the election of directors) submitted to a vote of our stockholders, except as otherwise required by applicable law or the Amended Charter. Any amendment of our Amended Charter that gives holders of our Class B common stock (1) any additional rights to receive dividends or any other kind of distribution, (2) any additional right to convert into or be exchanged for Class A common stock or (3) any other additional economic rights will require, in addition to stockholder approval, the affirmative vote of the holders of Class A common stock

representing a majority of the voting power of the outstanding shares of Class A common stock, voting separately as a class.

Holders of shares of our Class A common stock do not have preemptive, subscription, redemption or conversion rights. There will be no redemption or sinking fund provisions applicable to the Class A common stock.

Class B Common Stock. Each share of our Class B common stock entitles its holders to 20 votes per share on all matters submitted to a vote of stockholders. The holders of shares of our Class B common stock do not have cumulative voting rights in the election of directors.

Each share of Class B common stock is convertible at any time at the option of the holder into one fully paid and nonassessable share of Class A common stock. Following the completion of this offering, except as otherwise provided in our Amended Charter, each share of Class B common stock will automatically convert into one fully paid and nonassessable share of Class A common stock upon certain sales or transfers as described in our Amended Charter. In addition, each outstanding share of Class B common stock held by a stockholder who is a natural person, or held by the permitted entities and permitted transferees of such natural person (as described in our Amended Charter), will convert automatically into one fully paid and nonassessable share of Class A common stock upon the death of such natural person. Holders of shares of our Class B common stock will vote together with holders of our Class A common stock as a single class on all matters (including the election of directors) submitted to a vote of our stockholders, except as otherwise required by applicable law or the Amended Charter.

Holders of our Class B common stock do not have preemptive, subscription or redemption rights. There will be no redemption or sinking fund provisions applicable to the Class B common stock. Any amendment of our Amended Charter that gives holders of our Class B common stock (1) any additional rights to receive dividends or any other kind of distribution, (2) any additional right to convert into or be exchanged for Class A common stock or (3) any other additional economic rights will require, in addition to stockholder approval, the affirmative vote of the holders of Class A common stock representing a majority of the voting power of the outstanding shares of Class A common stock, voting separately as a class.

Common Stock Dividend Rights. The holders of our Class A and Class B common stock are entitled to receive dividends out of funds legally available if our board of directors, in its discretion, determines to issue dividends and then only at the times and in the amounts that our board of directors may determine. The time and amount of dividends will be dependent upon, among other things, our business prospects, results of operations, financial condition, cash requirements and availability, debt repayment obligations, capital expenditure needs, contractual restrictions, covenants in the agreements governing our current and future indebtedness, industry trends, the provisions of Delaware law affecting the payment of dividends to stockholders and any other factors or considerations our board of directors may determine is relevant.

Shares of Class A and Class B common stock shall be treated equally, identically and ratably, on a per share basis, with respect to any dividends as may be declared and paid from time to time by our board of directors out of any legally available assets. However, in the event that a dividend is paid in the form of shares of Class A common stock or Class B common stock (or rights to acquire, or securities convertible into or exchangeable for, such shares), then Class A common stockholders shall be entitled to receive shares of Class A common stock (or rights to acquire, or securities convertible into or exchangeable for, such shares, as the case may be), and Class B common stockholders shall be entitled to receive shares of Class B common stock (or rights to acquire, or securities convertible into or exchangeable for, such shares, as the case may be), with Class A common stockholders and

Class B common stockholders receiving, on a per share basis, an identical number of shares of Class A common stock or Class B common stock (or rights to acquire, or securities convertible into or exchangeable for, such shares, as the case may be), as applicable. Notwithstanding the foregoing, our board of directors may pay dividends per share of Class A common stock or Class B common stock that are disparate from each other in terms of the amount of such dividend payable per share, the form in which such dividend is payable, the timing of the payment, or otherwise as approved by the affirmative vote of the holders of Class A common stock representing a majority of the voting power of the outstanding shares of Class A common stock, voting separately as a single class, and the affirmative vote of the holders of Class B common stock representing a majority of the voting power of the outstanding shares of Class B common stock, voting separately as a single class.

See the sections titled “Dividend Policy” and “Risk Factors—Risks Related to this Offering and Ownership of our Class A Common Stock—We do not intend to pay dividends for the foreseeable future. Consequently, any gains from an investment in our Class A common stock will likely depend on whether the price of our Class A common stock increases” for additional information.

Right to Receive Liquidation Distributions. If we become subject to a liquidation, dissolution, or winding-up, the assets legally available for distribution to our stockholders would be distributable ratably among the holders of our Class A and Class B common stock and any participating preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

Treatment of Common Stock in Reclassifications and Mergers. The affirmative vote of the holders of Class A common stock representing a majority of the voting power of the outstanding shares of Class A common stock, voting separately as a single class, and the affirmative vote of the holders of Class B common stock representing a majority of the voting power of the outstanding shares of Class B common stock, voting separately as a single class, shall be required to subdivide, combine, reclassify or otherwise change the shares of Class A common stock or Class B common stock unless the shares of the other class of common stock are concurrently subdivided, combined, reclassified or otherwise changed in the same proportion and in the same manner.

The affirmative vote of the holders of Class A common stock representing a majority of the voting power of the outstanding shares of Class A common stock, voting separately as a single class, and the affirmative vote of the holders of Class B common stock representing a majority of the voting power of the outstanding shares of Class B common stock, voting separately as a single class, shall be required to approve any merger or consolidation requiring a vote of our stockholders under applicable law unless, upon the consummation of such merger or consolidation, holders of each class of common stock will receive (or be entitled to receive) the same per share consideration in the merger.

Preferred Stock

Upon the consummation of this offering and pursuant to our Amended Charter, the total of our authorized shares of preferred stock will be shares. Upon the consummation of this offering, we will have no shares of preferred stock outstanding.

Under the terms of our Amended Charter, our board of directors is authorized to direct us to issue shares of preferred stock in one or more series without stockholder approval. Our board of directors has the discretion to determine the rights, powers, preferences, privileges, qualifications, limitations and restrictions, including without limitation voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or could discourage a third party from seeking to acquire, a majority of our outstanding voting stock. Additionally, the issuance of preferred stock may adversely affect the holders of our Class A common stock by restricting dividends on the Class A common stock, diluting the voting power of the Class A common stock or subordinating the liquidation rights of the Class A common stock. As a result of these or other factors, the issuance of preferred stock could have an adverse impact on the market price of our Class A common stock.

Equity Plan Amendment

In connection with this offering, our board of directors amended our 2009 Plan and 2019 Plan to provide for outstanding awards granted thereunder to be exercisable for or settle shares of Class A common stock, or, if provided by our board of directors or the administrator, as applicable, shares of Class B common stock.

Options

As of July 31, 2021, we had outstanding options under our 2009 Plan and 2019 Plan to purchase an aggregate of shares of our Class A common stock, with a weighted-average exercise price of $ per share.

As of July 31, 2021, we had outstanding options under our 2009 Plan and 2019 Plan to purchase an aggregate of shares of our Class B common stock, with a weighted-average exercise price of $ per share.

Restricted Stock Units

As of July 31, 2021, we had shares of our Class A common stock subject to outstanding RSUs under our 2019 Plan.

As of July 31, 2021, we had shares of our Class B common stock subject to outstanding RSUs under our 2019 Plan.

Warrants

As of July 31, 2021, there were warrants to purchase shares of Class A common stock and shares of Series preferred stock. of these warrants will be exercised in connection with this offering resulting in the issuance of shares of Class A common stock, assuming an initial public offering price of $ per share of Class A common stock (which is the midpoint of the price range set forth on the cover page of this prospectus). Upon the consummation of this offering, of these warrants may remain outstanding. The warrants to purchase the Series preferred stock, if outstanding upon the closing of this offering, shall become warrants to purchase shares of common stock into which each share of Series preferred stock is convertible at the time of such exercise.

Registration Rights

The Investors' Rights Agreement to which we are party provides certain holders of our capital stock registration rights as set forth below. The registration of shares of our capital stock by the

exercise of registration rights described below would enable the holders to sell these shares without restriction under the Securities Act when the applicable registration statement is declared effective. The Investors' Rights Agreement requires that we pay the registration expenses, other than underwriting discounts and commissions and applicable transfer taxes, of the shares registered by the demand, piggyback and Form S-3 registrations described below.

The demand, piggyback and Form S-3 registration rights described below will expire, with respect to any particular stockholder, upon the earliest of (i) such time after the effectiveness of the registration statement of which this prospectus forms a part that such stockholder (a) owns less than 1% of the common stock on an as-converted basis and (b) can sell all of its shares entitled to registration rights under Rule 144 of the Securities Act and (ii) a liquidation event.

Demand Registration Rights. Subject to certain exceptions, at any time beginning six months after the closing date of this offering, upon election by one or more holders holding at least 20% of the registrable securities held by such holders, certain holders will be entitled to certain demand registration rights. At any time after the earlier of March 31, 2022 or 120 days after the closing of this offering, holders of these shares may request by written notice that we register all or a portion of the registrable shares. We are obligated to effect only three such registrations. Each request for registration must cover at least the number of securities as would have a reasonably anticipated aggregate value, based on market price of fair market value on the date of such request, of $15 million.

Piggyback Registration Rights. After the closing date of this offering, in the event that we propose to register any of our securities under the Securities Act, either for our own account or for the account of other security holders, in connection with such offering certain holders will be entitled to certain piggyback registration rights allowing the holder to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to a registration relating to (i) any mergers, acquisitions or exchange offers or (ii) any dividend reinvestment plans or stock option or other employee benefit plans, the holders of these shares are entitled to notice of the registration and have the right to include their shares in the registration, subject to limitations that the underwriters may impose on the number of shares included in the offering.

Form S-3 Registration Rights. Subject to certain exceptions, holders of at least 10% of the registrable securities held by our certain holders are entitled to certain Form S-3 registration rights. At any time after we become eligible to file a registration statement on Form S-3, the holders of these shares can make a request that we register their shares on Form S-3 if their aggregate value, based on the market price of fair market value on the date of such request, would be at least $5 million. We will not be required to effect more than two registrations on Form S-3 within any 12-month period.

Choice of Forum

Our Amended Charter will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) is the sole and exclusive forum for: (i) any derivative action, suit or proceeding brought on our behalf; (ii) any action, suit or proceeding asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers, other employees or stockholder to us or our stockholders; (iii) any action, suit or proceeding asserting a claim arising out of or pursuant to any provision of the DGCL, our Amended Charter or our Amended Bylaws (as either may be amended or restated) or as to which the DGCL confers exclusive jurisdiction on the Court of Chancery of the State of Delaware; (iv) any action, suit or proceeding asserting a claim governed by

the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court's having personal jurisdiction over the indispensable parties named as defendants. This choice of forum provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or the Securities Act or any other claim for which the federal courts of the United States have exclusive jurisdiction.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all claims brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder and our Amended Charter will provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America will, to the fullest extent permitted by law, be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our Amended Charter, but there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

Moreover, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder and our Amended Charter will provide that the exclusive forum provision does not apply to suits brought to enforce any duty or liability created by the Exchange Act. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal court.

Additionally, our Amended Charter will provide that any person or entity holding, owning, or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions.

Anti-Takeover Provisions

Our Amended Charter and Amended Bylaws will contain provisions that may delay, defer or discourage another party from acquiring control of us. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they also give our board of directors the power to discourage acquisitions that some stockholders may favor.

Authorized but Unissued Shares. The authorized but unissued shares of our common stock and our preferred stock are available for future issuance without stockholder approval, subject to any limitations imposed by the listing standards of Nasdaq. These additional shares may be used for a variety of corporate finance transactions, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved common stock and preferred stock could discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise or make such an attempt more difficult.

Dual Class Stock. As described above in "—Common Stock—Voting Rights," our Amended Charter will provide for a dual class structure, which provides the holders of our Class B common stock with the ability to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the shares of our outstanding Class A common stock and Class B common stock. These matters include the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets.

Classified Board of Directors. Our Amended Charter will provide that our board of directors will be divided into three classes, with the number of directors in each class being as nearly equal in number as possible. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders, with staggered three-year terms. Our Amended Charter will provide that directors may only be removed from our board of directors for cause by the affirmative vote of a majority of the shares entitled to vote generally in the election of directors. See "Management—Composition of our Board of Directors." These provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control of us or our management.

Removal of Directors. Our Amended Charter will provide that members of our board of directors may be removed from office only for cause by an affirmative vote of the holders of at least two-thirds of the voting power of all of our outstanding stock entitled to vote generally in the election of directors.

Board Vacancies and Board Size. Our Amended Charter and Amended Bylaws will provide that any vacant directorships, including newly created directorships, may only be filled by a majority of the directors then in office, though less than a quorum, or by the sole remaining director and the number of directors constituting the full board of directors will be permitted to be set only by a resolution of the board of directors.

Stockholder Action; Special Meetings of Stockholders. Our Amended Charter will provide that our stockholders may not take action by consent, but may only take action at annual or special meetings of our stockholders. As a result, a holder controlling a majority of our capital stock would not be able to amend our Amended Bylaws or remove directors without holding a meeting of our stockholders called in accordance with our Amended Bylaws. Further, our Amended Bylaws will provide that only the chairperson of our board of directors or a majority of our board of directors may call special meetings of our stockholders, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors.

Advance Notice Requirements for Stockholder Proposals and Director Nominations. In addition, our Amended Bylaws will establish an advance notice procedure for stockholder proposals or nominations to be brought before a meeting of stockholders. In order for any matter to be "properly brought" before a meeting, a stockholder will have to comply with advance notice and provide us with certain information and otherwise comply with the requirements set forth in our Amended Bylaws. Stockholders at an annual meeting may only consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our board of directors or by a qualified stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has delivered timely written notice in proper form to our secretary of the stockholder's intention to bring such business before the meeting. These provisions could have the effect of delaying stockholder actions that are favored by the holders of a majority of our outstanding voting securities until the next stockholder meeting.

Amendment of Certificate of Incorporation or Bylaws. Our Amended Bylaws may be amended or repealed by our board of directors or by the affirmative vote of two-thirds of the votes which all our stockholders would be eligible to cast in an election of directors. Generally, the approval by our board of directors and the affirmative vote of the holders of two-thirds in voting power of the outstanding shares entitled to vote thereon would be required to amend our Amended Charter. In addition, any amendment of our Amended Charter that gives holders of our Class B common stock (1) any additional rights to receive dividends or any other kind of distribution, (2) any additional right to convert into or be exchanged for Class A common stock or (3) any other additional economic rights will require, in addition to any other stockholder approval required by applicable law or the Amended Charter, the affirmative vote of the holders of our Class A common stock voting separately as a class.

Stockholders Not Entitled to Cumulative Voting. The DGCL provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our Amended Charter will not provide for cumulative voting.

Section 203 of the DGCL. We will opt out of Section 203 of the DGCL. However, our Amended Charter will contain provisions that are similar to Section 203. Specifically, our Amended Charter will provide that, subject to certain exceptions, we will not be able to engage in a "business combination" with any "interested stockholder" for three years following the date that the person became an interested stockholder, unless certain requirements are met. A "business combination" includes, among other things, a merger or consolidation involving us and the "interested stockholder" or the sale of more than 10% of our assets to an "interested stockholder." In general, an "interested stockholder" is any entity or person beneficially owning 15% or more of our outstanding voting stock and any affiliates or associates of such entity or person.

However, under our Amended Charter, and any of their respective affiliates will be deemed to not be interested stockholders regardless of the percentage of our outstanding voting stock owned by them, and accordingly will not be subject to such restrictions.

Corporate Opportunity Doctrine

Our Amended Charter will provide that, to the fullest extent permitted by Delaware law, we have renounced any interest or expectancy in, or in being offered an opportunity to participate in, an Excluded Opportunity. An "Excluded Opportunity" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, (i) any director who is not an employee of Rent the Runway or any of its subsidiaries or (ii) any holder of preferred stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of Rent the Runway or any of its subsidiaries, or collectively, Covered Persons, unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director.

Dissenters' Rights of Appraisal and Payment

Under the DGCL, with certain exceptions, our stockholders will have appraisal rights in connection with a merger or consolidation of Rent the Runway. Pursuant to Section 262 of the DGCL, stockholders who properly request and perfect appraisal rights in connection with such merger or consolidation will have the right to receive payment of the fair value of their shares as determined by the Delaware Court of Chancery.

Stockholders' Derivative Actions

Under the DGCL, any of our stockholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the stockholder bringing the action is a holder of our shares at the time of the transaction to which the action relates.

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock is American Stock Transfer & Trust Company.

Trading Symbol and Market

We have applied to list our Class A common stock on The Nasdaq Global Select Market under the symbol "RENT."

SHARES ELIGIBLE FOR FUTURE SALE

Immediately prior to this offering, there was no public market for our Class A common stock. Future sales of substantial amounts of Class A common stock in the public market, or the perception that such sales may occur, could adversely affect the market price of our Class A common stock. Although we have applied to have our Class A common stock listed on Nasdaq, we cannot assure you that there will be an active public market for our Class A common stock.

Upon the closing of this offering, we will have outstanding an aggregate of shares of Class A common stock, assuming the issuance of shares of Class A common stock offered by us in this offering. Of these shares, all shares sold in this offering will be freely tradable without restriction or further registration under the Securities Act, except for any shares purchased by our "affiliates," as that term is defined in Rule 144 under the Securities Act, whose sales would be subject to the Rule 144 resale restrictions described below, other than the holding period requirement.

The remaining shares of Class A common stock will be "restricted securities," as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, which are summarized below.

Registration Rights

Pursuant to our Investors' Rights Agreement, after the closing of this offering, the holders of up to shares of our Class A common stock, or certain transferees, will be entitled to certain rights with respect to the registration of the offer and sale of those shares under the Securities Act. See the section titled "Description of Capital Stock—Registration Rights" for a description of these registration rights. If the offer and sale of these shares of our Class A common stock are registered, the shares will be freely tradable without restriction under the Securities Act, subject to the Rule 144 limitations applicable to affiliates, and a large number of shares may be sold into the public market.

Lock-Up Agreements

We, our executive officers, directors and the holders of substantially all of our outstanding stock, without the prior written consent of , we and they will not, subject to certain exceptions, during the period ending days after the date of this prospectus:

- offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly or publicly disclose the intention to make any offer, sale, pledge or disposition of any shares of our Class A common stock, or any options or warrants to purchase any shares of our Class A common stock, or any securities convertible into, or exchangeable for, or that represent the right to receive, shares of our Class A common stock; or
- enter into any swap or other arrangement that transfers to another, all or a portion of the economic consequences of ownership of our Class A common stock or any securities convertible into or exercisable or exchangeable for shares of our Class A common stock,

whether any transaction described above is to be settled by delivery of our Class A common stock or such other securities, in cash or otherwise.

have advised us that they have no present intent or arrangement to release any shares subject to a lock-up, and will consider the release of any lock-up on a case-by-case basis. Upon a request to release any shares subject to a lock-up, would consider the particular

circumstances surrounding the request, including, but not limited to, the length of time before the lock-up expires, the number of shares requested to be released, reasons for the request, the possible impact on the market or our Class A common stock and whether the holder of our shares requesting the release is an officer, director or other affiliate of ours.

Upon the expiration of the applicable lock-up periods, substantially all of the shares subject to such lock-up restrictions will become eligible for sale, subject to the limitations discussed above.

Rule 144

Affiliate Resales of Restricted Securities. In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is an affiliate of ours, or who was an affiliate at any time during the 90 days before a sale, who has beneficially owned shares of our Class A common stock for at least 180 days would be entitled to sell in "broker's transactions" or certain "riskless principal transactions" or to market makers, a number of shares within any three-month period that does not exceed the greater of:

- 1% of the number of shares of our Class A common stock then outstanding; and
- the average weekly trading volume in our Class A common stock on Nasdaq during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Affiliate resales under Rule 144 are also subject to the availability of current public information about us. In addition, if the number of shares being sold under Rule 144 by an affiliate during any three-month period exceeds 5,000 shares or has an aggregate sale price in excess of $50,000, the seller must file a notice on Form 144 with the SEC and Nasdaq concurrently with either the placing of a sale order with the broker or the execution directly with a market maker.

Non-Affiliate Resales of Restricted Securities. Under Rule 144, a person who is not an affiliate of ours at the time of sale, and has not been an affiliate at any time during the 90 days preceding a sale, and who has beneficially owned shares of our Class A common stock for at least six months but less than a year, is entitled to sell such shares subject only to the availability of current public information about us. If such person has held our shares for at least one year, such person can resell without regard to any Rule 144 restrictions, including the 90-day public company requirement and the current public information requirement.

Non-affiliate resales are not subject to the manner of sale, volume limitation or notice filing provisions of Rule 144.

Rule 701

In general, under Rule 701, any of our employees, directors, officers, consultants or advisors who purchases shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of the registration statement of which this prospectus forms a part is entitled to sell such shares 90 days after such effective date in reliance on Rule 144. Our affiliates can resell shares in reliance on Rule 144 without having to comply with the holding period requirement, and non-affiliates of the issuer can resell shares in reliance on Rule 144 without having to comply with the current public information and holding period requirements.

The SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after an issuer becomes subject to the reporting requirements of the Exchange Act.

Equity Compensation

We intend to file one or more registration statements on Form S-8 under the Securities Act to register the offer and sale of all shares of Class A and Class B common stock that will be issuable or reserved for issuance under our 2009 Plan, 2019 Plan, 2021 Plan and ESPP. We expect to file the registration statement covering shares offered pursuant to such equity plans shortly after the date of this prospectus, permitting the resale of such shares by non-affiliates in the public market without restriction under the Securities Act and the sale by affiliates in the public market subject to compliance with the resale provisions of Rule 144.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR CLASS A COMMON STOCK

The following discussion is a summary of the material U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of the purchase, ownership, and disposition of our Class A common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local, or non-U.S. tax laws are not discussed. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service, or the IRS, in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership, and disposition of our Class A common stock.

This discussion is limited to Non-U.S. Holders that hold our Class A common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder's particular circumstances, including the impact of the Medicare contribution tax on net investment income and the alternative minimum tax. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons holding our Class A common stock as part of a hedge, straddle, or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- brokers, dealers, or traders in securities;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our Class A common stock under the constructive sale provisions of the Code;
- persons who hold or receive our Class A common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- tax-qualified retirement plans; and
- "qualified foreign pension funds" as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds.

If an entity treated as a partnership for U.S. federal income tax purposes holds our Class A common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership, and certain determinations made at the partner level. Accordingly, partnerships holding our Class A common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP, AND DISPOSITION OF OUR CLASS A COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL, OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of a Non-U.S. Holder

For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of our Class A common stock that is neither a "U.S. person" nor an entity treated as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

Distributions

As described in the section entitled "Dividend Policy," we do not anticipate declaring or paying dividends to holders of our Class A common stock in the foreseeable future. However, if we do make distributions of cash or property on our Class A common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-U.S. Holder's adjusted tax basis in its Class A common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below under "—Sale or Other Taxable Disposition."

Subject to the discussion below on effectively connected income, dividends paid to a Non-U.S. Holder will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Sale or Other Taxable Disposition

Subject to the discussion below regarding backup withholding and foreign accounts, a Non-U.S. Holder generally will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our Class A common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our Class A common stock constitutes a U.S. real property interest, or USRPI, by reason of our status as a U.S. real property holding corporation, or USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding such disposition or such Non-U.S. Holder's holding period.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

A Non-U.S. Holder described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on gain realized upon the sale or other taxable disposition of our Class A common stock, which may be offset by U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we currently are not, and do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our assets used or held for use in a trade or business, there can be no assurance we currently are not a USRPHC or will not become one in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition of our Class A common stock by a Non-U.S. Holder will not be subject to U.S. federal income tax if our Class A common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market and such Non-U.S. Holder owned, actually and constructively, 5% or less of our Class A common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period.

Non-U.S. Holders should consult their tax advisors regarding potentially applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Payments of dividends on our Class A common stock will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the

holder is a United States person and the holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E, or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any distributions on our Class A common stock paid to the Non-U.S. Holder, regardless of whether such distributions constitute dividends or whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our Class A common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a United States person or the holder otherwise establishes an exemption. Proceeds of a disposition of our Class A common stock conducted through a non-U.S. office of a non-U.S. broker that does not have certain enumerated relationships with the United States generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or "FATCA") on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of, our Class A common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our Class A common stock. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of stock on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our Class A common stock.

UNDERWRITING

The company and the underwriters named below have entered into an underwriting agreement with respect to the shares of Class A common stock being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares of Class A common stock indicated in the following table. Goldman Sachs & Co. LLC, Morgan Stanley & Co. LLC and Barclays Capital Inc. are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman Sachs & Co. LLC	
Morgan Stanley & Co. LLC	
Barclays Capital Inc.	
Credit Suisse Securities (USA) LLC	
Piper Sandler & Co.	
Wells Fargo Securities, LLC	
JMP Securities LLC	
KeyBanc Capital Markets Inc.	
Telsey Advisory Group LLC	
Total	

The underwriters are committed to take and pay for all of the shares of Class A common stock being offered, if any are taken, other than the shares of Class A common stock covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional shares of Class A common stock from the company to cover sales by the underwriters of a greater number of shares of Class A common stock than the total number set forth in the table above. They may exercise that option for 30 days. If any shares of Class A common stock are purchased pursuant to this option, the underwriters will severally purchase shares of Class A common stock in approximately the same proportion as set forth in the table above.

The following tables show the per share and total underwriting discounts and commissions to be paid to the underwriters by the company. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares of Class A common stock.

Paid by the Company

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares of Class A common stock sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares of Class A common stock sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares of Class A common stock, the representatives may change the offering price and the other selling terms. The offering of the shares of Class A common stock by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

The company and its officers, directors and holders of substantially all of the company's common stock have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any

of their common stock or securities convertible into or exchangeable for shares of Class A common stock, or the Lock-up Restrictions, during the period from the date of this prospectus continuing, with respect to the company, for days after the date of this prospectus, or the Lock-up Period, except with the prior written consent of Goldman Sachs & Co. LLC, Morgan Stanley & Co. LLC and Barclays Capital Inc., and subject to certain exceptions.

Prior to the offering, there has been no public market for the shares of Class A common stock. The initial public offering price has been negotiated among the company and the representatives. Among the factors to be considered in determining the initial public offering price of the shares of Class A common stock, in addition to prevailing market conditions, will be the company's historical performance, estimates of the business potential and earnings prospects of the company, an assessment of the company's management and the consideration of the above factors in relation to market valuation of companies in related businesses.

We have applied to list our Class A common stock on Nasdaq under the symbol "RENT." In order to meet one of the requirements for listing the Class A common stock on Nasdaq, the underwriters have undertaken to sell lots of 100 or more shares to a minimum of 400 beneficial holders.

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A "covered short position" is a short position that is not greater than the number of additional shares for which the underwriters' option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. "Naked" short sales are any short sales that create a short position greater than the number of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Class A common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of Class A common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the company's Class A stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the Class A common stock. As a result, the price of the Class A common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on Nasdaq, in the over-the-counter market or otherwise.

The company estimates that its share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $ million. We have agreed to reimburse the underwriters for certain of their expenses in an amount up to $. The underwriters have agreed to reimburse us for certain expenses incurred by us in connection with this offering upon closing of this offering.

The company has agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area, or each, a Relevant State, no shares have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the shares may be offered to the public in that Relevant State at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the shares shall require the company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to the shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

United Kingdom

No shares have been offered or will be offered pursuant to the offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the shares which has been approved by the Financial Conduct Authority, except that the shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Section 86 of the FSMA.

provided that no such offer of the shares shall require the company or any underwriter to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Canada

The securities may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption form, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), or the

Companies (Winding Up and Miscellaneous Provisions) Ordinance, or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), or the Securities and Futures Ordinance, or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore, or Regulation 32.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The securities may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

LEGAL MATTERS

The validity of the shares of Class A common stock offered hereby will be passed upon for us by Latham & Watkins LLP, New York, New York. Cooley LLP, Boston, Massachusetts has acted as counsel for the underwriters in connection with certain legal matters related to this offering.

EXPERTS

The financial statements as of January 31, 2020 and 2021 and for each of the two years in the period ended January 31, 2021 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

CHANGES IN INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

On November 8, 2019, we dismissed KPMG LLP as our independent auditors. On February 20, 2020, we appointed PricewaterhouseCoopers LLP, or PwC, as our independent registered public accounting firm to audit our consolidated financial statements as of and for the fiscal year ended January 31, 2020. The decision to change our independent registered public accounting firm from KPMG LLP to PwC was approved by the board of directors.

The audit report of KPMG LLP on our consolidated financial statements as of and for the years ended January 31, 2019 and February 3, 2018 did not contain an adverse opinion or a disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope or accounting principles. KPMG LLP did not audit our consolidated financial statements for any period subsequent to January 31, 2019.

During the fiscal years ended January 31, 2019 and February 3, 2018 and the subsequent interim period through November 8, 2019, we had no disagreements with KPMG LLP on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures, which disagreements, if not resolved to its satisfaction, would have caused KPMG LLP to make reference in connection with its report to the subject matter of the disagreement during the audit preceding its dismissal. During the fiscal years ended January 31, 2019 and February 3, 2018 and the subsequent interim period through November 8, 2019, there were no “reportable events” as such term is defined in Item 304(a)(1)(v) of Regulation S-K, except that KPMG LLP advised us of the following material weakness: the lack of an ERP system for the full fiscal year resulted in a weak control environment and a likelihood of potential errors to financial information given the need for manual intervention.

We have provided KPMG LLP with a copy of the foregoing disclosures and requested that KPMG LLP furnish us with a letter addressed to the SEC stating whether KPMG LLP agrees with the above statements and, if not, stating the respects in which it does not agree. A copy of that letter dated October 4, 2021 is filed as Exhibit 16.1 to the registration statement of which this prospectus forms a part.

During the fiscal years ended January 31, 2019 and February 3, 2018 and the subsequent interim period through February 20, 2020, neither we, nor anyone acting on our behalf, consulted with PwC on matters that involved the application of accounting principles to a specified transaction, either completed or proposed, the type of audit opinion that might be rendered on our consolidated financial statements or any of the matters described in Item 304(a)(2)(i) or (ii) of Regulation S-K.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1, including exhibits and schedules, under the Securities Act, with respect to the shares of Class A common stock being offered by this prospectus. This prospectus, which constitutes part of the registration statement, does not contain all of the information in the registration statement and its exhibits. For further information with respect to us and the Class A common stock offered by this prospectus, we refer you to the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract or any other document referred to are not necessarily complete, and in each instance, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference.

You can read our SEC filings, including the registration statement, over the internet at the SEC's website at www.sec.gov.

Upon the effectiveness of the registration statement of which this prospectus forms a part, we will be subject to the information reporting requirements of the Exchange Act and we will file reports, proxy statements, and other information with the SEC. These reports, proxy statements, and other information will be available for inspection and copying at the website of the SEC referred to above. We also maintain a website at www.renttherunway.com, at which, following the effectiveness of the registration statement of which this prospectus forms a part, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on or accessible through our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is an inactive textual reference only.

RENT THE RUNWAY, INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Rent the Runway, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Rent the Runway, Inc. and its subsidiary (the "Company") as of January 31, 2021 and 2020, and the related consolidated statements of operations, of changes in redeemable preferred stock and stockholders' deficit and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of January 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
New York, New York
July 16, 2021

We have served as the Company's auditor since 2020.

RENT THE RUNWAY, INC.
Consolidated Balance Sheets

(In millions, except share and per share amounts)

	January 31, 2020	January 31, 2021	July 31, 2021 (unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 31.4	$ 95.3	$ 104.0
Restricted cash, current	10.5	3.4	1.8
Prepaid expenses and other current assets	5.0	4.7	5.2
Total current assets	46.9	103.4	111.0
Restricted cash	—	10.5	9.7
Rental product, net	116.0	97.6	77.6
Fixed assets, net	65.4	64.7	59.7
Intangible assets, net	9.0	7.8	6.9
Operating lease right-of-use assets	34.5	34.9	33.2
Other assets	4.1	1.8	4.8
Total assets	$ 275.9	$ 320.7	$ 302.9
Liabilities, Redeemable Preferred Stock and Stockholders' Deficit			
Current liabilities:			
Accounts payable	$ 12.7	$ 7.2	$ 9.1
Accrued expenses and other current liabilities	14.0	14.1	17.2
Deferred revenue	13.7	5.6	9.5
Customer credit liabilities	6.2	7.0	6.5
Operating lease liabilities	5.1	6.7	6.2
Total current liabilities	51.7	40.6	48.5
Line of credit	44.0	—	—
Long-term debt, net	171.1	355.1	381.8
Operating lease liabilities	41.7	51.5	48.5
Warrant liability	0.6	11.8	19.3
Other liabilities	0.6	0.3	0.7
Total liabilities	309.7	459.3	498.8
Commitments and Contingencies (Note 16)			
Redeemable preferred stock, $0.001 par value; 27,096,062, 35,236,646, and 36,055,409 shares authorized at January 31, 2020, January 31, 2021, and July 31, 2021, respectively; 26,992,271, 31,137,921, and 32,575,462 shares issued and outstanding at January 31, 2020, January 31, 2021, and July 31, 2021, respectively; liquidation preference of $332.6 million, $393.7 million, $414.9 million at January 31, 2020, January 31, 2021, and July 31, 2021, respectively	330.5	388.1	409.3
Stockholders' Deficit			
Common stock, $0.001 par value; 48,000,000, 60,000,000, and 62,500,000 shares authorized at January 31, 2020, January 31, 2021, and July 31, 2021, respectively; 10,371,636, 10,456,521, 10,791,253 shares issued and outstanding at January 31, 2020, January 31, 2021, and July 31, 2021, respectively	—	—	—
Additional paid-in capital	54.0	62.7	68.9
Accumulated deficit	(418.3)	(589.4)	(674.1)
Total stockholders' deficit	(364.3)	(526.7)	(605.2)
Total liabilities, redeemable preferred stock and stockholders' deficit	$ 275.9	$ 320.7	$ 302.9

The accompanying notes are an integral part of these consolidated financial statements.

RENT THE RUNWAY, INC.
Consolidated Statements of Operations

(In millions, except share and per share amounts)

	Year Ended January 31,		Six Months Ended July 31,	
	2020	2021	2020	2021
			(unaudited)	
Revenue:				
Subscription and Reserve rental revenue	$ 235.4	$ 135.9	$ 76.3	$ 72.7
Other revenue	21.5	21.6	12.2	7.5
Total revenue, net	256.9	157.5	88.5	80.2
Costs and expenses:				
Fulfillment	118.1	53.0	32.8	22.3
Technology	40.2	37.7	18.6	20.2
Marketing	22.9	8.1	5.1	7.4
General and administrative	98.9	77.2	42.0	40.6
Rental product depreciation and revenue share	85.2	89.0	47.0	31.6
Other depreciation and amortization	21.6	23.0	11.7	9.9
Total costs and expenses	386.9	288.0	157.2	132.0
Operating loss	(130.0)	(130.5)	(68.7)	(51.8)
Interest income / (expense), net	(24.0)	(46.6)	(20.4)	(29.4)
Other income / (expense), net	(0.1)	6.0	1.1	(3.6)
Net loss before benefit from income taxes	(154.1)	(171.1)	(88.0)	(84.8)
Benefit from income taxes	0.2	—	—	0.1
Net loss	$ (153.9)	$ (171.1)	$ (88.0)	$ (84.7)
Net loss per share attributable to common stockholders, basic and diluted	$ (14.04)	$ (15.36)	$ (7.91)	$ (7.44)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	10,964,634	11,138,851	11,124,993	11,375,889

The accompanying notes are an integral part of these consolidated financial statements.

RENT THE RUNWAY, INC.

Consolidated Statements of Changes in Redeemable Preferred Stock and Stockholders' Deficit

(In millions, except share amounts)

	Redeemable Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balances at January 31, 2019	20,891,652	$ 196.7	10,100,658	$ —	$ 45.4	$ (267.0)	$ (221.6)
Issuance of redeemable preferred stock	6,100,619	133.8	—	—	—	—	—
Stock issued under stock incentive plan	—	—	270,978	—	1.8	—	1.8
Share-based compensation expense	—	—	—	—	6.8	—	6.8
Adjustment to accumulated deficit, cumulative effect of ASC 606 adoption	—	—	—	—	—	2.6	2.6
Net loss	—	—	—	—	—	(153.9)	(153.9)
Balances at January 31, 2020	26,992,271	330.5	10,371,636	—	54.0	(418.3)	(364.3)
Issuance of redeemable preferred stock	4,145,650	57.6	—	—	—	—	—
Stock issued under stock incentive plan	—	—	84,885	—	0.5	—	0.5
Share-based compensation expense	—	—	—	—	8.2	—	8.2
Net loss	—	—	—	—	—	(171.1)	(171.1)
Balances at January 31, 2021	31,137,921	388.1	10,456,521	—	62.7	(589.4)	(526.7)
Issuance of redeemable preferred stock (unaudited)	1,437,541	21.2	—	—	—	—	—
Stock issued under stock incentive plan (unaudited)	—	—	334,732	—	1.9	—	1.9
Share-based compensation expense (unaudited)	—	—	—	—	4.3	—	4.3
Net loss (unaudited)	—	—	—	—	—	(84.7)	(84.7)
Balances at July 31, 2021 (unaudited)	32,575,462	$ 409.3	10,791,253	$ —	$ 68.9	$ (674.1)	$ (605.2)

Balances at January 31, 2020	26,992,271	$ 330.5	10,371,636	$ —	$ 54.0	$ (418.3)	$ (364.3)
Issuance of redeemable preferred stock (unaudited)	2,395,424	35.3	—	—	—	—	
Stock issued under stock incentive plan (unaudited)	—	—	36,275	—	0.3	—	0.3
Share-based compensation expense (unaudited)	—	—	—	—	3.8	—	3.8
Net loss (unaudited)		—	—	—	—	(88.0)	(88.0)
Balances at July 31, 2020 (unaudited)	29,387,695	$ 365.8	10,407,911	$ —	$ 58.1	$ (506.3)	$ (448.2)

The accompanying notes are an integral part of these consolidated financial statements.

RENT THE RUNWAY, INC.
Consolidated Statements of Cash Flows

(In millions)

	Year Ended January 31,		Six Months Ended July 31,	
	2020	2021	2020	2021
			(unaudited)	
OPERATING ACTIVITIES				
Net loss	$(153.9)	$(171.1)	$ (88.0)	$ (84.7)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:				
Rental product depreciation and write-offs	61.6	55.9	29.9	21.3
Other depreciation and amortization	21.6	24.1	12.2	9.9
Payment-in-kind interest	19.0	36.9	16.2	23.2
Amortization of debt discount	4.0	5.0	2.0	3.9
Share-based compensation expense	6.8	8.2	3.8	4.3
Proceeds from rental product sold	(19.3)	(17.9)	(10.3)	(5.6)
Write-off of rental product sold	14.0	14.0	8.2	2.6
Loss from liquidation of rental product	0.5	0.9	0.5	(0.7)
Loss on debt extinguishment	—	0.6	—	—
Remeasurement of warrant liability	—	(0.4)	—	7.5
Changes in operating assets and liabilities:				
Prepaid expenses and other current assets	(2.4)	0.3	0.5	(0.5)
Operating lease right-of-use assets	(34.5)	(0.4)	(1.5)	1.7
Other assets	(1.3)	1.8	1.4	(3.0)
Accounts payable, accrued expenses and other current liabilities	6.0	(4.5)	(4.2)	7.1
Deferred revenue and customer credit liabilities	1.5	(7.3)	(6.5)	3.4
Operating lease liabilities	46.8	11.4	9.9	(3.5)
Other liabilities	(8.0)	(0.3)	(0.2)	0.4
Net cash (used in) provided by operating activities	(37.6)	(42.8)	(26.1)	(12.7)
INVESTING ACTIVITIES				
Purchases of rental product	(117.7)	(54.9)	(42.3)	(8.5)
Proceeds from liquidation of rental product	3.6	2.4	0.3	3.4
Proceeds from sale of rental product	19.3	17.9	10.3	5.6
Purchases of fixed and intangible assets	(43.8)	(23.8)	(13.9)	(3.9)
Net cash (used in) provided by investing activities	(138.6)	(58.4)	(45.6)	(3.4)
FINANCING ACTIVITIES				
Proceeds from issuance of redeemable preferred stock	133.8	60.4	35.2	21.2
Proceeds from exercise of stock options	1.8	0.5	0.3	1.9
Deferred financing costs paid	(0.8)	(3.3)	—	—
Principal payments on financing lease obligations	(0.3)	(0.1)	(0.1)	(0.1)
Proceeds from line of credit	86.0	15.0	15.0	—
Proceeds from long-term debt	50.0	155.0	80.0	—
Principal repayments on line of credit	(92.6)	(59.0)	(14.5)	—
Principal repayments on long-term debt	—	—	—	(0.6)
Net cash (used in) provided by financing activities	177.9	168.5	115.9	22.4
Net increase in cash and cash equivalents and restricted cash	1.7	67.3	44.2	6.3
Cash and cash equivalents and restricted cash at beginning of period	40.2	41.9	41.9	109.2
Cash and cash equivalents and restricted cash at end of period	$ 41.9	$ 109.2	$ 86.1	$ 115.5
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH TO THE CONSOLIDATED BALANCE SHEETS				
Cash and cash equivalents	$ 31.4	$ 95.3	$ 85.6	$ 104.0
Restricted cash, current	10.5	3.4	0.5	1.8
Restricted cash, noncurrent	—	10.5	—	9.7
Total cash and cash equivalents and restricted cash	$ 41.9	$ 109.2	$ 86.1	$ 115.5

The accompanying notes are an integral part of these consolidated financial statements.

(Dollars in millions, except share and per share amounts)

1. Business

Description of Business

Rent the Runway, Inc.'s (the "Company") mission is to power women to feel their best every day. Launched in November 2009, the Company has built the world's first and largest shared designer closet with over 18,000 styles by over 750 brand partners. The Company gives customers ongoing access to its "unlimited closet" through its subscription offering or the ability to rent a-la-carte through its reserve offering ("Reserve"). The Company's corporate headquarters are located in Brooklyn, New York and the operational facilities are located in Secaucus, New Jersey, and Arlington, Texas. Its wholly-owned subsidiary, Rent the Runway Limited (the "Subsidiary"), is located in Galway, Ireland, and is focused on software development and support activities.

All revenue is currently generated in the United States. Substantially all revenue is derived from rental subscription fees and a-la-carte rental fees, with a portion derived from the sale of apparel and accessories and other fees.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of the Company and its Subsidiary. All intercompany accounts and transactions have been eliminated in consolidation. The Company's consolidated financial statements were prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). Certain amounts in the financial statements have been reclassified to conform to the current presentation.

Fiscal Year

The Company operates on a fiscal calendar ending January 31. All references to fiscal year 2019 reflect the results of the 12-month period ending January 31, 2020. All references to fiscal year 2020 reflect the results of the 12-month period ending January 31, 2021.

Unaudited Interim Condensed Consolidated Financial Information

The accompanying interim condensed consolidated balance sheet as of July 31, 2021, the condensed consolidated statements of operations, the condensed consolidated statements of changes in redeemable preferred stock and stockholders' deficit and the condensed consolidated statements of cash flows for the six months ended July 31, 2020 and 2021 are unaudited. These interim condensed consolidated financial statements have been prepared on a basis consistent with the annual consolidated financial statements and, in the opinion of management, include all adjustments necessary to fairly state the Company's financial position as of July 31, 2021, the results of the Company's operations and the results of the Company's cash flows for the six months ended July 31, 2020 and 2021. The financial data and other financial information disclosed in the notes to these condensed consolidated financial statements related to the six-months ended July 31, 2020 and 2021 and as of July 31, 2021, are also unaudited. The results for the six months ended July 31, 2020 and 2021 are not necessarily indicative of the operating results expected for the years ended January 31, 2021 and January 31, 2022, respectively, or any future period.

(Dollars in millions, except share and per share amounts)

Segment Information

Operating segments are defined as components of an entity for which discrete financial information is available that is regularly reviewed by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing performance. The Company's Chief Executive Officer is the Company's CODM. The Company has one operating and reportable segment as the CODM reviews financial information on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance. All revenue is attributed to customers based in the United States and substantially all the Company's long-lived assets are located in the United States.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The Company bases its estimates on historical experience, market conditions, and on various other assumptions that are believed to be reasonable. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful life and salvage value of rental product, incremental borrowing rate to determine lease liabilities, and the valuation of share-based compensation and warrants.

As of January 31, 2021 and July 31, 2021, the effects of the ongoing COVID-19 pandemic on the Company's business, results of operations, and financial condition continue to evolve. As a result, many of the Company's estimates and assumptions required increased judgment and carry a higher degree of variability and volatility. As additional information becomes available, the Company's estimates may change materially in future periods.

Concentrations of Credit Risks

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company places its cash investments with high credit quality financial institutions. The Company believes no significant credit risk exists with respect to these financial instruments.

No single customer accounted for more than 5% of the Company's revenue during the years ended January 31, 2020 or 2021 or the six months ended July 31, 2020 or 2021.

Fair Value Measurements and Financial Instruments

Fair value accounting is applied for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis, at least annually. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(Dollars in millions, except share and per share amounts)

Assets and liabilities recorded at fair value in the consolidated financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, which are directly related to the amount of subjectivity, associated with the inputs to the valuation of these assets or liabilities, are as follows:

Level 1: Observable inputs, such as quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3: Unobservable inputs, in which there is little or no market data which require the Company to develop its own assumptions.

The categorization of financial instruments within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The carrying amounts of financial instruments, including cash, cash equivalents and restricted cash approximate fair value as of January 31, 2020 and 2021 and July 31, 2021, due to the relatively short duration of these instruments. The carrying value of the Company's long-term debt instruments approximate their fair values as of January 31, 2021 and July 31, 2021.

Cash, Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments with a maturity of 3 months or less when purchased to be cash equivalents. Cash and cash equivalents include funds in transit from banks for customer credit card transactions that settle in less than 7 days. These funds totaled $2.6 million, $1.8 million, and $2.5 million as of January 31, 2020, January 31, 2021, and July 31, 2021, respectively.

As of January 31, 2020, January 31, 2021, and July 31, 2021 the Company had approximately $10.5 million, $13.9 million, and $11.5 million of current and noncurrent restricted cash, respectively, that consisted primarily of letters of credit pledged as security deposits for the headquarters and operational facilities leases.

Rental Product, Net

The Company considers rental product to be a long-term productive asset and, as such, classifies it as a noncurrent asset on the consolidated balance sheets.

Rental product is stated at cost, less accumulated depreciation. The Company depreciates rental product, less an estimated salvage value, over the estimated useful lives of the assets using the straight-line method. The useful life is determined based on historical trends and an assessment of any future changes. The salvage value considers the historical trends and projected liquidation proceeds for the assets. The estimated useful lives and salvage values are described below:

	Useful Life	Salvage Value
Apparel	3 years	20%
Accessories	2 years	30%

(Dollars in millions, except share and per share amounts)

In accordance with its policy, the Company reviews the estimated useful lives and salvage values of rental product on an ongoing basis. See the *Long-Lived Asset Impairment* disclosure for long-lived asset impairment procedures.

Rental product is classified as held for sale and written down to salvage value at the time it is no longer considered rentable. The value of rental product held for sale as of January 31, 2020 January 31, 2021, and July 31, 2021 was $6.4 million, $6.4 million, and $4.4 million net, respectively. The accelerated depreciation related to rental product held for sale was $14.8 million and $7.7 million for the years ended January 31, 2020 and January 31, 2021, respectively, and $5.0 million and $2.3 million for the six months ended July 31, 2020 and July 31, 2021, respectively. The accelerated depreciation is presented on the consolidated statements of operations within rental product depreciation and revenue share.

The Company records write-offs for the remaining net book value of rental product sold, and separately records write-offs for losses on lost, damaged, and unreturned apparel and accessories. These write-offs are presented on the consolidated statements of operations within rental product depreciation and revenue share.

Cash outflows for the purchase of rental product, net of changes in related accounts payable and accrued liabilities, as well as the cash inflows received from the liquidation of apparel and accessories at the end of the useful life, are classified as cash flows from investing activities in the consolidated statements of cash flows, consistent with other long-term asset activity. The gain or loss from the liquidation of rental product at the end of the useful life is recorded as a component of operating loss in the consolidated statements of operations and is included as an adjustment to reconcile net loss to net cash used by operating activities in the consolidated statements of cash flows. Proceeds from the liquidation of rental product, net of costs to sell, during fiscal years 2019 and 2020 were $3.6 million and $2.4 million, respectively, and $0.3 million and $3.4 million for the six months ended July 31, 2020 and 2021, respectively.

The Company offers its customers an opportunity to purchase items prior to the end of their estimated useful life. In such instances, the Company considers the disposal of such rental product to be a sale and, as such, records the proceeds as other revenue and the net book value of the items at the time of sale as rental product depreciation in the consolidated statements of operations. The cash proceeds and the cost of rental product are classified as cash flows from investing activities on the consolidated statements of cash flows, because the predominant activity of the rental product purchased is to generate subscription and a-la-carte rental revenue. The cash proceeds associated with these sales were $19.3 million and $17.9 million in fiscal years 2019 and 2020, respectively and $10.3 million and $5.6 million for the six months ended July 31, 2020 and 2021, respectively.

The Company mitigates residual value risk of its rental product primarily by utilizing specific cleaning, repair and restoration methods relying on its years of process know-how to maintain the condition of the rental product over its useful life, and by employing various in-house and third-party liquidation strategies to maximize liquidation value and overall return on rental product. The Company also utilizes its own-developed technology in combination with its customer service department to recover rental items from delinquent customers.

(Dollars in millions, except share and per share amounts)

Revenue Recognition

Subscription and a-la-carte rental fees ("Subscription and Reserve rental revenue") are recognized in accordance with Accounting Standard Update ("ASU") 2016-02*, Leases, Topic 842* ("ASC 842"). Other revenue, primarily related to the sale of rental product, is recognized under ASU 2014-09, *Revenue from Contracts with Customers, Topic 606* ("ASC 606") at the date of delivery of the product to the customer. Other revenue represented 8% and 14% of total revenue for the years ended January 31, 2020 and 2021, respectively, and 14% and 9% for the six months ended July 31, 2020 and 2021, respectively.

Revenue is presented net of promotional discounts. Promotional discounts are recognized in accordance with either ASC 842 or ASC 606, based on the guidance applied to the rental fees or product sales to which the promotional discounts are related. Revenue is presented net of taxes that are collected from customers and remitted to governmental authorities.

Revenue is also presented net of customer credits and refunds. A liability is recognized at the time a customer credit or a gift card is issued, and revenue is recognized upon redemption of the credit or gift card. The Company's customer credit liability is presented on the consolidated balance sheets. During the year ended January 31, 2021 and six months ended July 31, 2021, $1.2 million and $1.2 million of credits included in the customer credit liability as of January 31, 2020 and January 31, 2021, respectively, were redeemed. Customer credits and gift cards do not have expiration dates. Over time, a portion of these instruments is not redeemed. With the adoption of ASC 606 effective February 1, 2019, the Company began to recognize breakage income based on the redemption pattern method. The Company did not adjust its prior period financial statements but recognized the breakage income retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment. The impact of this adjustment at February 1, 2019 was $2.6 million. The Company continues to maintain the full liability for the unredeemed portion of the credits and gift cards when the Company has any legal obligation to remit such credits to government authorities in relevant jurisdictions.

Subscription and Reserve Rental Revenue

The Company recognizes rental revenue from subscription and a-la-carte rental fees in accordance with ASC 842. Subscription fees are recognized ratably over the subscription period, commencing on the date the subscriber enrolls in the rental program. The fees are collected upon enrollment. The subscription automatically renews on a monthly basis until cancelled by the customer. Subscribers can pause or cancel their subscriptions at any time.

The Company recognizes fees for a-la-carte rentals ratably over the rental period, which starts with the date of delivery of rental product to the customer. A-la-carte rental orders can be placed up to 4 months prior to the rental start date and the customer's payment form is charged upon order confirmation. The Company defers recognizing the fees and any related promotions for a-la-carte rentals until the date of delivery, and then recognizes those fees ratably over the 4-or 8-day rental period.

The Company accrues for credits and refunds issued subsequent to the balance sheet date that relate to rentals prior to the balance sheet date. These amounts were not material as of January 31, 2020 and 2021 and July 31, 2021.

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For lessors, ASC 842 provides a practical expedient to elect not to evaluate whether certain sales taxes and other similar taxes imposed by a governmental authority on a specific lease revenue-producing transaction are the primary obligation of the lessor as owner of the underlying leased asset. This practical expedient was applied by the Company and it will exclude these taxes from the measurement of lease revenue and the associated expense.

Other Revenue

Other revenue consists primarily of revenue from the sale of rental product. The Company recognizes revenue from the sale of rental product in accordance with ASC 606. Sale of rental product occurs in two forms: (i) liquidation at the end of the useful life and; (ii) customer purchase of rental product at a discounted price, calculated as a percentage of retail value. Payment is due upon order confirmation and there is no financing component. The single performance obligation associated with rental product sales is generally satisfied upon delivery of the rental product to the customer. The Company does not have any material contractual receivables, assets, or liabilities with respect to other revenue at January 31, 2021 or July 31, 2021.

Leases – Lessee Accounting

The Company adopted ASC 842 with an effective date of February 1, 2019 for both lessee and lessor accounting. Refer to the Subscription and Reserve Rental Revenue section above for the Company's accounting policy related to lessor accounting.

The Company determines whether a contract is or contains a lease at contract inception. Right-of-use ("ROU") assets and lease liabilities are measured and recognized at the lease commencement date based on the present value of lease payments over the expected lease term. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate as of the effective date or the commencement date of the lease, whichever is later, to determine the present value of lease payments. The Company considers its credit risk, term of the lease, total lease payments and adjusts for the impacts of collateral, as necessary, when calculating its incremental borrowing rates.

Lease payments are based on fixed amounts explicit in the lease agreements. Certain real estate leases include payments at variable amounts based on operating expenses of the lessor, such as common area charges, real estate taxes and insurance. Most equipment leases include variable sales tax payments based on state sales tax rates. Additionally, the Company procures a portion of its rental product from brand partners under revenue share arrangements, which are considered variable lease payments. Refer to Note 4 for additional details.

For lessees, the guidance provides a practical expedient, by class of underlying asset, to elect a combined single lease component presentation. This practical expedient was applied by the Company as a lessee to all asset classes.

With respect to ROU assets, operating lease ROU assets are presented as a separate line item on the Company's consolidated balance sheets, while finance lease ROU assets are included in fixed assets on the consolidated balance sheets. With respect to lease liabilities, operating lease liabilities are presented as separate line items, while finance lease liabilities are included in other current liabilities and other long-term liabilities on the consolidated balance sheets, based on the

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remaining term of the underlying lease agreements. The Company does not recognize ROU assets or lease liabilities for short-term leases (i.e., those with a term of twelve months or less) and recognizes the related lease expense on a straight-line basis over the lease term, as applicable.

Fixed and Intangible Assets, Net

Fixed and intangible assets are stated at cost less accumulated depreciation and amortization.

Depreciation and amortization of fixed and intangible assets is calculated on a straight-line basis over the estimated useful lives of the assets.

The estimated useful lives of fixed and intangible assets are described below:

Leasehold improvements	Lesser of estimated useful life or lease term
Machinery and equipment	5 to 6 years
Furniture and fixtures	5 years
Computer hardware	3 years
Reusable packaging	1.5 years
Capitalized third-party software	3 years
Capitalized internally developed software	2 years

The Company capitalizes third-party and internally developed software costs in connection with its proprietary systems and its enterprise resource planning system that are incurred during the application development stage. Costs related to preliminary project activities and post implementation operating activities are expensed as incurred.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist primarily of prepaid rental packaging materials, prepaid insurance, and prepaid technology expenses. The balance of prepaid expenses included in prepaid expenses and other current assets on the consolidated balance sheet was $4.2 million, $2.8 million, and $4.5 million as of January 31, 2020, January 31, 2021, and July 31, 2021, respectively.

Other Assets

Other assets consist primarily of deposits for periods that exceed one year from the balance sheet date.

Expenses

Fulfillment

Fulfillment expenses consist of fulfillment variable costs to receive, process and fulfill customer orders, including fulfillment labor payroll and related costs, third-party shipping expenses, cost of packaging materials, cleaning expenses, and other fulfillment related costs.

Technology

Technology expenses consist of technology payroll and related costs, professional services, and third-party software and license fees.

(Dollars in millions, except share and per share amounts)

Marketing

Marketing expenses include online and mobile marketing, search engine optimization and email costs, marketing payroll and related expenses, agency fees, printed collateral, consumer research, and other related costs. Advertising costs amounted to $18.1 million and $4.2 million for the years ended January 31, 2020 and 2021, respectively. Costs associated with advertising campaigns are expensed when the advertising first appears in the media, and other advertising costs are expensed as incurred.

General and Administrative

General and administrative expenses are comprised of all other employee payroll and related expenses, including customer service costs, occupancy costs (including warehouse-related), professional services, credit card fees, general warehouse and corporate expenses, costs to photograph, list and model rental products on the Company's website, and other administrative costs.

Rental Product Depreciation and Revenue Share

Rental product depreciation and revenue share expenses are comprised of depreciation and write-offs of rental product, and payments under revenue share arrangements with brand partners.

Other Depreciation and Amortization

Other depreciation and amortization expenses are comprised of depreciation and amortization amounts for fixed assets, intangible assets, and financing right-of-use assets.

The classification of expenses varies across industries. Accordingly, the Company's categories of expenses may not be comparable to those of other companies.

Share-Based Compensation

The Company recognizes all employee share-based compensation as an expense in the consolidated financial statements. Equity classified awards are measured at the grant date fair value of the award. The Company estimates grant date fair value of stock options using the Black-Scholes option pricing model. The fair value of stock options is recognized as compensation expense on a straight-line basis over the requisite service period of the award. Determining the fair value of options at the grant date requires judgment, including estimating the fair value of common stock, the expected term that stock options will be outstanding prior to exercise, the associated volatility, and the expected dividend yield. Upon grant of awards, the Company also estimates an amount of forfeitures that will occur prior to vesting.

The Company has granted restricted stock units ("RSUs") which vest only upon satisfaction of both time-based service and performance-based conditions. As of January 31, 2021 and July 31, 2021, the Company has not recognized share-based compensation expense for awards with performance-based conditions which include a qualifying event because the qualifying event is not probable. In the period in which the Company's qualifying event becomes probable, the Company will record a cumulative one-time share-based compensation expense determined

using grant-date fair values. Share-based compensation related to any remaining time-based service after the qualifying event will be recorded over the remaining requisite service period. The Company will record share-based compensation expense for RSUs on an accelerated attribution method over the requisite service period, which is generally 4 years, and only if performance-based conditions are considered probable to be satisfied.

See Note 13 for a description of the accounting for share-based awards.

Income Taxes

The Tax Cuts and Jobs Act (the "Tax Act") was enacted on December 22, 2017 and introduced significant changes to U.S. income tax law. The Company implemented the effects of the Tax Act and its impact was not material to the consolidated financial statements.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance for any tax benefits for which future realization is uncertain. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company recognizes interest and penalties related to unrecognized tax benefits in income tax expense.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

Long-Lived Asset Impairment

Long-lived assets, such as rental product, fixed assets, intangible assets, and right-of-use lease assets, are reviewed for impairment triggers when events or changes in circumstances indicate the carrying value of such assets may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Company first compares the undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. Fair value is determined using various valuation techniques including discounted cash flow models, quoted market values, and third-party independent appraisals, as necessary. No impairment losses were recognized during fiscal years 2019 and 2020, or during the six months ended July 31, 2021, except for the write-off of apparel and accessories in the normal course of business (see *Rental Product* disclosure).

Net Loss per Share Attributable to Common Stockholders

The Company calculates basic and diluted net loss per share attributable to common stockholders in conformity with the two-class method required for companies with participating

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securities. The Company considers all series of redeemable preferred stock to be participating securities as the holders are entitled to receive non-cumulative dividends on a pari passu basis in the event that a dividend is paid on common stock. Under the two-class method, the net loss attributable to common stockholders is not allocated to the redeemable preferred stock as the holders of redeemable preferred stock do not have a contractual obligation to share in losses.

Basic net loss per share attributable to common stockholders is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period.

Diluted net loss per share attributable to common stockholders is computed by giving effect to all potentially dilutive securities outstanding for the period. For purposes of this calculation, redeemable preferred stock, stock options to purchase common stock, and warrants to purchase common and redeemable preferred stock are considered potentially dilutive securities but have been excluded from the calculation of diluted net loss per share attributable to common stockholders as their effect is anti-dilutive.

The shares of common stock associated with the equity-classified common stock warrants with an exercise price of $0.01 are considered outstanding for the purposes of computing basic and diluted net loss per share attributable to common stockholders because the shares may be issued for little or no consideration, are fully vested, and are exercisable after the original issuance date.

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigations, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Insurance Proceeds

For the year ended January 31, 2021 and the six months ended July 31, 2021, the Company recorded insurance recoveries of $5.0 million and $4.0 million, respectively, related to a network issue during the year ended January 31, 2020. These amounts are recorded in other income / (expense), net in the consolidated statements of operations.

Foreign Currency

The functional currency of the Subsidiary is U.S. dollar, which is the functional currency of the Company. The local currency of the Subsidiary is Euro. Monetary assets and liabilities of the Subsidiary are remeasured at the rate of exchange in effect on the balance sheet date; income and expenses are remeasured at the average exchange rates throughout the year. The related remeasurement adjustments are included in general and administrative expenses in the consolidated statements of operations.

(Dollars in millions, except share and per share amounts)

Recently Issued and Adopted Accounting Pronouncements

Recently Adopted Accounting Pronouncements

Share-Based Compensation

In November 2019, the Financial Accounting Standards Board ("FASB") issued ASU 2019-08, *Compensation – Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Codification Improvements – Share-Based Consideration Payable to a Customer*. The guidance identifies, evaluates, and improves areas of U.S. GAAP for which cost and complexity can be reduced while maintaining or improving the usefulness of the information provided. The amendments expanded the scope of Topic 718 to include stock-based payment transactions for acquiring goods and services from nonemployees. For entities that have adopted the amendments in ASU 2018-07, the updated guidance is effective for annual periods beginning after December 15, 2019. The Company adopted ASU 2019-08 on February 1, 2020, and the adoption of this update did not have a material impact on the Company's consolidated financial statements.

Fair Value Measurements

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements in Topic 820. This standard is effective for annual reporting periods beginning after December 15, 2019, and interim periods within those years, and early adoption is permitted. An entity is permitted to early adopt any removed or modified disclosures upon issuance of this ASU and delay adoption of the additional disclosures until their effective date. The Company adopted ASU 2018-13 on February 1, 2020, and the adoption of this update did not have a material impact on the Company's consolidated financial statements.

Recently Issued Accounting Pronouncements

Income Taxes

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. The new guidance simplifies the accounting for income taxes by removing certain exceptions to the general principles in Topic 740 and also improves the consistency in application of other areas by clarifying and amending existing guidance. This standard is effective for annual reporting periods beginning after December 15, 2021, and interim periods within those years, and early adoption is permitted. Certain amendments of this standard may be adopted on a retrospective basis, modified retrospective basis or prospective basis. The Company is currently evaluating the impact this standard will have on its consolidated financial statements.

Financial Instruments – Credit Losses

In June 2016, the FASB issued ASU No 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which requires an entity to utilize a new impairment model known as the current expected credit loss ("CECL") model to estimate its lifetime "expected credit loss" and record an allowance that, when deducted from the amortized cost basis of the financial asset, presents the net amount expected to be collected on the

financial asset. The CECL model is expected to result in more timely recognition of credit losses. This guidance also requires new disclosures for financial assets measured at amortized cost, loans, and available-for-sale debt securities. This standard is effective for annual reporting periods beginning after December 15, 2022, and interim periods within those years, and early adoption is permitted. The Company is currently evaluating the impact this standard will have on its consolidated financial statements.

Internal-Use Software

In August 2018, the FASB issued ASU 2018-15, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract*. The ASU allows implementation costs incurred by customers in cloud computing arrangements to be deferred and recognized over the term of the arrangement. The ASU also requires amortization expense be recognized in the same line item as the related fees associated with the arrangement and related capitalized implementation costs be presented in the same line as the prepayment for the hosting fee. This standard is effective for annual reporting periods beginning after December 15, 2020, and interim periods within those years, and early adoption is permitted.

At January 31, 2021, the Company determined it will adopt this standard in the fiscal year ending January 31, 2022 and the adoption of this update is not expected to have a material impact on the Company's consolidated financial statements.

For the six months ended July 31, 2021, the Company adopted this standard on February 1, 2021 and the adoption of this update did not have a material impact on the Company's condensed consolidated financial statements.

3. Liquidity and Impact of COVID-19 Pandemic

The Company has incurred a net loss from operations since inception and has historically relied upon debt and equity financing to fund its operations. In addition, the COVID-19 pandemic has had a significant adverse impact on the Company's business. As a result, the Company experienced a significant decline in active subscribers, subscription revenue and a-la-carte rental revenue and a significant increase in net loss in fiscal year 2020. While the Company has experienced active subscriber revenue growth subsequent to January 31, 2021 and July 31, 2021, it is uncertain when subscription revenue and a-la-carte rental revenue will return to pre-COVID-19 levels. To the extent that the strength or pace of the Company's COVID-19 recovery lags from what is currently anticipated, the Company has established plans to preserve existing cash liquidity, which could include reducing labor, operating expenses and/or capital expenditures.

In April and May 2021, the Company sold additional shares of Series G redeemable preferred stock in exchange for $20.1 million. In connection with this equity financing, the Company's EBITDA covenants in the Ares Facility (as described below) were amended to allow for the application of such proceeds cumulatively for the quarters ending July 31, 2021 through October 31, 2022. Refer to Note 17, *Subsequent Events,* for further details.

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As of June 30, 2021, and August 31, 2021, the Company held cash and cash equivalents of approximately $100.0 million. The Company believes that its existing cash resources will be sufficient to meet the costs of the business, debt service obligations, and working capital requirements for the twelve months from the issuance date of these consolidated financial statements. As such, the Company believes that it will have sufficient liquidity from cash on-hand and future operations to satisfy its obligations and to comply with its amended debt covenants for at least the next twelve months from the date these financial statements are available to be issued.

4. Leases – Lessee Accounting

As a lessee, the Company has operating real estate leases for its operational facilities, retail locations and corporate headquarters. The Company has operating and finance leases for its computers and equipment. Additionally, the Company procures a portion of its rental product from brand partners under revenue share arrangements, which are considered operating leases. All revenue share payments are recognized as variable lease costs and recorded in rental product depreciation and revenue share in the consolidated statements of operations.

The Company's real estate and equipment lease terms generally range from 2 to 12 years and certain agreements include renewal options. To the extent that the Company is reasonably certain to exercise a lease renewal option, the assumption is included in the calculation of ROU assets and lease liabilities. During fiscal year 2020, the Company signed an amendment to extend the lease term of its operational facilities in Secaucus, New Jersey, which resulted in an adjustment of $5.1 million to the related ROU assets and lease liabilities, as a result of lease modification accounting. No other renewal options were included in the ROU assets and lease liabilities on the consolidated balance sheets as of January 31, 2020, January 31, 2021, and July 31, 2021.

During fiscal year 2020, the Company decided it would no longer fully utilize the space within three of its real estate leases and obtained subleases for those leased facilities. The subleases do not relieve the Company of its primary lease obligations. The lessor agreements are considered operating leases, maintaining the historical classification of the underlying lease. The Company does not recognize any underlying assets for the subleases as a lessor of operating lease. The net amount received from the subleases is recorded within general and administrative expenses.

As of January 31, 2020, and 2021, the weighted-average remaining lease term for operating leases was 9.74 years and 9.43 years, respectively, and weighted-average discount rate was 16.66% and 16.77%, respectively. As of January 31, 2020 and 2021, the weighted-average remaining lease term for financing leases was 3.18 years and 2.41 years, respectively, and weighted-average discount rate was 15.02% and 14.24%, respectively.

(Dollars in millions, except share and per share amounts)

The following table summarizes the components of lease costs incurred by the Company during the years ended January 31, 2020 and 2021 and six months ended July 31, 2020 and 2021:

	Year Ended January 31,		Six Months Ended July 31,	
	2020	2021	2020	2021
			(unaudited)	
Operating lease costs	$ 11.7	$ 13.1	$ 6.5	$ 6.4
Short-term lease costs	0.9	2.4	1.2	1.3
Total fixed lease costs	12.6	15.5	7.7	7.7
Variable lease costs	11.9	19.8	9.4	8.4
Total lease costs	24.5	35.3	17.1	16.1
Sublease income	—	(1.8)	(0.3)	(2.0)
Total lease costs, net	$ 24.5	$ 33.5	$ 16.8	$ 14.1

The following table summarizes the Company's minimum fixed lease obligations under existing agreements as a lessee, excluding variable payments and short-term lease payments, as of January 31, 2021:

	Operating	Financing
Fiscal year:		
2021	$ 15.7	$ 0.2
2022	13.3	0.2
2023	11.5	—
2024	10.4	—
2025	9.1	—
Thereafter	57.8	—
Total minimum lease payments	117.8	$ 0.4
Imputed interest	(59.6)	(0.1)
Lease liabilities as of January 31, 2021	$ 58.2	$ 0.3

5. Rental Product, Net

Rental product consisted of the following:

	January 31,		July 31,
	2020	2021	2021
			(unaudited)
Apparel	$176.3	$183.8	$ 167.8
Accessories	10.6	8.9	7.5
	186.9	192.7	175.3
Less accumulated depreciation	(70.9)	(95.1)	(97.7)
Rental product, net	$116.0	$ 97.6	$ 77.6

Depreciation and write-offs related to rental product, including write-offs of rental products sold, was $75.7 million and $69.9 million for the years ended January 31, 2020 and 2021, respectively, and $38.1 million and $23.9 million for the six months ended July 31, 2020 and 2021, respectively.

(Dollars in millions, except share and per share amounts)

6. Fixed and Intangible Assets, Net

Fixed and intangible assets consisted of the following:

	January 31, 2020	January 31, 2021	July 31, 2021 (unaudited)
Leasehold improvements	$ 48.3	$ 55.0	$ 55.2
Machinery and equipment	40.2	44.5	46.0
Reusable packaging	7.0	5.6	5.8
Computer hardware	6.4	5.9	6.1
Furniture and fixtures	3.8	4.5	4.5
Financing lease ROU assets	0.7	0.7	0.9
	106.4	116.2	118.5
Less accumulated depreciation	(41.0)	(51.5)	(58.8)
Fixed assets, net	$ 65.4	$ 64.7	$ 59.7
Software assets	$ 17.2	$ 20.2	$ 21.7
Less accumulated amortization	(8.2)	(12.4)	(14.8)
Intangible assets, net	$ 9.0	$ 7.8	$ 6.9

Depreciation related to fixed assets was $16.5 million and $18.4 million for the years ended January 31, 2020 and 2021, respectively, and $9.4 million and $7.6 million for the six months ended July 31, 2020 and 2021, respectively. Amortization of intangible assets was $5.1 million and $5.7 million for the years ended January 31, 2020 and 2021, respectively, and $2.8 million and $2.3 million for the six months ended July 31, 2020 and 2021, respectively. Refer to Note 4 for further details related to the finance lease ROU assets included in fixed assets on the consolidated balance sheets.

As of January 31, 2021, expected amortization of intangible assets (excluding software projects not yet deployed) is as follows:

Fiscal year:	
2021	$ 3.7
2022	1.5
2023	0.2
2024	—
2025	—
Thereafter	—
Total future amortization	$ 5.4

(Dollars in millions, except share and per share amounts)

7. Long-Term Debt

Summary

The following table summarizes the Company's line of credit and long-term debt outstanding as of January 31, 2020 and 2021 and July 31, 2021:

	January 31,		July 31,
	2020	2021	2021 (unaudited)
Bank of America Line of Credit	$ 44.0	$ —	$ —
Temasek Facility principal outstanding	150.0	230.0	230.0
Add: payment-in-kind interest	27.0	62.2	82.4
Less: unamortized debt discount	(5.9)	(1.9)	—
Temasek Facility, net	171.1	290.3	312.4
Ares Facility principal outstanding	—	75.0	74.5
Add: payment-in-kind interest	—	1.6	4.7
Less: unamortized debt discount	—	(10.9)	(9.0)
Ares Facility, net	—	65.7	70.2
Total net carrying value	215.1	356.0	382.6
Less: current portion of long-term debt	—	(0.9)	(0.8)
Total noncurrent line of credit and long-term debt	$215.1	$355.1	$ 381.8

Bank of America Line of Credit

In April 2019, the Company entered into a Credit Agreement with Bank of America and an asset-backed revolving credit facility (the "Line of Credit") was put in place with Bank of America as agent and a lender, and Barclays Bank PLC and Goldman Sachs Bank USA as additional lenders. The Line of Credit provided for revolving advances and permitted the Company to borrow for a period ending on the earlier of (i) 5 years from the closing of the facility, through April 2024, or (ii) 90 days prior to the termination of the Temasek Term Facility (described below). Total commitments under the Line of Credit were up to an aggregate amount of $100.0 million, with an incremental uncommitted accordion of $50.0 million.

The Line of Credit had an interest rate per annum of LIBOR plus 125 to 175 basis points, depending on excess availability. There was a 25-basis point unused line fee. Advances on the Line of Credit were subject to certain limitations.

The Line of Credit was secured by a first priority security interest over substantively all tangible and intangible assets of the Company, and a first perfected pledge of 100% of the equity interest of the Company. The Line of Credit required the Company to comply with various customary specified nonfinancial covenants.

In June 2020, the Company executed an amendment to the Line of Credit. The amendment adjusted certain borrowing base related definitions, certain reporting requirements and certain

negative and financial covenants, and increased the interest rate to LIBOR plus 300 to 350 basis points. In connection with this amendment, the Company moved $15.0 million into a segregated account for the benefit of the lenders.

The Line of Credit contained various events of default, the occurrence of which could have resulted in termination of the lenders' commitments to lend and the acceleration of all obligations under the Line of Credit. In October 2020, the Company entered into a new secured term loan senior credit agreement with Ares Corporate Opportunities Fund V, L.P. (the "Ares Facility" described below) and repaid all outstanding principal on the Line of Credit, and terminated the credit commitments. The Company recognized a $0.6 million loss on debt extinguishment related to this transaction.

Temasek Facility

In July 2018, the Company entered into a subordinated, junior lien term loan agreement with Double Helix Pte Ltd. as administrative agent for Temasek Holdings (the "Temasek Facility"). The Company drew $100.0 million under the Temasek Facility at closing with the ability to draw an additional $100.0 million in multiple drawings at any time prior to July 23, 2020 (the "Initial Temasek Commitments") based on meeting certain performance and financial tests at each draw.

In November 2019, the Company drew an additional $50.0 million of the Initial Temasek Commitments and amended the Temasek Facility to include an additional $30.0 million of committed availability (the "Subsequent Temasek Commitments") which were not subject to the financial tests described above. In March 2020, the Company drew the remaining $50.0 million of the Initial Temasek Commitments and the $30.0 million of the Subsequent Temasek Commitments. The Temasek Facility is both lien-subordinated and payment-subordinated to the Ares Facility (described below) pursuant to a Subordination Agreement entered into in October 2020 that functions as both a secured lender intercreditor agreement and a subordination agreement (for payment subordination); the Ares Facility is senior debt, and the Temasek facility is subordinated debt with respect to the Ares Facility.

In addition, the Temasek Facility includes an incremental uncommitted $70.0 million, which may be provided by existing or new lenders, but is subject to a right of first refusal for existing lenders and requires that the full $200.0 million of Initial Temasek Commitments have been drawn.

The Temasek Facility matures in July 2023. The Initial Temasek Commitments bear an interest rate of 15% per annum that accrue as noncash interest. After the third anniversary of the loan, the Company can elect to pay cash interest at 13% per annum in lieu of the 15% noncash interest on the Initial Temasek Commitments. The Subsequent Temasek Commitments bear a cash interest rate of 13% per annum, payable quarterly. The Temasek facility principal balance of $292.2 million becomes due in 2023. If the Initial Temasek Commitments are prepaid or accelerated prior to the fourth anniversary of the loan, the Company is subject to a prepayment premium. If the Subsequent Temasek Commitments are prepaid or accelerated prior to the 18-month anniversary of the loan, the Company is subject to prepayment premium amounts. The Temasek Facility requires mandatory prepayment upon certain defined triggering events as well as optional prepayments, but such mandatory prepayments are not required to be made while the Ares Facility is outstanding.

(Dollars in millions, except share and per share amounts)

The Temasek Facility requires the Company to comply with specified nonfinancial covenants including, but not limited to, restrictions on the incurrence of debt, payment of dividends, making of investments, sale of assets, mergers and acquisitions, modifications of certain agreements and its fiscal year, and granting of liens. The nonfinancial covenants of the Temasek Facility have been adjusted to match the same covenants of the Ares Facility.

The Temasek Facility contains various events of default, the occurrence of which could result in the acceleration of obligations under the Temasek Facility. In June 2020, the Temasek Facility was amended and it was agreed that the impact of COVID-19 was deemed to not have caused a default or event of default and to not have caused a violation of any representation or warranty under the Temasek Facility. Further, in October 2020, the Temasek Facility was further amended and, among other amendments, the definition of “Material Adverse Effect” was amended so that until July 31, 2021, any change in or effect upon the business, operations, assets or financial condition of the Company and its subsidiaries substantially and directly related to the impacts of COVID-19 shall not be considered to be a Material Adverse Effect so long as any such change or effect is not materially disproportionately adverse to the Company compared to other companies in the same industry.

In July 2018, the Company recorded a debt discount of $11.7 million, of which $1.4 million related to closing fees paid and $10.3 million related to the allocation of proceeds to the warrants issued. Please refer to Note 12 for the details of the warrants outstanding in relation to the Temasek Facility. These amounts are being accreted on a straight-line basis to the principal amount of the Temasek Facility through the recognition of noncash interest expense. The effective interest rate for the period from the date of issuance through January 31, 2021 and July 31, 2021 was 15.95%.

The Company determined that all of the embedded features of the Temasek Facility were clearly and closely related to the debt host and did not require bifurcation as a derivative liability, or the fair value of the feature was immaterial to the Company’s consolidated financial statements.

Ares Facility

In October 2020, the Company entered into the Ares Facility with Alter Domus (US) LLC as administrative agent for Ares Corporate Opportunities Fund V, L.P. (“Ares”). The Company received gross proceeds equal to $75.0 million (the “Ares Original Principal”). In conjunction with the incurrence of the Ares Facility, the Company received proceeds from Ares of $25.0 million for the issuance of 1,695,955 shares of Series G redeemable preferred stock. The total transaction resulted in the receipt of $100.0 million in exchange for the Ares Facility, Series G redeemable preferred stock and issuance of common stock warrants (the “Ares Financing Transaction”).

The Ares Facility matures at the earlier of October 2023 or 91 days prior to the maturity of the Junior Subordinated Debt (Temasek Facility) and bears an interest rate of 8% per annum to be accrued as noncash interest, or the Company can elect to pay cash interest at 6.5% per annum. The Ares Facility requires quarterly principal payments of 0.25% of the original principal amount which, as of January 31, 2021, amount to $0.9 million, $0.8 million and $0.4 million in 2021, 2022 and 2023, respectively. The remaining principal balance of $74.5 million becomes due in 2023. The Ares Facility requires an exit payment of $1.5 million to be paid once the Ares Facility matures or the Ares Original Principal is paid in full.

(Dollars in millions, except share and per share amounts)

The Ares Facility is secured by a first priority lien over substantially all assets of the Company. The Ares Facility requires the Company to comply with substantially the same specified nonfinancial covenants as the Temasek Facility, including but not limited to, restrictions on the incurrence of debt, making of investments, the payment of dividends, sale of assets, mergers and acquisitions, modifications of certain agreements and its fiscal year, and granting of liens.

The Ares Facility also requires the Company to meet specified financial covenants that are measured based on pre-defined consolidated EBITDA thresholds. The Company was not subject to the consolidated EBITDA (as defined in the Ares Facility) covenant during the year ended January 31, 2021. The consolidated EBITDA covenant for the Ares Facility became effective as of the second quarter of fiscal year 2021. The consolidated EBITDA covenant threshold is $(11.0) million for the nine-month period ending January 31, 2022, and $22.0 million for the twelve-month period ending October 31, 2022. These thresholds are subject to the equity cure, which allows for the application of the April and May 2021 Series G proceeds cumulatively for the quarters ending July 31, 2021 through October 31, 2022. The consolidated EBITDA covenant applies through the quarter ending July 31, 2023. After October 31, 2022 the consolidated EBITDA covenant thresholds increase in each successive quarterly period and the proceeds from the April and May 2021 Series G issuances are no longer permitted to be applied to an equity cure.

The Ares Facility also requires the Company to comply with a minimum fixed charge coverage ratio of 1:1 when liquidity is below the minimum specified threshold of $20.0 million applicable to such measurement period. The Ares Facility requires mandatory prepayment upon defined triggering events as well as permitting optional prepayments and certain of the mandatory prepayment triggering items are subject to a prepayment premium.

The Ares Facility contains various events of default, the occurrence of which could result in the acceleration of obligations under the Ares Facility. The definition of “Material Adverse Effect” notes that until July 31, 2021 any change in or effect upon the business, operations, assets or financial condition of the Company and its subsidiaries substantially and directly related to the impacts of COVID-19 shall not be considered to be a Material Adverse Effect so long as any such change or effect is not materially disproportionately adverse to the Company compared to other companies in the same industry.

The Company allocated the debt discount and debt issuance costs amongst the various instruments issued in the Ares Financing Transaction. The amount allocated as a debt discount was $10.4 million, of which $1.7 million related to fees paid to the lender and $8.7 million related to the allocation of proceeds to the warrants issued. The Company also recorded debt issuance costs of $1.6 million related to other third-party costs incurred in obtaining the Ares Facility. Please refer to Note 12 for the details of the warrants outstanding in relation to the Ares Financing Transaction. These amounts are being accreted using the effective interest method to the principal amount of the Ares Facility through the recognition of noncash interest expense up to the maturity date. The effective interest rate for the period from the date of issuance through January 31, 2021 and July 31, 2021 was 13.35%.

The Company determined that all of the embedded features of the Ares Facility were either clearly and closely related to the debt host and did not require bifurcation as a derivative liability,

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or the fair value of the feature was immaterial to the Company's consolidated financial statements.

Covenants

The Company was in compliance with all applicable financial and nonfinancial covenants as of January 31, 2021 and July 31, 2021.

8. Income Taxes

The Company's loss before income taxes includes the following components:

	Year Ended January 31,	
	2020	2021
Domestic	$(154.1)	$ (171.4)
Foreign	—	0.3
Loss before income taxes	$(154.1)	$ (171.1)

Total income taxes allocated to operations are as follows:

	Year Ended January 31,	
	2020	2021
Current provision:		
Federal	$—	$—
State and local	—	—
Foreign	—	—
Total current provision	—	—
Deferred provision:		
Federal	—	—
State and local	—	—
Foreign	0.2	—
Total deferred provision	0.2	—
Total benefit from (provision for)	$ 0.2	$—

(Dollars in millions, except share and per share amounts)

The significant components of the Company's net deferred tax assets (liabilities) are as follows:

	Year Ended January 31,	
	2020	2021
Deferred tax assets:		
Federal and state net operating loss carryforwards	$ 87.3	$ 122.6
Customer credits liability	1.8	2.1
Interest limitation	10.2	22.0
Fixed assets	3.3	—
Tax credits	1.6	3.3
Share-based compensation	2.2	3.5
Operating lease liability	13.0	16.5
Other	0.4	0.4
Total deferred tax assets	119.8	170.4
Deferred tax liabilities:		
Fixed assets	—	(0.9)
Operating lease right-of-use-asset	(9.7)	(10.3)
Total deferred tax liabilities	(9.7)	(11.2)
Net deferred tax assets before valuation allowance	110.1	159.2
Less valuation allowance	(109.9)	(159.0)
Net deferred tax assets	$ 0.2	$ 0.2

As of January 31, 2020 and 2021 and July 31, 2021, the Company maintained a valuation allowance against all of its U.S. deferred tax assets since, in the judgment of management, the realization of these assets was not considered more likely than not. The net change in the total valuation allowance in fiscal years 2019 and 2020 was an increase of $46.8 million and $49.1 million, respectively. The Company's deferred tax assets are included in other assets on the consolidated balance sheets.

As of January 31, 2021, the Company had federal net operating loss tax carryforwards of approximately $459.3 million. Approximately $152.0 million of the net operating loss carryforwards will expire at various times through 2038, while $307.3 million will not expire.

In general, under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its NOLs to offset future taxable income. The Company has undergone one ownership change on February 16, 2010, and its NOLs arising before that date are subject to Section 382 limitations. These limitations will not materially limit the use of such NOLs to offset the Company's future taxable income.

(Dollars in millions, except share and per share amounts)

The benefit for income taxes differs from the amount computed by applying the statutory U.S. Federal income tax rate to pretax loss because of the effect of the following items:

	Year Ended January 31,	
	2020	2021
Compute “expected” tax benefit	21.00%	21.00%
State income taxes, net of federal benefit	(0.01)%	(0.01)%
Current year change in valuation allowance	(20.91)%	(21.55)%
Other	0.03%	0.56%
Income tax benefit (expense)	0.11%	0.00%

The following table summarizes the unrecognized tax benefit activity for the periods indicated:

	Year Ended January 31,	
	2020	2021
Balance as of the beginning of period	$ —	$ —
Additions based on tax positions related to the current year	—	0.2
Additions for tax positions of prior years	—	0.4
Reductions for tax positions of prior years	—	—
Lapse of statute of limitation	—	—
Settlements	—	—
Balance as of the end of the period	$ —	$ 0.6

The amount of unrecognized tax benefits included on the consolidated balance sheets as of January 31, 2020 and 2021 and July 31, 2021 are $0 million, $0.6 million and $0.6 million, respectively.

The total amount of unrecognized tax benefits relating to the Company’s tax positions is subject to change based on future events including, but not limited to, the settlements of ongoing audits and/or the expiration of applicable statutes of limitations. The outcomes and timing of such events are highly uncertain and a reasonable estimate of the range of gross unrecognized tax benefits, excluding interest and penalties, that could potentially be reduced during the next 12 months cannot be made.

The Company is subject to United States federal and state taxation, as well as subject to taxation in Ireland. The Company may be subject to examination by the Internal Revenue Service (“IRS”) and as of January 31, 2021, tax year 2016 and years filed thereafter remain open to examination. These examinations may result in proposed adjustments to the Company’s income tax liability or tax attributes with respect to years under examination as well as subsequent periods.

The provision for income taxes involves a significant amount of management judgment regarding interpretation of relevant facts and laws in the jurisdictions in which the Company operates. Future changes in applicable laws, projected levels of taxable income and tax planning could change the effective tax rate and tax balances recorded by the Company. In addition, tax authorities periodically review income tax returns filed by the Company and can raise issues regarding its filing positions, timing and amount of income and deductions, and the allocation of

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income among the jurisdictions in which the Company operates. A significant period of time may elapse between the filing of an income tax return and the ultimate resolution of an issue raised by a revenue authority with respect to that return. Any adjustments as a result of any examination may result in additional taxes or penalties against the Company. If the ultimate result of these audits differs from original or adjusted estimates, they could have a material impact on the Company's tax provision.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was enacted and signed into law. Among other things, the CARES Act has modified the Internal Revenue Code of 1986, as amended, including, but not limited to: (1) modifications to the business interest deduction limitation for tax years 2019 and 2020; (2) a technical correction of the recovery period of qualified improvement property from 39 to 15 years; and (3) a repeal of the 80% taxable income limitation on the deduction of net operating losses ("NOLs") for tax years beginning before January 1, 2021 as well as a five-year carryback period allowed for NOLs generated in tax years beginning after December 31, 2017 and before January 1, 2021.

Under ASC 740, the effects of new legislation must be recognized in the period of enactment. Therefore, the effects of the CARES Act are accounted for in the fiscal year ended January 31, 2021. The Company evaluated the provisions of the CARES Act and determined that there is no material impact for the fiscal year ended January 31, 2021. The Company will continue to assess the potential income tax impact of the CARES Act and monitor any updates to the legislation.

9. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	January 31,		July 31,
	2020	2021	2021 (unaudited)
Revenue share payable	$ 3.6	$ 4.3	$ 4.3
Accrued operating and general expenses	5.1	3.8	5.8
Accrued payroll related expenses	2.7	3.4	4.3
Sales and other taxes	1.9	1.0	1.3
Current portion of long-term debt	—	0.9	0.8
Gift card liability	0.7	0.7	0.7
Accrued expenses and other current liabilities	$14.0	$14.1	$ 17.2

10. Fair Value Measurements

The Company follows the guidance in ASC 820 for its financial assets and liabilities that are remeasured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually.

Observable inputs are based on market data obtained from independent sources. Unobservable inputs reflect the Company's assessment of the assumptions market participants would use to value certain financial instruments. This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

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The Company's assets and liabilities that are measured at fair value on a recurring basis, by level, within the fair value hierarchy are summarized as follows:

Description	Level	January 31, 2020	January 31, 2021	July 31, 2021 (unaudited)
Liabilities:				
Warrant liability – Common stock warrants	3	$ —	$11.2	$ 19.0
Warrant liability – Preferred stock warrants	3	0.6	0.6	0.3
Total liabilities		$0.6	$11.8	$ 19.3

The warrant liabilities are valued using a Black-Scholes option pricing model. The assumptions used in preparing the model include estimates such as volatility, contractual terms, discount rates, dividend yield, expiration dates and risk-free interest rates. This valuation model uses unobservable market share price input on a recurring basis, and therefore is considered a Level 3 liability.

The following table presents a rollforward of the fair value of the level 3 liabilities recorded at fair value for the year ended January 31, 2021 and the six months ended July 31, 2021:

	Warrant Liability
Balance at January 31, 2020	$ 0.6
Issuance of common stock warrants	11.6
Issuance of preferred stock warrants	—
Changes in estimated fair value	(0.4)
Balance at January 31, 2021	$ 11.8
Changes in estimated fair value (unaudited)	7.0
Issuance of common stock warrants (unaudited)	0.5
Balance at July 31, 2021 (unaudited)	$ 19.3

There were no issuances of warrants during the year ended January 31, 2020. The changes in estimated fair value of preferred stock warrants during the six months ended July 31, 2020 and year ended January 31, 2020 were not material. The (gain) / loss resulting from changes in the estimated fair value of common and preferred stock warrants are recorded within other income / (expense) on the consolidated statements of operations.

The Company issued a warrant for 40,828 shares of common stock with a fair value at issuance of $0.5 million during the six months ended July 31, 2021. The warrant for 76,627 shares of preferred stock with a fair value at issuance of $0.0 million was exercised during the six months ended July 31, 2021 for cash proceeds of $1.1 million.

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The key assumptions used in the Black-Scholes option pricing model for the valuation of the common and preferred stock warrant liabilities were as follows:

	Year Ended January 31, 2021	Six Months Ended July 31, 2021 (unaudited)
Valuation assumptions:		
Expected dividend yield	—%	—%
Expected volatility	87.68%	67.42%-80.83%
Expected term (in years)	6.75	1.50 – 6.25
Risk-free interest rate	0.79%	0.19%-0.69%

11. Redeemable Preferred Stock

The following tables summarize the Company's redeemable preferred stock:

	January 31, 2020			
	Shares Authorized	Shares Issued and Outstanding	Carrying Value, Net of Issuance Costs	Liquidation Value
Seed Series	4,375,000	4,375,000	$ 1.7	$ 1.7
Series A	5,187,500	5,187,500	15.0	15.0
Series B	1,949,256	1,949,256	15.5	15.5
Series C	1,861,323	1,845,569	20.5	20.5
Series C-1	351,108	351,108	3.9	3.9
Series D	3,609,493	3,521,456	59.8	60.0
Series E	3,723,110	3,723,110	80.8	81.0
Series F	6,039,272	6,039,272	133.3	135.0
	27,096,062	26,992,271	$ 330.5	$ 332.6

	January 31, 2021			
	Shares Authorized	Shares Issued and Outstanding	Carrying Value, Net of Issuance Costs	Liquidation Value
Seed Series	4,375,000	4,375,000	$ 1.7	$ 1.7
Series A	5,187,500	5,187,500	15.0	15.0
Series B	1,949,256	1,949,256	15.5	15.5
Series C	1,861,323	1,845,569	20.5	20.5
Series C-1	351,108	351,108	3.9	3.9
Series D	3,609,493	3,521,456	59.8	60.0
Series E	3,723,110	3,723,110	80.8	81.0
Series F	6,039,272	6,039,272	133.3	135.0
Series G	8,140,584	4,145,650	57.6	61.1
	35,236,646	31,137,921	$ 388.1	$ 393.7

(Dollars in millions, except share and per share amounts)

	July 31, 2021 (unaudited)			
	Shares Authorized	Shares Issued and Outstanding	Carrying Value, Net of Issuance Costs	Liquidation Value
Seed Series	4,375,000	4,375,000	$ 1.7	$ 1.7
Series A	5,187,500	5,187,500	15.0	15.0
Series B	1,949,256	1,949,256	15.5	15.5
Series C	1,845,569	1,845,569	20.5	20.5
Series C-1	351,108	351,108	3.9	3.9
Series D	3,609,493	3,521,456	59.8	60.0
Series E	3,723,110	3,723,110	80.8	81.0
Series F	6,039,272	6,039,272	133.3	135.0
Series G	8,975,101	5,583,191	78.8	82.3
	36,055,409	32,575,462	$ 409.3	$ 414.9

Voting

The holders of redeemable preferred stock are entitled to vote, together with the holders of common stock, on all matters submitted to stockholders for a vote. Each preferred stockholder is entitled to the number of votes equal to the number of shares of common stock into which each preferred share of stock is convertible at the time of such vote. The holders of redeemable preferred stock are entitled to other specific voting rights, including with respect to the election of directors.

Dividends

The holders of redeemable preferred stock are entitled to receive dividends if and when declared by the Board of Directors. In the event the Board of Directors declares a dividend payable on outstanding shares of common stock (other than payable in the form of additional shares of common stock), the holders of redeemable preferred stock shall receive an equivalent dividend. These dividends are payable in preference and priority to any payment of any dividend on common stock. No dividends have been declared since inception.

Liquidation Preference

In the event of any liquidation, dissolution, winding up or other liquidation event of the Company, the holders of Series G are entitled to receive, and in preference to the holders of Seed Series, Series A, Series B, Series C, Series C-1, Series D, Series E, Series F and common stock, an amount equal to $14.740960 per share plus any declared but unpaid dividends. After payments of the preference amounts to the Series G holders, the holders of Series F are entitled to receive, and in preference to the holders of Seed Series, Series A, Series B, Series C, Series C-1, Series D, Series E, and common stock, an amount equal to $22.35369 per share plus any declared but unpaid dividends. After payments of the preference amounts to the Series G and F holders, the holders of Series E are entitled to receive, and in preference to the holders of Seed Series, Series A, Series B, Series C, Series C-1, Series D, and common stock, an amount equal to $21.75600 per share plus any declared but unpaid dividends. After payments of the preference amounts to

the Series G, F and Series E holders, the holders of Series D are entitled to receive, and in preference to the holders of Seed Series, Series A, Series B, Series C, Series C-1 and common stock, an amount equal to $17.03841 per share plus any declared but unpaid dividends. After payments of the preference amounts to the Series G, F, Series E and Series D holders, the holders of Seed Series, Series A, Series B, Series C, and Series C-1 shares are entitled to receive, pari passu as to each other and in preference to the holders of common stock, an amount equal to $0.40 per share, $2.8916 per share, $7.9453 per share, $11.10768 per share, and $11.10768 per share, respectively, plus any declared but unpaid dividends. Notwithstanding the above, each holder of redeemable preferred stock shall be deemed to have converted such shares into common stock if, as a result of the conversion, such holder would receive, in aggregate, an amount greater than if such holder did not convert.

Conversion

Each share of Seed Series, Series A, Series B, Series C, Series D, Series E, Series F and Series G stock is convertible at any time into common stock at the option of the holder. The conversion ratio is initially one to one, but is subject to proportional adjustment for stock splits, stock dividends and the like, and broad-based weighted-average adjustment for dilutive issuances as contained in the Company's Eleventh Amended and Restated Certificate of Incorporation, as amended. The redeemable preferred stock will automatically convert upon the closing of an underwritten public offering of at least $17.03841 purchase price and resulting in at least $100.0 million of aggregate gross proceeds to the Company (a "Qualified Public Offering"). Upon an affirmative vote or written consent of the majority of the then outstanding shares of Seed Series, Series A, Series B, and Series C, voting together as a single class, all the shares of the Seed Series, Series A, Series B, and Series C shall be automatically converted to common stock. Upon an affirmative vote or written consent of the majority of the then outstanding shares of Series D, the Series D shall be automatically converted to common stock. Upon an affirmative vote or written consent of a majority of the then outstanding shares of Series E, including Fidelity Puritan Trust: Fidelity Fund as long as it holds the requisite amount of Series E redeemable preferred stock, the Series E shall be automatically converted to common stock. Upon an affirmative vote or written consent of a majority of the then outstanding shares of Series F, including one of Bain Capital Ventures (collectively BCIP Venture Associates, BCIP Venture Associates-B and Bain Capital Venture Fund 2009, L.P.) as long as it holds the requisite amount of Series F or Franklin (collectively Franklin Strategic Series—Franklin Small Cap Growth Fund and Franklin Templeton Investment Funds—Franklin Technology Fund) in each case as long as it holds the requisite amount of Series F, the Series F shall be automatically converted to common stock. Upon an affirmative vote or written consent of the majority of the then outstanding shares of Series G, including T. Rowe Investors (collectively holders of redeemable preferred stock that are advisory clients of T. Rowe Price Associates, Inc. or any successor or affiliated registered investment advisor) as long as it holds the requisite amount of Series F or G redeemable preferred stock and Ares as long as it or its affiliates collectively hold the requisite amount of Series G redeemable preferred stock, the Series G shall be automatically converted to common stock.

The issuance of Series G redeemable preferred stock did not result in any anti-dilution adjustments to the other series of redeemable preferred stock.

(Dollars in millions, except share and per share amounts)

Other than in a Qualified Public Offering, the Series C-1 is not convertible into common stock; however, upon written notice to the Company by the holder, such stock shall be entitled only to rights applicable to shares of common stock and the holder shall be entitled to receive distributions equal to the amounts that may become payable to holders of common stock as if such Series C-1 shares had been converted, but without actually converting.

Redemption

The redeemable preferred stock is redeemable upon a liquidation event, such as voluntary or involuntary liquidation, dissolution, or winding up of the Company, which is outside of the Company's control. Accordingly, these shares are considered contingently redeemable and are classified outside of stockholders' deficit as mezzanine equity on the consolidated balance sheets. Because the occurrence of a liquidation event is not probable as of January 31, 2021 or July 31, 2021, the carrying values of the redeemable preferred stock are not being accreted to their liquidation values. In the event that it becomes probable that the Company's redeemable preferred stock will be redeemed, the Company will immediately accrete the carrying values of the redeemable preferred stock to their liquidation values.

12. Stockholders' Equity

Common Stock

Holders of common stock are entitled to one vote per share, dividends if and when declared by the Board of Directors and, upon liquidation, dissolution, winding up or other liquidation event of the Company, all assets available for distribution to common stockholders. There are no redemption provisions with respect to common stock. Common stock is subordinate to redeemable preferred stock with respect to dividend rights and rights upon liquidation, dissolution, winding up, or other liquidation event of the Company.

(Dollars in millions, except share and per share amounts)

Warrants

As of January 31, 2020 and 2021 and July 31, 2021, the Company had the following outstanding warrants:

	January 31, 2020				
Outstanding Warrants	Date Issued	Number of Shares	Class of Shares	Exercise Price ($)	Fair Value at Issuance
Equity classified:					
TriplePoint	Nov-16	82,891	Common	7.54	$ 0.3
TriplePoint	Jun-17	18,236	Common	7.54	0.1
TriplePoint	Sep-17	14,920	Common	7.54	0.1
TriplePoint	Jan-18	16,578	Common	7.54	0.1
TriplePoint	Apr-18	16,578	Common	7.54	0.1
Double Helix (Temasek)	Jul-18	730,000	Common	0.01	9.0
Double Helix (Temasek)	Jul-18	730,000	Common	27.40	1.3
		1,609,203			$ 11.0
Liability classified:					
Comerica Bank	Oct-13	15,754	Series C	11.11	0.1
TriplePoint	Nov-15	35,215	Series D	17.04	0.2
TriplePoint	Jun-16	28,172	Series D	17.04	0.2
TriplePoint	Sep-16	24,650	Series D	17.04	0.1
		103,791			$ 0.6

	January 31, 2021				
Outstanding Warrants	Date Issued	Number of Shares	Class of Shares	Exercise Price ($)	Fair Value at Issuance
Equity classified:					
TriplePoint	Nov-16	82,891	Common	7.54	$ 0.3
TriplePoint	Jun-17	18,236	Common	7.54	0.1
TriplePoint	Sep-17	14,920	Common	7.54	0.1
TriplePoint	Jan-18	16,578	Common	7.54	0.1
TriplePoint	Apr-18	16,578	Common	7.54	0.1
Double Helix (Temasek)	Jul-18	730,000	Common	0.01	9.0
Double Helix (Temasek)	Jul-18	730,000	Common	27.40	1.3
		1,609,203			$ 11.0
Liability classified:					
TriplePoint	Nov-15	35,215	Series D	17.04	0.2
TriplePoint	Jun-16	28,172	Series D	17.04	0.2
TriplePoint	Sep-16	24,650	Series D	17.04	0.1
10 Jay	Oct-20	76,627	Series G	14.74	—
Ares	Oct-20	1,651,701	Common	0.01	11.6
		1,816,365			$ 12.1

(Dollars in millions, except share and per share amounts)

Outstanding Warrants	July 31, 2021 (unaudited)				
	Date Issued	Number of Shares	Class of Shares	Exercise Price ($)	Fair Value at Issuance
Equity classified:					
TriplePoint	Nov-16	82,891	Common	7.54	$ 0.3
TriplePoint	Jun-17	18,236	Common	7.54	0.1
TriplePoint	Sep-17	14,920	Common	7.54	0.1
TriplePoint	Jan-18	16,578	Common	7.54	0.1
TriplePoint	Apr-18	16,578	Common	7.54	0.1
Double Helix (Temasek)	Jul-18	730,000	Common	0.01	9.0
Double Helix (Temasek)	Jul-18	730,000	Common	27.40	1.3
		1,609,203			$ 11.0
Liability classified:					
TriplePoint	Nov-15	35,215	Series D	17.04	0.2
TriplePoint	Jun-16	28,172	Series D	17.04	0.2
TriplePoint	Sep-16	24,650	Series D	17.04	0.1
Ares	Oct-20	1,651,701	Common	0.01	11.6
Ares	May-21	40,828	Common	0.01	0.5
		1,780,566			$ 12.6

The fair value is estimated using the Black-Scholes option pricing model. The fair value is subjective and is affected by changes in inputs to the valuation model including the fair value per share of the underlying stock, the expected term of each warrant, volatility of the Company's stock and peer company stock, and risk-free rates based on U.S. Treasury yield curves.

The outstanding common stock warrants issued to Ares include a provision in which the holder can receive additional warrant shares upon subsequent issuances of Series G redeemable preferred stock. This feature precludes the warrants from meeting the criteria to be classified in stockholders' equity and therefore, the warrants are accounted for as derivative liabilities in accordance with ASC 815-40. This provision expires in October 2021. The common stock warrants issued to Ares were allocated a portion of the proceeds received from the Ares Financing Transaction equal to their fair value.

The Company issued preferred and common stock warrants in conjunction with the issuance of long-term debt. The preferred stock warrants are accounted for as liabilities primarily because the shares underlying the warrants contain contingent redemption features outside the control of the Company. The liability classified warrants are subject to remeasurement at each balance sheet date. With each such re-measurement, the liability classified warrants are adjusted to current fair value recognized as a gain or loss within other income / (expense), net in the consolidated statements of operations. The Company will reassess the classification of the warrants at each balance sheet date. If the classification changes as a result of events during the period, the warrants will be reclassified as of the date of the event that causes the reclassification.

As of January 31, 2020 and 2021 and July 31, 2021, all common stock warrants, with the exception of Ares Facility common stock warrants, were recorded as additional paid in capital and all preferred stock warrants were recorded as liabilities. Equity classified contracts are not subsequently remeasured unless reclassification is required from equity to liability classification.

(Dollars in millions, except share and per share amounts)

13. Stock Incentive Plan

In 2009, the Company adopted its stock incentive plan (the "2009 Plan") pursuant to which the Company's Board of Directors may grant stock options or nonvested shares to employees and service providers. In 2019, the Company adopted a new stock incentive plan (the "2019 Plan") pursuant to which the Company's Board of Directors may grant equity, including stock options, RSUs or nonvested shares, to employees and service providers. The Company has granted RSUs and stock options, each of which is settleable in shares. The 2019 Plan, as amended, authorizes grants to purchase up to 13,469,648 shares of common stock. Stock options can be granted with an exercise price less than, equal to or greater than the stock's fair value at the date of grant. Most stock option awards have a 10-year term, and vest and become fully exercisable after 4 years of service from the date of grant. RSU awards have a 10-year term and have two vesting requirements in order to vest – a time-based requirement and a liquidity event requirement, inclusive of an IPO event. RSUs typically have a 4-year time-based vesting requirement. No RSUs will vest if only one (or if neither) of such requirements is satisfied on or before the end of the 10-year term. Any forfeitures of equity awards granted under the 2009 Plan are automatically transferred to the 2019 Plan.

As of January 31, 2020 and 2021 and July 31, 2021, there were 582,258, 2,459,983, and 702,367 shares available, respectively, for the Company to grant under the 2019 Plan. The grant date fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model. The option pricing model considers several variables and assumptions in estimating the fair value of stock-based awards. Since the Company's shares are not publicly traded and its shares are infrequently traded privately, expected term is estimated under the simplified method using the vesting and contractual terms and expected volatility is estimated based on the average historical volatility of similar entities with publicly traded shares. The risk-free rate for the expected term of the option is based on the U.S. Treasury yield curve at the date of grant. The weighted-average assumptions for grants made in fiscal years 2019 and 2020 and during the six months ended July 31, 2021, were as follows:

	Year Ended January 31,		Six Months Ended July 31,
	2020	2021	2021 (unaudited)
Valuation assumptions:			
Expected dividend yield	— %	— %	— %
Expected volatility	56.04%	63.91%	68.44%
Expected term (in years)	6.10	4.89	6.00
Risk-free interest rate	1.91%	0.34%	1.01%

(Dollars in millions, except share and per share amounts)

Stock Options

Stock option activity during the periods indicated is as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contract Term (in years)	Aggregate Intrinsic Value
Balances at January 31, 2019	5,355,557	$ 7.82	7.78	$ 24.7
Granted	2,310,773	13.43		
Exercised	(270,978)	6.56		
Forfeited	(371,818)	11.56		
Balances at January 31, 2020	7,023,534	$ 9.52	7.31	$ 34.8
Granted (1)	3,153,275	7.47		
Exercised	(84,885)	6.81		
Forfeited (1)	(4,031,817)	12.16		
Balances at January 31, 2021	6,060,107	$ 6.76	6.45	$ 3.7
Granted (unaudited)	3,859,949	7.01		
Exercised (unaudited)	(334,732)	5.58		
Forfeited (unaudited)	(270,719)	7.17		
Balances at July 31, 2021 (unaudited)	9,314,605	$ 6.88	7.50	$ 40.7
Exercisable at July 31, 2021 (unaudited)	4,151,051	$ 6.66	5.50	$ 19.1

(1) Includes options that were canceled and re-granted as part of the option repricing modification, as further discussed below.

The weighted average grant date fair values of stock options granted during fiscal years 2019 and 2020 and for the six months ended July 31, 2021 were $7.21, $1.53 (as adjusted for the option repricing modification as further discussed below), and $4.49, respectively. The total intrinsic value of stock options exercised during the fiscal years 2019 and 2020 and for the six months ended July 31, 2021 were $1.9 million, $0.3 million, and $0.6 million, respectively.

As of January 31, 2020 and 2021, there were $13.0 million and $9.6 million of unrecognized compensation costs related to stock options granted under the Plan that are expected to be recognized over a weighted average period of 2.82 and 2.23 years, respectively. As of July 31, 2021, there was $16.7 million of unrecognized compensation cost related to stock options granted under the Plan that is expected to be recognized over a weighted average period of 3.32 years.

The Company currently uses authorized and unissued shares to satisfy exercising of stock option awards.

On October 26, 2020, the Company's Board approved a one-time stock option repricing, which repriced certain outstanding stock options held by current employees and directors with an option exercise price of $12.43 and above. There were 2,565,149 outstanding eligible stock options that were amended to reduce such exercise price to $7.01 per share, the current fair market value of the Company's common stock on the date of the approval of the repricing. Except for the modified exercise price, all other terms and conditions of each of the eligible stock options remained in full force and effect. The repricing was recorded as a stock option modification

(Dollars in millions, except share and per share amounts)

whereby the incremental fair value of each option was determined using the Black-Scholes option pricing model at the date of the modification, and $1.2 million was recognized related to vested options as incremental compensation expense during the year ended January 31, 2021. The Company will recognize the remaining $1.1 million of incremental compensation costs on a straight-line basis over the remaining requisite service period.

RSUs

RSUs activity during the periods indicated is as follows:

	Number of Shares	Weighted Average Grant-Date Fair Value per Share
Unvested and outstanding as of January 31, 2020	—	$ —
Granted	1,689,217	12.29
Forfeited	(179,616)	13.34
Unvested and outstanding as of January 31, 2021	1,509,601	12.17
Granted (unaudited)	797,592	7.44
Forfeited (unaudited)	(120.020)	7.41
Unvested and outstanding as of July 31, 2021 (unaudited).	2,187,173	$ 10.72

The table above excludes 203,526 RSUs that were agreed to be granted during the six months ended July 31, 2021, but will not be granted until the consummation of an IPO event.

The total unrecorded share-based compensation expense related to these awards was $12.7 million and $17.9 million as of January 31, 2021 and July 31, 2021, respectively. The total unrecorded share based compensation expense relating to RSUs for which the time-based service vesting condition had been satisfied or partially satisfied as of January 31, 2021 and July 31, 2021 was $7.6 million and $11.9 million, respectively, which represents the amount of cumulative compensation expense that would have been recognized in the financial statements had the initial public offering been determined to be probable as of January 31, 2021 and July 31, 2021. There were no outstanding RSUs and, as such, no related unrecorded share-based compensation expense as of January 31, 2020.

(Dollars in millions, except share and per share amounts)

Share-Based Compensation Summary

The classification of share-based compensation by line item within the consolidated statements of operations is as follows:

	Year Ended January 31,		Six Months Ended July 31,	
	2020	2021	2020	2021
			(unaudited)	
Technology	$ 1.7	$ 2.0	$ 1.0	$ 0.9
Marketing	0.4	0.4	0.2	0.2
General and administrative	4.7	5.8	2.6	3.2
Total share-based compensation	$ 6.8	$ 8.2	$ 3.8	$ 4.3

14. Net Loss per Share Attributable to Common Stockholders

The Company computes net loss per share attributable to common stockholders under the two-class method required for participating securities. The Company has one class of common stock.

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders:

	Year Ended January 31,		Six Months Ended July 31,	
	2020	2021	2020	2021
			(unaudited)	
Numerator:				
Net loss attributable to common stockholders	$ (153.9)	$ (171.1)	$ (88.0)	$ (84.7)
Denominator:				
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	10,964,634	11,138,851	11,124,993	11,375,889
Net loss per share attributable to common stockholders, basic and diluted	$ (14.04)	$ (15.36)	$ (7.91)	$ (7.44)

(Dollars in millions, except share and per share amounts)

The following potentially dilutive outstanding securities based on amounts outstanding at each period end were excluded from the computation of diluted loss per share attributable to common stockholders because including them would have been anti-dilutive:

	January 31,		July 31,	
	2020	2021	2020 (unaudited)	2021 (unaudited)
Redeemable preferred stock	26,992,271	31,137,921	29,387,695	32,575,462
Stock options	7,023,534	6,060,107	6,722,427	9,314,605
Common stock warrants	879,203	2,530,904	879,203	2,571,732
Preferred stock warrants	103,791	164,664	103,791	88,037
Total	34,998,799	39,893,596	37,093,116	44,549,836

As of July 31, 2020, January 31, 2021, and July 31, 2021, RSUs to be settled in 1,280,323, 1,509,601 and 2,187,173 shares of common stock, respectively, were excluded from the table above because they are subject to performance-based vesting conditions that were not achieved as of such dates. There were no outstanding RSUs as of January 31, 2020.

15. Supplemental Cash Flow Information

Supplemental cash flow disclosures for the years ended January 31, 2020 and 2021 and the six months ended July 31, 2020 and 2021, are as follows:

	Year Ended January 31,		Six Months Ended July 31,	
	2020	2021	2020 (unaudited)	2021 (unaudited)
Cash payments for:				
Interest paid on loans	$ 1.5	$ 3.7	$ 1.2	$ 2.0
Interest paid on financing leases	0.1	—	—	—
Fixed operating leases	7.0	2.6	(2.2)	8.3
Non-cash financing and investing activities:				
Financing leases right-of-use asset amortization	$ 0.1	$ 0.2	$ 0.1	$ 0.2
ROU assets obtained in exchange for lease liabilities (1)	40.0	0.1	—	0.3
Adjustments to ROU assets or lease liabilities due to modification or other reassessment events	—	5.2	5.2	0.1
Purchases of fixed assets not yet settled	2.1	0.5	2.5	0.5
Purchases of rental product not yet settled	3.6	3.6	6.0	1.7

(1) Includes non-cash ROU assets obtained in exchange for lease liabilities in accordance with the adoption of ASC 842 as of February 1, 2019.

16. Commitments and Contingencies

The Company had restricted cash balances for cash collateralized standby letters of credit as of January 31, 2020 and 2021 and July 31 2021 of $10.5 million, $13.9 million and $11.5 million, respectively (see Note 2), primarily to satisfy security deposit requirements on its leases (see

(Dollars in millions, except share and per share amounts)

Note 4). As of January 31, 2020, the Company had the ability and intent to redeem the restricted cash balances and issue letters of credit to satisfy security deposit requirements on its leases. Additionally, as of January 31, 2020 and 2021 and July 31, 2021, the Company had non-cash collateralized standby outstanding letters of credit of $1.7 million, $0.0 million, and $0.0 million, respectively.

As of January 31, 2021 and July 31, 2021, there was no litigation or contingency with at least a reasonable possibility of a material loss.

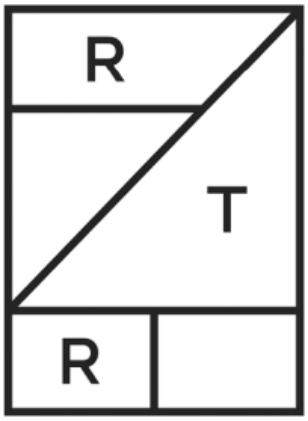
17. Subsequent Events

Subsequent events have been evaluated through July 16, 2021, which is the date the consolidated financial statements were available to be issued.

In April and May 2021, the Company issued an additional 1,360,914 Series G redeemable preferred stock at $14.74096 per share, for a total amount of $20.1 million. Along with this transaction, an additional 40,828 common stock warrants were issued to Ares, representing 3.0% of the Series G redeemable preferred stock issuance. Concurrently, the Company entered into the first amendment to the Ares Facility. The Company's EBITDA definition and cure provisions were amended to allow for the application of the April and May 2021 Series G proceeds cumulatively for the quarters ending July 31, 2021 through October 31, 2022.

Shares

Class A Common Stock



Goldman Sachs & Co. LLC **Morgan Stanley** **Barclays**

Credit Suisse **Piper Sandler** **Wells Fargo Securities** **JMP Securities** **KeyBanc Capital Markets**

Telsey Advisory Group

Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all fees and expenses, other than the underwriting discount, payable solely by Rent the Runway, Inc. in connection with the offer and sale of the securities being registered. All amounts are estimated except the SEC registration fee, the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee and the exchange listing fee.

	Amount
SEC registration fee	$ 9,270
FINRA filing fee	15,500
Exchange listing fee	*
Printing fees and expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Custodian, transfer agent, and registrar fees	*
Other advisors' fees	*
Miscellaneous fees and expenses	*
Total	$ *

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities, including reimbursement for expenses incurred, arising under the Securities Act. Our Amended Charter that will be in effect immediately following the effectiveness of the registration statement of which this prospectus forms a part permits indemnification of our directors, officers, employees, and other agents to the maximum extent permitted by the Delaware General Corporation Law, and our Amended Bylaws that will be in effect immediately following the effectiveness of the registration statement of which this prospectus forms a part provide that we will indemnify our directors and officers and permit us to indemnify our employees and other agents, in each case to the maximum extent permitted by the Delaware General Corporation Law.

We have entered into indemnification agreements with our directors and officers, whereby we have agreed to indemnify our directors and officers to the fullest extent permitted by law, including indemnification against expenses and liabilities incurred in legal proceedings to which the director or officer was, or is threatened to be made, a party by reason of the fact that such director or officer is or was a director, officer, employee or agent of ours, provided that such director or officer acted in good faith and in a manner that the director or officer reasonably believed to be in, or not opposed to, our best interest.

The indemnification provisions in our Amended Charter, Amended Bylaws, and the indemnification agreements that we have entered into or will enter into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and

other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, there is no pending litigation or proceeding involving a director or officer of ours regarding which indemnification is sought, nor is the registrant aware of any threatened litigation that may result in claims for indemnification.

We maintain insurance policies that indemnify our directors and officers against various liabilities arising under the Securities Act and the Exchange Act that might be incurred by any director or officer in his or her capacity as such.

Certain of our non-employee directors may, through their relationships with their employers, be insured and/or indemnified against certain liabilities incurred in their capacity as members of our board of directors.

Item 15. Recent Sales of Unregistered Securities.

During the past three years, we issued the following securities which that were not registered under the Securities Act:

Preferred Stock Issuances. Between December 2016 and February 2019, we issued an aggregate of 3,723,110 shares of our Series E redeemable preferred stock at a purchase price of $21.7560 per share, for an aggregate purchase price of $81.0 million.

Between March 2019 and January 2020, we issued an aggregate of 6,039,272 shares of our Series F redeemable preferred stock at a purchase price of $22.3537 per share, for an aggregate purchase price of $135.0 million.

Between April 2020 and May 2021, we issued an aggregate of 5,506,564 shares of our Series G redeemable preferred stock at a purchase price of $14.74096 per share, for an aggregate purchase price of $81.2 million.

Plan-Related Issuances. Since June 30, 2018, we granted to certain directors, officers, employees, consultants, and other service providers options to purchase an aggregate of 7,730,369 shares of our common stock under our 2009 Plan and 2019 Plan at exercise prices ranging from $6.76 to $14.51 per share, including the 20,000 Designer Collective Grants.

Since June 30, 2018, we granted to certain directors, officers, employees, consultants, and other service providers restricted stock units covering an aggregate of 2,431,768 shares of our common stock under our 2009 Plan and our 2019 Plan.

Warrant Issuances. Since June 30, 2018, we issued warrants to purchase up to an aggregate of 1,692,529 shares of our common stock to accredited investors at an exercise price of $0.01 per share.

Since June 30, 2018, we issued one warrant to purchase up to an aggregate of 76,627 shares of our Series G *redeemable preferred* stock at an exercise price of $14.7410 per share.

Since June 30, 2018, we issued 17,296 shares of our Series B redeemable preferred stock upon the exercise of warrants to purchase shares of our Series B redeemable preferred stock to an accredited investor at an exercise price of $7.9453 per share.

Since June 30, 2018, we issued 76,627 shares of our Series G redeemable preferred stock upon the exercise of warrants to purchase shares of our Series G redeemable preferred stock to an accredited investor at an exercise price of $14.7410 per share.

None of the transactions listed above involved any underwriters, underwriting discounts or commissions, or any public offering. Unless otherwise stated, the sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act (and Regulation D or Regulation S promulgated thereunder) or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution, and appropriate legends were placed on the share certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us. The sales of these securities were made without any general solicitation or advertising.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

Exhibit Number	Description of Exhibit
1.1*	Form of Underwriting Agreement.
3.1	Eleventh Amended and Restated Certificate of Incorporation of the Registrant, dated as of October 26, 2020, as amended by that first certificate of amendment to the Eleventh Amended and Restated Certificate of Incorporation, dated as of March 22, 2021 and that second certificate of amendment to the Eleventh Amended and Restated Certificate of Incorporation, dated April 30, 2021, as currently in effect.
3.2	Third Amended and Restated Bylaws of the Registrant, as currently in effect.
3.3*	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be effective following the effectiveness of this registration statement.
3.4*	Form of Amended and Restated Bylaws of the Registrant, to be effective following the effectiveness of this registration statement.
4.1	Specimen Class A common stock certificate of the Registrant.
4.2	Eighth Amended and Restated Investors' Rights Agreement, or the IRA, by and among the Registrant and certain of its stockholders, dated April 30, 2020, as amended by that amendment No. 1 to the IRA, dated October 26, 2020 and that amendment No. 2 to the IRA, dated April 30, 2021.
5.1*	Opinion of Latham & Watkins LLP.
10.1*	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.
10.2*+	2009 Stock Incentive Plan.
10.3*+	Form of Incentive Stock Option Agreement (2009 Plan).
10.4*+	Form of Nonstatutory Stock Option Agreement (2009 Plan).
10.5*+	2019 Stock Incentive Plan.
10.6*+	Form of Incentive Stock Option Agreement (2019 Plan).
10.7*+	Form of Nonstatutory Stock Option Agreement (2019 Plan).
10.8*+	Form of Restricted Stock Unit Agreement (2019 Plan).

Exhibit Number	Description of Exhibit
10.9*+	2021 Incentive Award Plan.
10.10*+	Form of Stock Option Agreement (2021 Plan).
10.11*+	Form of Restricted Stock Unit Agreement (2021 Plan).
10.12*+	Non-Employee Director Compensation Policy.
10.13*+	2021 Employee Stock Purchase Plan.
10.14*+	Amended and Restated Employment Agreement, by and between the Registrant and Jennifer Y. Hyman, dated , 2021.
10.15*+	Offer Letter, by and between the Registrant and Scarlett O'Sullivan, dated September 4, 2015.
10.16*+	Offer Letter, by and between the Registrant and Anushka Salinas, dated January 20, 2017.
10.17*+	Offer Letter, by and between the Registrant and Brian Donato, dated January 17, 2020.
10.18*+	Executive Severance Plan.
10.19*	Credit Agreement, dated as of October 26, 2020, as amended on April 30, 2021, by and among the Registrant, as borrower, the lenders from time to time party thereto, as lenders, and Alter Domus (US) LLC, as administrative agent.
10.20*	Credit Agreement, dated as of July 23, 2018 (as amended on December 21, 2018, April 24, 2019, November 26, 2019, June 2, 2020, August 18, 2020 and October 26, 2020, and as may be further amended, restated, supplemented or otherwise modified in accordance with the terms thereof) and the Specified Subordination Agreement, by and among the Registrant, the lenders from time to time party thereto and Double Helix Pte Ltd, as administrative agent.
10.21	Lease, dated as of July 7, 2014 as amended by that certain Lease Modification Agreement, dated April 28, 2020, each by and between Hartz Metro Leasehold I LLC and the Registrant.
10.22	Lease, dated as of February 7, 2017 as amended by that certain Lease Modification Agreement, dated April 28, 2020, each by and between Hartz Metro Leasehold I LLC and the Registrant.
10.23	Industrial Lease, dated March 31, 2018, as amended by that certain First Amendment to Industrial Lease, dated August 31, 2020, by and between TRPF COOPER I-20 LLC and the Registrant.
10.24	Lease, dated as of April 1, 2019, as amended by that certain First Amendment of Lease, dated December 10, 2020, by and between 10 Jay Master Tenant LLC and the Registrant.
16.1	Letter regarding change in certifying accountant.
21.1	List of subsidiaries of the Registrant.
23.1	Consent of PricewaterhouseCoopers LLP.
23.2*	Consent of Latham & Watkins LLP (included in Exhibit 5.1).
23.3	Consent of Green Story Inc.
23.4	Consent of SgT Limited.
23.5	Consent of Lab42 Research, LLC
24.1	Power of Attorney (included on signature page).

* To be filed by amendment.
\+ Indicates management contract or compensatory plan.

(b) Financial Statement Schedules.

All financial statement schedules are omitted because the information required to be set forth therein is not applicable or is shown in the consolidated financial statements or the notes thereto.

Item 17. Undertakings.

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act.

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, and controlling persons of the Registrant pursuant to provisions described in Item 14 above, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Brooklyn, State of New York, on October 4, 2021.

RENT THE RUNWAY, INC.

By: /s/ Jennifer Y. Hyman
Jennifer Y. Hyman
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Jennifer Y. Hyman and Scarlett O'Sullivan and each one of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in their name, place, and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to sign any registration statement for the same offering covered by this registration statement that is to be effective on filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Jennifer Y. Hyman Jennifer Y. Hyman	Chief Executive Officer and Director *(Principal Executive Officer)*	October 4, 2021
/s/ Scarlett O'Sullivan Scarlett O'Sullivan	Chief Financial Officer *(Principal Financial Officer and Principal Accounting Officer)*	October 4, 2021
/s/ Tim Bixby Tim Bixby	Director	October 4, 2021
/s/ Jennifer Fleiss Jennifer Fleiss	Director	October 4, 2021
/s/ Scott Friend Scott Friend	Director	October 4, 2021

/s/ Melanie Harris Melanie Harris	Director	October 4, 2021
/s/ Beth Kaplan Beth Kaplan	Director	October 4, 2021
/s/ Dan Nova Dan Nova	Director	October 4, 2021
/s/ Gwyneth Paltrow Gwyneth Paltrow	Director	October 4, 2021
/s/ Carley Roney Carley Roney	Director	October 4, 2021
/s/ Dan Rosensweig Dan Rosensweig	Director	October 4, 2021
/s/ Mike Roth Mike Roth	Director	October 4, 2021

Exhibit 3.1

Execution Version

ELEVENTH AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

RENT THE RUNWAY, INC.

Pursuant to Section 242 and 245

of the General Corporation Law of

the State of Delaware

Rent the Runway, Inc., a corporation organized and existing under the laws of the State of Delaware, does hereby certify as follows:

1. The name of the Corporation is Rent the Runway, Inc. The Certificate of Incorporation of the Corporation was originally filed with the Secretary of State of the State of Delaware on March 3, 2009.

2. This Eleventh Amended and Restated Certificate of Incorporation of the Corporation (the "Restated Charter") has been duly adopted by unanimous written consent of the Board of Directors of the Corporation in accordance with the provisions of Sections 141, 242 and 245 of the General Corporation Law of the State of Delaware.

3. The text of the Tenth Amended and Restated Certificate of Incorporation of the Corporation, as amended to date, is hereby amended and restated to read in its entirety as follows:

FIRST. The name of the corporation is Rent the Runway, Inc. (the "Corporation").

SECOND. Its registered office in the State of Delaware is to be located at Corporation Trust Center, 1209 Orange St., Wilmington, County of New Castle, Delaware 19801 and its registered agent at such address is The Corporation Trust Company.

THIRD. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH. The total number of shares of all classes of stock which the Corporation shall have authority to issue is:

(i) 60,000,000 shares of Common Stock, $0.001 par value per share ("Common Stock") and

(ii) 35,236,646 shares of Preferred Stock, $0.001 par value per share ("Preferred Stock"), of which (a) 4,375,000 shares shall be designated as Seed Series Convertible Preferred Stock (the "Seed Series Preferred Stock"), (b) 5,187,500 shares shall be designated as Series A Convertible Preferred Stock (the "Series A Preferred Stock"), (c) 1,949,256 shares shall be designated Series B Convertible Preferred Stock (the "Series B Preferred Stock"), (d) 1,861,323 shares shall be designated Series C Convertible Preferred Stock (the "Series C Preferred Stock") (e) 351,108 shares shall be designated Series C-1 Preferred Stock (the "Series C-1 Preferred Stock"), (f) 3,609,493 shares shall be designated Series D Convertible Preferred Stock (the "Series D Preferred Stock"), (g) 3,723,110 shares shall be designated Series E Convertible Preferred Stock (the "Series E Preferred Stock"), (h) 6,039,272 shares shall be designated Series F Convertible Preferred Stock (the "Series F Preferred Stock"), and (i) 8,140,584

shares shall be designated Series G Convertible Preferred Stock (the "Series G Preferred Stock" and, collectively with the Seed Series Preferred Stock, the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock, and the Series F Preferred Stock, the "Non-Regulated Series Preferred Stock"). The Seed Series Preferred Stock, the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series C-1 Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock, the Series F Preferred Stock and the Series G Preferred Stock are sometimes referred to together herein as the "Series Preferred Stock."

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation. Unless otherwise indicated, references to "Sections" or "Subsections" in Part B of this Article FOURTH refer to sections and subsections in Part B of this Article FOURTH.

A. COMMON STOCK.

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights of the holders of the Preferred Stock set forth herein.

2. Voting. Except as otherwise provided in this Restated Charter, the holders of the Common Stock are entitled to one vote for each share held at all meetings of stockholders (and written actions in lieu of meetings). There shall be no cumulative voting.

The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of Delaware.

3. Board of Directors. The holders of record of the Common Stock shall have the right to the exclusion of all other classes or series of the Corporation's capital stock, voting at a meeting of stockholders called for the purpose or by written consent, separately from the Preferred Stock, to elect three (3) individuals to serve on the Board of Directors of the Corporation. Any member of the Board of Directors elected pursuant to this Section may be removed at any time with or without cause by, and only by, the affirmative vote of a majority of the voting power of the then outstanding Common Stock. Any vacancy on the Board of Directors created by the resignation, removal, incapacity or death of any director elected pursuant to this Section shall only be filled pursuant to this Section.

B. PREFERRED STOCK.

1. Board of Directors.

(a) The holders of record of the Seed Series Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series C-1 Preferred Stock (collectively, "Junior Preferred Stock") shall have the right, to the exclusion of all other classes or series of the Corporation's capital stock, voting together as a single class on an as-converted basis at a meeting of stockholders called for the purpose or by written consent, separately from the Common Stock, the Series D Preferred Stock, the Series E Preferred Stock and the Series F Preferred Stock, to elect two (2) individuals (the "Junior Preferred Directors") to serve on the Board of Directors of the Corporation. Any member of the Board of Directors elected pursuant to this Section may be removed at any time with or without cause by, and only by, the affirmative vote of holders of a majority of the then outstanding shares of Junior Preferred Stock, voting together as a single class on an as-converted basis. Any vacancy on the Board of Directors created by the resignation, removal, incapacity or death of any director elected pursuant to this Section shall only be filled pursuant to this Section.

(b)The holders of record of the Series D Preferred Stock shall have the right, to the exclusion of all other classes or series of the Corporation's capital stock, voting at a meeting of stockholders called for the purpose or by written consent, separately from the Common Stock and all other series of Preferred Stock, to elect one (1) individual (the "Series D Director"), to serve on the Board of Directors of the Corporation. Any member of the Board of Directors elected pursuant to this Section may be removed at any time with or without cause by, and only by, the holders of a majority of the then outstanding shares of Series D Preferred Stock. Any vacancy on the Board of Directors created by the resignation, removal, incapacity or death of any director elected pursuant to this Section shall only be filled pursuant to this Section.

(c) The holders of record of the Series F Preferred Stock shall have the right, to the exclusion of all other classes or series of the Corporation's capital stock, voting at a meeting of stockholders called for the purpose or by written consent, separately from the Common Stock and all other series of Preferred Stock, to elect one (1) individual (the "Series F Director"), to serve on the Board of Directors of the Corporation. Any member of the Board of Directors elected pursuant to this Section may be removed at any time with or without cause by, and only by, the holders of a majority of the then outstanding shares of Series F Preferred Stock. Any vacancy on the Board of Directors created by the resignation, removal, incapacity or death of any director elected pursuant to this Section shall only be filled pursuant to this Section.

(d) The holders of record of the capital stock of the Corporation shall have the right, voting together as a single class on an as-converted basis at a meeting of stockholders called for the purpose or by written consent, to elect the balance of the total number of directors of the Corporation not otherwise elected pursuant to Section 3 of Part A of Article FOURTH or Sections 1(a), 1(b) or 1(c) of Part B of Article FOURTH of this Certificate of Incorporation. Any member of the Board of Directors elected pursuant to this Section may be removed at any time with or without cause by, and only by, the affirmative vote of holders of a majority of the then outstanding shares of capital stock of the Corporation, voting together as a single class on an as-converted basis. Any vacancy on the Board of Directors created by the resignation, removal, incapacity or death of any director elected pursuant to this Section shall only be filled pursuant to this Section.

2. Dividends.

(a) In the event that the Board of Directors of the Corporation shall declare a dividend payable upon the then outstanding shares of Common Stock (other than a stock dividend on the Common Stock payable solely in the form of additional shares of Common Stock), the holders of the Series Preferred Stock, subject to the last sentence of this Section 2(a), shall be entitled to receive the amount of dividends per share of Series Preferred Stock that would be payable on the number of whole shares of the Common Stock into which each share of such Series Preferred Stock held by each holder could be converted pursuant to the provisions of Section 5 below (with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion), such number to be determined as of the record date for the determination of holders of Common Stock entitled to receive such dividend. No dividends shall be declared or paid on Common Stock, Junior Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, or Series F Preferred Stock until all dividends accrued or declared but unpaid on the Series G Preferred Stock shall have been paid in full; no dividends shall be declared or paid on Common Stock, Junior Preferred Stock, Series D Preferred Stock or Series E Preferred Stock until all dividends accrued or declared but unpaid on the Series F Preferred Stock shall have been paid in full; no dividends shall be declared or paid on Common Stock, Junior Preferred Stock or Series D Preferred Stock until all dividends accrued or declared but unpaid on the Series

E Preferred Stock shall have been paid in full; no dividends shall be declared or paid on Common Stock or Junior Preferred Stock until all dividends accrued or declared but unpaid on the Series D Preferred Stock shall have been paid in full; and no dividends shall be declared or paid on Common Stock until all dividends accrued or declared but unpaid on the Junior Preferred Stock shall have been paid in full.

(b) The Board of Directors of the Corporation may fix a record date for the determination of holders of shares of Common Stock or the Series Preferred Stock entitled to receive payment of a dividend declared thereon, which record date shall be no more than 60 days prior to the date fixed for the payment thereof.

3. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or a Liquidation Event, after payment or provision for payment of all debts and liabilities of the Corporation, each holder of shares of Series G Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, before any payment shall be made to the holders of Junior Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series F Preferred Stock or Common Stock or any other class or series of stock ranking on liquidation junior to the Series G Preferred Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) the sum of the Series G Original Purchase Price thereof plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had each share of Series G Preferred Stock been converted into Common Stock pursuant to Section 5 immediately prior to such liquidation, dissolution or winding up or upon the occurrence of a Liquidation Event. In calculating whether a share of Series G Preferred Stock would receive upon conversion more than its stated liquidation amount, the conversion of each other series of Preferred Stock is to be assumed if and only if such other series of Preferred Stock shall receive upon such conversion its “as-converted” liquidation amount in lieu of the applicable Original Purchase Price thereof. If upon any such liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or a Liquidation Event the remaining assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series G Preferred Stock the full amount to which they shall be entitled, the holders of shares of Series G Preferred Stock shall share ratably in any distribution of the remaining assets of the Corporation in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(b) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or a Liquidation Event, after payment or provision for payment of all debts and liabilities of the Corporation and the payment of all preferential amounts required to be paid to the holders of shares of Series G Preferred Stock, each holder of shares of Series F Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, before any payment shall be made to the holders of Junior Preferred Stock, Series D Preferred Stock, Series E Preferred Stock or Common Stock or any other class or series of stock ranking on liquidation junior to the Series F Preferred Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) the sum of the Series F Original Purchase Price thereof plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had each share of Series F Preferred Stock been converted into Common Stock pursuant to Section 5 immediately prior to such liquidation, dissolution or winding up or upon the occurrence of a Liquidation Event. In calculating whether a share of Series F Preferred Stock would receive upon conversion more than its stated liquidation amount, the conversion of each other series of Preferred Stock is to be assumed if and only if such other series of Preferred Stock shall receive upon such conversion its “as-converted” liquidation amount in lieu of the applicable Original Purchase Price thereof. If upon any such liquidation, dissolution or winding up of the Corporation, whether

voluntary or involuntary, or a Liquidation Event the remaining assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series F Preferred Stock the full amount to which they shall be entitled, the holders of shares of Series F Preferred Stock shall share ratably in any distribution of the remaining assets of the Corporation in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(c) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or a Liquidation Event, after payment or provision for payment of all debts and liabilities of the Corporation and the payment of all preferential amounts required to be paid to the holders of shares of Series F Preferred Stock and Series G Preferred Stock, each holder of shares of Series E Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, before any payment shall be made to the holders of Junior Preferred Stock, Series D Preferred Stock or Common Stock or any other class or series of stock ranking on liquidation junior to the Series E Preferred Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) the sum of the Series E Original Purchase Price thereof plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had each share of Series E Preferred Stock been converted into Common Stock pursuant to Section 5 immediately prior to such liquidation, dissolution or winding up or upon the occurrence of a Liquidation Event. In calculating whether a share of Series E Preferred Stock would receive upon conversion more than its stated liquidation amount, the conversion of each other series of Preferred Stock is to be assumed if and only if such other series of Preferred Stock shall receive upon such conversion its “as-converted” liquidation amount in lieu of the applicable Original Purchase Price thereof. If upon any such liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or a Liquidation Event the remaining assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series E Preferred Stock the full amount to which they shall be entitled, the holders of shares of Series E Preferred Stock shall share ratably in any distribution of the remaining assets of the Corporation in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(d) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or a Liquidation Event, after payment or provision for payment of all debts and liabilities of the Corporation and the payment of all preferential amounts required to be paid to the holders of shares of Series E Preferred Stock, Series F Preferred Stock, and Series G Preferred Stock, each holder of shares of Series D Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, before any payment shall be made to the holders of Junior Preferred Stock or Common Stock or any other class or series of stock ranking on liquidation junior to the Series D Preferred Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) the sum of the Series D Original Purchase Price thereof plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had each share of Series D Preferred Stock been converted into Common Stock pursuant to Section 5 immediately prior to such liquidation, dissolution or winding up or upon the occurrence of a Liquidation Event. In calculating whether a share of Series D Preferred Stock would receive upon conversion more than its stated liquidation amount, the conversion of each other series of Preferred Stock is to be assumed if and only if such other series of Preferred Stock shall receive upon such conversion its “as-converted” liquidation amount in lieu of the applicable Original Purchase Price thereof. If upon any such liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or a Liquidation Event the remaining assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series D Preferred Stock the full amount to which they shall be entitled, the holders of shares of Series D Preferred Stock shall share ratably in any distribution of the remaining assets of the Corporation in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(e) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or a Liquidation Event, after payment or provision for payment of all debts and liabilities of the Corporation and the payment of all preferential amounts required to be paid to the holders of shares of Series D Preferred Stock, Series E Preferred Stock, Series F Preferred Stock and Series G Preferred Stock, each holder of shares of Junior Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, before any payment shall be made to the holders of Common Stock or any other class or series of stock ranking on liquidation junior to the Junior Preferred Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) with respect to a share of Seed Series Preferred Stock held by such holder, the sum of the Seed Series Original Purchase Price thereof plus any dividends declared but unpaid thereon, with respect to a share of Series A Preferred Stock held by such holder, the sum of the Series A Original Purchase Price plus any dividends declared but unpaid thereon, with respect to a share of Series B Preferred Stock held by such holder, the sum of the Series B Original Purchase Price plus any dividends declared but unpaid thereon, with respect to a share of Series C Preferred Stock held by such holder, the sum of the Series C Original Purchase Price plus any dividends declared but unpaid thereon, and with respect to a share of Series C-1 Preferred Stock held by such holder, the sum of the Series C-1 Original Purchase Price plus any dividends declared but unpaid thereon or (ii) such amount per share as would have been payable had each such share been converted into Common Stock pursuant to Section 5 immediately prior to such liquidation, dissolution or winding up or upon the occurrence of a Liquidation Event. In calculating whether a particular series of Preferred Stock would receive upon conversion more than its stated liquidation amount, (1) the conversion of each other series of Preferred Stock is to be assumed if and only if such other series of Preferred Stock shall receive upon such conversion its “as-converted” liquidation amount in lieu of the applicable Original Purchase Price thereof and (2) the Series C-1 Preferred Stock shall be treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion. If upon any such liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or a Liquidation Event, the remaining assets of the Corporation available for distribution to its stockholders (following all payments of preferential amounts required to be paid to the holders of shares of Series D Preferred Stock, Series E Preferred Stock and Series F Preferred Stock) shall be insufficient to pay the holders of shares of Junior Preferred Stock the full amount to which they shall be entitled, the holders of shares of Junior Preferred Stock and any class or series of stock ranking on liquidation on a parity with the Junior Preferred Stock shall share ratably in any distribution of the remaining assets of the Corporation in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(f) After the payment of all preferential amounts required to be paid to the holders of any class or series of stock of the Corporation ranking on liquidation prior to and in preference to the Common Stock, upon the dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, or a Liquidation Event the remaining assets of the Corporation available for distribution to its stockholders shall be distributed ratably among the holders of Common Stock.

(g) Any (i) merger, consolidation or recapitalization which results in the voting securities of the Corporation outstanding immediately prior thereto representing immediately thereafter (either by remaining outstanding or by being converted into voting securities of the surviving, resulting or acquiring entity or, if the surviving, resulting or acquiring entity is a wholly-owned subsidiary of another entity immediately following such merger or consolidation, the parent entity of such surviving, resulting or acquiring entity) less than a majority of the combined voting power of the voting securities of the Corporation or such surviving, resulting or acquiring entity or, if the surviving, resulting or acquiring entity is a wholly-owned subsidiary of another entity immediately following such merger, consolidation or recapitalization, the parent entity of such surviving, resulting or

acquiring entity, outstanding immediately after such merger, consolidation or recapitalization, (ii) any merger, consolidation or recapitalization in which the holders of the voting securities of the Corporation outstanding immediately prior thereto do not continue to hold shares (either as a result of such voting securities remaining outstanding or by such securities being converted into voting securities of the surviving, resulting or acquiring entity or, if the surviving, resulting or acquiring entity is a wholly-owned subsidiary of another entity immediately following such merger or consolidation, the parent entity of such surviving, resulting or acquiring entity) in substantially identical proportions and with substantially identical rights, preferences, powers, privileges and restrictions, qualifications and limitations as existing immediately prior to such merger, consolidation or recapitalization or (iii) disposition, transfer, sale or exclusive lease or license of all or substantially all of the assets of the Corporation, shall be deemed to be a "Liquidation Event" unless the holders of a majority of the outstanding shares of Preferred Stock (voting together as a single class on an as-converted to Common Stock basis, including the holders of Series C-1 Preferred Stock) agree otherwise in writing; provided that, in the event the proceeds of a foregoing transaction would be distributed to stockholders in a manner other than either in accordance with Sections 3(a) through 3(f) or ratably to all holders of capital stock of the Corporation on an as-converted to Common Stock basis, then the Requisite Series G Stockholders must also agree in writing that such transaction will not be deemed a Liquidation Event; provided further that, the holders of a majority of the Series D Preferred Stock must also agree in writing that such transaction will not be deemed a Liquidation Event unless the consideration received by the holders of Series D Preferred Stock in respect of such transaction qualifies such transaction as a Qualified Liquidation Event (assuming for such purposes such transaction constitutes a Liquidation Event). A sale (or multiple related sales) of one or more Subsidiaries of the Corporation (whether by way of merger, consolidation, reorganization or sale of all or substantially all of the Subsidiaries' assets or securities) which constitutes all or substantially all of the consolidated assets of the Corporation shall be deemed a sale of substantially all of the assets of the Corporation for purposes of this Section 3(g). The Corporation shall promptly provide to the holders of shares of Series Preferred Stock such information concerning the terms of such merger, reorganization, consolidation or asset sale and the value of the assets of the Corporation as may reasonably be requested by the holders of Series Preferred Stock. If applicable, the Corporation shall cause the agreement or plan of merger or consolidation in connection with a Liquidation Event to provide that the consideration payable to the stockholders of the Corporation shall be allocated among the holders of capital stock of the Corporation in accordance with Sections 3(a) through 3(f), after giving effect to Section 3(i) unless waived by the holders of a majority of the outstanding shares of Preferred Stock (voting together as a single class on an as-converted to Common Stock basis, with the Series C-1 Preferred Stock not subject to the Regulatory Voting Restriction for purposes of this specific vote); provided that, such waiver shall also require the consent of the Requisite Series G Stockholders if the agreement or plan of merger or consolidation does not provide that the consideration payable to the stockholders of the Corporation is allocated ratably to all holders of capital stock of the Corporation on an as-converted to Common Stock basis and provided further that, such waiver shall also require the consent of the holders of a majority of the Series D Preferred Stock unless the consideration received by the holders of Series D Preferred Stock in respect of such merger or consolidation qualifies such Liquidation Event as a Qualified Liquidation Event.

(h) The amount deemed distributed to the holders of Series Preferred Stock upon any deemed Liquidation Event shall be the cash or the value of the property, rights or securities distributed to such holders by the Corporation and/or by the acquiring person, firm or other entity. If the amount to be distributed to the holders of Series Preferred Stock upon any liquidation, dissolution, or winding-up (including any transaction treated as such pursuant to Section 3(g) above) shall be other than cash, the fair market value of the property, rights, or securities distributed to such holders shall be as determined in good faith by the Board of Directors of the Corporation; provided, however, that such determination of fair market value shall be subject to the procedures set forth in the definition of Appraisal Procedure; provided, however, that any securities with an active public market shall be valued as follows:

(i) If traded on a national securities exchange or NASDAQ, the value shall be deemed to be the average of the closing prices of the securities over the twenty (20) trading-day period ending three (3) trading days prior to the closing of the Liquidation Event; and

(ii) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the twenty (20) trading-day period ending three (3) trading days prior to the closing of the Liquidation Event.

(i) In the event of a deemed Liquidation Event pursuant to Section 3(g), if any portion of the consideration payable to the stockholders of the Corporation is placed into escrow, retained in a holdback and/or is payable to the stockholders of the Corporation subject to contingencies, the agreement shall provide that (i) the portion of such consideration that is not placed in escrow, not retained in a holdback and not subject to any contingencies (the "Initial Consideration") shall be allocated among the holders of capital stock of the Corporation in accordance with Sections 3(a) through 3(f) as if the Initial Consideration were the only consideration payable in connection with such deemed Liquidation Event and (ii) any additional consideration which becomes payable to the stockholders of the Corporation upon release from escrow or satisfaction of contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Sections 3(a) through 3(f) after taking into account the previous payment of the Initial Consideration as part of the same transaction.

4. Voting. Each holder of Series Preferred Stock shall be entitled to the number of votes equal to the number of whole shares of Common Stock into which the shares of Series Preferred Stock held by such holder are convertible (as adjusted from time to time pursuant to Section 5 hereof), with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion, as of the record date, at each meeting of stockholders of the Corporation (and written actions of stockholders in lieu of meetings) with respect to any and all matters presented to the stockholders of the Corporation for their action or consideration. Holders of Series Preferred Stock shall be entitled to notice of any meeting of stockholders and, except as otherwise provided herein or otherwise required by law, to vote together with the holders of Common Stock as a single class (on an as-converted to Common Stock basis with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion).

5. Optional Conversion. The holders of the Series Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) Right to Convert.

(i) Non-Regulated Series Preferred Stock. Each share of Seed Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Seed Series Original Purchase Price by the applicable Conversion Price (as defined below) in effect for the Seed Series Preferred Stock at the time of conversion. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series A Original Purchase Price by the applicable Conversion Price (as defined below) in effect for the Series A Preferred Stock at the time of conversion. Each share of Series B Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series B Original Purchase Price by the applicable Conversion Price (as defined below) in effect for the Series B Preferred Stock at the time of conversion. Each share of Series C

Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series C Original Purchase Price by the applicable Conversion Price (as defined below) in effect for the Series C Preferred Stock at the time of conversion. Each share of Series D Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series D Original Purchase Price by the applicable Conversion Price (as defined below) in effect for the Series D Preferred Stock at the time of conversion. Each share of Series E Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series E Original Purchase Price by the applicable Conversion Price (as defined below) in effect for the Series E Preferred Stock at the time of conversion. Each share of Series F Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series F Original Purchase Price by the applicable Conversion Price (as defined below) in effect for the Series F Preferred Stock at the time of conversion. Each share of Series G Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series G Original Purchase Price by the applicable Conversion Price (as defined below) in effect for the Series G Preferred Stock at the time of conversion. The "Conversion Price" for the Seed Series Preferred Stock shall initially be the Seed Series Original Purchase Price. The "Conversion Price" for the Series A Preferred Stock shall initially be the Series A Original Purchase Price. The "Conversion Price" for the Series B Preferred Stock shall initially be the Series B Original Purchase Price. The "Conversion Price" for the Series C Preferred Stock shall initially be the Series C Original Purchase Price. The "Conversion Price" for the Series D Preferred Stock shall initially be the Series D Original Purchase Price. The "Conversion Price" for the Series E Preferred Stock shall initially be the Series E Original Purchase Price. The "Conversion Price" for the Series F Preferred Stock shall initially be the Series F Original Purchase Price. The "Conversion Price" for the Series G Preferred Stock shall initially be the Series G Original Purchase Price. Such Conversion Prices, and the rate at which shares of Non-Regulated Series Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below. In the event of a liquidation, dissolution or winding up of the Corporation or a Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Seed Series Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series F Preferred Stock and Series G Preferred Stock.

(ii) Series C-1 Preferred Stock. Except as provided in Section 6, shares of Series C-1 Preferred Stock shall not be convertible into Common Stock pursuant to this Section 5 or otherwise in the hands of a Regulated Holder (as defined below) or its Transferees (as defined below), except in connection with a Permitted Regulatory Transfer (as defined below) (such restriction, the "Regulatory Conversion Restriction"). Instead, upon notice to the Corporation from the holder of Series C-1 Preferred Stock that it intends to exercise the rights granted pursuant to the remainder of this sentence (a "Deemed Conversion Notice"), (x) the Series C-1 Preferred Stock shall no longer be entitled to any rights that are not also applicable to shares of Common Stock, including without limitation the right to receive the amounts payable to holders of Series C-1 Preferred Stock pursuant to Sections 2 and 3 above, and such holder of Series C-1 Preferred Stock shall be deemed to have forever and finally waived all such rights; provided, however, that the rights set forth in Section 7(b) below and Article FIFTEENTH, as well as the Regulatory Voting Restriction, shall continue to apply to shares of Series C-1 Preferred Stock, and (y) such holder of Series C-1 Preferred Stock thereafter shall be entitled to receive, in lieu of any

amounts otherwise payable on the Series C-1 Preferred Stock hereunder (including any amounts payable pursuant to Sections 2(a) and 2(b) above), only an amount equal to the amounts that may become payable to holders of Common Stock (as such securities are adjusted from time to time hereunder, including pursuant to Sections 5(g) and (h) below) hereunder as if such Series C-1 Preferred Stock had been converted (but without actually converting) into that number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series C-1 Original Purchase Price by the then-effective Conversion Price of the Series C Preferred Stock, at the same time that the Deemed Conversion Notice was given (a "Deemed Optional Conversion"). For purposes of this Certificate of Incorporation, "on an as-converted basis" shall mean, with respect to the Series C-1 Preferred Stock, the number of shares of Common Stock determined as provided above in connection with a Deemed Optional Conversion, and the applicable "Conversion Price" of the Series C-1 Preferred Stock shall be deemed to be the Conversion Price of the Series C Preferred Stock, as adjusted from time to time.

(b) Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Series Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to the product of such fraction multiplied by the fair market value of a share of Common Stock, as determined in good faith by the Board of Directors of the Corporation. The determination of fractional shares shall be based on the aggregate number of shares of Series Preferred Stock surrendered for conversion by any holder of Series Preferred Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

(c) Mechanics of Conversion.

(i) In order for a holder of Non-Regulated Series Preferred Stock to convert shares of Series Preferred Stock into shares of Common Stock pursuant to this Section 5, such holder shall surrender the certificate or certificates for such shares of Non-Regulated Series Preferred Stock, at the office of the transfer agent for the Non-Regulated Series Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any number of the shares of the Non-Regulated Series Preferred Stock represented by such certificate or certificates. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his or its attorney duly authorized in writing. The date of receipt of such certificates and notice by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) shall be the conversion date ("Conversion Date"). The Corporation shall, as soon as practicable after the Conversion Date, issue and deliver at such office to such holder of Non-Regulated Series Preferred Stock, or to his or its nominees, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled and a certificate for the number (if any) of the shares of Non-Regulated Series Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, together with cash in lieu of any fraction of a share and payment of any declared but unpaid dividends thereon. On the Conversion Date, each holder of record of shares of Non-Regulated Series Preferred Stock surrendered for conversion shall be deemed to be the holder of record of the Common Stock issuable upon conversion of such Non-Regulated Series Preferred Stock, notwithstanding that notice from the Corporation shall not have been received by any holder of record of shares of such Non-Regulated Series Preferred Stock, or that the certificates evidencing such shares of Common Stock shall not then be actually delivered to such holder.

(ii) The Corporation shall at all times when the Series Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued stock, for the purpose of effecting the conversion of the Non-Regulated Series Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Non-Regulated Series Preferred Stock. Before taking any action which would cause an adjustment reducing the Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Non-Regulated Series Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable shares of Common Stock at such adjusted Conversion Price.

(iii) Upon any such conversion, no adjustment to the Conversion Price shall be made for any declared but unpaid dividends on the Non-Regulated Series Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

(iv) All shares of Non-Regulated Series Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares, including the rights, if any, to receive notices and to vote, shall immediately cease and terminate on the Conversion Date, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor and payment of any cash in lieu of any fraction of a share and any dividends declared but unpaid thereon. Any shares of Non-Regulated Series Preferred Stock so converted shall be retired and cancelled and shall not be reissued, and the Corporation (without the need for stockholder action) may from time to time take such appropriate action as may be necessary to reduce the authorized number of shares of Non-Regulated Series Preferred Stock accordingly.

(v) The Corporation shall pay any and all issue, transfer, stamp and other taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Non-Regulated Series Preferred Stock pursuant to this Section 5. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Non-Regulated Series Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

(d) Adjustments to Conversion Price for Diluting Issues:

(i) No Adjustment of Conversion Price. No adjustment pursuant to Subsection 5(d)(iii)(A)-(D) in the Conversion Price of the Seed Series Preferred Stock, Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock shall be made (a) unless the consideration per share (determined pursuant to Subsection 5(d)(iv) below) for an Additional Share of Common Stock issued or deemed to be issued by the Corporation is less than the applicable Conversion Price in effect for the Seed Series Preferred Stock, Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock, on the date of, and immediately prior to, the issue of such Additional Shares of Common Stock, or (b) if prior to or within sixty (60) days subsequent to such issuance, the Corporation receives written notice from the holders of a majority of the then outstanding shares of Seed Series Preferred Stock, Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock (voting together as a single class on an as-converted to Common Stock basis), agreeing that no such adjustment shall be made as the result of the issuance of Additional Shares of Common Stock. No adjustment pursuant to Subsection 5(d)(iii)(E) in the Conversion Price of the Series D Preferred Stock shall be made (a) unless the consideration per share (determined pursuant to Subsection 5(d)(iv) below) for an Additional Share of Common Stock issued or deemed to be issued by the Corporation is less than the applicable Conversion Price in effect for the Series D Preferred Stock on the date of, and immediately prior to, the issue of such Additional Shares of Common Stock, or (b) if prior to or within sixty (60) days subsequent to such issuance, the Corporation receives written notice from the holders of a majority of the then outstanding shares of Series D Preferred Stock, agreeing that no such adjustment shall be made as the

result of the issuance of Additional Shares of Common Stock. No adjustment pursuant to Subsection 5(d)(iii)(F) in the Conversion Price of the Series E Preferred Stock shall be made (a) unless the consideration per share (determined pursuant to Subsection 5(d)(iv) below) for an Additional Share of Common Stock issued or deemed to be issued by the Corporation is less than the applicable Conversion Price in effect for the Series E Preferred Stock on the date of, and immediately prior to, the issue of such Additional Shares of Common Stock, or (b) if prior to or within sixty (60) days subsequent to such issuance, the Corporation receives written notice from the Requisite Series E Preferred Stockholders, agreeing that no such adjustment shall be made as the result of the issuance of Additional Shares of Common Stock. No adjustment pursuant to Subsection 5(d)(iii)(G) in the Conversion Price of the Series F Preferred Stock shall be made (a) unless the consideration per share (determined pursuant to Subsection 5(d)(iv) below) for an Additional Share of Common Stock issued or deemed to be issued by the Corporation is less than the applicable Conversion Price in effect for the Series F Preferred Stock on the date of, and immediately prior to, the issue of such Additional Shares of Common Stock, or (b) if prior to or within sixty (60) days subsequent to such issuance, the Corporation receives written notice from the Requisite Series F Preferred Stockholders, agreeing that no such adjustment shall be made as the result of the issuance of Additional Shares of Common Stock. No adjustment pursuant to Subsection 5(d)(iii)(H) in the Conversion Price of the Series G Preferred Stock shall be made (a) unless the consideration per share (determined pursuant to Subsection 5(d)(iv) below) for an Additional Share of Common Stock issued or deemed to be issued by the Corporation is less than the applicable Conversion Price in effect for the Series G Preferred Stock on the date of, and immediately prior to, the issue of such Additional Shares of Common Stock, or (b) if prior to or within sixty (60) days subsequent to such issuance, the Corporation receives written notice from the Requisite Series G Preferred Stockholders, agreeing that no such adjustment shall be made as the result of the issuance of Additional Shares of Common Stock.

(ii) Issue of Securities Deemed Issue of Additional Shares of Common Stock. If the Corporation at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that Additional Shares of Common Stock shall not be deemed to have been issued unless the consideration per share (determined pursuant to Subsection 5(d)(iv) below) of such Additional Shares of Common Stock would be less than the applicable Conversion Price in effect on the date of and immediately prior to such issue, or such record date, as the case may be, and provided further that in any such case in which Additional Shares of Common Stock are deemed to be issued:

(A) No further adjustment in the Conversion Price shall be made upon the subsequent issue of Convertible Securities or shares of Common Stock upon the exercise of such Options or conversion or exchange of such Convertible Securities;

(B) If such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Corporation, upon the exercise, conversion or exchange thereof, the Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;

(C) Upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if:

(I) In the case of Convertible Securities or Options for Common Stock, the only Additional Shares of Common Stock issued were the shares of Common Stock, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration actually received by the Corporation upon such exercise, or for the issue of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Corporation upon such conversion or exchange; and

(II) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Corporation for the Additional Shares of Common Stock deemed to have been then issued was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration deemed to have been received by the Corporation (determined pursuant to Section 5(d)(iv) below) upon the issue of the Convertible Securities with respect to which such Options were actually exercised;

(D) In the event of any change in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any Option or Convertible Security, the Conversion Price then in effect shall forthwith be readjusted to such Conversion Price as would have been obtained had the adjustment which was made upon the issuance of such Option or Convertible Security not exercised or converted prior to such change been made upon the basis of such change; and

(E) No readjustment pursuant to clause (B), (C) or (D) above shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (i) the Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of the Option or Convertible Security pursuant to this section, or (ii) the Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

In the event the Corporation, after the Original Issue Date, amends any Options or Convertible Securities (whether such Options or Convertible Securities were outstanding on the Original Issue Date or were issued after the Original Issue Date) to increase the number of shares issuable thereunder or decrease the consideration to be paid upon exercise or conversion thereof, then such Options or Convertible Securities, as so amended, shall be deemed to have been issued after the Original Issue Date and the provisions of this Subsection 5(d)(ii) shall apply.

(iii) Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock.

(A) Adjustment to Conversion Price for Seed Series Preferred Stock. In the event the Corporation shall at any time or from time to time after the Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 5(d)(ii) above, but excluding shares issued as a stock split or combination as provided in Subsection 5(e) below or upon a dividend or distribution as provided in Subsection 5(f) below), without consideration or for a consideration per share less than the applicable Conversion Price in effect for the Seed Series Preferred Stock on the date of and immediately prior to such issue, then and in such event, such Conversion Price shall be reduced, concurrently with such issue, to a price determined by multiplying such Conversion Price by a fraction, (A) the numerator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issue (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Series Preferred Stock, with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue) plus (2) the number of shares of Common Stock which the aggregate consideration received or to be received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at the applicable Conversion Price for the Seed Series Preferred Stock; and (B) the denominator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issue (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Series Preferred Stock, with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue) plus (2) the number of such Additional Shares of Common Stock so issued and/or deemed to be issued.

(B) Adjustment to Conversion Price for Series A Preferred Stock. In the event the Corporation shall at any time or from time to time after the Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 5(d)(ii) above, but excluding shares issued as a stock split or combination as provided in Subsection 5(e) below or upon a dividend or distribution as provided in Subsection 5(f) below), without consideration or for a consideration per share less than the applicable Conversion Price in effect for the Series A Preferred Stock on the date of and immediately prior to such issue, then and in such event, such Conversion Price shall be reduced, concurrently with such issue, to a price determined by multiplying such Conversion Price by a fraction, (A) the numerator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issue (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Series Preferred Stock, with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue) plus (2) the number of shares of Common Stock which the aggregate consideration received or to be received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at the applicable Conversion Price for the Series A Preferred Stock; and (B) the denominator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issue (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Series Preferred Stock, with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion, into shares of Common Stock at the then applicable Conversion Price of the Series C Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue) plus (2) the number of such Additional Shares of Common Stock so issued and/or deemed to be issued.

(C) Adjustment to Conversion Price for Series B Preferred Stock. In the event the Corporation shall at any time or from time to time after the Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 5(d)(ii) above, but excluding shares issued as a stock split or combination as provided in Subsection 5(e) below or upon a dividend or distribution as provided in Subsection 5(f) below), without consideration or for a consideration per share less than the applicable Conversion Price in effect for the Series B Preferred Stock on the date of and immediately prior to such issue, then and in such event, such Conversion Price shall be reduced, concurrently with such issue, to a price determined by multiplying such Conversion Price by a fraction, (A) the numerator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issue (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Series Preferred Stock, with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue) plus (2) the number of shares of Common Stock which the aggregate consideration received or to be received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at the applicable Conversion Price for the Series B Preferred Stock; and (B) the denominator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issue (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Series Preferred Stock, with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion, into shares of Common Stock at the then applicable Conversion Price of the Series C Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue) plus (2) the number of such Additional Shares of Common Stock so issued and/or deemed to be issued.

(D) Adjustment to Conversion Price for Series C Preferred Stock. In the event the Corporation shall at any time or from time to time after the Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 5(d)(ii) above, but excluding shares issued as a stock split or combination as provided in Subsection 5(e) below or upon a dividend or distribution as provided in Subsection 5(f) below), without consideration or for a consideration per share less than the applicable Conversion Price in effect for the Series C Preferred Stock on the date of and immediately prior to such issue, then and in such event, such Conversion Price shall be reduced, concurrently with such issue, to a price determined by multiplying such Conversion Price by a fraction, (A) the numerator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issue (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Series Preferred Stock, with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue) plus (2) the number of shares of Common Stock which the aggregate consideration received or to be received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at the applicable Conversion Price for the Series C Preferred Stock; and (B) the denominator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issue (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Series Preferred Stock, with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion, into shares of Common Stock at the then applicable Conversion Price of the Series C Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue) plus (2) the number of such Additional Shares of Common Stock so issued and/or deemed to be issued.

(E) Adjustment to Conversion Price for Series D Preferred Stock. In the event the Corporation shall at any time or from time to time after the Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 5(d)(ii) above, but excluding shares issued as a stock split or combination as provided in Subsection 5(e) below or upon a dividend or distribution as provided in Subsection 5(f) below), without consideration or for a consideration per share less than the applicable Conversion Price in effect for the Series D Preferred Stock on the date of and immediately prior to such issue, then and in such event, such Conversion Price shall be reduced, concurrently with such issue, to a price determined by multiplying such Conversion Price by a fraction, (A) the numerator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issue (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Series Preferred Stock, with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue) plus (2) the number of shares of Common Stock which the aggregate consideration received or to be received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at the applicable Conversion Price for the Series D Preferred Stock; and (B) the denominator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issue (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Series Preferred Stock, with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion, into shares of Common Stock at the then applicable Conversion Price of the Series C Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue) plus (2) the number of such Additional Shares of Common Stock so issued and/or deemed to be issued.

(F) Adjustment to Conversion Price for Series E Preferred Stock. In the event the Corporation shall at any time or from time to time after the Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 5(d)(ii) above, but excluding shares issued as a stock split or combination as provided in Subsection 5(e) below or upon a dividend or distribution as provided in Subsection 5(f) below), without consideration or for a consideration per share less than the applicable Conversion Price in effect for the Series E Preferred Stock on the date of and immediately prior to such issue, then and in such event, such Conversion Price shall be reduced, concurrently with such issue, to a price determined by multiplying such Conversion Price by a fraction, (A) the numerator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issue (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Series Preferred Stock, with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue) plus (2) the number of shares of Common Stock which the aggregate consideration received or to be received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at the applicable Conversion Price for the Series E Preferred Stock; and (B) the denominator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issue (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Series Preferred Stock, with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion, into shares of Common Stock at the then applicable Conversion Price of the Series C Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue) plus (2) the number of such Additional Shares of Common Stock so issued and/or deemed to be issued.

(G) Adjustment to Conversion Price for Series F Preferred Stock. In the event the Corporation shall at any time or from time to time after the Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 5(d)(ii) above, but excluding shares issued as a stock split or combination as provided in Subsection 5(e) below or upon a dividend or distribution as provided in Subsection 5(f) below), without consideration or for a consideration per share less than the applicable Conversion Price in effect for the Series F Preferred Stock on the date of and immediately prior to such issue, then and in such event, such Conversion Price shall be reduced, concurrently with such issue, to a price determined by multiplying such Conversion Price by a fraction, (A) the numerator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issue (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Series Preferred Stock, with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue) plus (2) the number of shares of Common Stock which the aggregate consideration received or to be received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at the applicable Conversion Price for the Series F Preferred Stock; and (B) the denominator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issue (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Series Preferred Stock, with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion, into shares of Common Stock at the then applicable Conversion Price of the Series C Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue) plus (2) the number of such Additional Shares of Common Stock so issued and/or deemed to be issued.

(H) Adjustment to Conversion Price for Series G Preferred Stock. In the event the Corporation shall at any time or from time to time after the Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 5(d)(ii) above, but excluding shares issued as a stock split or combination as provided in Subsection 5(e) below or upon a dividend or distribution as provided in Subsection 5(f) below), without consideration or for a consideration per share less than the applicable Conversion Price in effect for the Series G Preferred Stock on the date of and immediately prior to such issue, then and in such event, such Conversion Price shall be reduced, concurrently with such issue, to a price determined by multiplying such Conversion Price by a fraction, (A) the numerator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issue (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Series Preferred Stock, with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue) plus (2) the number of shares of Common Stock which the aggregate consideration received or to be received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at the applicable Conversion Price for the Series G Preferred Stock; and (B) the denominator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issue (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Series Preferred Stock, with the Series C-1 Preferred

Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion, into shares of Common Stock at the then applicable Conversion Price of the Series C Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue) plus (2) the number of such Additional Shares of Common Stock so issued and/or deemed to be issued.

(iv) Determination of Consideration. For purposes of this Subsection 5(d), the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(A) Cash and Property: Such consideration shall:

(I) insofar as it consists of cash, be computed at the aggregate of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(II) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors; provided, however, that such determination of fair market value shall be subject to the procedures set forth in the definition of Appraisal Procedure; provided that for the avoidance of doubt, the Corporation may issue such Additional Shares of Common Stock prior to the completion of the Appraisal Procedure; and

(III) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (I) and (II) above, as determined in accordance with the procedure set forth in clause (II) above.

(B) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 5(d)(ii) above, relating to Options and Convertible Securities, shall be determined by dividing:

(x) the total amount, if any, received by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a potential subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(y) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a potential subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

(e) Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Original Issue Date effect a subdivision of the outstanding Common Stock, the Conversion Price then in effect immediately before that subdivision shall be proportionately decreased. If the Corporation shall at any time or from time to time after the Original Issue Date combine the outstanding shares of Common Stock, the Conversion Price then in effect immediately before the combination shall be proportionately increased. Any adjustment under this paragraph shall become effective at the close of business on the date the subdivision or combination becomes effective.

(f) Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable solely in additional shares of Common Stock, then and in each such event the Conversion Price for the Seed Series Preferred Stock, the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock, Series F Preferred Stock and the Series G Preferred Stock then in effect shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Conversion Price for the Seed Series Preferred Stock, the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock, Series F Preferred Stock and the Series G Preferred Stock, as applicable, then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution;

provided, however, (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Price for the Seed Series Preferred Stock, the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock, the Series F Preferred Stock and the Series G Preferred Stock shall be recomputed accordingly as of the close of business on such record date and thereafter the Conversion Price for the Seed Series Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series F Preferred Stock and Series G Preferred Stock shall be adjusted pursuant to this paragraph as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of Series Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of Series Preferred Stock had been converted into Common Stock on the date of such event, with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion.

(g) Adjustment for Reclassification, Exchange, or Substitution. If the Common Stock issuable upon the conversion of the Series Preferred Stock (but not the Series Preferred Stock itself) shall be changed into the same or a different number of shares of any class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination of shares or stock dividend provided for above, or a merger or consolidation), then and in each such event the holder of each such share of Series Preferred Stock shall have the right thereafter to convert such share into the kind and amount of shares of stock and other securities and property receivable, upon such reorganization, reclassification, or other change, by holders of the number of shares of Common Stock into which such shares of Series Preferred Stock might have been converted immediately prior to such reorganization, reclassification, or change, all subject to further adjustment as provided herein.

(h) Adjustment for Consolidation or Merger. Subject to the provisions of Section 3, in case of any consolidation or merger of the Corporation with or into another corporation, in which the Common Stock (but not the Series Preferred Stock) is converted or exchanged for securities, cash or other property (other than a transaction covered by Sections 5(e), 5(f) or 5(g)), each share of Series Preferred Stock, if any, remaining outstanding after such consolidation or merger shall thereafter be convertible (or shall be converted into a security which shall be convertible) into the kind and amount of shares of stock or other securities or property to which a holder of the number of shares of Common Stock of the Corporation deliverable upon conversion of such Series Preferred Stock would have been entitled upon such consolidation or merger; and, in such case, appropriate adjustment shall be made in the application of the provisions in this Section 5 set forth with respect to the rights and interest thereafter of the holders of the Series Preferred Stock, to the end that the provisions set forth in this Section 5 (including provisions with respect to changes in and other adjustments of the Conversion Price) shall thereafter be applicable, as nearly equivalent a manner as may be practicable as before the consolidation or merger. If any event occurs of the type contemplated by the provisions of Section 5(d) but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights or phantom stock rights), then the Corporation's Board of Directors shall make an appropriate reduction in the applicable Conversion Prices so as to protect the rights of the holders of the Series Preferred Stock.

(i) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of a Conversion Price pursuant to this Section 5, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each affected holder of Series Preferred Stock (including the Series C-1 Preferred Stock) a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Series Preferred Stock, furnish or cause to be furnished to such holder a similar certificate setting forth (i) any such adjustments and readjustments, (ii) the applicable Conversion Price then in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which then would be received upon the conversion of Junior Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series F Preferred Stock and/or Series G Preferred Stock as applicable.

(j) Notice of Record Date. In the event:

(i) that the Corporation declares a dividend (or any other distribution) on its Common Stock payable in Common Stock or other securities of the Corporation;

(ii) that the Corporation subdivides or combines its outstanding shares of Common Stock;

(iii) of any reclassification of the Common Stock of the Corporation (other than a subdivision or combination of its outstanding shares of Common Stock or a stock dividend or stock distribution thereon), or of any consolidation or merger of the Corporation into or with another corporation, or of the sale of all or substantially all of the assets of the Corporation; or

(iv) of the involuntary or voluntary dissolution, liquidation or winding up of the Corporation or the occurrence of a Liquidation Event;

then the Corporation shall cause to be filed at its principal office or at the office of the transfer agent of the Series Preferred Stock, and shall cause to be mailed to the holders of the Series Preferred Stock at their last addresses as shown on the records of the Corporation or such transfer agent, at least ten days prior to the date specified in (A) below or twenty days before the date specified in (B) below, a notice stating:

(A) the record date of such dividend, distribution, subdivision or combination, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution, subdivision or combination are to be determined, or

(B) the date on which such reclassification, consolidation, merger, sale, dissolution, liquidation, winding up or Liquidation Event is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reclassification, consolidation, merger, sale, dissolution, winding up or Liquidation Event.

6. Mandatory Conversion.

(a) Upon (i) the affirmative vote or written consent of the holders of a majority of the then outstanding shares of Seed Series Preferred Stock, Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock, voting together as a single class (on an as converted to Common Stock basis) or (ii) the closing of a Qualified Public Offering (the date of the earlier of clause (i) or (ii), the "Mandatory Conversion Date"), all outstanding shares of Seed Series Preferred Stock, Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock shall be automatically converted into shares of Common Stock into which such Series Preferred Stock is convertible pursuant to Section 5 above. Upon (i) the affirmative vote or written consent of the holders of a majority of the then outstanding shares of Series D Preferred Stock or (ii) the closing of a Qualified Public Offering (the date of the earlier of clause (i) or (ii), the "Series D Mandatory Conversion Date"), all outstanding shares of Series D Preferred Stock shall be automatically converted into shares of Common Stock. Upon (i) the affirmative vote or written consent of the Requisite Series E Preferred Stockholders or (ii) the closing of a Qualified Public Offering (the date of the earlier of clause (i) or (ii), the "Series E Mandatory Conversion Date"), all outstanding shares of Series E Preferred Stock shall be automatically converted into shares of Common Stock. Upon (i) the affirmative vote or written consent of the Requisite Series F Preferred Stockholders or (ii) the closing of a Qualified Public Offering (the date of the earlier of clause (i) or (ii), the "Series F Mandatory Conversion Date"), all outstanding shares of Series F Preferred Stock shall be automatically converted into shares of Common Stock. Upon (i) the affirmative vote or written consent of the Requisite Series G Preferred Stockholders or (ii) the closing of a Qualified Public Offering (the date of the earlier of clause (i) or (ii), the "Series G Mandatory Conversion Date"), all outstanding shares of Series G Preferred Stock shall be automatically converted into shares of Common Stock. Notwithstanding the Regulatory Conversion Restriction, upon the closing of a Qualified Public Offering, all outstanding shares of Series C-1 Preferred Stock shall automatically be converted into shares of Common Stock if, and only if, such conversion would not result in a Regulated Holder and its Transferees (as such capitalized terms are defined in Article FIFTEENTH) owning or controlling, or being deemed to own or control, collectively, greater than (i) 4.99% of the voting power of any class of voting securities of the Corporation or (ii) 9.99% of the total equity of the Corporation (in each case, as such terms are defined and used, and as such percentages are calculated, under the BHCA (as defined in Article FIFTEENTH)) (the "Series C-1 Mandatory Conversion Date"). The Mandatory Conversion Date, the Series G Mandatory Conversion Date, the Series F Mandatory Conversion Date, the Series E Mandatory Conversion Date, the Series D Mandatory Conversion Date and the Series C-1 Mandatory Conversion Date shall sometimes be referred to herein as the "applicable Mandatory Conversion Date."

(b) All holders of record of shares of the applicable Series Preferred Stock shall be given written notice of the applicable Mandatory Conversion Date and the place designated for mandatory conversion of all such shares of the applicable Series Preferred Stock, pursuant to this Section 6. Such notice shall be sent to each record holder of the applicable Series Preferred Stock at such holder's address last shown on the records of the transfer agent for the applicable Series Preferred Stock (or the records of the Corporation, if it serves as its own transfer agent). Upon receipt of such notice, each holder of shares of the applicable Series Preferred Stock shall surrender his or its certificate or certificates for all such shares to the

Corporation at the place designated in such notice, and shall thereafter receive certificates for the number of shares of Common Stock to which such holder is entitled pursuant to this Section 6. On the applicable Mandatory Conversion Date, all rights with respect to the applicable Series Preferred Stock so converted, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock) will terminate, except only the rights of the holders thereof, upon surrender of their certificate or certificates therefor, to receive certificates for the number of shares of Common Stock into which such Series Preferred Stock has been converted, and payment of any declared but unpaid dividends thereon and cash in lieu of any fraction of a share. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his or its attorney duly authorized in writing. As soon as practicable after the applicable Mandatory Conversion Date and the surrender of the certificate or certificates for the applicable Series Preferred Stock, the Corporation shall cause to be issued and delivered to such holder, or on his or its written order, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof and cash as provided in Subsection 5(b) above in respect of any fraction of a share of Common Stock otherwise issuable upon such conversion. On the applicable Mandatory Conversion Date, each holder of record or shares of the applicable Series Preferred Stock shall be deemed to be the holder of record of the Common Stock issuable upon conversion of such Series Preferred Stock, notwithstanding that the certificates representing such shares of Series Preferred Stock shall not have been surrendered at the office of the Corporation, that notice from the Corporation shall not have been received by any holder of record of shares of such Series Preferred Stock, or that the certificates evidencing such shares of Common Stock shall not then be actually delivered to such holder.

(c) All certificates evidencing shares of the applicable Series Preferred Stock which are required to be surrendered for conversion in accordance with the provisions hereof shall, from and after the applicable Mandatory Conversion Date, be deemed to have been retired and cancelled and the shares of the applicable Series Preferred Stock represented thereby converted into Common Stock for all purposes, notwithstanding the failure of the holder or holders thereof to surrender such certificates on or prior to such date. The Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized applicable Series Preferred Stock accordingly.

(d) Series C-1 Preferred Stock.

(i) Except as set forth in Section 6(a), no shares of Series C-1 Preferred Stock shall be convertible into shares of Common Stock pursuant to this Section 6 (unless such conversion is in connection with a Permitted Regulatory Transfer), but instead, upon a Mandatory Conversion Date that is not also a Series C-1 Mandatory Conversion Date, (x) the Series C-1 Preferred Stock shall no longer be entitled to any rights that are not also applicable to shares of Common Stock, including without limitation the right to receive the amounts payable to holders of Series C-1 Preferred Stock pursuant to Sections 2 and 3 above, and such holder of Series C-1 Preferred Stock shall be deemed to have forever and finally waived all such rights; provided, however, that the rights set forth in Section 7(b) and Article FIFTEENTH, as well as the Regulatory Voting Restriction, shall continue to apply to shares of Series C-1 Preferred Stock, and (y) each holder of Series C-1 Preferred Stock thereafter shall be entitled to receive, in lieu of any amounts otherwise payable on the Series C-1 Preferred Stock hereunder (including any amounts payable pursuant to Section 3 above), only an amount per share equal to the amounts that may become payable to holders of Common Stock (as such securities are adjusted from time to time hereunder, including pursuant to Sections 5(g) and (h) above) hereunder as if such Series C-1 Preferred Stock had been converted (but without actually converting) into shares of Common Stock, at the then-effective Conversion Price of the Series C Preferred Stock, at the same time that all shares of Series C Preferred Stock have been automatically converted pursuant to Section 6(a) (a "Deemed Automatic Conversion"), as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to the Common Stock occurring after such Deemed Automatic Conversion.

(ii) In addition, upon consummation of a Permitted Regulatory Transfer, each share of Series C-1 Preferred Stock so transferred in such a Permitted Regulatory Transfer shall automatically be converted into (x) one (1) fully paid and nonassessable share of Series C Preferred Stock, as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to the Series C Preferred Stock, if such Permitted Regulatory Transfer occurs prior to a Deemed Automatic Conversion, and (y) subject to Sections 5(g) and 5(h), fully paid and nonassessable shares of Common Stock, if such Permitted Regulatory Transfer occurs on or subsequent to a Deemed Automatic Conversion. Any shares of Series C-1 Preferred Stock that are convertible into Common Stock pursuant to this Section 6(d)(ii) shall be convertible into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series C-1 Original Purchase Price by the Conversion Price of the Series C Preferred Stock as in effect on the effective date of the conversion of such shares of Series C-1 Preferred Stock. Automatic conversion of the Series C-1 Preferred Stock pursuant to this Section 6(d)(ii) shall be effective without any further action on the part of the holders of such shares and shall be effective whether or not the certificates for such shares are surrendered to the Corporation or its transfer agent.

7. Protective Covenants.

(a) Capital Stock Voting Matters. The Corporation shall not, and shall not permit any Subsidiary to, without the affirmative vote or prior written consent of holders of at least a majority of the outstanding shares of capital stock of the Corporation (voting together as a single class on an as-converted to Common Stock basis, with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion) whether by amendment of the Corporation's Certificate of Incorporation, reclassification, merger, consolidation, reorganization or otherwise, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(i) alter, amend, waive or repeal the Corporation's Certificate of Incorporation or By-laws in any manner;

(ii) authorize or issue any security convertible into or exercisable for any equity security having any right, preference or priority superior to or on parity with the Series Preferred Stock;

(iii) increase or decrease the number of authorized shares of Series Preferred Stock;

(iv) authorize, declare or pay any dividend (other than dividends on Common Stock payable solely in Common Stock) on any share of the capital stock of the Corporation or any Subsidiary;

(v) redeem, purchase or otherwise acquire for value any share or shares of the capital stock of the Corporation or any Subsidiary, except for repurchases of Common Stock of the Corporation from (a) directors, consultants and advisors, in each case, solely with respect to such shares issued pursuant to the Stock Option Plan or such other stock incentive plan as may be approved by the Board of Directors of the Corporation, including a majority of the Preferred Directors, and (b) officers and employees pursuant to contractual call rights or rights of first refusal, in each case which capital stock of the Corporation held by such party is redeemed at a price no greater than the original purchase price for such shares;

(vi) liquidate, dissolve or wind-up the Corporation;

(vii) merge with or into or consolidate with any other entity, whether or not the Corporation or a Subsidiary is the surviving entity;

(viii) acquire or make an investment in any other Person in a transaction in which the aggregate price to the Corporation is greater than Ten Million Dollars ($10,000,000);

(ix) enter into any transaction with Senior Management or an Affiliate of the Corporation, except for (a) arms' length employment agreements or (b) equity incentive agreements pursuant to the Stock Option Plan and other transactions that are, in each case, approved by a majority of the disinterested members of the Board of Directors;

(x) dispose, transfer, sell or exclusively lease or license all or substantially all its properties or assets, or more than 25% of the fair market value of the Corporation's consolidated assets in any transaction or series of related transactions (other than the sale of the Corporation's inventory in the ordinary course of business and other sales in the ordinary course of business);

(xi) enter into or incur any debt or lease obligation (other than working capital loans, equipment lease obligations and other similar obligations in the ordinary course of business) where the aggregate amount of all such obligations outstanding at any one time is greater than Two Hundred and Fifty Million Dollars ($250,000,000);

(xii) create any new option or equity incentive plan (other than the Stock Option Plan, which for this purpose shall not include any successor stock option or equity incentive plan) or increase the number of shares reserved for grant under the Stock Option Plan; or

(xiii) create any Subsidiaries other than a Subsidiary in which the Corporation is the sole record and beneficial holder of all the equity interests.

(b) Series C-1 Preferred Stock Voting Matters

(i) Separate Vote of the Series C-1 Preferred Stock. At any time when any shares of Series C-1 Preferred Stock are outstanding, the Corporation shall not, and shall not permit any Subsidiary to, without the affirmative vote or the prior written consent of the holders of at least a majority of the Series C-1 Preferred Stock (with the Series C-1 Preferred Stock not subject to the Regulatory Voting Restriction for purposes of such vote or written consent), whether by amendment, waiver, termination or repeal, of the Corporation's Certificate of Incorporation or By-laws, or reclassification, merger, consolidation, reorganization or otherwise, amend, modify or waive (A) any of the terms set forth in Article FIFTEENTH below, the protective provisions set forth in this Section 7(b)(i) or any of the terms set forth in Section 7(b)(ii) below, or (B) any other provision of this Certificate of Incorporation intended to address the regulatory status of the initial or any subsequent holder of shares of Series C-1 Preferred Stock, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect; provided that a Liquidation Event in which the holders of Series Preferred Stock receive securities of another entity (whether or not the holders of capital stock of the Corporation waive the treatment of such pursuant to Section 3(d) above) shall not be deemed to amend, modify or waive any other provision of this Certificate of Incorporation intended to address the regulatory status of the initial or any subsequent holder of shares of Series C-1 Preferred Stock requiring the affirmative vote or written consent of the holders of the Series C-1 Preferred Stock pursuant to Section 7(b)(i)(B) above.

In no event shall the Series C-1 Preferred Stock be entitled to vote, or act by written consent, on any matter as a single "class" of "voting securities" as such terms are interpreted under the BHCA. For the avoidance of doubt, the foregoing provisions in this Section 7(b)(i) shall apply with respect to the Series C-1 Preferred Stock after a Deemed Optional Conversion or Deemed Automatic Conversion. Notwithstanding the foregoing, solely for purposes of this Section 7(b)(i), neither (x) the authorization or issuance of any equity security (including any other security convertible or exercisable for such equity security) that ranks senior to both the Series C Preferred Stock and the Series C-1 Preferred Stock or pari passu with both the Series C Preferred Stock and the Series C-1 Preferred Stock with respect to the distribution of assets on the liquidation, dissolution, winding up of the Corporation or a Liquidation Event, and (y) the inclusion of such equity security (including any other security convertible or exercisable for such equity security) in the definition of "Series Preferred Stock" in the Corporation's Certificate of Incorporation or any amendment thereto shall be deemed to alter, amend, terminate, repeal, waive or change the rights, privileges or preferences of the Series C-1 Preferred Stock requiring the affirmative vote or written consent of the holders of the Series C-1 Preferred Stock pursuant to Section 7(b)(i).

(ii) Regulatory Voting Restriction. Notwithstanding the voting rights provided herein or statutory voting rights of holders of shares of Series C-1 Preferred Stock and except as expressly provided otherwise herein, in no event shall a Regulated Holder and its Transferees, collectively, be entitled to vote shares representing more than 4.99% of the voting power of all shares entitled to vote on any matter (including matters with respect to which such holders are entitled to provide their consent), including matters with respect to which:

(1) the Series C Preferred Stock and the Series C-1 Preferred Stock vote together as a single class;

(2) the Preferred Stock votes together as a single class; or

(3) the Preferred Stock votes with shares of Common Stock as a single class on an as-converted basis;

(such voting rights to be allocated pro rata among the Regulated Holder and its Transferees based on the number of shares of Series C-1 Preferred Stock held by each such holder); provided, however, that, if there are no shares of Series C Preferred Stock outstanding, the ownership of shares of Series C-1 Preferred Stock will not convey to the holder thereof any right to vote for matters on which shares of Series C Preferred Stock and Series C-1 Preferred Stock are entitled to vote as a single class, and in the event there are no shares of Series Preferred Stock outstanding other than the Series C-1 Preferred Stock, the ownership of shares of Series C-1 Preferred Stock will not convey to the holder thereof any right to vote for matters on which shares of Series Preferred Stock are entitled to vote as a single class; provided, further, that the Regulatory Voting Restriction shall not apply to matters requiring approval of the holders of shares of Series C-1 Preferred Stock pursuant to Section 7(b)(i) above or as otherwise provided expressly herein. The restrictions described in this Section 7(b)(ii) are referred to herein as the "Regulatory Voting Restrictions."

(c) Series D Preferred Stock Voting Matters. At any time when any shares of Series D Preferred Stock are outstanding, the Corporation shall not, and shall not permit any Subsidiary to, without the affirmative vote or the prior written consent of the holders of a majority of the Series D Preferred Stock, whether by amendment, waiver, termination or repeal, of the Corporation's Certificate of Incorporation or By-laws, or reclassification, merger, consolidation, reorganization or otherwise, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(i) alter, amend, change, terminate, repeal, nullify or waive any provision of the Corporation's Certificate of Incorporation or By-laws in a manner that adversely affects the Series D Preferred Stock or the holders thereof, including, without limitation, any alteration, amendment, change, repeal, nullification, termination or waiver of the right for the Series D Preferred Stock to elect directors pursuant to Subsection 1(b) or the definition of "Qualified Public Offering" in Section 9;

(ii) create, or authorize the creation of (including by reclassification of existing shares) or issue or obligate itself to issue shares of, any securities (whether equity, convertible debt or a unit of debt and equity securities or any other security convertible into or exercisable for any such security) unless the same ranks junior to the Series D Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation or a Liquidation Event and the payment of dividends;

(iii) approve any voluntary liquidation, dissolution or winding up of the Corporation or a Liquidation Event unless the holders of shares of Series D Preferred Stock shall receive an amount in cash or Marketable Securities, paid as of the consummation of such applicable transaction, for each share of Series D Preferred Stock held thereby, an amount equal to at least one and a half times (1.5x) the Series D Original Purchase Price (any such Liquidation Event satisfying such requirement, a "Qualified Liquidation Event");

(iv) increase or decrease the number of authorized shares of Series D Preferred Stock; or

(v) purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Preferred Stock as expressly authorized herein and (ii) repurchases of unvested stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the original purchase price (as equitably adjusted in the event of any stock dividend, stock split, combination or other similar recapitalization) or, if provided in the agreement governing the issuance of such stock, at the lesser of the original purchase price (as equitably adjusted in the event of any stock dividend, stock split, combination or other similar recapitalization) and the then-current fair market value thereof;

provided that, solely for purposes of Sections 7(c), neither (x) a Qualified Liquidation Event, nor (y) (i) the authorization or issuance of any equity security (including any other security convertible or exercisable for such equity security) that ranks junior to the Series D Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation or a Liquidation Event and the payment of dividends ("New Preferred"), and (ii) the inclusion of such New Preferred in the definition of "Series Preferred Stock" in the Corporation's Certificate of Incorporation or any amendment thereto shall be deemed to, in and of themselves, alter, amend, terminate, repeal or waive the rights, privileges or preferences of the Series D Preferred Stock requiring the affirmative vote or written consent of the holders of the Series D Preferred Stock pursuant to Section 7(c)(i); provided that the rights, privileges and preferences of the Series D Preferred Stock are otherwise unaffected. For the purposes hereof, the term "Marketable Securities" shall mean securities that are both (x) traded on a national securities exchange or NASDAQ and (y) immediately saleable by the holder thereof following receipt without restriction as to volume or other limitation imposed by securities laws, rules and regulations, contract, lock-up, restrictive legend or otherwise, and shall be valued in accordance with Section 3(e)(i) above.

(d) Series E Preferred Stock Voting Matters. At any time when any shares of Series E Preferred Stock are outstanding, the Corporation shall not, and shall not permit any Subsidiary to, without the affirmative vote or the prior written consent of the Requisite Series E Preferred Stockholders, whether by amendment, waiver, termination or repeal, of the Corporation's Certificate of Incorporation or By-laws, or reclassification, merger, consolidation, reorganization or otherwise, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(i) alter, amend, change, terminate, repeal, nullify or waive any provision of the Corporation's Certificate of Incorporation or By-laws in a manner that adversely affects the Series E Preferred Stock or the holders thereof, including, without limitation, any alteration, amendment, change, repeal, nullification, termination or waiver of the definition of "Qualified Public Offering" in Section 9;

(ii) create, or authorize the creation of (including by reclassification of existing shares) or issue or obligate itself to issue shares of, any securities (whether equity, convertible debt or a unit of debt and equity securities or any other security convertible into or exercisable for any such security) unless the same ranks junior to the Series E Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation or a Liquidation Event and the payment of dividends;

(iii) increase or decrease the number of authorized shares of Series E Preferred Stock; or

(iv) purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (x) redemptions of or dividends or distributions on the Preferred Stock as expressly authorized herein and (y) repurchases of unvested stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the original purchase price (as equitably adjusted in the event of any stock dividend, stock split, combination or other similar recapitalization) or, if provided in the agreement governing the issuance of such stock, at the lesser of the original purchase price (as equitably adjusted in the event of any stock dividend, stock split, combination or other similar recapitalization) and the then-current fair market value thereof.

(e) Series F Preferred Stock Voting Matters. At any time when any shares of Series F Preferred Stock are outstanding, the Corporation shall not, and shall not permit any Subsidiary to, without the affirmative vote or the prior written consent of the Requisite Series F Preferred Stockholders, whether by amendment, waiver, termination or repeal, of the Corporation's Certificate of Incorporation or By-laws, or reclassification, merger, consolidation, reorganization or otherwise, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(i) alter, amend, change, terminate, repeal, nullify or waive any provision of the Corporation's Certificate of Incorporation or By-laws in a manner that adversely affects the Series F Preferred Stock or the holders thereof, including, without limitation, any alteration, amendment, change, repeal, nullification, termination or waiver of the definition of "Qualified Public Offering" in Section 9;

(ii) create, or authorize the creation of (including by reclassification of existing shares) or issue or obligate itself to issue shares of, any securities (whether equity, convertible debt or a unit of debt and equity securities or any other security convertible into or exercisable for any such security) unless the same ranks junior to the Series F Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation or a Liquidation Event and the payment of dividends;

(iii) increase or decrease the number of authorized shares of Series F Preferred Stock or issue any additional shares of Series F Preferred Stock; or

(iv) purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (x) redemptions of or dividends or distributions on the Preferred Stock as expressly authorized herein and (y) repurchases of unvested stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the original purchase price (as equitably adjusted in the event of any stock dividend, stock split, combination or other similar recapitalization) or, if provided in the agreement governing the issuance of such stock, at the lesser of the original purchase price (as equitably adjusted in the event of any stock dividend, stock split, combination or other similar recapitalization) and the then-current fair market value thereof.

(f) Series G Preferred Stock Voting Matters. At any time when any shares of Series G Preferred Stock are outstanding, the Corporation shall not, and shall not permit any Subsidiary to, without the affirmative vote or the prior written consent of the Requisite Series G Preferred Stockholders, whether by amendment, waiver, termination or repeal, of the Corporation's Certificate of Incorporation or By-laws, or reclassification, merger, consolidation, reorganization or otherwise, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(i) alter, amend, change, terminate, repeal, nullify or waive any provision of the Corporation's Certificate of Incorporation or By-laws in a manner that adversely affects the Series G Preferred Stock or the holders thereof, including, without limitation, any alteration, amendment, change, repeal, nullification, termination or waiver of the definition of "Qualified Public Offering" in Section 9;

(ii) create, or authorize the creation of (including by reclassification of existing shares) or issue or obligate itself to issue shares of, any securities (whether equity, convertible debt or a unit of debt and equity securities or any other security convertible into or exercisable for any such security) unless the same ranks junior to the Series G Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation or a Liquidation Event and the payment of dividends;

(iii) increase or decrease the number of authorized shares of Series G Preferred Stock or issue any additional shares of Series G Preferred Stock, other than issuances of Series G Preferred Stock pursuant to that certain Series G Preferred Stock Purchase Agreement among the Corporation and the purchasers named on Schedule I thereto (as amended and/or restated from time to time, the "Series G Purchase Agreement"); or

(iv) purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (x) redemptions of or dividends or distributions on the Preferred Stock as expressly authorized herein and (y) repurchases of unvested stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the original purchase price (as equitably adjusted in the event of any stock dividend, stock split, combination or other similar recapitalization) or, if provided in the agreement governing the issuance of such stock, at the lesser of the original purchase price (as equitably adjusted in the event of any stock dividend, stock split, combination or other similar recapitalization) and the then-current fair market value thereof.

(g) At any time when any shares of Preferred Stock are outstanding, the Corporation shall not, and shall not permit any Subsidiary to, whether by amendment, waiver, termination or repeal, of the Corporation's Certificate of Incorporation or By-laws, or reclassification, merger, consolidation, reorganization or otherwise, alter, amend, terminate, repeal or waive the Corporation's Certificate of Incorporation or By-laws in a manner that would adversely alter or change the powers, preferences, or special rights of one or more series of the Preferred Stock class, but shall not so affect the entire class, without the affirmative vote or the prior written consent of the holders of a majority of the then outstanding shares of such one or more affected series of Preferred Stock, voting together as a single class on an as-converted basis.

8. Waiver. Except as otherwise required by law or this Certificate of Incorporation, without creating any additional consent rights not otherwise provided herein, the holders of a majority of the then outstanding shares of Seed Series Preferred Stock may waive, by delivery of written notice to the Corporation, any of the rights, preferences or privileges relating to the Seed Series Preferred Stock hereunder, either prospectively or retrospectively. Except as otherwise required by law or this Certificate of Incorporation, without creating any additional consent rights not otherwise provided herein, the holders of at least seventy-five percent (75%) of the then outstanding shares of Series A Preferred Stock may waive, by delivery of written notice to the Corporation, any of the rights, preferences or privileges relating to the Series A Preferred Stock hereunder, either prospectively or retrospectively. Except as otherwise required by law or this Certificate of Incorporation, without creating any additional consent rights not otherwise provided herein, the holders of a majority of the then outstanding shares of Series B Preferred Stock may waive, by delivery of written notice to the Corporation, any of the rights, preferences or privileges relating to the Series B Preferred Stock hereunder, either prospectively or retrospectively. Except as otherwise required by law or this Certificate of Incorporation, without creating any additional consent rights not otherwise provided herein, the holders of at least fifty-five percent (55%) of the then outstanding shares of Series C Preferred Stock may waive, by delivery of written notice to the Corporation, any of the rights, preferences or privileges relating to the Series C Preferred Stock hereunder, either prospectively or retrospectively. Except as otherwise required by law or this Certificate of Incorporation, without creating any additional consent rights not otherwise provided herein, the holders of a majority of the then outstanding shares of Series C-1 Preferred Stock (with the Series C-1 Preferred Stock not being subject to the Regulatory Voting Restriction for purposes of this specific vote) may waive, by delivery of written notice to the Corporation, any of the rights, preferences or privileges relating to the Series C-1 Preferred Stock hereunder, either prospectively or retrospectively. Except as otherwise required by law or this Certificate of Incorporation, without creating any additional consent rights not otherwise provided herein, the holders of a majority of the then outstanding shares of Series D Preferred Stock may waive, by delivery of written notice to the Corporation, any of the rights, preferences or privileges relating to the Series D Preferred Stock hereunder, either prospectively or retrospectively. Except as otherwise required by law or this Certificate of Incorporation, without creating any additional consent rights not otherwise provided herein, the Requisite Series E Preferred Stockholders may waive, by delivery of written notice to the Corporation, any of the rights, preferences or privileges relating to the Series E Preferred Stock hereunder, either prospectively or retrospectively. Except as otherwise required by law or this Certificate of Incorporation, without creating any additional consent rights not otherwise provided herein, the Requisite Series F Preferred Stockholders may waive, by delivery of written notice to the Corporation, any of the rights, preferences or privileges relating to the Series F Preferred Stock hereunder, either prospectively or retrospectively. Except as otherwise required by law or this Certificate of Incorporation, without creating any additional consent rights not otherwise provided herein, the Requisite Series G Preferred Stockholders may waive, by delivery of written notice to the Corporation, any of the rights, preferences or privileges relating to the Series G Preferred Stock hereunder, either prospectively or retrospectively. Except as otherwise required by law or this Certificate of Incorporation, without creating any additional consent rights not otherwise provided herein, the holders of a majority of the then outstanding shares of capital stock of the Corporation (voting together as a single class on an as-converted to Common Stock basis with the Series C-1 Preferred Stock treated as being convertible into

Common Stock for this purpose, notwithstanding any limitation on conversion) may waive, by delivery of written notice to the Corporation, any of the rights, preferences or privileges relating to all capital stock of the Corporation hereunder (other than any of the rights, preferences or privileges specifically provided to the Series Preferred Stock, or any series thereof), either prospectively or retrospectively. Except as otherwise required by law or this Certificate of Incorporation, without creating any additional consent rights not otherwise provided herein, the holders of a majority of the then outstanding shares of Seed Series Preferred Stock, Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock, voting together as a single class (on an as-converted to Common Stock basis) may waive, by delivery of written notice to the Corporation, any of the rights, preferences or privileges relating to such shares of capital stock of the Corporation where treated as a single class hereunder, either prospectively or retrospectively. Except as otherwise required by law or this Certificate of Incorporation, without creating any additional consent rights not otherwise provided herein, the holders of a majority of the then outstanding shares of Junior Preferred Stock, voting together as a single class (on an as-converted to Common Stock basis with the Series C-1 Preferred Stock treated as being convertible into Common Stock for this purpose, notwithstanding any limitation on conversion) may waive, by delivery of written notice to the Corporation, any of the rights, preferences or privileges relating to such shares of capital stock of the Corporation where treated as a single class hereunder, either prospectively or retrospectively.

9. Definitions. The following terms shall have the following respective meanings:

"Additional Shares of Common Stock" shall mean all shares of Common Stock issued (or, pursuant to Subsection 5(d)(ii) above, deemed to be issued) by the Corporation after the Original Issue Date, other than:

(a) shares of Common Stock issued or issuable by reason of a dividend or other distribution on shares of Common Stock that is covered by Subsection 5(e), 5(f), 5(g) or 5(h) above;

(b) shares of Common Stock actually issued or issuable upon conversion of shares of Series Preferred Stock (excluding deemed issuances under Subsection 5(d)(ii));

(c) up to 13,469,648 shares of Common Stock, either issued in the form of restricted stock awards or Options exercisable for Common Stock (subject to appropriate adjustment for stock splits, stock dividends, combinations and other similar recapitalizations affecting such shares) or upon the exercise of such Options (it being understood that any such shares issued that expire or terminate unexercised or are repurchased by the Corporation shall not be counted towards the maximum number unless and until regranted or reissued), issued or issuable to officers, directors, consultants, advisors or employees of the Corporation pursuant to the Stock Option Plan or such other stock incentive plan as may be approved by the Board of Directors of the Corporation, including a majority of the Preferred Directors;

(d) any Common Stock issued in connection with any acquisitions, mergers or strategic partnership transactions (other than transactions entered into primarily for equity financing purposes) that have been approved by the Board of Directors, including a majority of the Preferred Directors;

(e) any Common Stock issued pursuant to an initial public offering, under which in connection with such initial public offering all shares of Non-Regulated Series Preferred Stock are converted into shares of Common Stock;

(f) any issuance exempted from the definition of Additional Shares of Common Stock pursuant to Section 5(d)(i) above with respect to the applicable series of Preferred Stock; or

(g) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment lending or real property leasing transaction approved by the Board of Directors, including a majority of the Preferred Directors, and shares of Common Stock or Preferred Stock actually issued upon the exercise of such Options or shares of Common Stock actually issued upon the conversion of such Convertible Securities;

(h) any warrants issued to holders of Series C Preferred Stock outstanding as of the date of this Restated Charter and shares of capital stock actually issued upon the exercise of such warrants; or

(i) Series C Preferred Stock issued upon conversion of the Series C-1 Preferred Stock in accordance with this Restated Charter.

"Affiliate" shall mean, with respect to any Person (as defined herein), any (w) director, officer or stockholder holding 10% or more of the capital stock (on a fully diluted basis) of such Person, (x) spouse, parent, sibling or descendant of such Person (or a spouse, parent, sibling or descendant of a director, officer, or partner of such Person), (y) other Persons that are investment companies registered under the Investment Company Act of 1940 advised or sub-advised by such Person's investment advisor or any affiliated investment advisor of such investment advisor, one or more mutual fund, pension fund, pooled investment vehicle or institutional client advised or sub-advised by such Person's investment advisor or any affiliated investment advisor of such investment advisor, and (z) other Persons that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. The term "control" includes, without limitation, the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and shall be deemed to include any Person under common management with another Person.

"Ares" shall mean Ares Corporate Opportunities Fund V, L.P. together with their respective Affiliates.

"applicable Original Purchase Price" shall mean, as applicable, the Seed Series Original Purchase Price, the Series A Original Purchase Price, the Series B Original Purchase Price, the Series C Original Purchase Price, the Series C-1 Original Purchase Price, the Series D Original Purchase Price, the Series E Original Purchase Price, the Series F Original Purchase Price or the Series G Original Purchase Price.

"Appraisal Procedure" shall mean the following procedure to determine fair market value of any security or other property (in either case, the "valuation amount"). Upon the determination of the valuation amount for any security or other property by the Board of Directors in accordance with provisions of this Restated Charter, each Major Stockholder shall be delivered written notice thereof. If, within ten (10) days of delivery of such notice, any Major Stockholder (each, a "Disputing Party") notifies the Corporation in writing that it disputes the valuation amount, then within thirty (30) days of delivery of such notice from the Major Stockholder to the Corporation, the valuation amount shall be determined conclusively by an investment banking firm of national recognition, which firm shall be unaffiliated with each of the Corporation and the Disputing Party and shall be reasonably acceptable to the Board of Directors and each Disputing Party. If the Board of Directors and each Disputing Party are unable to agree upon an acceptable investment banking firm within ten (10) days after the date either party proposed that one be selected, the investment banking firm will be selected by an arbitrator located in Boston, Massachusetts, selected by the American Arbitration Association (or if such organization ceases to exist, the arbitrator shall be chosen by a court of competent jurisdiction). The arbitrator shall select the investment banking firm (within ten (10) days of his appointment) from a list, jointly prepared by each Disputing Party and the Board of Directors, of not more than eight (8) investment banking firms of national standing in the United States, of which no more than two (2) may be named by the Board of Directors and no more than two (2) may be named by any Disputing Party.

The arbitrator may consider, within the ten-day period allotted, arguments from the parties regarding which investment banking firm to choose, but the selection by the arbitrator shall be made in its sole discretion from the list of not more than eight (8). The Board of Directors and each Disputing Party shall submit their respective valuations and other relevant data to the investment banking firm, and the investment banking firm shall as soon as practicable thereafter make its own determination of the valuation amount. The final valuation amount for purposes hereof shall be the average of the two valuation amounts closest together, as determined by the investment banking firm, from among (i) the valuation amounts submitted by the Corporation and each Disputing Party, on the one hand, and (ii) the valuation amount calculated by the investment banking firm, on the other hand. The determination of the final valuation amount per the previous sentence shall be final and binding upon the parties. The Corporation shall pay the fees and expenses of the investment banking firm and arbitrator (if any) used to determine the valuation amount. If required by any such investment banking firm or arbitrator, the Corporation shall execute a retainer and engagement letter containing reasonable terms and conditions, including, without limitation, customary provisions concerning the rights of indemnification and contribution by the Corporation in favor of such investment banking firm or arbitrator and its officers, directors, partners, employees, agents and affiliates.

"Bain" shall mean BCIP Venture Associates, BCIP Venture Associates-B and Bain Capital Venture Fund 2009, L.P., together with their respective Affiliates.

"Convertible Securities" shall mean any evidences of indebtedness, shares (other than Common Stock) or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

"Major Stockholder" shall mean any holder of Series Preferred Stock holding more than 650,000 shares of Series Preferred Stock (subject to appropriate adjustment for stock splits, stock dividends, combinations and other similar recapitalizations affecting the Series Preferred Stock); provided, however, that (i) Franklin Strategic Series—Franklin Small Cap Growth Fund and Franklin Templeton Investment Funds—Franklin Technology Fund, together with their respective Affiliates and any other holder of Series Preferred Stock advised by Franklin Advisers, Inc. (collectively, "Franklin"), shall be deemed collectively to be a Major Stockholder for so long as they hold at least fifty percent (50%) of the shares of Series F Preferred Stock (or the Common Stock issued upon the conversion thereof) originally purchased by Franklin, and (ii) the T. Rowe Price Investors shall be deemed collectively to be a Major Stockholder for so long as they collectively hold at least fifty percent (50%) of either (a) the shares of Series F Preferred Stock (or the Common Stock issued upon the conversion thereof) purchased by the T. Rowe Price Investors pursuant to the Series F Purchase Agreement or (b) the shares of Series G Preferred Stock (or the Common Stock issued upon conversion thereof) purchased by the T. Rowe Price Investors pursuant to the Series G Purchase Agreement. For purposes of determining the number of shares of Series Preferred Stock held by a stockholder, all shares of Series Preferred Stock held by Affiliates shall be aggregated.

"Option" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

"Original Issue Date" shall mean the date on which a share of Series G Preferred Stock was first issued.

"Person" shall mean without limitation an individual, a partnership, a corporation, an association, a joint stock corporation, a limited liability company, a trust, a joint venture, an unincorporated organization and a governmental authority.

"Preferred Directors" means the Junior Preferred Directors, the Series D Director, and the Series F Director.

"Qualified Public Offering" shall mean the sale of shares of Common Stock, at a price to the public of at least 1.0 times the Series D Original Purchase Price per share (subject to appropriate adjustment for stock splits, stock dividends, combinations and other similar recapitalizations affecting the Common Stock), in a firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least One Hundred Million Dollars ($100,000,000) of gross proceeds to the Corporation and after which the Common Stock is listed on the New York Stock Exchange, the Nasdaq Global Market or the Nasdaq Global Select Market or another internationally recognized stock exchange.

"Requisite Series E Preferred Stockholders" shall mean the holders of a majority of the outstanding shares of Series E Preferred Stock, including Fidelity Puritan Trust: Fidelity Puritan Fund for so long as Fidelity Puritan Trust: Fidelity Puritan Fund and its Affiliates collectively hold at least 1,241,037 shares of Series E Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series E Preferred Stock).

"Requisite Series F Preferred Stockholders" shall mean the holders of a majority of the outstanding shares of Series F Preferred Stock, including at least one of (a) Bain (for so long as it or its Affiliates collectively hold at least fifty percent (50%) of the shares of Series F Preferred Stock purchased by it and its Affiliates under the Series F Preferred Stock Purchase Agreement among the Corporation and the purchasers named on Schedule I thereto dated March 21, 2019 (as amended, the "Series F Purchase Agreement")) or (b) Franklin (for so long as it or its Affiliates collectively hold at least fifty percent (50%) of the shares of Series F Preferred Stock purchased by it and its Affiliates under the Series F Purchase Agreement).

"Requisite Series G Preferred Stockholders" shall mean the holders of a majority of the outstanding shares of Series G Preferred Stock, including (a) the T. Rowe Investors holding a majority of the outstanding shares of Series G Preferred Stock held by the T. Rowe Investors (for so long as the T. Rowe Investors collectively hold at least fifty percent (50%) of either (i) the shares of Series F Preferred Stock purchased by the T. Rowe Price Investors under the Series F Purchase Agreement or (ii) the shares of Series G Preferred Stock purchased by the T. Rowe Price Investors under the Series G Purchase Agreement) and (b) Ares (for so long as it or its Affiliates collectively hold at least fifty percent (50%) of the shares of Series G Preferred Stock purchased by it or its Affiliates under the Series G Purchase Agreement).

"Seed Series Original Purchase Price" shall be $0.40 per share of Seed Series Preferred Stock, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Seed Series Preferred Stock.

"Senior Management" shall mean the principal executive officer, the principal financial officer, any other officer reporting directly to the Board of Directors and any officer reporting directly to the principal executive officer.

"Series A Original Purchase Price" shall be $2.8916 per share of Series A Preferred Stock, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock.

"Series B Original Purchase Price" shall be $7.9453 per share of Series B Preferred Stock, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B Preferred Stock.

"Series C Original Purchase Price" shall be $11.10768 per share of Series C Preferred Stock, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock.

"Series C-1 Original Purchase Price" shall be $11.10768 per share of Series C-1 Preferred Stock, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C-1 Preferred Stock.

"Series D Original Purchase Price" shall be $17.03841 per share of Series D Preferred Stock, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series D Preferred Stock.

"Series E Original Purchase Price" shall be $21.75600 per share of Series E Preferred Stock, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series E Preferred Stock.

"Series F Original Purchase Price" shall be $22.35369 per share of Series F Preferred Stock, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series F Preferred Stock.

"Series G Original Purchase Price" shall be $14.740960 per share of Series G Preferred Stock, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series G Preferred Stock.

"Stock Option Plan" shall mean the Corporation's Amended and Restated 2009 Stock Incentive Plan, as may be amended and/or restated from time to time, the Corporation's 2019 Stock Incentive Plan, as may be amended and/or restated from time to time, and any successor stock option or equity incentive plan adopted by the Corporation.

"Subsidiary" shall mean any corporation or trust of which the Corporation directly or indirectly owns at the time 50% or more of the outstanding shares that represent either 50% or more of the voting power, 50% or more of the economic power, or control of the board of directors of such corporation or trust, other than directors' qualifying shares.

"T. Rowe Price Investor" shall mean a holder of Preferred Stock (or Common Stock issued upon conversion thereof) that is an advisory client of T. Rowe Price Associates, Inc. or any successor or affiliated registered investment advisor.

FIFTH. The Corporation is to have perpetual existence.

SIXTH. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware:

A. The board of directors of the Corporation is expressly authorized to adopt, amend, or repeal the by-laws of the Corporation subject to any right of the stockholders set forth herein, to alter and repeal the by-laws made by the Board of Directors.

B. Elections of directors need not be by written ballot unless the by-laws of the Corporation shall so provide.

C. The books of the Corporation may be kept at such place within or without the State of Delaware as the by-laws of the Corporation may provide or as may be designated from time to time by the Board of Directors of the Corporation.

SEVENTH. Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholders thereof or on the application of any receiver or receivers appointed for the Corporation under the provisions of section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of section 279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all stockholders or class of stockholders of the Corporation, as the case may be, and also on the Corporation.

EIGHTH. To the maximum extent permitted from time to time under the law of the State of Delaware, the Corporation renounces any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "Excluded Opportunity" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of any of the Preferred Directors or any partner, member, director, stockholder, employee or agent of a Major Stockholder (each such person a "Covered Person"), unless such Excluded Opportunity is demonstrated by the Corporation to have been offered to such Covered Person expressly and solely in such individual's capacity as a member of the Board of Directors. No amendment or repeal of this Article EIGHTH shall apply to or have any effect on the liability or alleged liability of any officer, director or stockholder of the Corporation for or with respect to any opportunities of which such officer, director, or stockholder becomes aware prior to such amendment or repeal.

NINTH. A director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent that exculpation from liability is not permitted under the General Corporation Law of the State of Delaware as in effect at the time such liability is determined. No amendment or repeal of this Article NINTH shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

TENTH. The Corporation shall, to the maximum extent permitted from time to time under the law of the State of Delaware, indemnify and upon request shall advance expenses to any person who is or was a party or is threatened to be made a party to any threatened, pending or completed action, suit, proceeding or claim, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of the Corporation or while a director or officer is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of any corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorney's fees and expenses), judgments, fines, penalties and amounts paid in settlement incurred in connection with the investigation, preparation to defend or defense of such action, suit, proceeding or claim; provided, however, that the foregoing shall not require the Corporation to indemnify or advance expenses to any person in connection with any action, suit, proceeding or claim initiated by or on behalf of such person or any counterclaim against the Corporation initiated by or on behalf of such person. Such indemnification shall not be exclusive of other indemnification

rights arising under any by-law, agreement, vote of directors or stockholders or otherwise and shall inure to the benefit of the heirs and legal representatives of such person. Any person seeking indemnification under this Article TENTH shall be deemed to have met the standard of conduct required for such indemnification unless the contrary shall be established. With the intent that the Corporation shall be the primary source of funds for any advancement or indemnification obligation hereunder, the Corporation shall have no right to seek contribution or other reimbursement from any other party (other than pursuant to insurance policies procured by the Corporation and indemnity arrangements entered into in writing with the Corporation) with an obligation (under contract, law or otherwise) to indemnify a director of the Corporation. Any repeal or modification of the foregoing provisions of this Article TENTH shall not adversely affect any right or protection of a director or officer of the Corporation or any limitations on the Corporation with respect to any acts or omissions of such director or officer occurring prior to such repeal or modification.

ELEVENTH. If at any time the Corporation shall have a class of stock registered pursuant to the provisions of the Securities Exchange Act of 1934, for so long as such class is so registered, any action by the stockholders of such class must be taken at an annual or special meeting of stockholders and may not be taken by written consent.

TWELFTH. The Corporation hereby elects not be governed by Section 203 of the General Corporation Law of the State of Delaware.

THIRTEENTH. Notwithstanding any provision of law, the Corporation may, by contract, grant to some or all of the security holders of the Corporation preemptive rights to acquire stock of the Corporation, but no stockholders shall have any preemptive rights except as specifically granted.

FOURTEENTH. The Corporation reserves the right, subject in all respects to the restrictions and limitations contained herein, to amend, alter, change or repeal any provision contained in this Restated Charter, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

FIFTEENTH. BHCA Matters.

A. Definitions. As used herein, the following terms will have the meanings set forth below.

1. A "Regulated Holder" means a bank holding company subject to the provisions of the Bank Holding Company Act of 1956, as amended, and as implemented by the Board of Governors of the Federal Reserve System, whether pursuant to regulation or interpretation (the "BHCA"), together with its affiliates (as defined in Regulation Y (12 C.F.R. Part 225)).

2. A "Transferee" means a party to whom a Regulated Holder transfers shares of Series C-1 Preferred Stock and the transferees of such party (in each case, other than Permitted Regulatory Transferees).

3. A "Permitted Regulatory Transferee" shall mean a person or entity who acquires shares of Series C-1 Preferred Stock from a Regulated Holder or its Transferees in any of the following transfers (each a "Permitted Regulatory Transfer"):

(a) a widespread public distribution;

(b) a private placement in which no one party acquires the right to purchase 2% or more of any class of voting securities (as such term is used for purposes of the BHCA), of the corporation;

(c) an assignment to a single party (e.g., a broker or investment banker) for the purpose of conducting a widespread public distribution on behalf of a Regulated Holder and its Transferees; or

(d) to a party who would control more than 50% of the voting securities (as such term is used for purposes of the BHCA) of the corporation without giving effect to the shares of Series C-1 Preferred Stock transferred by a Regulated Holder and its Transferees.

B. The Corporation shall be bound by the following restrictions (each, a "BHCA Regulatory Restriction"):

1. The Corporation shall not directly or indirectly, repurchase, redeem, retire or otherwise acquire any of the Corporation's capital securities, or take any other action (including effecting a public offering in which any of outstanding shares of Preferred Stock are converted into Common Stock), if, as a result, the Regulated Holder and its Transferees would own or control, or be deemed to own or control, collectively, greater than (i) 4.99% of the voting power of any class of voting securities of the Corporation or (ii) 9.99% of the total equity of the Corporation (in each case, as such terms used in the preceding sentence are defined and used, and as such percentages are calculated, under the BHCA); provided, however, that this restriction shall not apply to any redemption, repurchase, redemption, retirement or other acquisition transaction effected by the Corporation and offered to each holder of Series Preferred Stock if the Regulated Holder (x) receives at least ten (10) business days' prior written notice of such transaction and (y) is offered the opportunity to sell its shares of Series C-1 Preferred Stock on a pro rata basis with the other holders of Series Preferred Stock at a price per share equal to the greater of the highest price offered to a holder of Series C Preferred Stock and the fair market value of the Series C-1 Preferred Stock; provided further, that in such transaction the Regulated Holder is offered an opportunity to sell that number of shares as is sufficient to allow the Regulated Holder to remain below the foregoing equity limits.

2. If the Corporation declares a distribution payable in any form of property other than in cash, each holder of a share of Series C-1 Preferred Stock shall be entitled to receive, at its election, in lieu of such property, a cash payment equal to the fair market value of the property that such holder would have been entitled to receive upon such distribution, as reasonably determined by the Board of Directors of the Corporation in good faith; provided, however, that this provision shall not apply in the event of a Liquidation Event.

C. In the event of a breach of any BHCA Regulatory Restriction or Part D of this Article FIFTEENTH or if a Regulated Holder is unable to transfer pursuant to Part D of this Article FIFTEENTH all or any part of the shares of the Corporation's stock then-held by it because such transfer is not permitted pursuant to applicable securities laws, the Regulated Holder may exercise any remedies available to it against the Corporation, including requiring the Corporation to repurchase the relevant portion of the shares held by the Regulated Holder necessary to give effect to Part B or D of this Article FIFTEENTH, as applicable, at a per share price equal to the then current fair market value of (i) if shares of Series C Preferred Stock are then-outstanding, a share of Series C Preferred Stock (and not the fair market value of a share of Series C-1 Preferred Stock), as reasonably determined by the Board of Directors of the Corporation in good faith, or (ii) if no shares of Series C Preferred Stock are then-outstanding, a share of Series C-1 Preferred Stock, as reasonably determined by the Board of Directors of the Corporation in good faith with such determination being made assuming that the rights, preferences and privileges applicable to the Series C Preferred Stock (and not the Series C-1 Preferred Stock) that are set forth herein, as in effect as of the Filing Date for the Series C Preferred Stock, are the rights, preferences and privileges of the Series C-1 Preferred Stock.

D. If (i) a Regulated Holder (A) is deemed to be in control of the Corporation (as "control" is used for purposes of the BHCA), or (B) believes in good faith that it may be deemed to be in control of the Corporation (as "control" is used for purposes of the BHCA) or that it is not permitted to hold all or part of its shares of the Corporation's stock or, if applicable, its other securities of the Corporation under the relevant banking laws, regulations, and agency interpretations or guidance, (ii) all of the shares of Non-Regulated Series Preferred Stock have been converted into Common Stock pursuant to Section 6(a) of Part B of Article FOURTH of the Certificate of Incorporation and the holders thereof, other than such Regulated Holder, collectively hold less than 70% of the Registrable Securities (as defined in that certain Amended and Restated Investors' Rights Agreement, dated on or around the Original Issue Date (as amended, the "Rights Agreement")) that such holders held on the effective date of the Rights Agreement (as adjusted for any stock splits or combinations, stock dividends, reclassifications, exchanges, recapitalizations or the like) or (iii) the Regulated Holder learns of any activities directly or indirectly by or on behalf of the Corporation, its affiliates or any of their respective officers, directors or employees, or anyone for whose acts or defaults the Corporation may be liable, that may constitute or give rise to a violation of applicable anti-bribery or anti-corruption laws by the Corporation, then (x) the Corporation will cooperate in good faith to provide the Regulated Holder with information reasonably requested by such Regulated Holder and relevant to any determination under clauses (i), (ii) or (iii), (y) the Regulated Holder shall be permitted to transfer all or a portion of its shares of Series C-1 Preferred Stock or any other securities of the Corporation then-held by the Regulated Holder (subject to applicable securities laws) and (iii) the Corporation will use its commercially reasonable efforts to facilitate such transfer in good faith (including without limitation, making management available to prospective buyers and providing customary due diligence material, subject to a customary confidentiality agreement).

E. To the extent further requested, the Corporation will cooperate in good faith with a Regulated Holder in order to avoid the Regulated Holder being deemed to be in control of the Corporation (as "control" is used for purposes of the BHCA) as a result of any arrangements with any Regulated Holder.

F. In the event of any conflict with any provision of this Restated Charter, the terms of this Article FIFTEENTH shall prevail.

IN WITNESS WHEREOF, the Corporation has caused this Eleventh Amended and Restated Certificate of Incorporation to be signed by a duly authorized officer of the Corporation this 26th day of October, 2020.

RENT THE RUNWAY, INC.

By: /s/ Jennifer Y. Hyman
Name: Jennifer Y. Hyman
Title: Chief Executive Officer

RENT THE RUNWAY, INC.
FIRST CERTIFICATE OF AMENDMENT TO THE
ELEVENTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

(Pursuant to Section 242 of the

General Corporation Law of the State of Delaware)

Rent the Runway, Inc. (the "Corporation"), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "DGCL"), does hereby certify that:

1. The name of the Corporation is Rent the Runway, Inc. The Certificate of Incorporation of the Corporation was originally filed with the Secretary of State of the State of Delaware on March 3, 2009.

2. This Certificate of Amendment (the "Amendment") to the Corporation's Eleventh Amended and Restated Certificate of Incorporation filed with the Secretary of State of the State of Delaware on October 26, 2020 (the "Certificate") has been duly adopted and approved by the Corporation's Board of Directors and requisite stockholders in accordance with the applicable provisions of the DGCL.

3. Subsection (i) of Article Fourth of the Certificate is amended and restated to read in its entirety as follows:

> "(i) 62,500,000 shares of Common Stock, $.001 par value per share ("Common Stock") and"

4. Subsection (c) of the definition of "Additional Shares of Common Stock" in Article Fourth (B)(9) of the Certificate is amended and restated to read in its entirety as follows:

> "(c) up to 15,989,648 shares of Common Stock, either issued in the form of restricted stock awards or Options exercisable for Common Stock (subject to appropriate adjustment for stock splits, stock dividends, combinations and other similar recapitalizations affecting such shares) or upon the exercise of such Options (it being understood that any such shares issued that expire or terminate unexercised or are repurchased by the Corporation shall not be counted towards the maximum number unless and until regranted or reissued), issued or issuable to officers, directors, consultants, advisors or employees of the Corporation pursuant to the Stock Option Plan or such other stock incentive plan as may be approved by the Board of Directors of the Corporation, including a majority of the Preferred Directors"

5. All other provisions of the Certificate shall remain in full force and effect.

[*Signature Page Follows*]

IN WITNESS HEREOF, the Corporation has caused this First Certificate of Amendment to the Certificate to be signed by a duly authorized officer of the Corporation this 22 day of March, 2021.

RENT THE RUNWAY, INC.

/s/ Scarlett O'Sullivan

By: Scarlett O'Sullivan

Chief Financial Officer

RENT THE RUNWAY, INC.
SECOND CERTIFICATE OF AMENDMENT TO THE
ELEVENTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

(Pursuant to Section 242 of the
General Corporation Law of the State of Delaware)

Rent the Runway, Inc. (the "Corporation"), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "DGCL"), does hereby certify that:

1. The name of the Corporation is Rent the Runway, Inc. The Certificate of Incorporation of the Corporation was originally filed with the Secretary of State of the State of Delaware on March 3, 2009.

2. This Second Certificate of Amendment (the "Amendment") to the Corporation's Eleventh Amended and Restated Certificate of Incorporation filed with the Secretary of State of the State of Delaware on October 26, 2020, as amended by the First Certificate of Amendment filed with the Secretary of State of the State of Delaware on March 22, 2021 (the "Certificate") has been duly adopted and approved by the Corporation's Board of Directors and requisite stockholders in accordance with the applicable provisions of the DGCL.

3. Subsections (i) and (ii) of Article Fourth of the Certificate are amended and restated to read in their entirety as follows:

"(i) 62,500,000 shares of Common Stock, $.001 par value per share ("Common Stock") and

(ii) 36,055,589 shares of Preferred Stock, $0.001 par value per share ("Preferred Stock"), of which (a) 4,375,000 shares shall be designated as Seed Series Convertible Preferred Stock (the "Seed Series Preferred Stock"), (b) 5,187,500 shares shall be designated as Series A Convertible Preferred Stock (the "Series A Preferred Stock"), (c) 1,949,256 shares shall be designated Series B Convertible Preferred Stock (the "Series B Preferred Stock"), (d) 1,845,569 shares shall be designated Series C Convertible Preferred Stock (the "Series C Preferred Stock") (e) 351,108 shares shall be designated Series C-1 Preferred Stock (the "Series C-1 Preferred Stock"), (f) 3,609,493 shares shall be designated Series D Convertible Preferred Stock (the "Series D Preferred Stock"), (g) 3,723,110 shares shall be designated Series E Convertible Preferred Stock (the "Series E Preferred Stock"), (h) 6,039,272 shares shall be designated Series F Convertible Preferred Stock (the "Series F Preferred Stock"), and (i) 8,975,101 shares shall be designated Series G Convertible Preferred Stock (the "Series G Preferred Stock and, collectively with the Seed Series Preferred Stock, the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock and the Series F Preferred Stock, the "Non-Regulated Series Preferred Stock"). The Seed Series Preferred Stock, the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series C-1 Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock, the Series F Preferred Stock and Series G Preferred Stock are sometimes referred to together herein as the "Series Preferred Stock."

4. All other provisions of the Certificate shall remain in full force and effect.

[*Signature Page Follows*]

IN WITNESS HEREOF, the Corporation has caused this Second Certificate of Amendment to the Certificate to be signed by a duly authorized officer of the Corporation this 30th day of April, 2021.

RENT THE RUNWAY, INC.

By: /s/ Jennifer Y. Hyman
Jennifer Y. Hyman
Chief Executive Officer

Exhibit 3.2

THIRD AMENDED AND RESTATED

BY-LAWS

OF

RENT THE RUNWAY, INC.

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ARTICLE I

STOCKHOLDERS

1.1 Place of Meetings. All meetings of stockholders shall be held at such place as may be designated from time to time by the Board of Directors, the Chairman of the Board, the Chief Executive Officer or the President or, if not so designated, at the principal office of the corporation. The Board of Directors may, in its sole discretion, determine that a meeting shall not be held at any place, but may instead be held solely by means of remote communication in a manner consistent with the General Corporation Law of the State of Delaware.

1.2 Annual Meeting. The annual meeting of stockholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting shall be held on a date and at a time designated by the Board of Directors, the Chairman of the Board, the Chief Executive Officer or the President (which date shall not be a legal holiday in the place where the meeting is to be held).

1.3 Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by only the Board of Directors, the Chairman of the Board, the Chief Executive Officer, the President or the holders of 25% or more of the voting power of the corporation, and may not be called by any other person or persons. The Board of Directors may postpone or reschedule any previously scheduled special meeting of stockholders. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

1.4 Notice of Meetings. Except as otherwise provided by law, notice of each meeting of stockholders, whether annual or special, shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting. Without limiting the manner by which notice otherwise may be given to stockholders, any notice shall be effective if given by a form of electronic transmission consented to (in a manner consistent with the General Corporation Law of the State of Delaware) by the stockholder to whom the notice is given. The notices of all meetings shall state the place, if any, date and time of the meeting and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting. The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called. If notice is given by mail, such notice shall be deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the corporation. If notice is given by electronic transmission, such notice shall be deemed given at the time specified in Section 232 of the General Corporation Law of the State of Delaware.

1.5 Voting List. The Secretary shall prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least 10 days prior to the meeting: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the corporation. If the meeting is to be held at a

physical location (and not solely by means of remote communication), then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. The list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

1.6 Quorum. Except as otherwise provided by law, the Certificate of Incorporation or these By-laws, the holders of a majority in voting power of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at the meeting, present in person, present by means of remote communication in a manner, if any, authorized by the Board of Directors in its sole discretion, or represented by proxy, shall constitute a quorum for the transaction of business; provided, however, that where a separate vote by a class or classes or series of capital stock is required by law or the Certificate of Incorporation, the holders of a majority in voting power of the shares of such class or classes or series of the capital stock of the corporation issued and outstanding and entitled to vote on such matter, present in person, present by means of remote communication in a manner, if any, authorized by the Board of Directors in its sole discretion, or represented by proxy, shall constitute a quorum entitled to take action with respect to the vote on such matter. A quorum, once established at a meeting, shall not be broken by the withdrawal of enough votes to leave less than a quorum.

1.7 Adjournments. Any meeting of stockholders may be adjourned from time to time to any other time and to any other place at which a meeting of stockholders may be held under these By-laws by the chairman of the meeting or by the stockholders present or represented at the meeting and entitled to vote, although less than a quorum. It shall not be necessary to notify any stockholder of any adjournment of less than 30 days if the time and place, if any, of the adjourned meeting, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, are announced at the meeting at which adjournment is taken, unless after the adjournment a new record date is fixed for the adjourned meeting. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting.

1.8 Voting and Proxies. Each stockholder shall have one vote for each share of stock entitled to vote held of record by such stockholder and a proportionate vote for each fractional share so held, unless otherwise provided by law or the Certificate of Incorporation. Each stockholder of record entitled to vote at a meeting of stockholders, or to express consent or dissent to corporate action without a meeting, may vote or express such consent or dissent in person (including by means of remote communications, if any, by which stockholders may be deemed to be present in person and vote at such meeting) or may authorize another person or persons to vote or act for such stockholder by a proxy executed or transmitted in a manner permitted by the General Corporation Law of the State of Delaware by the stockholder or such stockholder's authorized agent and delivered (including by electronic transmission) to the Secretary of the corporation. No such proxy shall be voted or acted upon after three years from the date of its execution, unless the proxy expressly provides for a longer period.

1.9 Action at Meeting. When a quorum is present at any meeting, any matter other than the election of directors to be voted upon by the stockholders at such meeting shall be decided by the vote of the holders of shares of stock having a majority in voting power of the votes cast by the holders of all of the shares of stock present or represented at the meeting and voting affirmatively or negatively on such matter (or if there are two or more classes or series of stock entitled to vote as separate classes, then in the case of each such class or series, the holders of a majority in voting power of the shares of stock of that class or series present or represented at the meeting and voting affirmatively or negatively on such matter), except when a different vote is required by law, the Certificate of Incorporation or these By-laws. When a quorum is present at any meeting, any election by stockholders of directors shall be determined by a plurality of the votes cast by the stockholders entitled to vote on the election.

1.10 Conduct of Meetings.

(a) Chairman of Meeting. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in the Chairman's absence by the Vice Chairman of the Board, if any, or in the Vice Chairman's absence by the Chief Executive Officer, or in the Chief Executive Officer's absence, by the President, or in the President's absence by a Vice President, or in the absence of all of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen by vote of the stockholders at the meeting. The Secretary shall act as secretary of the meeting, but in the Secretary's absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

(b) Rules, Regulations and Procedures. The Board of Directors may adopt by resolution such rules, regulations and procedures for the conduct of any meeting of stockholders of the corporation as it shall deem appropriate including, without limitation, such guidelines and procedures as it may deem appropriate regarding the participation by means of remote communication of stockholders and proxyholders not physically present at a meeting. Except to the extent inconsistent with such rules, regulations and procedures as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as shall be determined; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

1.11 Action without Meeting.

(a) Taking of Action by Consent. Any action required or permitted to be taken at any annual or special meeting of stockholders of the corporation may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote on such action were present and voted. Except as otherwise provided by the Certificate of Incorporation, stockholders may act by written consent to elect directors; provided, however, that, if such consent is less than unanimous, such action by written consent may be in lieu of holding an annual meeting only if all of the directorships to which directors could be elected at an annual meeting held at the effective time of such action are vacant and are filled by such action.

(b) Electronic Transmission of Consents. A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or by a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the corporation can determine (i) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder or proxyholder and (ii) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents given by telegram, cablegram or other electronic transmission may be otherwise delivered to the principal place of business of the corporation or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded if, to the extent and in the manner provided by resolution of the Board of Directors. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

(c) Notice of Taking of Corporate Action. Prompt notice of the taking of corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the corporation.

ARTICLE II

DIRECTORS

2.1 General Powers. The business and affairs of the corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the corporation except as otherwise provided by law or the Certificate of Incorporation.

2.2 Number, Election and Qualification. Except as otherwise provided by the Certificate of Incorporation and subject to the rights of holders of any series of Preferred Stock to elect directors, the number of directors of the corporation shall be established from time to time by the stockholders or the Board of Directors. The directors shall be elected at the annual meeting of stockholders by such stockholders as have the right to vote on such election. Election of directors need not be by written ballot. Directors need not be stockholders of the corporation.

2.3 Chairman of the Board; Vice Chairman of the Board. The Board of Directors may appoint from its members a Chairman of the Board and a Vice Chairman of the Board, neither of whom need be an employee or officer of the corporation. If the Board of Directors appoints a Chairman of the Board, such Chairman shall perform such duties and possess such powers as are assigned by the Board of Directors and, if the Chairman of the Board is also designated as the corporation's Chief Executive Officer, shall have the powers and duties of the Chief Executive Officer prescribed in Section 3.7 of these By-laws. If the Board of Directors appoints a Vice Chairman of the Board, such Vice Chairman shall perform such duties and possess such powers as are assigned by the Board of Directors. Unless otherwise provided by the Board of Directors, the Chairman of the Board or, in the Chairman's absence, the Vice Chairman of the Board, if any, shall preside at all meetings of the Board of Directors.

2.4 Tenure. Each director shall hold office until the next annual meeting of stockholders and until a successor is elected and qualified, or until such director's earlier death, resignation or removal.

2.5 Quorum. The greater of (a) a majority of the directors at any time in office and (b) one-third of the number of directors fixed pursuant to Section 2.2 of these By-laws shall constitute a quorum of the Board of Directors; provided, however, that each of the Common Director (as defined below) and at least one of the directors elected pursuant to Article Fourth, Section B.1(a) or (b) of the Certificate of Incorporation (each a "***Preferred Director***") needs to be present (in-person, by telephone or pursuant to Section 2.13) at any meeting of the Board of Directors for a quorum to exist, with attendance of the Common Director and/or at least one Preferred Director not to be unreasonably withheld. Notwithstanding the foregoing, if either of the Common Director and/or at least one Preferred Director fail to attend at least three (3) consecutive meetings of the Board of Directors that are held during ordinary business hours for which they have received notice at least three (3) business days prior to such meetings, then the requirement that a Common Director and/or at least one Preferred Director, as applicable, be present (in-person, by telephone or pursuant to Section 2.13) at any meeting of the Board of Directors for a quorum to exist shall terminate and be of no further force or effect and shall not apply for purposes of determining a quorum for any meeting of the Board of Directors. If at any meeting of the Board of Directors there shall be less than such a quorum, a majority of the

directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present. "***Common Director***" shall mean either (i) Jennifer Hyman so long as she is the Chief Executive Officer of the Company or (ii) at any time when Ms. Hyman is not the Chief Executive Officer of the Company, any director elected by the holders of Common Stock pursuant to Article FOURTH Section 4(A)(3) of the Certificate of Incorporation.

2.6 Action at Meeting. Every act or decision done or made by a majority of the directors present at a meeting of the Board of Directors duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number is required by law or by the Certificate of Incorporation.

2.7 Removal. Except as otherwise provided by the General Corporation Law of the State of Delaware, any one or more or all of the directors of the corporation may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors, except that the directors elected by the holders of a particular class or series of stock may be removed without cause only by vote of the holders of a majority of the outstanding shares of such class or series.

2.8 Vacancies. Except as otherwise provided by the Certificate of Incorporation and subject to the rights of holders of any series of Preferred Stock to elect directors, unless and until filled by the stockholders, any vacancy or newly-created directorship on the Board of Directors, however occurring, may be filled by vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of such director's predecessor in office, and a director chosen to fill a position resulting from a newly-created directorship shall hold office until the next annual meeting of stockholders and until a successor is elected and qualified, or until such director's earlier death, resignation or removal.

2.9 Resignation. Any director may resign by delivering a resignation in writing or by electronic transmission to the corporation at its principal office or to the Chairman of the Board, the Chief Executive Officer, the President or the Secretary. Such resignation shall be effective upon delivery unless it is specified to be effective at some later time or upon the happening of some later event.

2.10 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as shall be determined from time to time by the Board of Directors; provided that any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board of Directors may be held without notice immediately after and at the same place as the annual meeting of stockholders.

2.11 Special Meetings. Special meetings of the Board of Directors may be held at any time and place designated in a call by the Chairman of the Board, the Chief Executive Officer, the President, two or more directors, or by one director in the event that there is only a single director in office.

2.12 Notice of Special Meetings. Notice of the date, place, if any, and time of any special meeting of directors shall be given to each director by the Secretary or by the officer or one of the directors calling the meeting. Notice shall be duly given to each director (a) in person or by telephone at least 24 hours in advance of the meeting, (b) by sending written notice by reputable overnight courier, telecopy, facsimile or electronic transmission, or delivering written notice by hand, to such director's last known business, home or electronic transmission address at least 48 hours in advance of the meeting, or (c) by sending written notice by first-class mail to such director's last known business or home address at least 72 hours in advance of the meeting. A notice or waiver of notice of a meeting of the Board of Directors need not specify the purposes of the meeting.

2.13 Meetings by Conference Communications Equipment. Directors may participate in meetings of the Board of Directors or any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

2.14 Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent to the action in writing or by electronic transmission, and the written consents or electronic transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

2.15 Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation with such lawfully delegable powers and duties as the Board of Directors thereby confers, to serve at the pleasure of the Board of Directors. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members of the committee present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors and subject to the provisions of law, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it. Each such committee shall keep minutes and make such reports as the Board of Directors may from time to time request. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the directors or in such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these By-laws for the Board of Directors. Except as otherwise provided in the Certificate of Incorporation, these By-laws, or the resolution of the Board of Directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

2.16 Compensation of Directors. Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board of Directors may from time to time determine. No such payment shall preclude any director from serving the corporation or any of its parent or subsidiary entities in any other capacity and receiving compensation for such service.

ARTICLE III

OFFICERS

3.1 Titles. The officers of the corporation shall consist of a Chief Executive Officer, a President, a Secretary, a Treasurer and such other officers with such other titles as the Board of Directors shall determine, including one or more Vice Presidents, Assistant Treasurers and Assistant Secretaries. The Board of Directors may appoint such other officers as it may deem appropriate.

3.2 Election. The Chief Executive Officer, President, Treasurer and Secretary shall be elected annually by the Board of Directors at its first meeting following the annual meeting of stockholders. Other officers may be appointed by the Board of Directors at such meeting or at any other meeting.

3.3 Qualification. No officer need be a stockholder. Any two or more offices may be held by the same person.

3.4 Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these By-laws, each officer shall hold office until such officer's successor is elected and qualified, unless a different term is specified in the resolution electing or appointing such officer, or until such officer's earlier death, resignation or removal.

3.5 Resignation and Removal. Any officer may resign by delivering a written resignation to the corporation at its principal office or to the Chief Executive Officer, the President or the Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time or upon the happening of some later event. Except as otherwise provided by the Certificate of Incorporation, any officer may be removed at any time, with or without cause, by vote of a majority of the directors then in office. Except as the Board of Directors may otherwise determine, no officer who resigns or is removed shall have any right to any compensation as an officer for any period following such officer's resignation or removal, or any right to damages on account of such removal, whether such officer's compensation be by the month or by the year or otherwise, unless such compensation is expressly provided for in a duly authorized written agreement with the corporation.

3.6 Vacancies. Except as otherwise provided by the Certificate of Incorporation, the Board of Directors may fill any vacancy occurring in any office for any reason and may, in its discretion, leave unfilled for such period as it may determine any offices other than those of Chief Executive Officer, President, Treasurer and Secretary. Each such successor shall hold office for the unexpired term of such officer's predecessor and until a successor is elected and qualified, or until such officer's earlier death, resignation or removal.

3.7 President; Chief Executive Officer. Unless the Board of Directors has designated another person as the corporation's Chief Executive Officer, the President shall be the Chief Executive Officer of the corporation. The Chief Executive Officer shall have general charge and supervision of the business of the corporation subject to the direction of the Board of Directors, and shall perform all duties and have all powers that are commonly incident to the office of chief executive or that are delegated to such officer by the Board of Directors. The President shall perform such other duties and shall have such other powers as the Board of Directors or the Chief Executive Officer (if the President is not the Chief Executive Officer) may from time to time prescribe. In the event of the absence, inability or refusal to act of the Chief Executive Officer or the President (if the President is not the Chief Executive Officer), the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board of Directors) shall perform the duties of the Chief Executive Officer and when so performing such duties shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer.

3.8 Vice Presidents. Each Vice President shall perform such duties and possess such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. The Board of Directors may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board of Directors.

3.9 Secretary and Assistant Secretaries. The Secretary shall perform such duties and shall have such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. In addition, the Secretary shall perform such duties and have such powers as are incident to the office of the secretary, including without limitation the duty and power to give notices of all meetings of stockholders and special meetings of the Board of Directors, to attend all meetings of stockholders and the Board of Directors and keep a record of the proceedings, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Secretary.

In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the chairman of the meeting shall designate a temporary secretary to keep a record of the meeting.

3.10 Treasurer and Assistant Treasurers. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned by the Board of Directors or the Chief Executive Officer. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation the duty and power to keep and be responsible for all funds and securities of the corporation, to deposit funds of the corporation in depositories selected in accordance with these By-laws, to disburse such funds as ordered by the Board of Directors, to make proper accounts of such funds, and to render as required by the Board of Directors statements of all such transactions and of the financial condition of the corporation.

The Assistant Treasurers shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Treasurer.

3.11 Salaries. Officers of the corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors.

3.12 Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

ARTICLE IV

CAPITAL STOCK

4.1 Issuance of Stock. Subject to the provisions of the Certificate of Incorporation, the whole or any part of any unissued balance of the authorized capital stock of the corporation or the whole or any part of any shares of the authorized capital stock of the corporation held in the corporation's treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board of Directors in such manner, for such lawful consideration and on such terms as the Board of Directors may determine.

4.2 Stock Certificates; Uncertificated Shares. The shares of the corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of the corporation's stock shall be uncertificated shares. Every holder of stock of the corporation represented by certificates shall be entitled to have a certificate, in such form as may be prescribed by law and by the Board of Directors, representing the number of shares held by such holder registered in certificate form. Each such certificate shall be signed in a manner that complies with Section 158 of the General Corporation Law of the State of Delaware.

Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the Certificate of Incorporation, these By-laws, applicable securities laws or any agreement among any number of stockholders or among such holders and the corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of each certificate representing shares of such class or series of stock, provided that in

lieu of the foregoing requirements there may be set forth on the face or back of each certificate representing shares of such class or series of stock a statement that the corporation will furnish without charge to each stockholder who so requests a copy of the full text of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Within a reasonable time after the issuance or transfer of uncertificated shares, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to Sections 151, 202(a) or 218(a) of the General Corporation Law of the State of Delaware or, with respect to Section 151 of General Corporation Law of the State of Delaware, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

4.3 Transfers. Shares of stock of the corporation shall be transferable in the manner prescribed by law and in these By-laws. Transfers of shares of stock of the corporation shall be made only on the books of the corporation or by transfer agents designated to transfer shares of stock of the corporation. Subject to applicable law, shares of stock represented by certificates shall be transferred only on the books of the corporation by the surrender to the corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of signature as the corporation or its transfer agent may reasonably require. Except as may be otherwise required by law, by the Certificate of Incorporation or by these By- laws, the corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of the corporation in accordance with the requirements of these By-laws.

4.4 Lost, Stolen or Destroyed Certificates. The corporation may issue a new certificate of stock in place of any previously issued certificate alleged to have been lost, stolen or destroyed, upon such terms and conditions as the Board of Directors may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity and posting of such bond as the Board of Directors may require for the protection of the corporation or any transfer agent or registrar.

4.5 Record Date. The Board of Directors may fix in advance a date as a record date for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders or to express consent (or dissent) to corporate action without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action. Such record date shall not precede the date on which the resolution fixing the record date is adopted, and such record date shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 10 days after the date of adoption of a record date for a consent without a meeting, nor more than 60 days prior to any other action to which such record date relates.

If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. If no record date is fixed, the record date for determining stockholders entitled to express consent to corporate action without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first consent is properly delivered to the corporation. If no record date is fixed, the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

4.6 Regulations. The issue, transfer, conversion and registration of shares of stock of the corporation shall be governed by such other regulations as the Board of Directors may establish.

4.7 Restrictions on Transfer.

(a) No holder of any shares of Common Stock (other than Common Stock issued upon conversion of Preferred Stock) through an exercise of options granted by the Board of Directors on or after February 1, 2019 (such shares the "***Restricted Common Shares***") may sell, transfer, assign, pledge, or otherwise dispose of or encumber any of the shares of stock of the corporation that are Restricted Common Shares or any right or interest therein, whether voluntarily or by operation of law, or by gift or otherwise (each, a "***Transfer***") without the prior written consent of the corporation, upon duly authorized action of its Board of Directors. The corporation may withhold consent for any legitimate corporate purpose, as determined by the Board of Directors. Examples of the basis for the corporation to withhold its consent include, without limitation, (i) if such Transfer to individuals, companies or any other form of entity identified by the corporation as a potential competitor or considered by the corporation to be unfriendly; or (ii) if such Transfer increases the risk of the corporation having a class of security held of record by 2,000 or more persons, or 500 or more persons who are not accredited investors (as such term is defined by the Securities and Exchange Commission (the "***SEC***")), as described in Section 12(g) of the Securities Exchange Act of 1934, as amended (the "***1934 Act***") and any related regulations, or otherwise requiring the corporation to register any class of securities under the 1934 Act; or (iii) if such Transfer would result in the loss of any federal or state securities law exemption relied upon by the corporation in connection with the initial issuance of such shares or the issuance of any other securities; or (iv) if such Transfer is facilitated in any manner by any public posting, message board, trading portal, internet site, or similar method of communication, including without limitation any trading portal or internet site intended to facilitate secondary transfers of securities; or (v) if such Transfer is to be effected in a brokered transaction; or (vi) if such Transfer represents a Transfer of less than all of the shares then held by the stockholder and its affiliates or is to be made to more than a single transferee.

(b) If a stockholder desires to Transfer any Restricted Common Shares, then the stockholder will first give written notice to the corporation. The notice must name the proposed transferee and state the number of Restricted Common Shares to be transferred, the proposed consideration, and all other terms and conditions of the proposed transfer.

(c) At the option of the corporation, the stockholder will be obligated to pay to the corporation a reasonable transfer fee related to the costs and time of the corporation and its legal and other advisors related to any proposed Transfer.

(d) Any Transfer, or purported Transfer, of Restricted Common Shares not made in strict compliance with Section 4.7 will be null and void, will not be recorded on the books of the corporation and will not be recognized by the corporation.

(e) The foregoing restriction on Transfer will not apply to the Transfer of shares of Preferred Stock or to the Transfer of any shares of Common Stock issued upon the conversion of any shares of Preferred Stock.

(f) The foregoing restriction on Transfer will terminate upon the date securities of the corporation are first offered to the public pursuant to a registration statement filed with, and declared effective by, the SEC under the Securities Act of 1933, as amended.

(g) The certificates representing shares of Restricted Common Shares of the corporation will bear on their face the following legend so long as the foregoing Transfer restrictions are in effect:

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A TRANSFER RESTRICTION, AS PROVIDED IN THE BY-LAWS OF THE CORPORATION."

ARTICLE V

GENERAL PROVISIONS

5.1 Fiscal Year. Except as from time to time otherwise designated by the Board of Directors, the fiscal year of the corporation shall begin on the first day of January of each year and end on the last day of December in each year.

5.2 Corporate Seal. The corporate seal shall be in such form as shall be approved by the Board of Directors.

5.3 Waiver of Notice. Whenever notice is required to be given by law, by the Certificate of Incorporation or by these By-laws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before, at or after the time of the event for which notice is to be given, shall be deemed equivalent to notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in any such waiver. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

5.4 Voting of Securities. Except as the Board of Directors may otherwise designate, the Chief Executive Officer, the President or the Treasurer may waive notice of, vote, or appoint any person or persons to vote, on behalf of the corporation at, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for this corporation (with or without power of substitution) at, any meeting of stockholders or securityholders of any other entity, the securities of which may be held by this corporation.

5.5 Evidence of Authority. A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

5.6 Certificate of Incorporation. All references in these By-laws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the corporation, as amended and/or restated and in effect from time to time.

5.7 Severability. Any determination that any provision of these By-laws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these By-laws.

5.8 Pronouns. All pronouns used in these By-laws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

ARTICLE VI

AMENDMENTS

6.1 By the Board of Directors. Except as otherwise provided by the Certificate of Incorporation, these By-laws may be altered, amended or repealed, in whole or in part, or new by-laws may be adopted by the Board of Directors.

6.2 By the Stockholders. Except as otherwise provided by the Certificate of Incorporation, these By-laws may be altered, amended or repealed, in whole or in part, or new by-laws may be adopted by the affirmative vote of the holders of a majority of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at any annual meeting of stockholders, or at any special meeting of stockholders, provided notice of such alteration, amendment, repeal or adoption of new by-laws shall have been stated in the notice of such special meeting.

NUMBER

SHARES

RENT THE RUNWAY

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

SEE REVERSE SIDE
FOR CERTAIN DEFINITIONS

CUSIP 000000 00 0

THIS CERTIFIES THAT

is the owner of

FULLY PAID AND NON-ASSESSABLE CLASS A COMMON SHARES, $0.001 PAR VALUE, OF

RENT THE RUNWAY, INC.

transferable on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this certificate properly endorsed. This certificate is not valid until countersigned and registered by the Transfer Agent and Registrar.

IN WITNESS WHEREOF, the said Corporation has caused this certificate to be signed by facsimile signatures of its duly authorized officers.

Dated:

BY

AUTHORIZED SIGNATURE

COUNTERSIGNED AND REGISTERED:
AMERICAN STOCK TRANSFER & TRUST COMPANY
(Brooklyn, New York)

TRANSFER AGENT
AND REGISTRAR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE BOARD OF THIS CORPORATION HAS THE AUTHORITY TO CREATE AND DETERMINE THE RELATIVE RIGHTS AND PREFERENCES OF CLASSES OR SERIES OF SHARES OF CAPITAL STOCK OTHER THAN COMMON STOCK. THIS CORPORATION WILL FURNISH TO ANY SHAREHOLDER UPON WRITTEN REQUEST SENT TO ITS PRINCIPAL EXECUTIVE OFFICES, AND WITHOUT CHARGE, A FULL STATEMENT OF THE BOARD'S AUTHORITY TO CREATE AND DETERMINE THE RELATIVE RIGHTS AND PREFERENCES OF CLASSES OR SERIES OF SHARES OF CAPITAL STOCK AS WELL AS THE DESIGNATIONS, PREFERENCES, LIMITATIONS AND RELATIVE RIGHTS OF THE SHARES OF EACH CLASS OR SERIES THEN OUTSTANDING OR AUTHORIZED TO BE ISSUED.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM – as tenants in common

TEN ENT – as tenants by entireties

JT TEN – as joint tenants with right of survivorship and not as tenants in common

UTMA – _____ (Cust) Custodian _____ (Minor)
under Uniform Transfers to Minors
Act _____ (State)

Additional abbreviations may also be used though not in the above list.

For value received ____ hereby sell, assign, and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

_____
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE)

_____

_____

_____ *Shares*

of the capital stock represented by the within Certificate, and do hereby irrevocably constitute and appoint _____

_____ *Attorney*

to transfer the said stock on the books of the within-named Corporation with full power of substitution in the premises.

Dated _____

X _____

X _____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

SIGNATURE GUARANTEED

ALL GUARANTEES MUST BE MADE BY A FINANCIAL INSTITUTION (SUCH AS A BANK OR BROKER) WHICH IS A PARTICIPANT IN THE SECURITIES TRANSFER AGENTS MEDALLION PROGRAM ("STAMP"), THE NEW YORK STOCK EXCHANGE, INC. MEDALLION SIGNATURE PROGRAM ("MSP"), OR THE STOCK EXCHANGES MEDALLION PROGRAM ("SEMP") AND MUST NOT BE DATED. GUARANTEES BY A NOTARY PUBLIC ARE NOT ACCEPTABLE.

Exhibit 4.2

Execution Version

RENT THE RUNWAY, INC.

EIGHTH AMENDED AND RESTATED
INVESTORS' RIGHTS AGREEMENT

This Eighth Amended and Restated Investors' Rights Agreement (the "***Agreement***") is made as of April 30, 2020 by and among Rent the Runway, Inc., a Delaware corporation (the "***Company***"), the parties listed as Investors on Exhibit A hereto (the "***Investors***"), and the parties listed as Key Holders on Exhibit B hereto (the "***Key Holders***").

Recitals

WHEREAS, the Key Holders, together with affiliates and permitted transferees, hold shares of Common Stock, $0.001 par value per share, of the Company.

WHEREAS, certain of the Investors acquired an aggregate of 4,375,000 shares of Seed Series Convertible Preferred Stock, $0.001 par value per share, of the Company (the "***Seed Series Preferred Stock***") pursuant to the terms of a Stock Purchase Agreement, dated July 8, 2009, between the Company and such Investors;

WHEREAS, certain of the Investors acquired an aggregate of 5,187,500 shares of Series A Convertible Preferred Stock, $0.001 par value per share, of the Company (the "***Series A Preferred Stock***") pursuant to the terms of a Stock Purchase Agreement, dated February 16, 2010, between the Company and such Investors;

WHEREAS, certain of the Investors acquired an aggregate of 1,887,909 shares of Series B Convertible Preferred Stock, $0.001 par value per share, of the Company (the "***Series B Preferred Stock***"), pursuant to the terms of a Stock Purchase Agreement, dated May 13, 2011, between the Company and such Investors (the "***Series B Stock Purchase Agreement***");

WHEREAS, certain of the Investors acquired an aggregate of 1,845,569 shares of Series C Convertible Preferred Stock, $0.001 par value per share, of the Company (the "***Series C Preferred Stock***"), pursuant to the terms of a Stock Purchase Agreement, dated as of November 16, 2012, by and among the Company and such Investors (the "***Series C Stock Purchase Agreement***") ;

WHEREAS, a certain Investor acquired an aggregate of 351,108 shares of Series C-1 Preferred Stock, $0.001 par value per share, of the Company (the "***Series C-1 Preferred Stock***"), pursuant to the terms of a Stock Purchase Agreement, dated as of February 19, 2013, by and between the Company and such Investor;

WHEREAS, certain of the Investors acquired an aggregate of 3,521,456 shares of Series D Convertible Preferred Stock, $0.001 par value per share, of the Company (the "***Series D Preferred Stock***") of the Company, pursuant to the terms of a Stock Purchase Agreement, dated as of December 18, 2014, between the Company and such Investors (the "***Series D Preferred Stock Purchase Agreement***");

WHEREAS, certain of the Investors acquired an aggregate of 3,723,110 shares of Series E Convertible Preferred Stock, $0.001 par value per share, of the Company (the "***Series E Preferred Stock***"), pursuant to the terms of a Stock Purchase Agreement, dated as of December 22, 2016, as amended on February 1, 2018, by and among the Company and such Investors (the ***Series E Purchase Agreement***");

WHEREAS, certain of the Investors acquired an aggregate of 6,039,272 shares of Series F Convertible Preferred Stock, $0.001 par value per share, of the Company (the "***Series F Preferred Stock***"), pursuant to the terms of a Stock Purchase Agreement dated as of March 20, 2019, as amended on January 29, 2020, by and among the Company and such Investors (the "***Series F Purchase Agreement***");

WHEREAS, certain of the Investors are acquiring an aggregate of up to 3,391,910 shares of Series G Convertible Preferred Stock, $0.001 par value per share, of the Company (the "***Series G Preferred Stock***"), pursuant to the terms of a Stock Purchase Agreement dated as of the date hereof by and among the Company and such Investors (the "***Purchase Agreement***");

WHEREAS, the Company, certain of the Key Holders and certain of the Investors are parties to a certain Seventh Amended and Restated Investors' Rights Agreement, dated as of March 20, 2019 (the "***Old Investors' Rights Agreement***") and wish to amend and restate the Old Investors' Rights Agreement and to include additional Investors as parties;

WHEREAS, the undersigned represent (i) the Company, (ii) the Preferred Majority (as defined in the Old Investors' Rights Agreement), and (iii) Key Holders holding a majority of the Registrable Securities held by all of the Key Holders, as required for amendment of the Old Investors' Rights Agreement (the "***Threshold Parties***");

WHEREAS, it is a condition to the closing of the sale of the Series G Preferred Stock under the Purchase Agreement that the parties hereto enter into in this Agreement;

WHEREAS, the parties desire to provide certain registration rights to the Key Holders; and

WHEREAS, as set forth in Section 27 below, unless otherwise set forth herein, for all purposes of this Agreement, the Series C-1 Preferred Stock shall be treated as being convertible (without actual conversion) into shares of Common Stock (as defined below) at the then applicable conversion price of the Series C Preferred Stock as set forth in the Certificate of Incorporation (as defined below).

NOW, THEREFORE, for valuable consideration, the parties hereto agree to enter this Agreement as follows:

1. Definitions.

1.1. "***Affiliate***" shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations under the Exchange Act; provided that (i) with respect to Bain Capital, the definition of Affiliate shall include any Person under common management with Bain Capital whether or not such Person would be an Affiliate as defined in Rule 12b-2 of the General Rules and Regulations under the Exchange Act, (ii) with respect to Highland Capital, the definition of Affiliate shall include any Person under common management with Highland Capital whether or not such Person would be an Affiliate as defined in Rule 12b-2 of the General Rules and Regulations under the Exchange Act, (iii) with respect to KPCB, the definition of Affiliate shall include any Person under common management with KPCB whether or not such Person would be an Affiliate as defined in Rule 12b-2 of the General Rules and Regulations under the Exchange Act, (iv) with respect to TCV, the definition of Affiliate shall include any Person under common management with TCV whether or not such Person would be an Affiliate as defined in Rule 12b-2 of the General Rules and Regulations under the Exchange Act, (v) with respect to Fidelity, the definition of Affiliate shall include any investment company registered under the Investment Company Act of 1940 advised or sub-advised by Fidelity or any affiliated investment advisor of Fidelity, one or more mutual fund, pension fund, pooled investment vehicle or institutional client advised or sub-advised by Fidelity or any affiliated investment advisor of Fidelity whether or not such Person would be an Affiliate as defined in

Rule 12b-2 of the General Rules and Regulations under the Exchange Act; (vi) with respect to Franklin, the definition of Affiliate shall include any investment company registered under the Investment Company Act of 1940 advised or sub-advised by Franklin Advisers, Inc. or any affiliated investment advisor of Franklin Advisers, Inc., one or more mutual fund, pension fund, pooled investment vehicle or institutional client advised or sub-advised by Franklin Advisers, Inc. or any affiliated investment advisor of Franklin Advisers, Inc. whether or not such Person would be an Affiliate as defined in Rule 12b-2 of the General Rules and Regulations under the Exchange Act, and (vii) with respect to each T. Rowe Price Investor, the definition of Affiliate shall include any investment company registered under the Investment Company Act of 1940 advised or sub-advised by T. Rowe Price or any affiliated investment advisor of T. Rowe Price, one or more mutual fund, pension fund, pooled investment vehicle or institutional client advised or sub-advised by T. Rowe Price or any affiliated investment advisor of T. Rowe Price whether or not such Person would be an Affiliate as defined in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

1.2. "***American Express***" shall mean American Express Travel Related Services Company, Inc.

1.3. "***API***" shall mean Advance Magazine Publishers Inc. (d/b/a Conde Nast), together with its Affiliates.

1.4. "***Bain Capital***" shall mean Bain Capital Venture Fund 2009, L.P., BCIP Venture Associates and BCIP Venture Associates-B, together with their respective Affiliates.

1.5. "***By-Laws***" shall mean the Third Amended and Restated By-Laws of the Company (as the same may be amended and/or restated from time to time).

1.6. "***Certificate of Incorporation***" shall mean the Tenth Amended and Restated Certificate of Incorporation of the Company filed with the Secretary of State of the State of Delaware on or about the date hereof (as the same may be amended and/or restated from time to time).

1.7. "***Commission***" means the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act or the Exchange Act.

1.8. "***Common Stock***" means the Common Stock, at par value $0.001 per share, of the Company.

1.9. "***Equity Securities***" shall mean any (i) Common Stock, preferred stock, or other equity security of the Company (including debt securities convertible into capital stock of the Company), (ii) any security convertible, with or without consideration, into any Common Stock, preferred stock or other equity security (including any option to purchase such a convertible security), (iii) any security carrying any warrant or right to subscribe to or purchase any Common Stock, preferred stock or other equity security, or (iv) any such warrant or right.

1.10. "***Exchange Act***" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder, and any successor to such statute or such rules and regulations.

1.11. "***Fidelity***" means Fidelity Management & Research Company and its Affiliates.

1.12. "***Financing Transaction***" shall mean any transaction or series of related transactions resulting in the issuance of debt or equity securities of the Company principally for bona fide equity financing purposes in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof occurs.

1.13. "***Form S-1***", "***Form S-3***", "***Form S-4***" and "***Form S-8***" mean respective forms under the Securities Act and any successor registration forms to the form in question.

1.14. "***Founders***" means Jennifer Hyman and Jennifer Carter Fleiss.

1.15. "***Franklin***" shall mean Franklin Strategic Series—Franklin Small Cap Growth Fund and Franklin Templeton Investment Funds—Franklin Technology Fund, together with their respective Affiliates.

1.16. "***Fully Diluted Basis***" means, for the purposes of determining the number of shares of Common Stock outstanding, a basis of calculation which takes into account (a) shares of Common Stock actually issued and outstanding at the time of such determination, and (b) that number of shares of Common Stock that is then issuable upon conversion of all then outstanding shares of Series Preferred Stock.

1.17. "***Fully Diluted Shares***" shall mean the sum of (without duplication), at the time of such calculation, (a) the number of shares of Common Stock actually issued and outstanding, (b) the number of shares of Common Stock that is then issuable upon conversion of all shares of Series Preferred Stock outstanding, (c) the number of shares of Common Stock that is then directly or indirectly issuable pursuant to all options, warrants and other convertible securities outstanding and (d) the number of shares of Common Stock that is then reserved for issuance under the Stock Option Plan.

1.18. "***GAAP***" means U.S. generally accepted accounting principles consistently applied.

1.19. "***Highland Capital***" shall include Highland Capital Partners VIII Limited Partnership, Highland Capital Partners VIII-B Limited Partnership and Highland Capital Partners VIII-C Limited Partnership, together with their respective Affiliates.

1.20. "***Holder***" means any party to this Agreement owning Registrable Securities or any assignee thereof in accordance with Section 8 hereof; provided, however, that the Key Holders shall not be deemed to be Holders for purposes of Sections 2, 5.1, 5.3.1 and 9.1.

1.21. "***Initial Public Offering***" means the first registered offering of securities of the Company under the Securities Act.

1.22. "***Investors***" has the meaning assigned to it in the introductory paragraph of this Agreement and shall include any Affiliates of the Investors holding Registrable Securities.

1.23. "***Key Holder***" has the meaning assigned to it in the introductory paragraph of this Agreement.

1.24. "***KPCB***" means KPCB Holdings, Inc., as nominee together with its Affiliates.

1.25. "***Major Investor***" means (i) with respect to Investors other than KPCB, API, TCV, Fidelity, Blue CharlTon Limited ("***Blue CharlTon***"), Franklin, the T. Rowe Price Investors and Hudson River Co-Investment Fund III L.P. ("***Hudson River***"), each Investor holding at least five percent (5%) of the Series Preferred Stock on an as-converted to Common Stock basis, (ii) KPCB for so long as KPCB holds at least fifty percent (50%) of the shares of Series B Preferred Stock (or Common Stock issued upon conversion thereof) purchased by KPCB pursuant to that certain Series B Stock Purchase Agreement; (iii) API for so long as API holds at least fifty percent (50%) of the shares of Series C Preferred Stock (or Common Stock issued upon conversion thereof) purchased by API pursuant to the Series C Stock Purchase Agreement; (iv) TCV for so long as TCV holds at least fifty percent (50%) of the shares of Series D Preferred Stock (or

Common Stock issued upon conversion thereof) purchased by TCV pursuant to that certain Series D Preferred Stock Purchase Agreement; (v) Fidelity (a) for purposes of Section 12.1.1 and Section 12.1.2, for so long as Fidelity holds any shares of the Company's capital stock and (b) for all other purposes, for so long as Fidelity holds at least fifty percent (50%) of the shares of Series E Preferred Stock (or Common Stock issued upon conversion thereof) purchased by Fidelity pursuant to the Series E Purchase Agreement, (vi) Blue CharlTon for so long as Blue CharlTon holds at least fifty percent (50%) of the shares of Series E Preferred Stock (or Common Stock issued upon conversion thereof) purchased by Blue CharlTon pursuant to the Series E Purchase Agreement, (vii) Franklin (a) for purposes of Section 12.1.1 and Section 12.1.2, for so long as Franklin holds any shares of the Company's capital stock and (b) for all other purposes, for so long as Franklin holds at least fifty percent (50%) of the shares of Series F Preferred Stock (or Common Stock issued upon conversion thereof) purchased by Franklin pursuant to the Series F Purchase Agreement, (viii) each T. Rowe Price Investor (a) for purposes of Section 12.1.1 and Section 12.1.2, for so long as such T. Rowe Price Investor holds any shares of the Company's capital stock and (b) for all other purposes, for so long as the T. Rowe Price Investors collectively hold at least fifty percent (50%) of either (x) the shares of Series F Preferred Stock (or Common Stock issued upon conversion thereof) purchased by the T. Rowe Price Investors pursuant to the Series F Purchase Agreement or (y) the shares of Series G Preferred Stock (or Common Stock issued upon conversion thereof) purchased by the T. Rowe Price Investors pursuant to the Purchase Agreement, and (ix) Hudson River (a) for purposes of Section 12.1.1 and Section 12.1.2, for so long as Hudson River holds any shares of the Company's capital stock and (b) for all other purposes, for so long as Hudson River holds at least fifty percent (50%) of the shares of Series F Preferred Stock (or Common Stock issued upon conversion thereof) purchased by Hudson River pursuant to the Series F Purchase Agreement, provided that, with respect to Investors other than Bain Capital, Highland Capital, KPCB, API, TCV, Fidelity, Blue CharlTon, Franklin, the T. Rowe Price Investors and Hudson River, the Board of Directors of the Company has not reasonably determined such Investor is a competitor of the Company. All such share numbers shall be subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the applicable class or series of stock.

1.26. "***Permitted Regulatory Transfer***" shall have the meaning ascribed to such term in the Certificate of Incorporation.

1.27. "***Majority Participating Holders***" means, with respect to any registration of Registrable Securities, the Investors at the relevant time holding at least a majority of the Registrable Securities to be included in the registration statement in question.

1.28. "***Person***" means and includes all natural persons, corporations, business trusts, associations, companies, partnerships, joint ventures, limited liability companies and other entities and includes a Person's principal.

1.29. "***Preferred Directors***" shall have the meaning set forth in the Certificate of Incorporation.

1.30. "***Professional Investment Funds***" means API, Bain, Highland Capital, KPCB, TCV, Fidelity, Franklin and each T. Rowe Price Investor.

1.31. "***Pro Rata Share***" means, (a) in the case of each Investor, the ratio of (i) the number of shares of Common Stock issuable upon conversion of the Series Preferred Stock owned by such Investor immediately prior to the issuance of any Equity Securities plus the number of shares of Common Stock owned by such Investor immediately prior to the issuance of any Equity Securities to (ii) the total number of shares of the Company's Common Stock outstanding on a Fully Diluted Basis, immediately prior to the issuance of such Equity Securities and (b) in the case of each Key Holder, the ratio of (i) (x) the number of shares of outstanding Common Stock owned by such Key Holder immediately prior to the issuance of any

Equity Securities plus (y) the number of shares of Common Stock issuable upon conversion of the Series Preferred Stock owned by such Key Holder immediately prior to the issuance of any Equity Securities to (ii) the total number of shares of the Company's Common Stock outstanding on a Fully Diluted Basis, immediately prior to the issuance of such Equity Securities.

1.32. "***Purchasing Key Holder***" shall have the meaning set forth in Section 11.2.2 of this Agreement.

1.33. "***Purchasing Investor***" shall have the meaning set forth in Section 11.2.2 of this Agreement.

1.34. "***Purchasing Party***" shall have the meaning set forth in Section 11.2.2 of this Agreement.

1.35. "***Purchasing Party Notice***" shall have the meaning set forth in Section 11.2.2 of this Agreement.

1.36. "***Qualified Public Offering***" shall have the meaning set forth in the Certificate of Incorporation.

1.37. "***Register***", "***registered***", and "***registration***" refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act, and the automatic effectiveness or the declaration or ordering of effectiveness of such registration statement or document.

1.38. "***Registrable Securities***" means (i) any shares of Common Stock owned by a Key Holder or an Investor and any shares of Common Stock issuable upon conversion of the Series Preferred Stock (except as otherwise set forth herein) and owned by a Key Holder or an Investor and (ii) any shares of Common Stock issued in respect of the shares referenced in clause (i) by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, reclassification or similar event, in each case held by any an Investor or Key Holder. The Registrable Securities of any Holder shall cease to be Registrable Securities when (x) a registration statement with respect to the sale of such Registrable Securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (y) such Registrable Securities shall have been distributed to the public pursuant to Rule 144 or (z) upon any transfer in any manner to a person or entity which is not entitled to the rights under this Agreement. For purposes of this Agreement, the number of shares of Registrable Securities outstanding at any time shall be determined by adding the number of shares of Common Stock or other securities outstanding which are then outstanding, and the maximum number of shares of Common Stock or other securities issuable pursuant to then convertible securities which upon issuance would be, Registrable Securities.

1.39. "***Regulated Holder***" means a bank holding company subject to the provisions of the Bank Holding Company Act of 1956, as amended, and as implemented by the Board of Governors of the Federal Reserve System, whether pursuant to regulation or interpretation (the "***BHCA***"), together with its affiliates (as defined in Regulation Y (12 C.F.R. Part 225)).

1.40. "***Regulatory Conversion Restriction***" shall have the meaning ascribed to such term in the Certificate of Incorporation.

1.41. "***Regulatory Voting Restriction***" shall have the meaning ascribed to such term in the Certificate of Incorporation.

1.42. "***Regulatory Transferee***" means a party to whom a Regulated Holder transfers shares of Series C-1 Preferred Stock and the transferees of such party (in each case, other than Permitted Regulatory Transferees).

1.43. "***Registration Expenses***" means all expenses incident to performance of or compliance with Sections 2, 3 and 4 hereof by the Company, including without limitation all registration and filing fees, all listing fees, all fees and expenses of complying with securities or blue sky laws, all printing and automated document preparation expenses, all messenger and delivery expenses, the fees and disbursements of counsel for the Company and of its independent public accountants, including the expenses of any special audits required by or incident to such performance and compliance, and the reasonable fees and disbursements of one counsel for the Holders on whose behalf Registrable Securities are being registered, but excluding underwriting discounts and commissions and applicable transfer taxes, if any, which shall be borne by the sellers of the Registrable Securities in all cases.

1.44. "***Rule 144***" means Rule 144 promulgated under the Securities Act, and any successor rule or regulation thereto, and in the case of any referenced section of such rule, any successor section thereto, collectively and as from time to time amended and in effect.

1.45. "***Securities Act***" means the Securities Act of 1933 or any successor federal statute, and the rules and regulations of the Commission thereunder, and in the case of any referenced section of any such statute, rule or regulation, any successor section thereto, collectively and as from time to time amended and in effect.

1.46. "***Seed Series Preferred Stock***" shall have the meaning set forth in the Recitals to this Agreement.

1.47. "***Series A Preferred Stock***" shall have the meaning set forth in the Recitals to this Agreement.

1.48. "***Series B Preferred Stock***" shall have the meaning set forth in the Recitals to this Agreement.

1.49. "***Series C-1 Preferred Stock***" shall have the meaning set forth in the Recitals to this Agreement.

1.50. "***Series C Preferred Stock***" shall have the meaning set forth in the Recitals to this Agreement.

1.51. "***Series D Preferred Stock***" shall have the meaning set forth in the Recitals to this Agreement.

1.52. "***Series E Preferred Stock***" shall have the meaning set forth in the Recitals to this Agreement.

1.53. "***Series F Preferred Stock***" shall have the meaning set forth in the Recitals to this Agreement.

1.54. "***Series G Preferred Stock***" shall have the meaning set forth in the Recitals to this Agreement.

1.55. "***Series Preferred Stock***" shall mean the Seed Series Preferred Stock, the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series C-1 Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock, the Series F Preferred Stock and the Series G Preferred Stock.

1.56. "***Stock Option Plan***" shall have the meaning set forth in the Certificate of Incorporation.

1.57. "***Subsidiary***" means any corporation, association, trust, limited liability company, partnership, joint venture or other business association or entity (i) at least 50% of the outstanding voting securities of which are at the time owned or controlled directly or indirectly by the Company or (ii) with respect to which the Company possesses, directly or indirectly, the power to direct or cause the direction of the affairs or management of such Person

1.58. "***Supermajority Series F Stockholders***" means both (a) the Requisite Series F Preferred Stockholders (as defined in the Certificate of Incorporation), and (b) the holders of a majority of the outstanding shares of Series F Preferred Stock held by Investors, but excluding any Investors that hold, or that have one or more Affiliates that hold, any shares of any series (other than Series F Preferred Stock) of Series Preferred Stock.

1.59. "***TCV***" means TCV VIII, L.P., TCV VIII (A), L.P., TCV VIII (B), L.P. and TCV Member Fund, L.P., together with their respective Affiliates.

1.60. "***T. Rowe Price***" means T. Rowe Price Associates, Inc. and any successor or affiliated registered investment advisor to the T. Rowe Price Investors.

1.61. "***T. Rowe Price Investors***" means the Investors that are advisory clients of T. Rowe Price.

2. Request for Registration.

2.1. Registrations on Form S-1. At any time after the earlier of (i) March 31, 2022 or (ii) 120 days after the closing of the Initial Public Offering, one or more Investors owning at least twenty percent (20%) of the Registrable Securities held by the Investors may, by written notice to the Company, request that the Company effect the registration on Form S-1 of a number of Registrable Securities for which (x) in the case of a request prior to the Initial Public Offering, the gross aggregate offering price is reasonably expected to be at least $15,000,000 or (y) in the case of a request after the Initial Public Offering, the aggregate value (based on the market price of fair market value on the date of such request) of at least $15,000,000. If the Holders initiating such registration intend to distribute the Registrable Securities in an underwritten offering, they shall so state in their request. Promptly after receipt of such notice, the Company will give written notice of such requested registration to all other Investors holding Registrable Securities. The Company will then as provided in Section 4 use all reasonable commercial efforts to effect the registration under the Securities Act of the Registrable Securities which the Company has been requested to register by such Holders, and all other Registrable Securities which the Company has been requested to register by other Investors holding such Registrable Securities by notice delivered to the Company within ten (10) days after the giving of such notice by the Company.

2.2. Registration on Form S-3. At any time after the Company becomes eligible to file a Registration Statement on Form S-3, one or more Investors owning at least ten percent (10%) of the Registrable Securities held by the Investors, may, by written notice to the Company, request that the Company effect the registration on Form S-3 of a number of Registrable Securities having an aggregate value (based on the market price of fair market value on the date of such request) of at least $5,000,000. If the Holders initiating such registration intend to distribute the Registrable Securities in an underwritten

offering, they shall so state in their request. Promptly after receipt of such notice, the Company will give written notice of such requested registration to all other Investors holding Registrable Securities. The Company will then as provided in Section 4, use all reasonable commercial efforts to effect the registration under the Securities Act of the Registrable Securities which the Company has been requested to register by such initiating Holders, and all other Registrable Securities which the Company has been requested to register by other Investors holding Registrable Securities by notice delivered to the Company within ten (10) days after the giving of such notice by the Company.

2.3. Postponement. The Company may postpone for a period of up to 45 days the filing of any registration required to be filed pursuant to this Section 2 to the extent the Board of Directors of the Company in good faith determines that such postponement is necessary in order to avoid premature disclosure of a financing, acquisition, recapitalization, reorganization or other material transaction, the disclosure of which would have a materially detrimental effect on the Company; provided, however, that the Company may not exercise such right of postponement within any period of 365 days more than once. If the Company elects to postpone the filing of a registration statement pursuant to this Section 2.3, the Majority Participating Holders may withdraw such request and upon such withdrawal, such request shall be deemed not to have been made for any purpose of this Agreement.

2.4. Number of Requests; Form.

2.4.1. Section 2.1 Registrations. The Company shall not be required to effect more than three (3) registrations pursuant to Section 2.1. In addition, the Company shall not be required to effect any registration within six (6) months after the effective date of the Registration Statement relating to the Initial Public Offering. Each registration requested pursuant to Section 2.1 shall be effected by the filing of a registration statement on Form S-1 (or any other form which includes substantially the same information as would be required to be included in a registration statement on such form as currently constituted), unless the use of a different form has been agreed to in writing by the Majority Participating Holders. No registration of Registrable Securities under Section 2.1 shall be deemed to be a registration for any purpose of this Section 2.4.1 which shall not have become and remained effective in accordance with the provisions of this Agreement.

2.4.2. Section 2.2 Registrations. The Company shall not be required to effect more than two registrations pursuant to Section 2.2 in any period of twelve (12) months. Each registration requested pursuant to Section 2.2 shall be effected by the filing of a registration statement on Form S-3 (or any other form which includes substantially the same information as would be required to be included in a registration statement on such form as currently constituted), unless the use of a different form has been agreed to in writing by the Majority Participating Holders, or unless the Form S-3 is not available as a result of actions of or inaction by the Company in which case such registration shall be on Form S-1 without regard to the limitation on registrations on Form S-1 set forth on Section 2.4.1. No registration of Registrable Securities under Section 2.2 shall be deemed to be a registration for any purpose of this Section 2.4.2 which shall not have become and remained effective in accordance with the provisions of this Agreement.

2.5. Payment of Expenses. The Company hereby agrees to pay all Registration Expenses in connection with all registrations effected pursuant to Sections 2.1 and 2.2; provided, however, that the Company shall not be required to pay for any expenses of such registration proceeding if the registration request is withdrawn at any time at the request of the Majority Participating Holders, and all participating Holders shall bear such expenses, unless the Majority Participating Holders agree to treat such withdrawn registration as a registration which was effected pursuant to Section 2.1 or 2.2, as the case may be, which agreement shall bind all Holders of Registrable Securities. Notwithstanding the foregoing, if the Holders have learned of a material adverse change in the condition, business, or prospects of the Company from

that known to the Holders at the time the demand for registration was made or if there shall have occurred a material adverse change in market conditions from those existing as such time in the good faith judgment of the Majority Participating Holders makes it undesirable to proceed with the proposed offering, then the Holders shall not be required to pay any of such expenses. The withdrawn registration shall not count as a registration effected pursuant to Section 2.1 or 2.2, as the case may be.

3. Piggyback Registration. If the Company at any time proposes to register any of its Equity Securities under the Securities Act, for its own account or for the account of any holder of its securities other than Registrable Securities, on a form which would permit registration of Registrable Securities for sale to the public under the Securities Act, or proposes to register any securities in a so-called "unallocated" or "universal" shelf registration statement and such registration would permit registration of Registrable Securities thereunder, the Company will each such time give notice to all Holders of Registrable Securities of its intention to do so. Such notice shall describe such securities and specify the form, manner and other relevant aspects of such proposed registration. Any such Holder may, by written response delivered to the Company within ten (10) days after the giving of any such notice by the Company, request that all or a specified part of the Registrable Securities held by such Holder be included in such registration. The Company thereupon will use its best efforts as a part of its filing of such form to cause to be included in such registration under the Securities Act all Registrable Securities which the Company has been so requested to register by the Holders of Registrable Securities, to the extent required to permit the disposition (in accordance with the methods to be used by the Company or other holders of securities in such registration) of the Registrable Securities to be so registered. The Company shall be under no obligation to complete any offering of its securities it proposes to make and shall incur no liability to any Holder for its failure to do so. No registration of Registrable Securities effected under this Section 3 shall relieve the Company of any of its obligations to effect registrations of Registrable Securities pursuant to Section 2.1 or 2.2 hereof.

3.1. Excluded Transactions. The Company shall not be obligated to effect any registration of Registrable Securities under this Section 3 incidental to the registration of any of its securities in connection with any mergers, acquisitions or exchange offers or in connection with any dividend reinvestment plans or stock option or other employee benefit plans.

3.2. Payment of Expenses. The Company hereby agrees to pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this Section 3.

4. Registration Procedures.

4.1. Company Obligations. If and whenever the Company is required to use all reasonable commercial efforts to effect the registration of any Registrable Securities under the Securities Act as provided in Sections 2 or 3 hereof, the Company shall as expeditiously as reasonably possible:

4.1.1. Registration Statement. Prepare and (in the case of a registration pursuant to Section 2 hereof, promptly and in any event within 45 days after a request for registration is delivered to the Company under Section 2.1 or within 20 days after a request for registration is delivered to the Company under Section 2.2) file with the Commission a registration statement with respect to such Registrable Securities and use all reasonable commercial efforts to cause such registration statement to become effective as soon as possible thereafter. Such registration statement shall be for an offering to be made on a continuous or delayed basis (a so-called "shelf registration statement") if the Company is eligible for the use thereof and the Majority Participating Holders have requested a shelf registration statement.

4.1.2. Amendments and Supplements to Registration Statement. Prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities and other securities, if any, covered by such registration statement until such time as all such Registrable Securities have been disposed of by the seller or sellers thereof in accordance with the intended methods of disposition set forth in such registration statement (but in no event for a period of more than 180 days after such registration statement becomes effective which 180 day period shall be extended by the number of days that the sale of Registrable Securities is suspended as described in Section 4.4).

4.1.3. Cooperation. Use its best efforts to cooperate as may be reasonably requested by the seller of such Registrable Securities in the disposition of the Common Stock covered by such registration statement, including without limitation in the case of an underwritten offering causing key executives of the Company to participate under the direction of the managing underwriter in a "road show" scheduled by such managing underwriter in such locations and of such duration as in the reasonable judgment of such managing underwriter are appropriate for such underwritten offering.

4.1.4. Furnishing of Copies of Registration Statements and Other Documents. Furnish to each seller of such Registrable Securities such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus), each in conformity with the requirements of the Securities Act, such documents incorporated by reference in such registration statement or prospectus and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities of such seller covered by such registration statement.

4.1.5. State Securities Laws. Use its best efforts to register or qualify such Registrable Securities under such securities or "blue sky" laws of such jurisdictions as the sellers shall reasonably request, and do any and all other acts and things which may be necessary or advisable to enable each seller to consummate the disposition in such jurisdictions of the Registrable Securities of such seller covered by such registration statement; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or subject the Company to taxation in any jurisdiction in which it is not so qualified or would not otherwise be so subject.

4.1.6. Opinion of Counsel; Comfort Letter. Use its best efforts to obtain all legal opinions, auditors consents and comfort letters and experts cooperation as may be required, including furnishing to each underwriter of Registrable Securities on the date that the registration statement with respect to such Registrable Securities becomes effective, (i) an opinion, dated as of such date, of counsel for the Company and (ii) a "cold comfort" letter, dated as of such date, signed by the independent public accountants of the Company, in each case in form and substance as is customarily given to underwriters in an underwritten public offering.

4.1.7. Notice of Prospectus Defects. Immediately notify each seller of Registrable Securities covered by such registration statement, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and at the request of any such seller prepare and furnish to such seller a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

4.1.8. Stop Orders. In the event of the issuance of any stop order suspending the effectiveness of such registration statement, or any order suspending or preventing the use of any related prospectus or suspending the qualification of any Registrable Securities included in such registration statement for sale in any jurisdiction, use its best efforts promptly to obtain the withdrawal of such order.

4.1.9. General Compliance with Federal Securities Laws; Section 11(a) Earning Statement. Otherwise use its best efforts to comply with the Securities Act, the Exchange Act and all other applicable rules and regulations of the Commission, and make available to its securities holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months after the effective date of such registration statement, which earning statement shall satisfy Section 11(a) of the Securities Act and any applicable regulations thereunder, including Rule 158.

4.1.10. Underwriting Agreement. In the event of any underwritten offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering.

4.1.11. Exchange Listing. Use its best efforts to cause such Registrable Securities to be listed on each securities exchange on which any equity security of the Company is then listed or, if the Company does not have a class of Equity Securities listed on a national securities exchange, apply for qualification and use its best efforts to qualify such Registrable Securities for listing on the New York Stock Exchange, the Nasdaq Global Market or the Nasdaq Global Select Market or comparable trading system.

4.1.12. Due Diligence. Make available for inspection by any seller of Registrable Securities, any underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other agent retained by any such seller or underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors, employees and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement, in each case subject to the requirement that recipients execute appropriate confidentiality agreements.

4.1.13. Transfer Agent. Provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement.

4.1.14. Legend. The Company shall be obligated to reissue promptly unlegended certificates or other evidence of ownership at the request of any Holder thereof if the Company has completed its Initial Public Offering or in connection with a sale of Registrable Securities by a Holder pursuant to Rule 144 and, in each case, such Holder shall have obtained an opinion of counsel, which counsel may be counsel to the Company, reasonably acceptable to the Company (it being understood that (i) internal securities counsel of Fidelity shall be deemed acceptable for transfers by Fidelity, (ii) internal securities counsel of Franklin shall be deemed acceptable for transfers by Franklin, and (iii) internal securities counsel of T. Rowe Price shall be deemed acceptable for transfers by the T. Rowe Price Investors) to the effect that the securities proposed to be disposed of may be lawfully disposed of without registration, qualification and legend.

4.2. Participation by Selling Holders. The Company may require each seller of Registrable Securities as to which any registration is being effected to furnish the Company such information regarding such seller and the distribution of such securities as the Company may from time to time reasonably request in writing and which shall be required by the Securities Act (or similar state laws) or by the Commission in connection therewith.

4.3. Conversion only Upon Consummation of Offering. No Holder shall be required by this Agreement to convert any Registrable Security into Common Stock except at the applicable closing or closings of an underwritten registered offering and except upon the sale of such Registrable Security in the case of other registered offerings.

4.4. Discontinue Selling. Each seller of Registrable Securities agrees that, upon written notice of (i) the happening of any event as a result of which the prospectus included in any registration statement contains an untrue statement of a material fact or omits any material fact necessary to make the statements therein not misleading, or (ii) the issuance of a stop order suspending the effectiveness of any registration statement, such seller will use commercially reasonable efforts to forthwith discontinue disposition of Registrable Securities pursuant to such registration statement until such seller is advised in writing by the Company that the use of the prospectus may be resumed and if applicable is furnished with a supplemented or amended prospectus as contemplated by Section 4.1.7 hereof. If the Company shall give any notice to suspend the disposition of Registrable Securities pursuant to a prospectus, the Company shall extend the period of time during which the Company is required to maintain the registration statement effective pursuant to this Agreement by the number of days during the period from and including the date of the giving of such notice to and including the date such seller either is advised by the Company that the use of the prospectus may be resumed or if applicable receives the copies of the supplemented or amended prospectus contemplated by Section 4.1.7.

5. Additional Procedures in Connection with Underwritten Offerings; Cutbacks.

5.1. Registrations Upon Request Pursuant to Section 2. In the case of a registration pursuant to Section 2 hereof, whenever the Majority Participating Holders shall request that such registration shall be effected pursuant to an underwritten offering, such registration shall be so effected, and only securities which are to be distributed by the underwriters, which underwriters shall be designated by the Majority Participating Holders and shall be reasonably acceptable to the Company, may be included in such registration. If requested by such underwriters, the Company and each participating seller will enter into an underwriting agreement with such underwriters for such offering containing such representations and warranties by the Company and such participating sellers and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions, including, without limitation, customary indemnity and contribution provisions; provided, however, that the liability of each Holder in respect of any indemnification, contribution or other obligation of such Holder arising under such underwriting agreement (i) shall be limited to losses arising out of or based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement, incorporated document or other such disclosure document or other document or report, in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Holder expressly for inclusion therein and (ii) shall not in any event exceed an amount equal to the net proceeds to such Holder (after deduction of all underwriters' discounts and commissions) from the disposition of the Registrable Securities disposed of by such Holder pursuant to such registration.

5.2. Piggyback Registrations Pursuant to Section 3. In connection with the exercise of any registration rights granted to Holders of Registrable Securities pursuant to Section 3 hereof, if the registration is to be effected by means of an underwritten offering of Common Stock on a firm commitment basis, the Company may condition participation in such registration by such Holders upon inclusion of the Registrable Securities being so registered in such underwriting. The Holders of Registrable Securities participating in any registration pursuant to Section 3 shall be parties to the underwriting agreement entered into by the Company and any other selling stockholders in connection therewith containing such representations and warranties by the Company and such participating sellers and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions,

including, without limitation, customary indemnity and contribution provisions; provided, however, that the liability of each Holder in respect of any indemnification, contribution or other obligation of such Holder arising under such underwriting agreement (i) shall be limited to losses arising out of or based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement, incorporated document or other such disclosure document or other document or report, in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Holder expressly for inclusion therein and (ii) shall not in any event exceed an amount equal to the net proceeds to such Holder (after deduction of all underwriters' discounts and commissions) from the disposition of the Registrable Securities disposed of by such Holder pursuant to such registration.

5.3. Cutbacks.

5.3.1. Section 2 Cutbacks. If the managing underwriter advises the Company that the number of shares to be included in a registration pursuant to Section 2 should be limited due to market conditions, (i) all shares other than Registrable Securities shall first be excluded, and (ii) thereafter, if additional shares must be excluded from such registration, all Holders of Registrable Securities, shall share pro rata in the number of shares of Registrable Securities to be excluded from such registration pursuant to this clause (ii), such sharing to be based on the respective numbers of Registrable Securities owned by such Holders.

5.3.2. Section 3 Cutbacks. If the managing underwriter advises the Company that the number of shares to be included in a registration pursuant to Section 3 should be limited due to market conditions, (i) all shares of securities held by shareholders of the Company other than Holders of Registrable Securities shall first be excluded, (ii) next, if additional shares must be excluded from such registration, all Holders of Registrable Securities shall share pro rata in the number of shares of Registrable Securities to be excluded from such registration pursuant to this clause (ii), such sharing to be based on the respective numbers of Registrable Securities owned by such Holders and (iii) thereafter, if additional shares must be excluded from such registration, shares to be sold for the account of the Company shall be excluded; provided, however, that no exclusion provided for herein shall reduce the amount of Registrable Securities to be included in such registration to an amount that is less than twenty five percent (25%) of the total amount of shares to be included in such registration based on aggregate market value, unless in connection with the Initial Public Offering and no other shareholders of the Company have shares included in such registration.

6. Indemnification and Contribution.

6.1. Indemnities of the Company. In the event of any registration of any Registrable Securities under the Securities Act pursuant to Section 2 or 3 hereof, and in connection with any registration statement or any other disclosure document produced by or on behalf of the Company or any of its subsidiaries in connection with any such registration, the Company will, and hereby does, indemnify and hold harmless each Holder of Registrable Securities, their respective direct and indirect partners, members, stockholders, directors, advisory board members, officers, investment advisors, representatives on the Board of Directors of the Company, and each other Person, if any, who controls or is alleged to control any such Holder of Registrable Securities, within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (each such Person being referred to herein as a "***Covered Person***"), against any losses, claims, damages or liabilities (or actions or proceedings in respect thereof), joint or several, to which such Covered Person may be or become subject under the Securities Act, the Exchange Act, any other securities or other law of any jurisdiction, common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in any such registration statement under the Securities Act, any preliminary prospectus or final prospectus included therein, or any related summary prospectus, free writing prospectus or any amendment or supplement thereto, or any document

incorporated by reference therein, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation of any federal, state, foreign or common law rule or regulation applicable to the Company or any of its subsidiaries and relating to action or inaction in connection with any such registration, disclosure document or other document or report, and will reimburse such Covered Person for any legal or any other expenses reasonably incurred by it in connection with investigating or defending any such loss, claim, damage, liability, action or proceeding; provided, however, that the Company shall not be liable to any selling Holder in any such case for any such loss, claim, damage, liability, action or proceeding to the extent that it arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement, incorporated document or other such disclosure document or other document or report, in reliance upon and in conformity with written information furnished to the Company relating to such selling Holder by or on behalf of such selling Holder expressly for inclusion therein. The indemnities of the Company contained in this Section 6.1 shall remain in full force and effect regardless of any investigation made by or on behalf of such Covered Person and shall survive any transfer of Registrable Securities.

6.2. Indemnities to the Company. In the event of any registration of Registrable Securities pursuant to Section 2 or 3, each selling Holder will, and hereby does, severally and not jointly, indemnify and hold harmless the Company, each director of the Company, each officer of the Company who shall sign such registration statement and each other Person (other than such seller), if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, with respect to any statement in or omission from such registration statement, any preliminary prospectus, final prospectus or summary prospectus included therein, or any amendment or supplement thereto, any free writing prospectus, or any document incorporated by reference therein, or any other such disclosure document (including without limitation reports and other documents filed under the Exchange Act and any document incorporated by reference therein) or other document or report, if such statement or omission was made in reliance upon and in conformity with written information relating to such selling Holder furnished to the Company by or on behalf of such selling Holder expressly for inclusion therein. Such indemnity contained in this Section 6.2 shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any such director, officer or controlling Person and shall survive any transfer of Registrable Securities.

6.3. Indemnification Procedures. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim of the type referred to in the foregoing provisions of this Section 6, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party, give written notice to each such indemnifying party of the commencement of such action; provided, however, that the failure of any indemnified party to give notice to such indemnifying party as provided herein shall not relieve such indemnifying party of its obligations under the foregoing provisions of this Section 6, except and solely to the extent that such indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, each indemnifying party will be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified, to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to such an indemnifying party), and after notice from an indemnifying party to such indemnified party of its election so to assume the defense thereof, such indemnifying party will not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof; provided, however, that if the indemnified party in good faith determines that there may be a conflict between the positions of such indemnifying party and the indemnified party in conducting the defense of such action or that there may be defenses available to such indemnified party different from or in addition to those available to such indemnifying party, then (i) counsel for the indemnified party shall

conduct the defense of the indemnified party to the extent in good faith determined by such counsel to be necessary to protect the interests of the indemnified party and such indemnifying party shall employ separate counsel for its own defense, (ii) the indemnified party shall be entitled to have counsel chosen by such indemnified party participate in, but not conduct, the defense and (iii) the indemnifying party shall bear the legal expenses reasonably incurred in connection with the conduct of, and the participation in, the defense as referred to in clauses (i) and (ii) above. If, within a reasonable time after receipt of the notice, such indemnifying party shall not have elected to assume the defense of the action, such indemnifying party shall be responsible for any legal or other expenses reasonably incurred by such indemnified party in connection with the defense of the action, suit, investigation, inquiry or proceeding. No indemnifying party will consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation, and no indemnified party shall consent to entry of any judgment or enter into any settlement without the prior written consent of the indemnifying party, which consent shall not be unreasonably withheld, conditioned or delayed.

6.4. Contribution. If the indemnification provided for in Sections 6.1 or 6.2 hereof is unavailable to a party that would have been an indemnified party under any such Section in respect of any losses, claims, damages or liabilities (or actions or proceedings in respect thereof) referred to therein, then each party that would have been an indemnifying party thereunder shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) in such proportion as is appropriate to reflect the relative fault of such indemnifying party on the one hand and such indemnified party on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions or proceedings in respect thereof). The relative fault shall be determined by a court of competent jurisdiction by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or such indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties agree that it would not be just and equitable if contribution pursuant to this Section 6.4 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the preceding sentence. The amount paid or payable by a contributing party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) referred to above in this Section 6.4 shall include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

6.5. Limitation on Liability of Holders of Registrable Securities. The liability of each Holder in respect of any indemnification or contribution obligation of such Holder arising under this Section 6 shall not in any event exceed an aggregate amount equal to the net proceeds to such Holder (after deduction of all underwriters' discounts and commissions and any other damages payable by such Holder in connection with such registration) from the disposition of the Registrable Securities disposed of by such Holder pursuant to such registration less any other damages paid by such Holder with respect to claims relating to such registration.

7. Reports Under Securities Exchange Act of 1934. With a view to making available to the Holders the benefits of Rule 144 and any other rule or regulation of the Commission that may at any time permit a Holder to sell securities of the Company to the public without registration, and with a view to making it possible for Holders to register the Registrable Securities pursuant to a registration on Form S-3, the Company agrees to:

(a) use its best efforts to make and keep adequate current public information available, as those terms are understood and defined in Rule 144, at all times commencing after the effective date of the registration statement for its Initial Public Offering;

(b) use its best efforts to file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(c) furnish to any Holder forthwith upon request (1) a written statement by the Company as to its compliance or non-compliance with the reporting requirements of Rule 144 (at any time more than 90 days after the effective date of the registration statement for its Initial Public Offering), the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), or as to its qualification as a registrant whose securities may be resold pursuant to Form S-3 (at any time after it so qualifies), (2) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (3) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the Commission which permits the selling of any such securities without registration or pursuant to such form.

8. Assignment of Registration Rights. The consent of the Company shall not be required for an assignment by any Holder to (a) any Person or entity to which shares of Series Preferred Stock are transferred by such Holder, (b) to any Affiliate of such Holder, (c) with respect to Fidelity, to any other entity managed by a registered investment advisor holding shares of the Company's capital stock originally purchased by Fidelity (or issued upon conversion thereof) or pursuant to a merger or reorganization of a U.S. registered mutual fund advised or sub-advised by Fidelity or any affiliated investment advisor of Fidelity whether or not such Person would be an Affiliate as defined in Rule 12b-2 of the General Rules and Regulations under the Exchange Act, (d) with respect to Franklin, to any other entity managed by a registered investment advisor holding shares of the Company's capital stock originally purchased by Franklin (or issued upon conversion thereof) or pursuant to a merger or reorganization of a U.S. registered mutual fund advised or sub-advised by Franklin or any affiliated investment advisor of Franklin whether or not such Person would be an Affiliate as defined in Rule 12b-2 of the General Rules and Regulations under the Exchange Act, or (e) with respect to each T. Rowe Price Investor, to any other entity managed by a registered investment advisor holding shares of the Company's capital stock originally purchased by the T. Rowe Price Investors (or issued upon conversion thereof) or pursuant to a merger or reorganization of a U.S. registered mutual fund advised or sub-advised by T. Rowe Price or any affiliated investment advisor of T. Rowe Price whether or not such Person would be an Affiliate as defined in Rule 12b-2 of the General Rules and Regulations under the Exchange Act, of the rights to cause the Company to register Registrable Securities pursuant to Sections 2 and 3. Any transferee to whom rights under this Agreement are transferred shall (i) as a condition to such transfer, deliver to the Company a written instrument by which such transferee agrees to be bound by the obligations imposed upon Holders under this Agreement to the same extent as if such transferee were a Holder under this Agreement and (ii) be deemed to be a Holder hereunder.

9. Limitation on Subsequent Registration Rights; Termination of Registration Rights.

9.1. The Company shall not, without the prior written consent of the Holders of a majority of the voting power of the then outstanding Series Preferred Stock (subject to the Regulatory Voting Restriction) (or, if no such shares are then outstanding, holders of a majority of the Registrable Securities), enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder (i) to make a demand registration prior to an Initial Public Offering or at any time when holders of Registrable Securities are not able to fully exercise their rights hereunder (due to a permitted deferral by the Company or otherwise) or (ii) reduce the number of Registrable Securities that may be included in any registration; provided that this limitation shall not apply to any additional Investor who becomes a party to this Agreement in accordance with Section 17.

9.2. The rights granted to each Holder of Registrable Securities pursuant to Sections 2 through 10 hereof with respect to any request or requests for registration made by such Holder will terminate upon the earliest of (i) such time after the Initial Public Offering that (a) such Holder owns less than one percent (1%) of the Common Stock on an as-converted basis and (b) all such Registrable Securities held by such Holder may be sold without registration under the Securities Act pursuant to Rule 144(b)(1)(i) under the Securities Act (and without the requirement for the Company to be in compliance with the current public information required under Rule 144(c)(1)) and (ii) following the occurrence of a Liquidation Event (as defined in the Certificate of Incorporation).

10. Future Changes in Registration Requirements. In the event that the registration requirements under the Securities Act are amended or eliminated to accommodate a "Company registration" or similar approach, this Agreement shall be deemed amended to the extent necessary to reflect such changes and the intent of the parties hereto with respect to the benefits and obligations of the parties, and in such connection, the Company shall use all reasonable commercial efforts to provide Holders of Registrable Securities equivalent benefits to those provided under this Agreement.

11. Purchase Rights. The Company agrees as follows:

11.1. Subsequent Offerings. Each Investor and each Key Holder shall have a right of first refusal (the "***Purchase Rights***") to purchase its Pro Rata Share of all Equity Securities other than the Equity Securities excluded by Section 11.6 hereof, in accordance with the provisions of this Section 11.

11.2. Exercise of Rights.

11.2.1. If the Company proposes to issue any Equity Securities, other than Excluded Securities, it shall give each Investor and each Key Holder written notice of its intention, describing the Equity Securities, the price and the terms and conditions upon which the Company proposes to issue the same. Each Investor and each Key Holder shall have thirty (30) days from the giving of such notice to agree to purchase up to its Pro Rata Share of the Equity Securities for the price and upon the terms and conditions specified in the notice by giving written notice to the Company (the "***Company Notice***") and stating therein the quantity of such Equity Securities to be purchased.

11.2.2. If not all of the Investors and Key Holders elect to purchase their Pro Rata Share of the Equity Securities, then the Company shall promptly notify in writing the Investors and Key Holders who have elected to purchase their Pro Rata Share of such Equity Securities and shall offer such Investors and Key Holders (the "***Purchasing Investors***" and the "***Purchasing Key Holders***," and together, the "***Purchasing Parties***") the right to acquire such unsubscribed shares; provided that in the event (i) the Company proposes to issue Equity Securities at a price per share greater than the Conversion Price (as defined in the Certificate of Incorporation) of the Series F Preferred Stock (an "***Up Round Financing***") and (ii) any Key Holder does not elect to purchase her full Pro Rata Share of such Equity Securities, the Company shall offer to the Major Investors who are Purchasing Investors the Equity Securities so not elected to be purchased by any Key Holder ("***Up Round Key Holder Unallocated Shares***"). The Purchasing Parties shall have fifteen (15) days after receipt of such notice to notify the Company (the "***Purchasing Party Notice***") of their election to purchase all or a portion thereof of the unsubscribed shares offered to them pursuant to the foregoing sentence. If the Purchasing Parties have, in the aggregate elected to purchase more than the number of unsubscribed shares being offered in such notice, then the unsubscribed shares shall be allocated according to each Purchasing Party's Pro Rata Share up to the number of unsubscribed shares set forth in the notice to the Purchasing Parties, provided that for purposes of this Section 11.2.2 "***Purchasing Party's Pro Rata Share***" shall be the ratio of (a) the Pro Rata Share of such Purchasing Party to (b) the Pro Rata Shares of all Purchasing Parties (or, with respect to any Up Round Key Holder Unallocated Shares, the Pro Rata Shares of all Major Investors who have elected to purchase

all or a portion thereof of such unsubscribed shares offered to them). The Purchasing Parties shall then effect the purchase of the Equity Securities at the closing of the issuance of Equity Securities described in the notice delivered by the Company pursuant to Section 11.2.1. On the date of such closing, the Company shall deliver to the Purchasing Parties the certificates representing the Equity Securities to be purchased by the Purchasing Parties and at such time, the Purchasing Parties shall pay the purchase price for the Equity Securities.

11.3. Issuance of Equity Securities to Other Persons. If the Investors or Key Holders fail to exercise in full their Purchase Rights, the Company shall have ninety (90) days thereafter to sell the Equity Securities in respect of which the Investors' or the Key Holders' rights were not exercised, at a price and upon general terms and conditions no more favorable to the purchasers thereof than specified in the Company's notice to the Investors and Key Holders pursuant to Section 11.2.1 hereof. If the Company has not sold such Equity Securities within such ninety (90) days, the Company shall not thereafter issue or sell any Equity Securities, without first again complying with this Section 11.

11.4. Waiver of Purchase Rights. The Purchase Rights established by this Section 11 may only be amended, or any provision waived, with the written consent of (a) the Investors holding a majority of the voting power of the then outstanding Series Preferred Stock and (b) the Key Holders holding a majority of the Common Stock held by all of the Key Holders; provided, however, that no consent from the Key Holders shall be required for any amendment or waiver of any provision of this Section 11 unless such amendment or waiver adversely affects the rights of or creates additional obligations for the Key Holders under this Agreement (for purposes of this Section 11.4, a "***Waiver***"). Notwithstanding the foregoing, in the event that any of the Equity Securities subject to such Waiver are offered or made available by the Company for purchase by any of the Investors or Key Holders (the "***Offered Securities***"), such Waiver shall not apply with respect to any Investor holding shares of a series of Series Preferred Stock unless (x) such Investor is offered the opportunity to purchase its Pro Rata Share of the Offered Securities or (y) such Waiver includes (i) with respect to the Series G Preferred Stock, the written consent of the Requisite Series G Preferred Stockholders (as defined in the Certificate of Incorporation), (ii) with respect to the Series F Preferred Stock, the written consent of the Supermajority Series F Stockholders, (iii) with respect to the Series E Preferred Stock, the written consent of the Requisite Series E Preferred Stockholders (as defined in the Certificate of Incorporation) and (iv) with respect to all other series of Series Preferred Stock, the written consent of the Investors holding a majority of the voting power of the then outstanding shares of such series of Series Preferred Stock.

11.5. Transfer of Purchase Rights. The Purchase Rights of each Holder with respect to any offer of Equity Securities under this Section 11 may be transferred to any Affiliate of such Holder. Any transferee to whom rights under this Agreement are transferred shall (i) as a condition to such transfer, deliver to the Company a written instrument by which such transferee agrees to be bound by the obligations imposed upon Holders under this Agreement to the same extent as if such transferee were a Holder under this Agreement and (ii) be deemed to be a Holder hereunder and either an Investor or Key Holder, as determined by the status of the Holder transferring shares to such transferee.

11.6. Excluded Securities. The Purchase Rights established by this Section 11 shall have no application to any of the following Equity Securities (collectively, the "***Excluded Securities***"):

11.6.1. any Common Stock issued upon conversion of the Series Preferred Stock outstanding as of the date of this Agreement;

11.6.2. shares of Common Stock (and/or options, warrants or other Common Stock purchase rights therefor or shares of Common Stock issued pursuant to such options, warrants or other rights), issued to employees, officers or directors of, or consultants or advisors to the Company or any subsidiary, pursuant to stock purchase or stock option plans or other similar arrangements that are approved by the Board of Directors, including a majority of the Preferred Directors, and in accordance with Article Fourth Part B Section 7 of the Certificate of Incorporation;

11.6.3. any Common Stock issued upon exercise of options or warrants outstanding as of the date of this Agreement;

11.6.4. any Series Preferred Stock issued upon exercise of warrants outstanding as of the date of this Agreement and any Common Stock issuable upon conversion of such Series Preferred Stock;

11.6.5. any Common Stock issued in connection with any acquisitions, mergers or strategic partnership transactions (other than transactions entered into primarily for equity financing purposes) that have been approved by the Board of Directors, including a majority of the Preferred Directors, and in accordance with Article Fourth Part B Section 7 of the Certificate of Incorporation;

11.6.6. any Common Stock issued pursuant to an Initial Public Offering;

11.6.7. shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leading or real property leasing transaction approved by the Board of Directors, including a majority of the Preferred Directors;

11.6.8. shares of Common Stock issued in any stock split, stock dividend, subdivision or combination by the Company;

11.6.9. with respect to the Purchase Rights of the Investors only, Equity Securities designated as Excluded Securities by the Investors holding a majority of the Series Preferred Stock held by the Investors (on an as converted to Common Stock basis, with the Series C-1 Preferred Stock subject to the Regulatory Voting Restriction), provided, that in the event that any of the Equity Securities that are designated as Excluded Securities are offered or made available by the Company for purchase by any of the Investors or Key Holders (the "***Offered Excluded Securities***"), the Equity Securities shall not be designated as Excluded Securities for purposes of any Investor holding shares of any series of Series Preferred Stock unless (i) such Investor is offered the opportunity to purchase its Pro Rata Share of the Offered Excluded Securities, or (ii) (a) with respect to the Series G Preferred Stock, the Requisite Series G Preferred Stockholders (as defined in the Certificate of Incorporation) have provided their written consent to such designation, (b) with respect to the Series F Preferred Stock, the Supermajority Series F Stockholders have provided their written consent to such designation, (c) with respect to the Series E Preferred Stock, the Requisite Series E Preferred Stockholders (as defined in the Certificate of Incorporation) have provided their written consent to such designation, and (d) with respect to all other series of Series Preferred Stock, Investors holding a majority of the voting power of the then outstanding shares of such series of Series Preferred Stock have provided their written consent to such designation;

11.6.10. that warrant to purchase shares of Common Stock issued to API on November 16, 2012, and any shares of Common Stock issued upon exercise thereof;

11.6.11. any Series C Preferred Stock issued upon conversion of the Series C-1 Preferred Stock; or

11.6.12. up to an aggregate of 3,391,910 shares of Series G Preferred Stock issued pursuant to the Purchase Agreement.

11.7. Termination of Rights. The provisions of this Section 11 shall terminate and be of no further force or effect upon the earlier of (i) immediately before but subject to the closing of (A) a Qualified Public Offering with respect to the Investors that are not T. Rowe Price Investors or Fidelity, and (B) solely with respect to the T. Rowe Price Investors and Fidelity, an Initial Public Offering, or (ii) following the occurrence of a Liquidation Event (each as defined in the Certificate of Incorporation).

11.8. Regulatory Matters. The Company, the Key Holders and each other holder of Registrable Securities other than TCV agrees to use commercially reasonable efforts so that, in the event the Regulated Holder or its Regulatory Transferees exercises its right of first offer pursuant to this Section 11, the terms and characteristics of the Equity Securities acquired by such Regulated Holder or its Regulatory Transferees shall provide comparable assurance of compliance with any regulatory requirements applicable to the Regulated Holder as are provided by the Series C-1 Preferred Stock.

12. Covenants of the Company. So long as Series Preferred Stock or Common Stock issued upon conversion thereof is outstanding, the Company agrees as follows:

12.1. Information Rights.

12.1.1. Access to Records. The Company shall, and shall cause each Subsidiary, if any, to, afford to each Major Investor, and each of their respective officers, employees, advisors, counsel and other authorized representatives, reasonable access during normal business hours, upon reasonable advance notice, to all of the books, records and properties of the Company and its Subsidiaries, if any, and to all officers and employees of the Company and such Subsidiaries; provided, however, that the Company shall not be obligated pursuant to this Section 12.1.1 to provide access to any information which it reasonably considers to be a trade secret, unless such recipient agrees to customary non-disclosure obligations with respect to such trade secrets. For so long as Fidelity, Franklin or any T. Rowe Price Investor continue to hold any shares of the Company's capital stock that are restricted under the Securities Act, the Company shall promptly and accurately respond, and shall use its best efforts to cause its transfer agent to promptly respond, to requests made by or on behalf of Fidelity, Franklin or such T. Rowe Price Investor, as applicable, relating to (a) accounting or securities law matters required in connection with an audit of Fidelity, Franklin or such T. Rowe Price Investor, as applicable, or (b) the actual holdings of Fidelity, Franklin or such T. Rowe Price Investor, as applicable, including in relation to the total outstanding shares of the Company; *provided, however* that the Company shall not be obligated to provide any such information that could reasonably result in the disclosure of information which it reasonably considers to be a trade secret, unless such recipient agrees to customary non-disclosure obligations with respect to such trade secrets. On or prior to the effectiveness of the Initial Public Offering, the Company shall upon request (x) provide each T. Rowe Price Investor written confirmation of its equity holdings in the Company (on an as-converted basis), and (y) provide Franklin written confirmation of its equity holdings in the Company (on an as-converted basis).

12.1.2. Financial Reports. The Company shall, and shall cause each Subsidiary, if any, to provide to each Major Investor, the following, each in a format mutually agreed upon by the Major Investors and the Company:

12.1.2.1 Monthly Reports. As soon as available, but not later than 30 days after the end of each fiscal month, an unaudited balance sheet of the Company as of the end of such period and statements of income and cash flows of the Company for such period.

12.1.2.2 Quarterly Reports. As soon as available, but not later than 30 days after the end of each quarterly accounting period, an unaudited balance sheet of the Company as of the end of such period and unaudited statements of income, cash flows and changes in stockholders' equity for such quarterly accounting period and for the period commencing at the end of the previous fiscal year and ending with the end of such period.

12.1.2.3 Annual Audit. As soon as available after the end of each fiscal year of the Company, but not later than one-hundred twenty (120) days after year end, audited consolidated financial statements of the Company, which shall include statements of income, cash flows and changes in stockholders' equity for such fiscal year and a balance sheet as of the last day thereof, each prepared in accordance with GAAP, and accompanied by the report of a firm of independent certified public accountants selected by the Company's Board of Directors (the "***Accountants***"). The Company and its Subsidiaries, if any, shall use their reasonable efforts to maintain a system of accounting sufficient to enable its Accountants to render the report referred to in this Section 12.1.2.3.

12.1.2.4 Annual Budget and Operating Forecast. As soon as available, an annual budget and operating plan for each fiscal year together with management's written discussion and analysis of such budget. The budget shall be accepted as the budget for the Company for such fiscal year when it has been approved by the Board of Directors of the Company. Management shall review the budget once per quarter and shall advise each Investor entitled to receive the annual budget at such time and the Board of Directors of all material changes therein, and all material deviations therefrom.

12.1.2.5 Capitalization Table. At the request of a Major Investor, as soon as practicable, but in any event within twenty (20) days after such request by a Major Investor, a statement showing the number of shares of each class and series of capital stock and securities convertible into or exercisable for shares of capital stock outstanding at the end of the period, the Common Stock issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Common Stock, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any, all in sufficient detail as to permit each Major Investor to calculate their respective percentage equity ownership in the Company.

12.1.3. Reportable Events. The Company shall provide notice of a Reportable Event (as hereinafter defined) as soon as possible and in any event no later than five (5) days following the occurrence of said event to each Major Investor. The following events shall be "Reportable Events":

12.1.3.1 receipt by the Company of an offer to buy a majority of the outstanding shares of the capital stock of the Company or assets representing more than 25% of the fair market value of the Corporation's consolidated assets;

12.1.3.2 receipt by the Company of notice of the resignation of the Chief Executive Officer, the President, the Chief Financial Officer or the Chief Operating Officer of the Company;

12.1.3.3 the commencement of any lawsuit involving the Company which, in the case of a lawsuit involving claims for damages, the aggregate of such claims is in excess of $250,000;

12.1.3.4 the receipt by the Company of a notice that the Company is in default under any loan agreement to which the Company is a party; and

12.1.3.5 the existence of any known material default by the Company under this Agreement or any other Transaction Document (as defined in the Purchase Agreement).

12.2. Use of Proceeds. The Company shall use the proceeds from the sale of Series G Preferred Stock under the Purchase Agreement for working capital and general corporate purposes.

12.3. Internal Accounting Controls. The Company will maintain a system of internal accounting controls similar to those maintained by similarly situated corporations of established reputation in the same or similar business.

12.4. Indemnification of the Board of Directors; Directors and Officers Insurance Policy.

12.4.1. The Company will reimburse all non-employee directors of the Company for all reasonable out-of-pocket expenses, including without limitation, airfare and hotel expenses, in connection with attending meetings of the Company's Board of Directors and all committees thereof. To the extent provided by Delaware law, the certificate of incorporation of the Company shall at all times require (i) the indemnification and reimbursement of expenses of all of the Company's directors against liability for actions and omissions to act in their capacity as directors of the Company to the maximum extent that such individuals may lawfully be so indemnified by the Company and (ii) the exculpation of the Company's directors from liability to the Company and its stockholders for monetary damages for breach of their fiduciary duties as directors.

12.4.2. The Company will maintain in full force and effect a directors and officer liability insurance policy issued by an insurer or insurers of recognized responsibility, insuring its directors and officers against such losses and risks, and in such amounts, as determined by the Board of Directors of the Company. The Company may not cancel any policy required under this Section 12.4.2 without the consent of a majority of the Board of Directors of the Company, including the Preferred Director designated by TCV pursuant to that certain Seventh Amended Voting Agreement by and among the Company, certain Investors and certain other stockholders as set forth therein dated as of the date hereof.

12.5. Quarterly Board Meetings. Unless otherwise unanimously agreed by the Board, the Company shall hold meetings of the Board of Directors at least quarterly.

12.6. Vesting of Options. All stock options granted to employees of the Company or any Subsidiary shall vest as follows: (i) for new hire optionees, twenty-five percent (25%) on the one year anniversary of such grant, with the remainder of the options vesting monthly or quarterly over the next thirty-six (36) months, and (ii) for refresh optionees, vesting monthly or quarterly over forty-eight (48) months, unless otherwise approved by the Board of Directors, including a majority of the Preferred Directors.

12.7. CEO. The Company will not, without the prior affirmative vote or written consent of (a) a majority of the directors then in office if Jennifer Hyman is not then serving as Chief Executive Officer, or (b) at least two-thirds (2/3) of the directors then in office if Jennifer Hyman is serving as Chief Executive Officer, in each case excluding both in the numerator and the denominator a director that is the Company's Chief Executive Officer, if applicable: (i) terminate the employment of the Company's Chief Executive Officer or (ii) alter or amend the roles or responsibilities of the Company's Chief Executive Officer.

12.8. Approval of Certain Transactions.

12.8.1. The Company will not, without the prior affirmative vote or written consent of two-thirds of the directors then in office:

(i) consummate any Initial Public Offering; or

(ii) consummate a Liquidation Event (as defined in the Certificate of Incorporation).

12.8.2. The Company will not, without the prior affirmative vote or written consent of a majority of the directors then in office, enter into or incur any debt or lease obligation (other than working capital loans, equipment lease obligations and other similar obligations in the ordinary course of business) where the aggregate amount of all such obligations outstanding at any one time is greater than One Hundred and Fifty Million Dollars ($150,000,000).

12.9. Quorum.

12.9.1. In addition to any requirements under applicable law or the Company's Certificate of Incorporation or By-Laws, (A) so long as Jennifer Hyman is the Chief Executive Officer of the Company, Ms. Hyman must be present (in-person, by telephone or pursuant to Section 2.13 of the By-Laws) at any meeting of the Board of Directors for a quorum to exist, with attendance of Ms. Hyman not to be unreasonably withheld and (B) at any time that Ms. Hyman is not the Chief Executive Officer of the Company, one director elected by the holders of Common Stock pursuant to Article FOURTH Section 4(A)(3) of the Certificate of Incorporation must be present (in-person, by telephone or pursuant to Section 2.13 of the By-Laws) at any meeting of the Board of Directors for a quorum to exist, with attendance of such director not to be unreasonably withheld. This Section 12.9.1 shall terminate and be of no further force or effect if any director required for a quorum to exist pursuant to this Section 12.9.1 fails to attend three (3) or more consecutive meetings of the Board of Directors that are held during ordinary business hours for which such director has received notice at least three (3) business days prior to such meetings.

12.9.2. In addition to any requirements under applicable law or the Company's Certificate of Incorporation or By-Laws, at least one Preferred Director must be present (in-person, by telephone or pursuant to Section 2.13 of the By-Laws) at any meeting of the Board of Directors for a quorum to exist, with attendance of any such Preferred Director not to be unreasonably withheld. This Section 12.9.2 shall terminate and be of no further force or effect if all Preferred Directors fail to attend three (3) or more consecutive meetings of the Board of Directors that are held during ordinary business hours for which they have received notice at least three (3) business days prior to such meetings.

12.10. IPO Allocation. In connection with the Company's initial firm commitment underwritten public offering (the "***IPO***"), the Company shall use its commercially reasonable efforts to cause the managing underwriter or underwriters of such IPO to establish a directed share program (the "***Program***") whereby such managing underwriter or underwriters would offer TCV priority as to the participation in such Program on the terms as described as follows:

12.10.1. The Company shall use its commercially reasonable efforts to cause the number of shares of Common Stock to be offered to TCV pursuant to the Program (the "***Program Shares***") to equal the lesser of (A) the quotient obtained by dividing (i) twenty-five million dollars ($25,000,000), by (ii) the mid-point of the first filing range the Company sets forth in the registration statement for the IPO or an amendment thereto and (B) five percent (5%) of the total shares of Common Stock offered to be sold in the IPO.

12.10.2. TCV shall have the right to apportion its participation in the IPO pursuant to this Section 12.10 among any of its Affiliates.

12.10.3. Notwithstanding the foregoing, in the event that the Board of Directors of the Company, following consultation with outside legal counsel to the Company and the managing underwriter or underwriters, believes in good faith that the issuance of the Program Shares pursuant to this Section 12.10 would not be permitted under applicable law, rule or regulation, the Company and the TCV agree to negotiate in good faith to amend the Program (including, without limitation, by a reduction to the aggregate number of Program Shares) to the extent reasonably necessary or appropriate. TCV acknowledges that, despite the Company's use of its commercially reasonable efforts, the underwriter(s) may determine, in their good faith discretion, that it is not advisable to establish a Program.

12.10.4. Notwithstanding the foregoing, all action taken pursuant to this Section 12.10 shall be made in accordance with all federal and state securities laws, including, without limitation, the Securities Act and all applicable rules and regulations promulgated by the Financial Industry Regulatory Authority ("***FINRA***") and other such self-regulating organizations.

12.11. Termination of Rights. The provisions of this Section 12 shall terminate and be of no further force and effect upon the earlier of (i) immediately before but subject to the closing of (A) a Qualified Public Offering with respect to the Investors that are not T. Rowe Price Investors or Fidelity, and (B) solely with respect to the T. Rowe Price Investors and Fidelity, an Initial Public Offering, or (ii) following the occurrence of a Liquidation Event (each as defined in the Certificate of Incorporation), provided, however, that if any portion of the consideration to be received by any Major Investor in connection with a Liquidation Event is securities issued by an entity that is not subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act (or similar reporting requirements of other foreign governments) that are traded on the New York Stock Exchange, the Nasdaq Global Market or the Nasdaq Global Select Market or another internationally recognized stock exchange, then Sections 12.1.1 and 12.1.2 shall not terminate unless each Major Investor and the counterparty to such Liquidation Event enter into a binding written agreement granting each Major Investor information rights at least as favorable to them as the rights set forth in Section 12.1.1 and 12.1.2 as of the date hereof.

13. Stockholder Lockup Agreement in Connection with Initial Public Offering. Each Holder agrees that it will not without the prior written consent of the managing underwriter, for a period of up to 180 days following the effective date of the registration statement for the Initial Public Offering, directly or indirectly sell, offer to sell, grant any option for the sale of, or otherwise dispose of any Common Stock or securities convertible into Common Stock, except for (i) Registrable Securities sold pursuant to such registration statement, (ii) transactions relating to Common Stock or other securities acquired in the Initial Public Offering or in open market transactions in connection with or after the completion of the Initial Public Offering, and (iii) transfers to Affiliates, partners, members and stockholders of such Holder (each of whom shall have furnished to the Company and the managing underwriter their written consent to be bound by this Agreement), provided that the Company's officers, directors and all holders of more than 1% of the shares of Common Stock (calculated for this purpose as if all securities convertible into or exercisable for Common Stock, directly or indirectly, are so converted or exercised) of the Company enter such lockup agreements for the same period and on the same terms, and provided further that any waiver or termination of the prohibitions contained in this Section 13 or similar agreements by other stockholders by the Company or any underwriter shall apply pro rata to each Holder on the basis of the number of Registrable Securities then held. In the event that the Company and/or the underwriters in connection with the Initial Public Offering agree to allow any securityholder subject to this Section 13 to hold its shares of Company capital stock subject to lockup restrictions which are more favorable to such securityholder than the lockup restrictions applicable to the Registrable Securities held by any Investor, including Fidelity, Franklin and the T. Rowe Price Investors, the lockup restrictions applicable to any Registrable Securities held by each other Investor, including Fidelity, Franklin and the T. Rowe Price Investors, will be automatically amended to conform to the more favorable lockup restrictions applicable to the shares held by such securityholder.

14. Anti-Corruption, Anti-Money Laundering and Anti-Bribery Laws. The Company shall and shall cause its affiliates or any of its or its affiliates' officers, directors and employees, agents, intermediaries or other representatives (including business partners) or anyone acting on behalf of any of them ("***Company Representatives***") to, in the course of their actions for or on behalf of the Company or any of its controlled affiliates, comply with all applicable anti-corruption, anti-bribery and anti-money laundering laws. Without limiting or modifying the foregoing, the Company shall promptly take reasonable steps to implement and

maintain internal controls, policies and procedures designed to provide reasonable assurance of compliance with applicable anti-bribery, anti-corruption and anti-money laundering laws. If the Company learns of any action by it or any Company Representative that could violate applicable anti-corruption, anti-bribery or anti-money laundering laws (including receipt of any notice, inquiry or communication in respect thereof) it shall immediately notify the Investors (and provide additional information as reasonably requested from time to time), cease such action (or cause such action to cease), and take all necessary remedial action.

15. Notices. All notices, requests, consents and other communications required or permitted hereunder shall be in writing and shall be hand delivered or mailed postage prepaid by registered or certified mail or by confirmed email transmission, to the Company at:

Rent the Runway, Inc.
345 Hudson Street, Suite 6A
New York, NY 10014
Attention: Chief Financial Officer

with a copy to:

Latham and Watkins LLP
200 Clarendon Street
Boston, MA 02116
Attention: Emily Taylor, Esq.

or such other address as may be furnished in writing to the other parties hereto. Any notice, request, consent and other communication shall for all purposes of this Agreement be treated as being effective or having been given when delivered if delivered personally, upon receipt of email confirmation if transmitted by email, or, if sent by mail, at the earlier of its receipt or 72 hours after the same has been deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and postage prepaid as aforesaid

16. Entire Agreement; Waiver. The Threshold Parties hereby (i) agree that, as of the date of this Agreement, (A) the Old Investors' Rights Agreement is hereby amended and restated in its entirety by this Agreement, (B) the provisions of the Old Investors' Rights Agreement shall no longer be of any force or effect, (C) this Agreement constitutes the only agreement, contract or understanding among the Investors, the holders of Common Stock and the Company relating to all or part of the subject matter of this Agreement and (D) no party shall be liable or bound to any other in any manner by any representations, warranties, covenants and agreements with respect to such subjects except as specifically set forth herein and (ii) waive their rights, on behalf of themselves and all other Investors and Key Holders, under Section 11 of the Old Investors' Rights Agreement with respect to the sale of Series G Preferred Stock pursuant to the Purchase Agreement.

17. Amendments, Waivers and Consents. Except as otherwise expressly provided, including, without limitation, Section 11.4, any provision of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only by the written consent of (i) the Company (pursuant to, in the case of Section 12.8 only, the affirmative vote (at a meeting or by written consent) of two-thirds of the directors then in office), (ii) the holders of a majority of the outstanding Series Preferred Stock (on an as converted to Common Stock basis, with the Series C-1 Preferred Stock being treated as subject to the Regulatory Voting Restriction for this purpose) (a "***Preferred Majority***"), and (iii) Key Holders holding a majority of the Registrable Securities held by all of the Key Holders; provided, however, that:

(A) no consent from the Key Holders shall be required for any amendment or waiver of any provision of this Agreement unless such amendment or waiver adversely affects the rights of or creates additional obligations for the Key Holders under this Agreement (for the avoidance of doubt, the inclusion of holders of New Preferred (as defined in the Certificate of Incorporation) as "Investors" and parties hereto shall not be deemed to adversely affect the rights of or create additional obligations for the Key Holders under this Agreement);

(B) no consent of the Preferred Majority shall be required for the inclusion of holders of New Preferred (as defined in the Certificate of Incorporation) as "Investors" and parties hereto;

(C) if any amendment, waiver, discharge or termination adversely affects the rights or obligations of an Investor or the holders of a particular series of Preferred Stock in a manner differently from all other Investors or holders of other series of Preferred Stock, as applicable, the consent of such Investor or Investors representing a majority of the outstanding shares of such series of Preferred Stock, as applicable, shall also be required for such amendment, waiver, discharge or termination;

(D) the prior clause (C) may not be amended, modified or waived without the written consent of the Investors holding a majority of the then outstanding shares of Series D Preferred Stock, the written consent of the Requisite Series E Preferred Stockholders (as defined in the Certificate of Incorporation), the written consent of the Requisite Series F Preferred Stockholders (as defined in the Certificate of Incorporation), and the written consent of the Requisite Series G Preferred Stockholders (as defined in the Certificate of Incorporation);

(E) any amendment to Section 12.10 shall require the written consent of TCV;

(F) except as may otherwise be required to comply with applicable law, rules or regulation, and subject to the other provisions of this Section 17, in no event shall this Agreement be amended to add any obligations that would preclude a Holder, subsequent to the completion of the Initial Public Offering, from selling Common Stock or other securities, in each case acquired in open market transactions or pursuant to any registration statement filed with the Commission in connection with or after the Initial Public Offering, or apply Section 13 (or substantially similar obligations) with respect to any offering other than the Initial Public Offering, in each case without the written consent of the Investors holding a majority of the then outstanding shares of each series of Series Preferred Stock;

(G) Sections 1.26, 1.39, 1.40, 1.41, 1.42, 1.49, 11.8, 27, this Section 17 (with respect to this sentence or any reference to shares of Series C-1 Preferred Stock) and any specific reference in this Agreement to Series C-1 Preferred Stock or the treatment thereof may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of (x) American Express in order to be enforceable against American Express and its affiliates (as defined in Regulation Y (12 C.F.R. Part 225)) and (y) for so long as any Regulated Holder or its Regulatory Transferee holds any shares of Series C-1 Preferred Stock, the holders of a majority of the then-outstanding shares of Series C-1 Preferred Stock in order to be enforceable against any Regulated Holder or any Regulatory Transferee;

(H) the definition of "Affiliate" as it relates to Fidelity, the definition of "Major Investor" as it relates to Fidelity, and Section 8(c), the last sentence of Section 11.4 (other than clause (y)(i) or clause (y)(iii)), Section 11.6.9 (other than clause (ii)(a) or clause (ii)(c)), 11.7, the penultimate sentence of Section 12.1.1, Sections 12.1.2 and 12.11, the two provisos after clause (iii) of the first sentence of Section 13, the last sentence of Section 13 and Sections 17 (with respect to this clause (H)), 26, 28 and 29 may not be amended, modified or waived without the written consent of Fidelity; provided, however, that the consent of Fidelity shall only be required with respect to Sections 11.7, 12.1.2, 12.11, 13, 26 and 29 to the extent such amendment, modification or waiver adversely affects the rights of Fidelity, and only in order for such amendment, modification or waiver to be enforceable against Fidelity;

(I) the definition of "Affiliate" as it relates to the T. Rowe Price Investors, the definition of "Major Investor" as it relates to the T. Rowe Price Investors, and Section 8(e), the last sentence of Section 11.4 (other than clause (y)(ii) or clause (y)(iii)), Section 11.6.9 (other than clause (ii)(b) or clause (ii)(c)), Section 11.7, the last two sentences of Section 12.1.1, Sections 12.1.2, Section 13, Sections 17 (with respect to this clause (I)), 26 and 29 may not be amended, modified or waived without the written consent of the T. Rowe Price Investors holding a majority of the Registrable Securities held by all of the T. Rowe Price Investors; provided, however, that the consent of the T. Rowe Price Investors shall only be required with respect to Sections 11.7, 12.1.2, 12.11, 13, 26 and 29 to the extent such amendment, modification or waiver adversely affects the rights of the T. Rowe Price Investors, and only in order for such amendment, modification or waiver to be enforceable against the T. Rowe Price Investors;

(J) the definition of "Affiliate" as it relates to Franklin, the definition of "Major Investor" as it relates to Franklin, and Section 8(d), the last sentence of Section 11.4 (other than clauses (y)(ii) and (iii)), Section 11.6.9 (other than clause (ii)(b) or clause (ii)(c)), 11.7, the last sentence of Section 12.1.1, Sections 12.1.2 and 12.11, the two provisos after clause (iii) of the first sentence of Section 13, the last sentence of Section 13, and Sections 17 (with respect to this clause (J)), 26 and 29 may not be amended, modified or waived without the written consent of Franklin; provided, however, that the consent of Franklin shall only be required with respect to Sections 11.7, 12.1.2, 12.11, 13, 26 and 29 to the extent such amendment, modification or waiver adversely affects the rights of Franklin, and only in order for such amendment, modification or waiver to be enforceable against Franklin; and

(K) for so long as Jennifer Hyman serves as the Company's Chief Executive Officer, Sections 12.7 and 12.9.1 may only be amended, terminated or waived with the consent of Jennifer Hyman.

The Company shall give prompt written notice of any amendment or consent hereunder to any party hereto that did not consent in writing to such amendment or waiver.

18. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the personal representatives, successors and assigns of the respective parties hereto. Any assignee to whom rights under this Agreement are transferred shall (i) as a condition to such transfer, deliver to the Company a written instrument by which such assignee agrees to be bound by the obligations imposed upon Holders under this Agreement to the same extent as if such assignee were a Holder under this Agreement and (ii) be deemed to be a Holder hereunder and either an Investor or Key Holder, as determined by the status of the Holder transferring rights to such assignee.

19. General. The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of New York.

20. Severability. If any provision of this Agreement shall be found by any court of competent jurisdiction to be invalid or unenforceable, the parties hereby waive such provision to the extent that it is found to be invalid or unenforceable. Such provision shall, to the maximum extent allowable by law, be modified by such court so that it becomes enforceable, and, as modified, shall be enforced as any other provision hereof, all the other provisions hereof continuing in full force and effect.

21. Counterparts; Facsimile Signatures. This Agreement may be executed in counterparts, all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes

22. Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation. The parties hereto intend that each representation, warranty, and covenant contained herein shall have independent significance.

23. WAIVER OF JURY TRIAL.

TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, THE INVESTORS, THE KEY HOLDERS AND THE COMPANY HEREBY WAIVE, AND COVENANT THAT NEITHER THE COMPANY, THE INVESTORS, NOR THE KEY HOLDERS WILL ASSERT, ANY RIGHT TO TRIAL BY JURY ON ANY ISSUE IN ANY PROCEEDING, WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE, IN RESPECT OF ANY ISSUE, CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, ANY OTHER AGREEMENT ENTERED INTO IN CONNECTION WITH THIS AGREEMENT OR THE SUBJECT MATTER HEREOF OR THEREOF OR IN ANY WAY CONNECTED WITH, RELATED OR INCIDENTAL TO THE DEALINGS OF HOLDERS AND THE COMPANY HEREUNDER OR THEREUNDER, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER IN TORT OR CONTRACT OR OTHERWISE. The Company acknowledges that it has been informed by the Investors and the Key Holders that the provisions of this Section 23 constitute a material inducement upon which the Investors and the Key Holders are relying and will rely in entering into this Agreement and the Purchase Agreement. Any Holder or the Company may file an original counterpart or a copy of this Section 23 with any court as written evidence of the consent of the Investors, the Key Holders and the Company to the waiver of its right to trial by jury.

24. Jurisdiction. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in any federal or state court located in the State of New York, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 15 shall be deemed effective service of process on such party.

25. Aggregation of Stock. All Shares held or acquired by an Investor, Founder or a Key Holder and/or its respective Affiliates (which for purposes of this Section 25 shall include, with regard to any Investor or Key Holder that is a natural person or any Founder, such Person's (i) family members, (ii) family-related investment vehicles or trusts for the benefit of such Person and/or such Person's family members and/or estate or (iii) Grantor Retained Annuity Trust) shall be aggregated together for the purpose of determining the availability of any rights under this Agreement, and such Affiliated Persons may apportion such rights as among themselves in any manner they deem appropriate.

26. Right to Conduct Activities. The Company hereby agrees and acknowledges that the Professional Investment Funds are professional investment funds, and as such invests in numerous portfolio companies, some of which may be deemed competitive with the Company's business (as currently conducted or as currently propose to be conducted). The Company hereby agrees that, to the extent permitted under applicable law, the each Professional Investment Fund shall not be liable to the Company for any claim arising out of, or based upon, (i) the investment by such Professional Investment Fund in any entity competitive with the Company, or (ii) actions taken by any partner, officer or other representative of such Professional Investment Fund to assist any such competitive company, whether or not such action was taken as a member of the board of directors of such competitive company or otherwise, and whether or not such action has a detrimental effect on the Company; provided, however, that the foregoing shall not relieve (x) any of the Investors from liability associated with the unauthorized disclosure of the Company's confidential information or (y) any director or officer of the Company from any liability associated with his or her fiduciary duties to the Company.

27. Treatment of Series C-1 Preferred Stock. Unless otherwise set forth in this Agreement, for all purposes of this Agreement, the Series C-1 Preferred Stock shall be treated as being convertible (without actual conversion) into shares of Common Stock at the then applicable conversion price of the Series C Preferred Stock as set forth in the Certificate of Incorporation.

28. Massachusetts Business Trust. A copy of the Agreement and Declaration of Trust of each Investor affiliated with Fidelity, or any affiliate thereof, is on file with the Secretary of State of the Commonwealth of Massachusetts and notice is hereby given that this Agreement is executed on behalf of the trustees of such Investor or any affiliate thereof as trustees and not individually and that the obligations of this Agreement are not binding on any of the trustees, officers or stockholders of such Investor or any affiliate thereof individually but are binding only upon such Investor or any affiliate thereof and its assets and property.

29. Confidentiality. Each Investor agrees that such Investor will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this section by such Investor), (b) is or has been independently developed or conceived by the Investor without use of the Company's confidential information, or (c) is or has been made known or disclosed to the Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that an Investor may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Registrable Securities from such Investor, if such prospective purchaser agrees to be bound by the provisions of this section, (iii) to any existing Affiliate, partner, limited partner, member, stockholder, or wholly owned subsidiary of such Investor in the ordinary course of business, provided that such Investor informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, provided that the Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure. To the extent the provisions in this Section 29 conflict with provisions in any confidentiality agreement previously signed by an Investor, the provisions contained herein shall supersede. Notwithstanding the foregoing, nothing set forth in this Section 29 shall prohibit Franklin, Fidelity, T. Rowe Price or any T. Rowe Price Investor from making any statement or filing required by applicable law (including, without limitation, the Investment Company Act of 1940, as amended), regulation or its standard investment reporting practice, provided that each of Franklin, Fidelity, T. Rowe Price and each T. Rowe Price Investor shall use its commercially reasonable efforts to provide prior notice (or, in the event prior notice is prohibited by applicable law or

regulation, prompt notice as soon as permitted by applicable law) to the Company of any such statement or filing; provided further that none of Franklin, Fidelity, T. Rowe Price or any T. Rowe Price Investor shall be required to provide prior notice to the Company in connection with Franklin's, Fidelity's, T. Rowe Price's or such T. Rowe Price Investor's compliance with any statement or filing required by applicable law (including, without limitation, the Investment Company Act of 1940, as amended), regulation or its standard investment reporting practices.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

COMPANY

RENT THE RUNWAY, INC.

By: /s/ Jennifer Y. Hyman
Name: Jennifer Y. Hyman
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

KEY HOLDERS

JENNIFER HYMAN

By: /s/ Jennifer Y. Hyman

Trust Under Article Second U/A dtd 9/19/2012; Linda Hyman, Trustee (previously JENNIFER Y. HYMAN 2012 QUALIFIED ANNUITY TRUST)

By: /s/ Jennifer Y. Hyman
Name: Jennifer Y. Hyman
Title: Authorized Signatory

JENNIFER Y. HYMAN 2018 QUALIFIED ANNUITY TRUST)

By: /s/ Jennifer Y. Hyman
Name: Jennifer Y. Hyman
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

KEY HOLDERS

JENNIFER CARTER FLEISS

By: /s/ Jennifer Carter Fleiss

DSF 2019 FAMILY TRUST

By: /s/ Jennifer Carter Fleiss
Name: Jennifer Carter Fleiss
Title: Authorized Signatory

JJF 2019 FAMILY TRUST

By: /s/ Jennifer Carter Fleiss
Name: Jennifer Carter Fleiss
Title: Authorized Signatory

JDF 2019 FAMILY TRUST

By: /s/ Jennifer Carter Fleiss
Name: Jennifer Carter Fleiss
Title: Authorized Signatory

JDF 2019 FAMILY TRUST

By: /s/ Jennifer Carter Fleiss
Name: Jennifer Carter Fleiss
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTOR

T. ROWE PRICE NEW HORIZONS FUND, INC.
T. ROWE PRICE NEW HORIZONS TRUST
T. ROWE PRICE U.S. EQUITIES TRUST
MASSMUTUAL SELECT FUNDS - MASSMUTUAL SELECT T. ROWE PRICE SMALL AND MID CAP BLEND FUND
Each account, severally not jointly

By: T. Rowe Price Associates, Inc., Investment Adviser or Subadviser, as applicable

By: /s/ Andrew Baek
Name: Andrew Baek
Title: Vice President

Address:
****
****
****
Attn.: **********
Phone: **********
E-mail: **********

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTOR

T. ROWE PRICE GLOBAL TECHNOLOGY FUND, INC.
TD MUTUAL FUNDS - TD SCIENCE & TECHNOLOGY FUND
STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL
Each account, severally not jointly

By: T. Rowe Price Associates, Inc., Investment Adviser or Subadviser, as applicable

By: /s/ Andrew Baek
Name: Andrew Baek
Title: Vice President

Address:
****
****
****
Attn.: **********
Phone: **********
E-mail: **********

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTOR

T. ROWE PRICE GLOBAL CONSUMER FUND

By: T. Rowe Price Associates, Inc., Investment Adviser

By: /s/ Andrew Baek
Name: Andrew Baek
Title: Vice President

Address:
****
****
****
Attn.: **********
Phone: **********
E-mail: **********

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTORS

FRANKLIN STRATEGIC SERIES – FRANKLIN SMALL CAP GROWTH FUND

By: FRANKLIN ADVISERS, INC, as Investment Manager

By: /s/ Michael McCarthy
Name: Michael McCarthy
Title: Chief Investment Officer

FRANKLIN TEMPLETON INVESTMENT FUNDS – FRANKLIN TECHNOLOGY FUND

BY: FRANKLIN ADVISERS, INC, as Investment Manager

By: /s/ Michael McCarthy
Name: Michael McCarthy
Title: Chief Investment Officer

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTORS

BAIN CAPITAL VENTURE FUND 2009, L.P.

By: Bain Capital Venture Partners 2009, L.P., its General Partner

By: Bain Capital Investors, LLC, its General Partner

By: /s/ Scott Friend
Name: Scott Friend
Title: Authorized Signatory

BCIP VENTURE ASSOCIATES

By: Boylston Coinvestors, LLC, its managing partner

By: /s/ Scott Friend
Name: Scott Friend
Title: Authorized Signatory

BCIP VENTURE ASSOCIATES-B

By: Boylston Coinvestors, LLC, its managing partner

By: /s/ Scott Friend
Name: Scott Friend
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTORS

RGIP, LP

By: RGIP GP, LLC

By: /s/ Alfred O. Rose
Name: Alfred O. Rose
Title: Managing Member

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTORS

HIGHLAND CAPITAL PARTNERS VIII LIMITED PARTNERSHIP

By: Highland Management Partners VIII Limited Partnership,
its sole General Partner

By: Highland Management Partners VIII Limited,
its sole General Partner

By: /s/ Dan Nova

Name: Dan Nova

Title: Authorized Signatory

HIGHLAND CAPITAL PARTNERS VIII-B LIMITED PARTNERSHIP

By: Highland Management Partners VIII Limited Partnership,
its sole General Partner

By: Highland Management Partners VIII Limited,
its sole General Partner

By: /s/ Dan Nova

Name: Dan Nova

Title: Authorized Signatory

HIGHLAND CAPITAL PARTNERS VIII-C LIMITED PARTNERSHIP

By: Highland Management Partners VIII Limited Partnership,
its sole General Partner

By: Highland Management Partners VIII Limited,
its sole General Partner

By: /s/ Dan Nova

Name: Dan Nova

Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTORS

TCV VIII, L.P.
a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, L.P.
a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, Ltd.
a Cayman Islands exempted company

By: /s/ Frederic D. Fenton
Name: Frederic D. Fenton
Title: Attorney in Fact

TCV VIII (A), L.P.
a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, L.P.
a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, Ltd.
a Cayman Islands exempted company

By: /s/ Frederic D. Fenton
Name: Frederic D. Fenton
Title: Attorney in Fact

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTORS

TCV VIII (B), L.P.
a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, L.P.
a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, Ltd.
a Cayman Islands exempted company

By: /s/ Frederic D. Fenton
Name: Frederic D. Fenton
Title: Attorney in Fact

TCV MEMBER FUND, L.P.
a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, Ltd.
a Cayman Islands exempted company

By: /s/ Frederic D. Fenton
Name: Frederic D. Fenton
Title: Attorney in Fact

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTORS

KPCB HOLDINGS, INC., as nominee

By: /s/ Susan Biglieri
Name: Susan Biglieri
Title: Chief Financial Officer

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

INVESTORS

THORNTREE CAPITAL MASTER FUND, L.P.

By: /s/ Mark C. Moore
Name: Mark C. Moore
Title: Managing Partner

Exhibit A

NAMES AND ADDRESSES OF INVESTORS

ThornTree Capital Master Fund, L.P.
ThornTree Co-Investment Fund LP
800 Boylston Street, Suite 1520
Boston, MA 02199

FRANKLIN STRATEGIC SERIES—FRANKLIN SMALL CAP GROWTH FUND
FRANKLIN TEMPLETON INVESTMENT FUNDS—FRANKLIN TECHNOLOGY FUND
c/o Franklin Advisers, Inc.
One Franklin Parkway
San Mateo, CA 94403
Attn: Christopher Chen
Emails: chris.chen@franklintempleton.com
DTSOps@franklintempleton.com
Telephone: *** *** ****
Attn: Sara Araghi
Email: **********@franklintempleton.com

T. ROWE PRICE NEW HORIZONS FUND, INC.
T. ROWE PRICE NEW HORIZONS TRUST
T. ROWE PRICE U.S. EQUITIES TRUST
MASSMUTUAL SELECT FUNDS—MASSMUTUAL SELECT T. ROWE PRICE SMALL AND MID CAP BLEND FUND
T. ROWE PRICE GLOBAL TECHNOLOGY FUND, INC.
TD MUTUAL FUNDS—TD SCIENCE & TECHNOLOGY FUND
STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL
T. ROWE PRICE GLOBAL CONSUMER FUND
c/o T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn.: Andrew Baek, Vice President
Phone: ***-***-****
E-mail: *******.****@troweprice.com

FIDELITY PURITAN TRUST: FIDELITY PURITAN FUND
Nominee: M Gardiner & Co fbo Fidelity Puritan Fund M. Gardiner & Co
C/O JPMorgan Chase Bank, N.A.
P.O. Box 35308
Email: *********@jpmorgan.com
**********@jpmorgan.com
Fax number: 469-477-1510

WILLIAM MARSH RICE UNIVERSITY
Richard E. Long
Associate Treasurer
Treasurer’s Office - MS 91
6100 Main Street
Houston, Texas 77005

KPCB HOLDINGS, INC., as nominee
c/o Kleiner Perkins Caufield & Byers
2750 Sand Hill Road
Menlo Park, CA 94035
Attention: Ted Schlein, with a copy to ******@kleinerperkins.com

HIGHLAND CAPITAL PARTNERS VIII LIMITED PARTNERSHIP
HIGHLAND CAPITAL PARTNERS VIII-B LIMITED PARTNERSHIP
HIGHLAND CAPITAL PARTNERS VIII-C LIMITED PARTNERSHIP
c/o Highland Capital Partners
One Broadway, 16th Floor
Cambridge, MA 02142
Phone: ****-****-****
Fax: 781-861-5499
Attention: Jessica Healey

BAIN CAPITAL VENTURE FUND 2009, L.P.
BCIP VENTURE ASSOCIATES
BCIP VENTURE ASSOCIATES-B
c/o Bain Capital, LLC
John Hancock Tower
200 Clarendon Street
Boston, MA 02116
Phone: ***-***-****
Fax: 617-516-2010
Attention: Scott Friend

RGIP, LP
c/o Ropes & Gray
Prudential Tower
800 Boylston Street
Boston, Massachusetts 02199-3600
Phone: ***-***-****
Fax: 617-951-7050
Attention: Joel F. Freedman, Esq.

H&D INVESTMENTS 2001
c/o Wilmer Cutler Pickering Hale and Dorr LLP
60 State Street
Boston, MA 02109

F. WARREN MCFARLAN
14 Candleberry Lane
Belmont, MA 02478

ADVANCE MAGAZINE PUBLISHERS INC. (D/B/A CONDE NAST)
Advance Magazine Publishers Inc.
c/o Advance Finance Group
One World Trade Center, 43rd Floor
New York, NY 10007
Attn: William J. Barry and Sol Cotlier

Email Address: **********@advance.com

with a copy to (which shall not constitute notice):

Advance Venture Partners
One World Trade Center, 43rd Floor
New York, NY 10007
Attn: Courtney Robinson
Email Address: ********@avp.vc

Advance Corporate Legal, Advance Publications, Inc.
One World Trade Center, 44th Floor
New York, NY 10007
Attn: Advance Corporate Legal
Email Address: *********@advance.com

AMERICAN EXPRESS TRAVEL RELATED SERVICES COMPANY, INC.
200 Vesey Street
Mail Drop 51-03
New York, NY 10285
Attention: General Counsel / Chief Development Officer
Facsimile No.: (212) 640-2000
Telephone No.: (***) ***-****

TCV VIII, L.P.
TCV VIII (A), L.P.
TCV VIII (B), L.P.
TCV Member Fund, L.P.
c/o Technology Crossover Ventures
250 Middlefield Road
Menlo Park, California 94025
Attention: General Counsel
Phone: (***) ***-****
Fax: (650) 614-8222

RIVERS CROSS TRUST
3875 Woodside Road
Woodside, CA 94062
Phone: (***) ***-****

AXCEL PARTNERS VIII, LLC
PO Box 6277
Lutherville-Timonium, MD 21094

BLUE CHARLTON LIMITED
RPS SideCar I, L.P.
c/o RPS Ventures
524 Hamilton Ave, Suite 1
Palo Alto CA 94301

ET CAPITAL, L.P.
c/o Lin, Li-Chen
8F-2, 351, Yang Guang Street
Nei-Hu District
Taipei 114, Taiwan

SILVERLINK CAPITAL LP
c/o Ms. Peggy Lam
1502, Beautiful Group Tower
74-77 Connaught Road Central
Hong Kong

BRYAN WHITE
****
****

HUDSON RIVER CO-INVESTMENT FUND III L.P.
One Presidential Boulevard, 4th Floor
Bala Cynwyd, PA 19004

DANIEL BENTON
****
****

DAVID B. THURSTON
****
****

NAHMA PARTNERS, L.P.
540 Madison Avenue, Suite 21A
New York, nY 10022

LITTLE HARBOUR SAZ, LLC
30 Hundreds Circle
Wellesley, MA 02481

DANIEL O'KEEFE
****
****

DAS NARAYANDAS
****
****

Lighthouse Capital Partners
3555 Alameda de las Pulgas
2nd Floor
Menlo Park, CA 94025

Michael Roth
****
E-mail: **********

Sutter Rock Capital Corp.
One Sansome Street, Ste. 730
San Francisco, CA 94104
Attn.: Mark Klein
E-mail: *****@gsvcap.com

Jason R. Krantz 2009 Trust
****
****
Attn.: **********
E-mail: **********

EQUITYZEN GROWTH TECHNOLOGY FUND LLC—SERIES 569
30 Broad Street, 12th Floor
New York, NY 10004
Attn.: Phil Haslett
E-mail: *******@equityzen.com

Exhibit B

NAMES AND ADDRESSES OF KEY HOLDERS

Jennifer Hyman
345 Hudson Street, Suite 6A
New York, NY 10014

Trust Under Article Second U/A dtd 9/19/2012; Linda Hyman, Trustee (previously JENNIFER Y. HYMAN 2012 QUALIFIED ANNUITY TRUST)
345 Hudson Street, Suite 6A
New York, NY 10014

JENNIFER Y. HYMAN 2018 QUALIFIED ANNUITY TRUST
345 Hudson Street, Suite 6A
New York, NY 10014

DSF 2019 FAMILY TRUST
JJF 2019 FAMILY TRUST
JDF 2019 FAMILY TRUST
JDF 2019 FAMILY TRUST
****
****

Jennifer Carter Fleiss
****
****

RENT THE RUNWAY, INC.

AMENDMENT NO. 1 TO THE
EIGHTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS AMENDMENT NO. 1 TO THE EIGHTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (the "Amendment") is made as of October 26, 2020, by and among Rent the Runway, Inc., a Delaware corporation, (the "Company") and the investors listed on the signature pages attached hereto (the "Existing Stockholders").

RECITALS

WHEREAS, the Company, the Investors named therein and the Key Holders named therein are parties to that certain Eighth Amended and Restated Investors' Rights Agreement, dated as of April 30, 2020 (the "Investors' Rights Agreement");

WHEREAS, the Company now desires to amend the Investors' Rights Agreement to provide a new investor with rights related to stockholder lock-up agreements; and

WHEREAS, the undersigned Investors constitute both the Preferred Majority and the Supermajority Series F Stockholders (as each such term is defined in the Investors' Right Agreement), and the consent of the Company and of such Existing Stockholders will bind all parties to the Investors' Rights Agreement pursuant to Section 17 thereof.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Definitions. Unless otherwise indicated herein, words and terms that are defined in the Investors' Rights Agreement shall have the same meaning where used in this Amendment.

2. Definition of Purchase Agreement. The tenth (10th) Whereas clause in the recitals of the Investors' Rights Agreement is hereby amended and restated in its entirety as follows:

> "WHEREAS, certain of the Investors are acquiring an aggregate of up to 8,063,957 shares of Series G Convertible Preferred Stock, $0.001 par value per share, of the Company (the "***Series G Preferred Stock***"), pursuant to the terms of a Stock Purchase Agreement dated as of the date hereof by and among the Company and such Investors (as amended, the "Purchase Agreement");"

3. Definition of Major Investor. Section 1.25 of the Investors' Rights Agreement is hereby amended and restated in its entirety as follows:

> ""***Major Investor***" means (i) with respect to Investors other than KPCB, API, TCV, Fidelity, Blue CharlTon Limited ("***Blue CharlTon***"), Franklin, the T. Rowe Price Investors and Hudson River Co-Investment Fund III L.P.

("***Hudson River***"), each Investor holding at least five percent (5%) of the Series Preferred Stock on an as-converted to Common Stock basis, (ii) KPCB for so long as KPCB holds at least fifty percent (50%) of the shares of Series B Preferred Stock (or Common Stock issued upon conversion thereof) purchased by KPCB pursuant to that certain Series B Stock Purchase Agreement; (iii) API for so long as API holds at least fifty percent (50%) of the shares of Series C Preferred Stock (or Common Stock issued upon conversion thereof) purchased by API pursuant to the Series C Stock Purchase Agreement; (iv) TCV for so long as TCV holds at least fifty percent (50%) of the shares of Series D Preferred Stock (or Common Stock issued upon conversion thereof) purchased by TCV pursuant to that certain Series D Preferred Stock Purchase Agreement; (v) Fidelity (a) for purposes of Section 12.1.1 and Section 12.1.2, for so long as Fidelity holds any shares of the Company's capital stock and (b) for all other purposes, for so long as Fidelity holds at least fifty percent (50%) of the shares of Series E Preferred Stock (or Common Stock issued upon conversion thereof) purchased by Fidelity pursuant to the Series E Purchase Agreement, (vi) Blue CharlTon for so long as Blue CharlTon holds at least fifty percent (50%) of the shares of Series E Preferred Stock (or Common Stock issued upon conversion thereof) purchased by Blue CharlTon pursuant to the Series E Purchase Agreement, (vii) Franklin (a) for purposes of Section 12.1.1 and Section 12.1.2, for so long as Franklin holds any shares of the Company's capital stock and (b) for all other purposes, for so long as Franklin holds at least fifty percent (50%) of the shares of Series F Preferred Stock (or Common Stock issued upon conversion thereof) purchased by Franklin pursuant to the Series F Purchase Agreement, (viii) each T. Rowe Price Investor (a) for purposes of Section 12.1.1 and Section 12.1.2, for so long as such T. Rowe Price Investor holds any shares of the Company's capital stock and (b) for all other purposes, for so long as the T. Rowe Price Investors collectively hold at least fifty percent (50%) of either (x) the shares of Series F Preferred Stock (or Common Stock issued upon conversion thereof) purchased by the T. Rowe Price Investors pursuant to the Series F Purchase Agreement or (y) the shares of Series G Preferred Stock (or Common Stock issued upon conversion thereof) purchased by the T. Rowe Price Investors pursuant to the Purchase Agreement, and (ix) Hudson River (a) for purposes of Section 12.1.1 and Section 12.1.2, for so long as Hudson River holds any shares of the Company's capital stock and (b) for all other purposes, for so long as Hudson River holds at least fifty percent (50%) of the shares of Series F Preferred Stock (or Common Stock issued upon conversion thereof) purchased by Hudson River pursuant to the Series F Purchase Agreement, (x) Ares (a) for purposes of Section 12.1.1 and Section 12.1.2, for so long as Ares holds any shares of the Company's capital stock and (b) for all other purposes, for so long as Ares holds at least fifty percent (50%) of the shares of Series G Preferred Stock (or Common Stock issued upon conversion thereof) purchased by Ares pursuant to the Series G Purchase Agreement, provided that, with respect to Investors other than Bain Capital, Highland

Capital, KPCB, API, TCV, Fidelity, Blue CharlTon, Franklin, the T. Rowe Price Investors, Hudson River, Ares, the Board of Directors of the Company has not reasonably determined such Investor is a competitor of the Company. All such share numbers shall be subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the applicable class or series of stock."

4. Definition of Affiliate. Section 1.1 of the of the Investors' Rights Agreement is hereby amended by adding the following subsection (viii) immediately following subsection (vii) thereof:

"(viii) with respect to Ares, the definition of Affiliate shall include each affiliated investment entity and/or other affiliate of Ares Capital Management LLC and each fund, investor, entity or account that is managed, sponsored or advised by Ares Capital Management LLC or its affiliates."

5. Definition of Ares. The following new definition is hereby added immediately after Section 1.3 and before Section 1.4 (without a corresponding section number):

"***Ares***" shall mean Ares Corporate Opportunities Fund V, L.P. and its Affiliates, and any successor of any of the foregoing."

6. Legend. Section 4.1.14 of the Investors' Rights Agreement is hereby amended and restated in its entirety as follows:

"4.1.14. Legend. The Company shall be obligated to reissue promptly unlegended certificates or other evidence of ownership at the request of any Holder thereof if the Company has completed its Initial Public Offering or in connection with a sale of Registrable Securities by a Holder pursuant to Rule 144 and, in each case, such Holder shall have obtained an opinion of counsel, which counsel may be counsel to the Company, reasonably acceptable to the Company (it being understood that (i) internal securities counsel of Fidelity shall be deemed acceptable for transfers by Fidelity, (ii) internal securities counsel of Franklin shall be deemed acceptable for transfers by Franklin, (iii) internal securities counsel of T. Rowe Price shall be deemed acceptable for transfers by the T. Rowe Price Investors, and (iv) internal securities counsel of Ares shall be deemed acceptable for transfers by Ares) to the effect that the securities proposed to be disposed of may be lawfully disposed of without registration, qualification and legend."

7. Excluded Securities; Series G Preferred Stock. Section 11.6.12 of the of the Investors' Rights Agreement is hereby amended and restated in its entirety as follows:

"11.6.12. up to an aggregate of 8,063,957 shares of Series G Preferred Stock issued pursuant to the Purchase Agreement."

8. Access to Records. Section 12.1.1 of the of the Investors' Rights Agreement is hereby amended and restated in its entirety as follows:

"12.1.1. Access to Records. The Company shall, and shall cause each Subsidiary, if any, to, afford to each Major Investor, and each of their respective officers, employees, advisors, counsel and other authorized representatives, reasonable access during normal business hours, upon reasonable advance notice, to all of the books, records and properties of the Company and its Subsidiaries, if any, and to all officers and employees of the Company and such Subsidiaries; provided, however, that the Company shall not be obligated pursuant to this Section 12.1.1 to provide access to any information which it reasonably considers to be a trade secret, unless such recipient agrees to customary non-disclosure obligations with respect to such trade secrets. For so long as Ares, Fidelity, Franklin or any T. Rowe Price Investor continue to hold any shares of the Company's capital stock that are restricted under the Securities Act, the Company shall promptly and accurately respond, and shall use its best efforts to cause its transfer agent to promptly respond, to requests made by or on behalf of Ares, Fidelity, Franklin or such T. Rowe Price Investor, as applicable, relating to (a) accounting or securities law matters required in connection with an audit of Ares, Fidelity, Franklin or such T. Rowe Price Investor, as applicable, or (b) the actual holdings of Ares, Fidelity, Franklin or such T. Rowe Price Investor, as applicable, including in relation to the total outstanding shares of the Company; provided, however that the Company shall not be obligated to provide any such information that could reasonably result in the disclosure of information which it reasonably considers to be a trade secret, unless such recipient agrees to customary non-disclosure obligations with respect to such trade secrets. On or prior to the effectiveness of the Initial Public Offering, the Company shall upon request (x) provide each T. Rowe Price Investor written confirmation of its equity holdings in the Company (on an as-converted basis), (y) provide Franklin written confirmation of its equity holdings in the Company (on an as-converted basis), and (z) provide Ares written confirmation of its equity holdings in the Company (on an as-converted basis)."

9. Stockholder Lockup. Section 13 of the of the Investors' Rights Agreement is hereby amended and restated in its entirety as follows:

"13. Stockholder Lockup Agreement in Connection with Initial Public Offering. Each Holder agrees that it will not without the prior written consent of the managing underwriter, for a period of up to 180 days following the effective date of the registration statement for the Initial Public Offering, directly or indirectly sell, offer to sell, grant any option for the sale of, or otherwise dispose of any Common Stock or securities convertible into Common Stock, except for (i) Registrable Securities sold pursuant to such registration statement, (ii) transactions relating to Common Stock or other securities acquired in the Initial Public Offering or in open

market transactions in connection with or after the completion of the Initial Public Offering, and (iii) transfers to Affiliates, partners, members and stockholders of such Holder (each of whom shall have furnished to the Company and the managing underwriter their written consent to be bound by this Agreement), provided that the Company's officers, directors and all holders of more than 1% of the shares of Common Stock (calculated for this purpose as if all securities convertible into or exercisable for Common Stock, directly or indirectly, are so converted or exercised) of the Company enter such lockup agreements for the same period and on the same terms, and provided further that any waiver or termination of the prohibitions contained in this Section 13 or similar agreements by other stockholders by the Company or any underwriter shall apply pro rata to each Holder on the basis of the number of Registrable Securities then held. In the event that the Company and/or the underwriters in connection with the Initial Public Offering agree to allow any securityholder subject to this Section 13 to hold its shares of Company capital stock subject to lockup restrictions which are more favorable to such securityholder than the lockup restrictions applicable to the Registrable Securities held by any Investor, including Ares, Fidelity, Franklin and the T. Rowe Price Investors, the lockup restrictions applicable to any Registrable Securities held by each other Investor, including Ares, Fidelity, Franklin and the T. Rowe Price Investors, will be automatically amended to conform to the more favorable lockup restrictions applicable to the shares held by such securityholder."

10. Additional Investors. Section 17(B) of the Investors' Rights Agreement is hereby amended and restated in its entirety as follows:

"(B) no consent of the Preferred Majority shall be required for the inclusion of holders of Series G Preferred Stock as "Investors" parties hereto;"

11. Amendments, Waivers and Consents. Section 17 of the Investors' Rights Agreement is hereby amended by adding the following subsection (L) immediately following subsection (K) thereof:

"(L) the definition of "Affiliate" as it relates to Ares, the definition of "Major Investor" as it relates to Ares, and Section 8(e), the last sentence of Section 11.4 (other than clause (y)(ii) or clause (y)(iii)), Section 11.6.9 (other than clause (ii)(b) or clause (ii)(c)), Section 11.7, the last two sentences of Section 12.1.1, Sections 12.1.2, Section 13, Sections 17 (with respect to this clause (L)), 26 and 29 may not be amended, modified or waived without the written consent of Ares; provided, however, that the consent of the Ares shall only be required with respect to Sections 11.7, 12.1.2, 12.11, 13, 26 and 29 to the extent such amendment, modification or waiver adversely affects the rights of Ares, and only in order for such amendment, modification or waiver to be enforceable against Ares;"

12. Confidentiality. The last sentence of Section 29 of the Investors' Rights Agreement is hereby amended and restated in its entirety as follows:

> "Notwithstanding the foregoing, nothing set forth in this Section 29 shall prohibit Ares, Franklin, Fidelity, T. Rowe Price or any T. Rowe Price Investor from making any statement or filing required by applicable law (including, without limitation, the Investment Company Act of 1940, as amended), regulation or its standard investment reporting practice, provided that each of Ares, Franklin, Fidelity, T. Rowe Price and each T. Rowe Price Investor shall use its commercially reasonable efforts to provide prior notice (or, in the event prior notice is prohibited by applicable law or regulation, prompt notice as soon as permitted by applicable law) to the Company of any such statement or filing; provided further that none of Ares, Franklin, Fidelity, T. Rowe Price or any T. Rowe Price Investor shall be required to provide prior notice to the Company in connection with Ares, Franklin's, Fidelity's, T. Rowe Price's or such T. Rowe Price Investor's compliance with any statement or filing required by applicable law (including, without limitation, the Investment Company Act of 1940, as amended), regulation or its standard investment reporting practices."

13. Continued Validity of Investors' Rights Agreement. Except as amended hereby, the Investors' Rights Agreement shall continue in full force and effect as originally constituted and is ratified and affirmed by the parties hereto. Upon the effectiveness of this Amendment, each reference in the Agreement to "this Agreement," "herein" or words of like import, and each reference to the Agreement in the other documents entered into in connection with the Agreement, shall mean and be a reference to the Agreement, as amended by this Amendment.

14. Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Amendment shall inure to the benefit of and be binding upon the respective successors and assigns of the parties.

15. Governing Law. This Amendment and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of New York.

16. Counterparts; Effectiveness. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

COMPANY:

RENT THE RUNWAY, INC.

By: /s/ Jennifer Y. Hyman
Name: Jennifer Y. Hyman
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

JENNIFER HYMAN

By: /s/ Jennifer Y. Hyman

Trust Under Article Second U/A dtd 9/19/2012; Linda Hyman, Trustee (previously JENNIFER Y. HYMAN 2012 QUALIFIED ANNUITY TRUST)

By: /s/ Jennifer Y. Hyman
Name: Jennifer Y. Hyman
Title: Authorized Signatory

JENNIFER Y. HYMAN 2018 QUALIFIED ANNUITY TRUST)

By: /s/ Jennifer Y. Hyman
Name: Jennifer Y. Hyman
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

JENNIFER CARTER FLEISS

By: /s/ Jennifer Carter Fleiss

DSF 2019 FAMILY TRUST

By: /s/ Jennifer Carter Fleiss
Name: Jennifer Carter Fleiss
Title: Authorized Signatory

JJF 2019 FAMILY TRUST

By: /s/ Jennifer Carter Fleiss
Name: Jennifer Carter Fleiss
Title: Authorized Signatory

JDF 2019 FAMILY TRUST

By: /s/ Jennifer Carter Fleiss
Name: Jennifer Carter Fleiss
Title: Authorized Signatory

JDF 2019 FAMILY TRUST

By: /s/ Jennifer Carter Fleiss
Name: Jennifer Carter Fleiss
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

T. ROWE PRICE NEW HORIZONS FUND, INC.
T. ROWE PRICE NEW HORIZONS TRUST
T. ROWE PRICE U.S. EQUITIES TRUST
MASSMUTUAL SELECT FUNDS – MASSMUTUAL SELECT T. ROWE PRICE SMALL AND MID CAP BLEND FUND
Each account, severally and not jointly

By: T. Rowe Price Associates, Inc., Investment Advisor or Subadvsier, as applicable

By: /s/ Andrew Baek
Name: Andrew Baek
Title: Vice President

Address:
T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn.: Andrew Baek, Vice President
Phone: 410-345-2090
E-mail: andrew.baek@troweprice.com

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

T. ROWE PRICE GLOBAL TECHNOLOGY FUND, INC.
TD MUTUAL FUNDS – TD SCIENCE & TECHNOLOGY FUND
Each account, severally and not jointly

By: T. Rowe Price Associates, Inc., Investment Advisor or Subadvsier, as applicable

By: /s/ Andrew Baek
Name: Andrew Baek
Title: Vice President

Address:
T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn.: Andrew Baek, Vice President
Phone: 410-345-2090
E-mail: andrew.baek@troweprice.com

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

T. ROWE PRICE GLOBAL CONSUMER FUND

By: T. Rowe Price Associates, Inc., Investment Adviser

By: /s/ Andrew Baek
Name: Andrew Baek
Title: Vice President

Address:
T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Attn.: Andrew Baek, Vice President
Phone: 410-345-2090
E-mail: andrew.baek@troweprice.com

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

FRANKLIN STRATEGIC SERIES – FRANKLIN SMALL CAP GROWTH FUND

By: Franklin Advisers, Inc., its investment manager

By: /s/ Michael McCarthy
Name: Michael McCarthy
Title: CIO

FRANKLIN TEMPLETON INVESTMENT FUNDS – FRANKLIN TECHNOLOGY FUND
By: Franklin Advisers, Inc., its investment manager

By: /s/ Michael McCarthy
Name: Michael McCarthy
Title: CIO

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

BAIN CAPITAL VENTURE FUND 2009, L.P.

By: Bain Capital Venture Partners 2009, L.P., its General Partner

By: Bain Capital Venture Investors, LLC, its General Partner

By: /s/ Scott Friend
Name: Scott Friend
Authorized Signatory

BCIP VENTURE ASSOCIATES

By: Boylston Coinvestors, LLC, its Managing Partner

By: /s/ Scott Friend
Name: Scott Friend
Authorized Signatory

BCIP VENTURE ASSOCIATES-B

By: Boylston Coinvestors, LLC, its Managing Partner

By: /s/ Scott Friend
Name: Scott Friend
Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

HIGHLAND CAPITAL PARTNERS VIII LIMITED PARTNERSHIP

By: Highland Management Partners VIII Limited Partnership, its sole General Partner

By: Highland Management Partners VIII Limited, its sole General Partner

By: /s/ Dan Nova
Name: Dan Nova
Authorized Signatory

HIGHLAND CAPITAL PARTNERS VIII-B LIMITED PARTNERSHIP

By: Highland Management Partners VIII Limited Partnership, its sole General Partner

By: Highland Management Partners VIII Limited, its sole General Partner

By: /s/ Dan Nova
Name: Dan Nova
Authorized Signatory

HIGHLAND CAPITAL PARTNERS VIII-C LIMITED PARTNERSHIP

By: Highland Management Partners VIII Limited Partnership, its sole General Partner

By: Highland Management Partners VIII Limited, its sole General Partner

By: /s/ Dan Nova
Name: Dan Nova
Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

TCV VIII, L.P.

a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, L.P.
a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, Ltd.
a Cayman Islands exempted company

By: /s/ Frederic D. Fenton
Name: Frederic D. Fenton
Title: Attorney in Fact

TCV VIII (A), L.P.
a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, L.P.
a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, Ltd.
a Cayman Islands exempted company

By: /s/ Frederic D. Fenton
Name: Frederic D. Fenton
Title: Attorney in Fact

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

TCV VIII (B), L.P.
a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, L.P.
a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, Ltd.
a Cayman Islands exempted company

By: /s/ Frederic D. Fenton
Name: Frederic D. Fenton
Title: Attorney in Fact

TCV MEMBER FUND, L.P.
a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, Ltd.
a Cayman Islands exempted company

By: /s/ Frederic D. Fenton
Name: Frederic D. Fenton
Title: Attorney in Fact

RENT THE RUNWAY, INC.

AMENDMENT NO. 2 TO THE
EIGHTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS AMENDMENT NO. 2 TO THE EIGHTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (the "Amendment") is made as of April 30, 2021, by and among Rent the Runway, Inc., a Delaware corporation, (the "Company") and the investors listed on the signature pages attached hereto (the "Existing Stockholders").

RECITALS

WHEREAS, the Company, the Investors named therein and the Key Holders named therein are parties to that certain Eighth Amended and Restated Investors' Rights Agreement, dated as of April 30, 2020, as amended by Amendment No. 1 thereto dated as of October 26, 2020 (as amended, the "Investors' Rights Agreement"); and

WHEREAS, the Company and the undersigned Investors hereby amend the Investors' Rights Agreement pursuant to Section 17 thereof.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Definitions. Unless otherwise indicated herein, words and terms that are defined in the Investors' Rights Agreement shall have the same meaning where used in this Amendment.

2. Definition of Pro Rata Share. Section 1.31 of the Investors' Rights Agreement is hereby amended and restated in its entirety as follows:

"1.31 "***Pro Rata Share***" means, (a) in the case of each Investor, the ratio of (i) the number of shares of Common Stock issuable upon conversion of the Series Preferred Stock owned by such Investor immediately prior to the issuance of any Equity Securities plus the number of shares of Common Stock owned by such Investor immediately prior to the issuance of any Equity Securities to (ii) the total number of shares of the Company's Common Stock outstanding on a Fully Diluted Basis, immediately prior to the issuance of such Equity Securities and (b) in the case of each Key Holder, the ratio of (i) (x) the number of shares of outstanding Common Stock owned by such Key Holder immediately prior to the issuance of any Equity Securities plus (y) the number of shares of Common Stock issuable upon conversion of the Series Preferred Stock owned by such Key Holder immediately prior to the issuance of any Equity Securities to (ii) the total number of shares of the Company's Common Stock

outstanding on a Fully Diluted Basis, immediately prior to the issuance of such Equity Securities; provided, however, that in connection with any issuance of Equity Securities as to which Purchase Rights set forth in Section 11 apply, Ares shall have the right to increase its Pro Rata Share (the "***Ares Super-Preemptive Right***") by up to a percentage that would give it the right to purchase an additional amount of Equity Securities having an aggregate purchase price equal to $25,000,000 less the dollar amount of Equity Securities purchased by Ares in connection with any prior exercise of the Ares Super-Preemptive Right."

3. Definition of Supermajority Series F Stockholders. Section 1.58 of the Investors' Rights Agreement is hereby amended and restated in its entirety as follows:

"1.58 Reserved."

4. Waiver of Purchase Right. Section 11.4 of the of the Investors' Rights Agreement is hereby amended and restated in its entirety as follows:

"11.4 Waiver of Purchase Rights. The Purchase Rights established by this Section 11 may only be amended, or any provision waived, with the written consent of (a) the Investors holding a majority of the voting power of the then outstanding Series Preferred Stock and (b) the Key Holders holding a majority of the Common Stock held by all of the Key Holders; provided, however, that no consent from the Key Holders shall be required for any amendment or waiver of any provision of this Section 11 unless such amendment or waiver adversely affects the rights of or creates additional obligations for the Key Holders under this Agreement (for purposes of this Section 11.4, a "***Waiver***"). Notwithstanding the foregoing, in the event that any of the Equity Securities subject to such Waiver are offered or made available by the Company for purchase by any of the Investors or Key Holders (the "***Offered Securities***"), such Waiver shall not apply with respect to any Investor holding shares of a series of Series Preferred Stock unless (x) such Investor is offered the opportunity to purchase its Pro Rata Share of the Offered Securities or (y) such Waiver includes (i) with respect to the Series G Preferred Stock, the written consent of the Requisite Series G Preferred Stockholders (as defined in the Certificate of Incorporation), (ii) with respect to the Series F Preferred Stock, the written consent of the Requisite Series F Preferred Stockholders (as defined in the Certificate of Incorporation), (iii) with respect to the Series E Preferred Stock, the written consent of the Requisite Series E Preferred Stockholders (as defined in the Certificate of Incorporation) and (iv) with respect to all other series of Series Preferred Stock, the written consent of the

Investors holding a majority of the voting power of the then outstanding shares of such series of Series Preferred Stock."

5. Excluded Securities.

5.1 Section 11.6.9 of the of the Investors' Rights Agreement is hereby amended and restated in its entirety as follows:

"11.6.9 with respect to the Purchase Rights of the Investors only, Equity Securities designated as Excluded Securities by the Investors holding a majority of the Series Preferred Stock held by the Investors (on an as converted to Common Stock basis, with the Series C-1 Preferred Stock subject to the Regulatory Voting Restriction), provided, that in the event that any of the Equity Securities that are designated as Excluded Securities are offered or made available by the Company for purchase by any of the Investors or Key Holders (the "***Offered Excluded Securities***"), the Equity Securities shall not be designated as Excluded Securities for purposes of any Investor holding shares of any series of Series Preferred Stock unless (i) such Investor is offered the opportunity to purchase its Pro Rata Share of the Offered Excluded Securities, or (ii) (a) with respect to the Series G Preferred Stock, the Requisite Series G Preferred Stockholders (as defined in the Certificate of Incorporation) have provided their written consent to such designation, (b) with respect to the Series F Preferred Stock, the Requisite Series F Preferred Stockholders (as defined in the Certificate of Incorporation) have provided their written consent to such designation, (c) with respect to the Series E Preferred Stock, the Requisite Series E Preferred Stockholders (as defined in the Certificate of Incorporation) have provided their written consent to such designation, and (d) with respect to all other series of Series Preferred Stock, Investors holding a majority of the voting power of the then outstanding shares of such series of Series Preferred Stock have provided their written consent to such designation;"

5.2 Immediately following Section 11.6.12 of the Investors' Rights Agreement, a new Section 11.6.13 is hereby added as follows:

"11.6.13 any Equity Securities sold to Ares pursuant to the Ares Super-Preemptive Right."

6. Continued Validity of Investors' Rights Agreement. Except as amended hereby, the Investors' Rights Agreement shall continue in full force and effect as originally constituted and is ratified and affirmed by the parties hereto. Upon the effectiveness of this Amendment, each reference in the Agreement to "this Agreement," "herein" or words of like import, and each reference to the Agreement in the other documents entered into in connection with the Agreement, shall mean and be a reference to the Agreement, as amended by this Amendment.

7. Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Amendment shall inure to the benefit of and be binding upon the respective successors and assigns of the parties.

8. Governing Law. This Amendment and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of New York.

9. Counterparts; Effectiveness. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

COMPANY:

RENT THE RUNWAY, INC.

By: /s/ Jennifer Y. Hyman
Name: Jennifer Y. Hyman
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

KEY HOLDERS:

/s/ Jennifer Y. Hyman
Jennifer Y. Hyman

Trust Under Article Second U/A dtd 9/19/2012; Linda Hyman, Trustee (previously JENNIFER Y. HYMAN 2012 QUALIFIED ANNUITY TRUST)

By: /s/ Jennifer Y. Hyman
Name: Jennifer Y. Hyman
Authorized Signatory

JENNIFER Y. HYMAN 2018 QUALIFIED ANNUITY TRUST

By: /s/ Jennifer Y. Hyman
Name: Jennifer Y. Hyman
Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

KEY HOLDERS:

/s/ Jennifer Carter Fleiss
Jennifer Carter Fleiss
Dated: April 29, 2021

DSF 2019 FAMILY TRUST

By: /s/ Jennifer Carter Fleiss
Name: Jenny Fleiss
Title: Co-Founder Rent the Runway

JJF 2019 FAMILY TRUST

By: /s/ Jennifer Carter Fleiss
Name: Jenny Fleiss
Title: Co-Founder Rent the Runway

JDF 2019 FAMILY TRUST

By: /s/ Jennifer Carter Fleiss
Name: Jenny Fleiss
Title: Co-Founder Rent the Runway

DJJ 2019 FAMILY TRUST

By: /s/ Jennifer Carter Fleiss
Name: Jenny Fleiss
Title: Co-Founder Rent the Runway
Dated: April 29, 2021

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written

ARES CORPORATE OPPORTUNITIES FUND V, L.P.

By: ACOF INVESTMENT MANAGEMENT, LLC, its Manager

By: /s/ Rachel Lee
Name: Rachel Lee
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written

HIGHLAND CAPITAL PARTNERS VIII LIMITED PARTNERSHIP

By: Highland Management Partners VIII Limited Partnership, its sole General Partner

By: Highland Management Partners VIII Limited, its sole General Partner

By: /s/ Dan Nova
Name: Dan Nova
Authorized Signatory

HIGHLAND CAPITAL PARTNERS VIII-B LIMITED PARTNERSHIP

By: Highland Management Partners VIII Limited Partnership, its sole General Partner

By: Highland Management Partners VIII Limited, its sole General Partner

By: /s/ Dan Nova
Name: Dan Nova
Authorized Signatory

HIGHLAND CAPITAL PARTNERS VIII-C LIMITED PARTNERSHIP

By: Highland Management Partners VIII Limited Partnership, its sole General Partner

By: Highland Management Partners VIII Limited, its sole General Partner

By: /s/ Dan Nova
Name: Dan Nova
Authorized Signatory
Dated: April 30, 2021

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

BAIN CAPITAL VENTURE FUND 2009, L.P.

By: Bain Capital Venture Partners 2009, L.P.,
its General Partner

By: Bain Capital Venture Investors, LLC,
its General Partner

By: /s/ Scott Friend
Name: Scott Friend
Authorized Signatory

BCIP VENTURE ASSOCIATES

By: Boylston Coinvestors, LLC,
its Managing Partner

By: /s/ Scott Friend
Name: Scott Friend
Authorized Signatory

BCIP VENTURE ASSOCIATES-B

By: Boylston Coinvestors, LLC,
its Managing Partner

By: /s/ Scott Friend
Name: Scott Friend
Authorized Signatory
Dated: April 30, 2021

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

FRANKLIN STRATEGIC SERIES – FRANKLIN SMALL CAP GROWTH FUND

By: Franklin Advisers, Inc., its investment manager

By: /s/ Michael McCarthy
Name: Michael McCarthy
Title: CIO

FRANKLIN TEMPLETON INVESTMENT FUNDS – FRANKLIN TECHNOLOGY FUND

By: Franklin Advisers, Inc., its investment manager

By: /s/ Michael McCarthy
Name: Michael McCarthy
Title: CIO
Dated: April 28, 2021

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

FIDELITY PURITAN TRUST: FIDELITY PURITAN FUND

By: /s/ Elizabeth Thornton
Name: Elizabeth Thornton
Title: Corporate Governance Analyst
Dated: April 29, 2021

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

T. ROWE PRICE NEW HORIZONS FUND, INC.
T. ROWE PRICE NEW HORIZONS TRUST
T. ROWE PRICE U.S. EQUITIES TRUST
MASSMUTUAL SELECT FUNDS –
MASSMUTUAL SELECT T. ROWE PRICE
SMALL AND MID CAP BLEND FUND
Each account, severally and not jointly

By: T. Rowe Price Associates, Inc., Investment Advisor or Subadvsier, as applicable

By: /s/ Andrew Baek
Name: Andrew Baek
Title: Vice President

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

T. ROWE PRICE GLOBAL TECHNOLOGY FUND, INC.TD MUTUAL FUNDS – TD SCIENCE & TECHNOLOGY FUND
STICHTING DEPOSITARY APG DEVELOPED MARKETS EQUITY POOL
Each account, severally and not jointly

By: T. Rowe Price Associates, Inc., Investment Advisor or Subadvsier, as applicable

By: /s/ Andrew Baek
Name: Andrew Baek
Title: Vice President

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS

T. ROWE PRICE GLOBAL CONSUMER FUND

By: T. Rowe Price Associates, Inc., Investment Adviser

By: /s/ Andrew Baek
Name: Andrew Baek
Title: Vice President

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

TCV VIII, L.P.

a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, L.P.
a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, Ltd.
a Cayman Islands exempted company

By: /s/ Frederic D. Fenton
Name: Frederic D. Fenton
Title: Attorney in Fact

TCV VIII (A), L.P.
a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, L.P.
a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, Ltd.
a Cayman Islands exempted company

By: /s/ Frederic D. Fenton
Name: Frederic D. Fenton
Title: Attorney in Fact
Dated: April 30, 2021

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 to Eighth Amended and Restated Investors' Rights Agreement as of the date first above written.

TCV VIII (B), L.P.

a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, L.P.
a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, Ltd.
a Cayman Islands exempted company

By: /s/ Frederic D. Fenton
Name: Frederic D. Fenton
Title: Attorney in Fact

TCV MEMBER FUND, L.P.
a Cayman Islands exempted limited partnership,
acting by its general partner

Technology Crossover Management VIII, Ltd.
a Cayman Islands exempted company

By: /s/ Frederic D. Fenton
Name: Frederic D. Fenton
Title: Attorney in Fact
Dated: April 30, 2021

Exhibit 10.21

CERTAIN IDENTIFIED INFORMATION IN THIS DOCUMENT HAS BEEN EXCLUDED PURSUANT TO REGULATION S-K, ITEM 601(B)(10) BECAUSE IT IS BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [******] INDICATES THAT INFORMATION HAS BEEN REDACTED

HARTZ METRO LEASEHOLD I LLC

Landlord,

and

RENT THE RUNWAY, INC.

Tenant

LEASE

Premises:

in

100 METRO WAY
SECAUCUS, NEW JERSEY

TABLE OF CONTENTS

EXHIBITS

LEASE, dated July 7, 2014, between HARTZ METRO LEASEHOLD I LLC, a New Jersey limited liability company, having an office at 400 Plaza Drive, P.O. Box 1515, Secaucus, New Jersey 07096-1515 ("Landlord"), and RENT THE RUNWAY, INC., a Delaware corporation, having an office at 163 Varick Street, 4th Floor, New York, New York 10013 ("Tenant").

ARTICLE 1- DEFINITIONS

1.01. As used in this Lease (including in all Exhibits and any Riders attached hereto, all of which shall be deemed to be part of this Lease) the following words and phrases shall have the meanings indicated:

A. Advance Rent: $[******].

B. Additional Charges: All amounts that become payable by Tenant to Landlord hereunder other than the Fixed Rent.

C. Intentionally omitted.

D. Broker: Chaus Realty.

E. Building: The building or buildings now or hereafter located on the Land and known or to be known as 100 Metro Way, Secaucus, New Jersey.

F. Building Fraction: The fraction, the numerator of which is the Floor Space of the Building (approximately 165,993 square feet) and the denominator of which is the aggregate Floor Space of the buildings in the Development. If the aggregate Floor Space of the buildings in the Development shall be changed due to any construction or alteration, the denominator of the Building Fraction shall be increased or decreased to reflect such change.

G. Calendar Year: Any twelve-month period commencing on a January 1.

H. Commencement Date: The later of September 1, 2014 or the date Landlord substantially completes those items in the Landlord's Workletter concerning the Initial Demised Premises.

I. Common Areas: All areas, spaces and improvements in the Building and on the Land which Landlord makes available from time to time for the common use and benefit of the tenants and occupants of the Building and which are not exclusively available for use by a single tenant or occupant, including, without limitation, parking areas, roads, walkways, sidewalks, landscaped and planted areas, community rooms, if any, the managing agent's office, if any, and public rest rooms, if any.

J. Demised Premises: The space that is located on the 1st and 2nd floors of the Building as outlined in red on the floor plan attached hereto as Exhibit A. The Demised Premises contains 83,101 square feet of Floor Space subject to adjustment pursuant to Section R3.

K. Development: All land and improvements owned by Landlord or its parents, subsidiaries, or affiliates, now existing or hereafter constructed, located south of Route 3, east of the Hackensack River, west of County Avenue and north of Castle Road.

L. Development Common Areas: The roads and bridges that from time to time service and provide access to the Development for the common use of the tenants, invitees, occupants of the Development, that are maintained by Landlord or its related entities.

M. Expiration Date: August 31, 2021. However, if the Term is extended by Tenant's effective exercise of Tenant's right, if any, to extend the Term, the "Expiration Date" shall be changed to the last day of the latest extended period as to which Tenant shall have effectively exercised its right to extend the Term. For the purposes of this definition, the earlier termination of this Lease shall not affect the "Expiration Date."

N. Fixed Rent: An amount at the annual rate of [******] ($[******]) Dollars multiplied by the Floor Space of the Demised Premises from September 1, 2014 until August 31, 2015, and an amount at the annual rate of [******] ($[******])Dollars multiplied by the Floor Space of the Demised Premises from September 1, 2015 until August 31, 2016, and an amount at the annual rate of [******] ($[******])Dollars multiplied by the Floor Space of the Demised Premises from September 1, 2016 until August 31, 2017, and an amount at the annual rate of [******] ($[******])Dollars multiplied by the Floor Space of the Demised Premises from September 1, 2017 until August 31, 2018, and an amount at the annual rate of [******] ($[******])Dollars multiplied by the Floor Space of the Demised Premises from September 1, 2018 until August 31, 2019, and an amount at the annual rate of [******] ($[******])Dollars multiplied by the Floor Space of the Demised Premises from September 1, 2019 until August 31, 2020, and an amount at the annual rate of Seven and [******] ($[******]) Dollars multiplied by the Floor Space of the Demised Premises from September 1, 2020 until the Expiration Date. It is intended that the Fixed Rent shall be an absolutely net return to Landlord throughout the Term, free of any expense, charge or other deduction whatsoever, with respect to the Demised Premises, the Building, the Land and/or the ownership, leasing, operation, management, maintenance, repair, rebuilding, use or occupation thereof, or any portion thereof, with respect to any interest of Landlord therein, except as may otherwise expressly be provided in this Lease.

O. Floor Space: Any reference to Floor Space of a demised premises shall mean the floor area stated in square feet bounded by the exterior faces of the exterior walls, or by the exterior or Common Areas face of any wall between the premises in question and any portion of the Common Areas, or by the center line of any wall between the premises in question and space leased or available to be leased to a tenant or occupant, plus a pro rata portion of the floor area of the Common Areas in the Building; and any reference to Floor Space of the Building shall mean the aggregate Floor Space of the demised premises leased or which Landlord has available to be leased in the Building. There will be no reduction of Floor Space measurements for setbacks for store fronts or service entrances, and Floor Space of any premises with a setback for a store front shall be measured to the line of such premises as if such premises had no setback. Any reference to the Floor Space is intended to refer to the Floor Space of the entire area in question irrespective of the Person(s) who may be the owner(s) of all or any part thereof. Upon request, Landlord shall deliver an Architect's certification confirming the Floor Space of the Demised Premises.

P. Guarantor: None.

Q. Insurance Requirements Rules, regulations, orders and other requirements of the applicable board of underwriters and/or the applicable fire insurance rating organization and/or any other similar body performing the same or similar functions and having jurisdiction or cognizance over the Land and Building, whether now or hereafter in force.

R. Land: The Land upon which the Building and Common Areas are located. The Land is described on Exhibit B.

S. Landlord's Work: The materials and work to be furnished, installed and performed by Landlord at its expense in accordance with the provisions of Exhibit C.

T. Legal Requirements: Laws and ordinances of all federal, state, city, town, county, borough and village governments, and rules, regulations, orders and directives of all departments, subdivisions, bureaus, agencies or offices thereof, and of any other governmental, public or quasi-public authorities having jurisdiction over the Land and Building, whether now or hereafter in force, including, but not limited to, those pertaining to environmental matters.

U. Mortgage: A mortgage and/or a deed of trust.

V. Mortgagee: A holder of a mortgage or a beneficiary of a deed of trust.

W. Operating Expenses: The sum of the following: (1) the cost and expense, (whether or not within the contemplation of the parties) for the repair, replacement, maintenance, policing, insurance and operation of the Building and Land, and (2) the Building Fraction of the sum of (a) the cost and expense for the repair, replacement, maintenance, policing, insurance and operation of the Development Common Areas; and (b) the Real Estate Taxes, if any, attributable to the Development Common Areas. The "Operating Expenses" shall, include, without limitation, the following: (i) the cost for rent, casualty, liability, boiler and fidelity insurance, (ii) if an independent managing agent is employed by Landlord, the fees payable to such agent (provided the same are competitive with the fees payable to independent managing agents of comparable facilities), (iii) costs and expenses incurred for legal, accounting and other professional services (including, but not limited to, costs and expenses for in-house or staff legal counsel or outside counsel at rates not to exceed the reasonable and customary charges for any such services as would be imposed in an arms length third party agreement for such services, plus (iv) if Landlord (or its affiliate) is itself managing the Building and has not employed an independent third party for such management, an amount equal to fifteen (15%) percent of the resulting total of all of the foregoing items making up "Operating Expenses" (excluding any taxes included therein) for Landlord's home office administration and overhead cost and expense provided that any management fee (or Landlord's charge in lieu thereof may not exceed three percent (3%) of the fixed rent payable for leased space at the Building and no such management charge (whether third party or Landlord's charge in lieu thereof shall be chargeable at such time as Tenant's Fraction is 100% (so long as Landlord does not expend any sums that arc reimbursable hereunder). All items included in Operating Expenses shall be determined in accordance with generally accepted accounting principles consistently applied. To the extent the Operating Expenses include an expenditure for a roof replacement or any other capital replacement, as determined under generally accepted

accounting principles, Tenant shall only be responsible for that portion of the cost of said replacement as is determined by amortizing said cost over the useful life thereof; an annual amount equal to the amortized cost of the replacement plus an interest component equal to the Prime Rate of JPMorgan Chase Bank plus four percent per annum shall be then added to the Operating Expenses and paid by Tenant over the then remaining Term (or extension thereof) of the Lease. Operating Expenses shall not include: (1) Ground rent or other costs under record documents against the Land; (2) Salaries, benefits, wages and fees for employees above the grade of building manager or for officers or partners of Landlord; (3) Any cost or expense specifically provided in this Lease to be incurred by Landlord at no cost or expense to Tenant; (4) Costs and expenses which would otherwise be includible but which are determined to be materially in excess of the competitive costs and expenses in the area in which the Building is located; (5) To the extent that employees are not employed exclusively at the Building, the costs and expenses with respect to such employees that are not properly allocated to the Land and/or Building; (6) State, county or municipal taxes (other than those properly included in subsection (b) above), federal taxes, death taxes, excess profit taxes, franchise or any taxes imposed or measured on or by the income or revenue of Landlord from the operation of the Building; (7) The costs of repairs, replacements or other work occasioned by fire, windstorm or other casualty to the extent reimbursed by insurance proceeds; (8) The cost of repairs, replacements or other work occasioned by the exercise of eminent domain to the extent reimbursed by condemnation proceeds; (9) Leasing commission, attorney's fees, costs, disbursements and other expenses incurred in connection with solicitation of and negotiation for leases with tenants, other occupants or prospective tenants or other occupants of the Building, or similar costs incurred in connection with disputes and individual tenants, occupants, or prospective tenants or occupants of the Building; (10) Rent for space which is not used by Landlord in connection with the management or operation of the Building; (11) "Tenant allowances", "tenant concessions" and other costs or expenses incurred in completing, fixturing, furnishing, renovating or otherwise improving, decorating or redecorating space for individual tenants or occupants of the Building; (12) Structural repairs and replacements to the foundation, pilings, if any, structural steel and structural support underlying the roof; (13) Any costs in connection with services (including electricity), items or other benefits or a type or quantity which are not standard for the Building and which are not available to Tenant without specific charge therefore, but which are provided to another tenant or occupant of the Building, whether or not such other tenant or occupant is specifically charged therefore by Landlord; (14) All items, utilities and services to the extent Tenant or any other tenant or occupant of the Building specifically reimburses Landlord; (15) Payment of principal, finance charges or interest on debt or amortization on any mortgage; (16) Any costs or expenses for sculpture, paintings, or other works of art, including, costs incurred with respect to purchase, ownership, leasing, repair and/or maintenance of such works of art; (17) Any otherwise includible costs of correcting defects in the Building and/or any associated garage facilities and/or equipment or replacing defective equipment to the extent such costs are covered by and reimbursed pursuant to warranties of manufacturers, suppliers or contractors, or are otherwise borne by parties other than Landlord; (18) Expenses directly resulting from the willful misconduct of the Landlord, its agents, servants or other employees; (19) All costs and expenses associated with the operation of the business of the entity which constitutes Landlord as the same arc distinguished from the costs of operation of the Building, including accounting and legal matters, costs of defending any lawsuits with any Landlord's Mortgagee, costs of selling, syndicating, financing, mortgaging or hypothecating any of the Landlord's interest in the Building; and costs of disputes between Landlord and its employees (if any) not engaged in Building operation; (20) Costs paid or incurred in connection with Landlord's Environmental Indemnification, as contained in Section R5 of the Rider; and (21) Charitable or political donations.

X. Omitted.

Y. Permitted Uses: Warehousing and distribution of garments, showroom and ancillary office use and ancillary dry cleaning.

Z. Person: A natural person or persons, a partnership, a corporation, or any other form of business or legal association or entity.

AA. Omitted.

BB. Real Estate Taxes: The real estate taxes, assessments and special assessments imposed upon the Building and Land by any federal, state, municipal or other governments or governmental bodies or authorities and any reasonable expenses incurred by Landlord in contesting such taxes or assessments and/or the assessed value of the Building and Land, which expenses shall be allocated to the period of time to which such expenses relate. If at any time during the Term the methods of taxation prevailing on the date hereof shall be altered so that in lieu of, or as an addition to or as a substitute for, the whole or any part of such real estate taxes, assessments and special assessments now imposed on real estate there shall be levied, assessed or imposed (a) a tax, assessment, levy, imposition, license fee or charge wholly or partially as a capital levy or otherwise on the rents received therefrom, or (b) any other such additional or substitute tax, assessment, levy, imposition or charge, then all such taxes, assessments, levies, impositions, fees or charges or the part thereof so measured or based shall be deemed to be included within the term “Real Estate Taxes” for the purposes hereof.

CC. Omitted.

DD. Rent: The Fixed Rent and the Additional Charges.

EE. Rules and Regulations: The reasonable rules and regulations that may be promulgated by Landlord from time to time, which may be reasonably changed by Landlord from time to time. The Rules and Regulations now in effect are attached hereto as Exhibit D.

FF. Security Deposit: Such amount as Tenant has deposited or hereinafter deposits with Landlord as security under this Lease. Tenant has deposited the sum of $[******] in the form of a Letter of Credit with Landlord as security hereunder as of the date hereof.

GG. Successor Landlord: As defined in Section 9.03.

HH. Superior Lease: Any lease to which this Lease is, at the time referred to, subject and subordinate.

II. Superior Lessor: The lessor of a Superior Lease or its successor in interest, at the time referred to.

JJ. Superior Mortgage: Any Mortgage to which this Lease is, at the time referred to, subject and subordinate.

KK. Superior Mortgagee: The Mortgagee of a Superior Mortgage at the time referred to.

LL. Tenant's Fraction: The Tenant's Fraction shall mean the fraction, the numerator of which shall be the Floor Space of the Demised Premises and the denominator of which shall be the Floor Space of the Building (50.1%). If the size of the Demised Premises or the Building shall be changed from the initial size thereof, due to any taking, any construction or alteration work or otherwise, the Tenant's Fraction shall be changed to the fraction, the numerator of which shall be the Floor Space of the Demised Premises and the denominator of which shall be the Floor Space of the Building. In the event Landlord determines that Tenant's utilization of any utilities which exceed the fraction referred to above, Tenant's Fraction with respect to such item shall, at Landlord's option, mean the percentage of any such utilities (but not less than the fraction referred to above) which Landlord reasonably estimates as Tenant's proportionate share thereof.

MM. Tenant's Property: As defined in Section 16.02.

NN. Tenant's Work: The facilities, materials and work which may be undertaken by or for the account of Tenant (other than the Landlord's Work) to equip, decorate and furnish the Demised Premises for Tenant's occupancy.

OO. Term: The period commencing on the Commencement Date and, subject to the Renewal Option(s) ending at 11:59 p.m. of the Expiration Date, but in any event the Term shall end on the dale when this Lease is earlier terminated.

PP. Unavoidable Delays: A delay arising from or as a result of a strike, lockout, or labor difficulty, explosion, sabotage, accident, riot or civil commotion, act of war, fire or other catastrophe, Legal Requirement and any cause beyond the reasonable control of that party, provided that the party asserting such Unavoidable Delay has exercised its best efforts to minimize such delay.

ARTICLE 2—DEMISE AND TERM

2.01. Landlord hereby leases to Tenant, and Tenant hereby hires from Landlord, the Demised Premises, for the Term. This Lease is subject to (a) any and all existing encumbrances, conditions, rights, covenants, easements, restrictions and rights of way, of record, and other matters of record, applicable zoning and building laws, regulations and codes, and such matters as may be disclosed by an inspection or survey, and (b) easements now or hereafter created by Landlord in, under, over, across and upon the Land for sewer, water, electric, gas and other utility lines and services now or hereafter installed. To Landlord's knowledge, there are no unusual restrictions, rights of way or easements that will impede in any material manner Tenant's use of the Demised Premises and operation of its business. Promptly following the Commencement Date, the parties hereto shall enter into an agreement in form and substance reasonably satisfactory to Landlord setting forth the Commencement Date.

ARTICLE 3—RENT

3.01. Tenant shall pay the Fixed Rent in equal monthly installments in advance on the first day of each and every calendar month during the Term following the Rent Commencement Date (except that Tenant shall pay, upon the execution and delivery of this Lease by Tenant, the Advance Rent, to be applied against the first installment or installments of Fixed Rent becoming due under this Lease). If the Rent Commencement Date occurs on a day other than the first day of a calendar month, the Fixed Rent for the partial calendar month shall be prorated.

3.02. The Rent shall be paid in lawful money of the United States to Landlord at its office, or such other place, or Landlord's agent, as Landlord shall designate by notice to Tenant. Tenant shall pay the Rent promptly when due without notice or demand therefore (with respect to Fixed Rent) and without any abatement, deduction or setoff for any reason whatsoever, except as may be expressly provided in this Lease. If Tenant makes any payment to Landlord by check, same shall be by check of Tenant and Landlord shall not be required to accept the check of any other Person, and any check received by Landlord shall be deemed received subject to collection. If any check is mailed by Tenant, Tenant shall post such check in sufficient time prior to the date when payment is due so that such check will be received by Landlord on or before the date when payment is due. Tenant shall assume the risk of lateness or failure of delivery of the mails, and no lateness or failure of the mails will excuse Tenant from its obligation to have made the payment in question when required under this Lease.

3.03. No payment by Tenant or receipt or acceptance by Landlord of a lesser amount than the correct Rent shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance or pursue any other remedy in this Lease or at law provided.

3.04. If Tenant is in arrears in payment of Rent, Tenant waives Tenant's right, if any, to designate the items to which any payments made by Tenant are to be credited, and Landlord may apply any payments made by Tenant to such items as Landlord sees fit, irrespective of and notwithstanding any designation or request by Tenant as to the items to which any such payments shall be credited.

3.05. In the event that any installment of Rent due hereunder shall be overdue, a "Late Charge" equal to four percent (4%) or the maximum rate permitted by law, whichever is less for Rent so overdue may be charged by Landlord for each month or part thereof that the same remains overdue ("Late Payment Rate"). In the event that any check tendered by Tenant to Landlord is returned for insufficient funds, Tenant shall pay to Landlord, in addition to the charge imposed by the preceding sentence, a fee of $50.00. Any such Late Charges if not previously paid shall, at the option of the Landlord, be added to and become part of the next succeeding Rent payment to be made hereunder. Notwithstanding the foregoing and without waiving any other rights of Landlord in this Agreement, the Late Charge shall be waived for the first two times in each calendar year that the Tenant fails to make a payment of Rent on a timely basis, provided such late payment is received by Landlord within seven (7) days of the date that such payment of Rent is due and owing and provided further that Tenant is in compliance with all other terms of the Lease.

ARTICLE 4—USE OF DEMISED PREMISES

4.01. Tenant shall use and occupy the Demised Premises for the Permitted Uses, and Tenant shall not use or permit or suffer the use of the Demised Premises or any part thereof for any other purpose. With respect to Tenant's dry cleaning activities, such use shall be ancillary to the Permitted Uses and subject to and strictly in compliance with all Legal Requirements.

4.02. If any governmental license or permit, including a certificate of occupancy or certificate of continued occupancy (a "Certificate of Occupancy") shall be required for the proper and lawful conduct of Tenant's business in the Demised Premises or any part thereof, Tenant shall duly procure and thereafter maintain such license or permit and submit the same to Landlord for inspection. Tenant shall at all times comply with the terms and conditions of each such license or permit. Tenant shall not at any time use or occupy, or suffer or permit anyone to use or occupy the Demised Premises, or do or permit anything to be done in the Demised Premises, in any manner which (a) violates the Certificate of Occupancy for the Demised Premises or for the Building; (b) causes or is liable to cause injury to the Building or any equipment, facilities or systems therein; (c) constitutes a violation of the Legal Requirements or Insurance Requirements; (d) impairs the character, reputation or appearance of the Building; (e) impairs the maintenance, operation and repair of the Building and/or its equipment, facilities or systems; or (f) annoys or inconveniences other tenants or occupants of the Building. Notwithstanding the foregoing, Landlord shall be responsible for obtaining the Continued Occupancy Certification for the initial occupancy by Tenant, provided that Tenant's intended installations, if any, or the actions of Tenant or any agent of Tenant, shall not hinder or delay Landlord in obtaining such Continued Occupancy Certification, in which event Tenant shall be responsible for such Continued Occupancy Certification.

ARTICLE 5—PREPARATION OF DEMISED PREMISES

5.01. (a) The Demised Premises shall be completed and prepared for Tenant's occupancy in the manner described in, and subject to the provisions of, Exhibit C. All of Landlord's Work shall be performed in good and workmanlike manner and in accordance with all Legal Requirements and Insurance Requirements and the space shall be delivered in compliance with such Insurance Requirements. Tenant shall occupy the Demised Premises promptly after the Demised Premises are vacant and broom clean and in good and satisfactory condition and possession thereof is delivered to Tenant by Landlord giving to Tenant a notice of such effect. Except as expressly provided to the contrary in this Lease, the taking of possession by Tenant of the Demised Premises (not to include access pursuant to Section R2) shall be conclusive evidence as against Tenant that the Demised Premises and the Building were in good and satisfactory condition at the lime such possession was taken, exclusive of latent defects, if any. Except as expressly provided to the contrary in this Lease, Tenant is leasing the Demised Premises "as is" on the date hereof, subject to reasonable wear and tear.

5.01.(b)(i) Except as set forth in Exhibit C or as otherwise expressly provided in this Lease, Landlord shall deliver the Demised Premises to Tenant broom clean and in "as is" condition. Except as set forth in Exhibit C or as otherwise expressly provided in this Lease, Tenant shall be responsible for all construction and work to prepare the Demised Premises for Tenant's occupancy at Tenant's cost and expense. Such construction shall be in accordance with Section 36.09 of this

Lease. Prior to performing any work in the Demised Premises, other than decorative work, Tenant shall, within fourteen (14) days of the date thereof submit to Landlord for approval, which approval shall not be unreasonably withheld, conditioned or delayed with respect to work which is non-structural and does not adversely affect the mechanical systems of the Building, final plans and specifications for all construction work in the Demised Premises including, but not limited to layout, mechanical, electrical and plumbing plans and finish schedules ("Plans and Specifications"). Tenant shall employ licensed architect(s) and/or engineer(s) for the preparation of the Plans and Specifications. Landlord shall notify Tenant of Landlord's approval or disapproval of such Plans and Specifications. If Landlord disapproves. Landlord shall specify the reasons for disapproval and Tenant shall, within fourteen (14) days of receipt of notice of Landlord's disapproval, resubmit revised Plans and Specifications that correct such items.

(ii) Tenant shall obtain and provide all design and architectural services necessary to perform Tenant's Work and shall be responsible for complying with all building codes and Legal Requirements in connection with Tenant's Work, prior to commencing any work in the Demised Premises. Tenant shall obtain a permanent certificate of occupancy of the Demised Premises for the Permitted Uses. The construction of the Demised Premises shall be performed in a good and workmanlike manner. At all times when construction of the Demised Premises is in progress, whether before or after the Commencement Date, Tenant shall maintain or cause to be maintained the insurance coverage required under Section 13.02.

(iii) Tenant shall be solely responsible for the structural integrity of the improvements performed by or under the direction of Tenant and for the adequacy or sufficiency of the Plans and Specifications and all the improvements depicted thereon or covered thereby, and Landlord's consent thereto, approval thereof, or incorporation therein of any of its recommendations shall in no way diminish Tenant's responsibility therefor or reduce or mitigate Tenant's liability in connection therewith. Landlord shall have no obligations or liabilities by reason of this Lease in connections with the performance of construction or of the finish, decorating or installation work performed by Tenant, or on its behalf, or in connection with the contracts for the performance thereof entered into by Tenant. Any warranties extended or available to Tenant in connection with the aforesaid work shall be for the benefit also of Landlord. Tenant further agrees that once it commences construction, it shall diligently and continuously proceed with construction to completion.

5.02. If the substantial completion of the Landlord's Work shall be delayed due solely to (a) any act or omission of Tenant or any of its employees, agents or contractors (including, without limitation, any delays by Tenant in the submission of plans, drawings, specifications or other information or in approving any working drawings or estimates or in giving any authorizations or approvals), or (b) any additional time needed for the completion of the Landlord's Work by the inclusion in the Landlord's Work of any items specified by Tenant that require long lead time for delivery or installation, then the Demised Premises shall be deemed ready for occupancy on the date when they would have been ready but for such delay(s). Except for latent defects, the Demised Premises shall be presumed to be in satisfactory condition on the Commencement Date except for unsatisfactory conditions of which Tenant gives Landlord notice within thirty (30) days after the Commencement Date specifying such details with reasonable particularity.

5.03. If Landlord is unable to give possession of the Additional Premises (as defined in the Rider to Lease) on the Additional Premises Commencement Date because of the holding-over or retention of possession by any tenant, undertenant or occupant, Landlord shall not be subject to any liability for failure to give possession, the validity of this Lease shall not be impaired under such circumstances, and the Term shall not be extended, but the Rent on the Additional Premises shall be abated if Tenant is not responsible for the inability to obtain possession.

5.04. Landlord reserves the right, at any time and from time to time, to increase, reduce or change the number, type, size, location, elevation, nature and use of any of the Common Areas, provided same shall not unreasonably block or interfere with Tenant's access, use or means of ingress or egress to and from the Demised Premises.

ARTICLE 6—TAX AND OPERATING EXPENSE PAYMENTS

6.01. Tenant shall pay to Landlord, as hereinafter provided, Tenant's Fraction of the Real Estate Taxes. Tenant's Fraction of the Real Estate Taxes shall be the Real Estate Taxes in respect of the Building for the period in question, multiplied by the Tenant's Fraction, plus the Real Estate Taxes in respect of the Land for the period in question, multiplied by the Tenant's Fraction. If any portion of the Building shall be exempt from all or any part of the Real Estate Taxes, then for the period of time when such exemption is in effect, the Floor Space on such exempt portion shall be excluded when making the above computations in respect of the part of the Real Estate Taxes for which such portion shall be exempt. Landlord shall estimate the annual amount of Tenant's Fraction of the Real Estate Taxes (which estimate may be changed by Landlord at any time and from time to time), and Tenant shall pay to Landlord 1/12th of the amount so estimated on the first day of each month in advance. Tenant shall also pay to Landlord on demand from time to lime the amount which, together with said monthly installments, will be sufficient in Landlord's estimation to pay Tenant's Fraction of any Real Estate Taxes thirty (30) Days prior to the date when such Real Estate Taxes shall first become due. When the amount of any item comprising Real Estate Taxes is finally determined for a real estate fiscal tax year, Landlord shall submit to Tenant a statement in reasonable detail of the same, and the figures used for computing Tenant's Fraction of the same, and if Tenant's Fraction so stated is more or less than the amount theretofore paid by Tenant for such item based on Landlord's estimate. Tenant shall pay to Landlord the deficiency within thirty (30) days after submission of such statement, or Landlord shall, at its sole election, either refund to Tenant the excess or apply same to the next installment of Fixed Rent due hereunder. Any Real Estate Taxes for a real estate fiscal tax year, a part of which is included within the Term and a part of which is not so included, shall be apportioned on the basis of the number of days in the real estate fiscal tax year included in the Term, and the real estate fiscal tax year for any improvement assessment will be deemed to be the one-year period commencing on the date when such assessment is due, except that if any improvement assessment is payable in installments, the real estate fiscal tax year for each installment will be deemed to be the one-year period commencing on the date when such installment is due. The above computations shall be made by Landlord in accordance with generally accepted accounting principles, and the Floor Space referred to will be based upon the average of the Floor Space in existence on the first day of each month during the period in question. In addition to the foregoing, Tenant shall be responsible for any increase in Real Estate Taxes attributable to assessments for improvements installed by or for the account of Tenant at the Demised Premises. If the Demised Premises are not separately assessed, the amount of any such increase shall be determined by reference to the records of the tax assessor.

6.02. Real Estate Taxes, whether or not a lien upon the Demised Premises shall be apportioned between Landlord and Tenant at the beginning and end of the Term; it being intended that Tenant shall pay only that portion of the Real Estate Taxes as is allocable to the Demised Premises for the Term.

6.03. Tenant shall pay to Landlord Tenant's Fraction of the Operating Expenses within thirty (30) days after Landlord submits to Tenant an invoice for same together with a reasonably detailed break-down of the charges in connection with same.

6.04. Each such statement given by Landlord pursuant to Section 6.01 or Section 6.03 shall be conclusive and binding upon Tenant unless within 30 days after the receipt of such statement Tenant shall notify Landlord that it disputes the correctness of the statement, specifying the particular respects in which the statement is claimed to be incorrect. If such dispute is not settled by agreement, either party may submit the dispute to arbitration as provided in Article 34. Pending the determination of such dispute by agreement or arbitration as aforesaid, Tenant shall, within ten (10) days after receipt of such statement, pay the Additional Charges in accordance with Landlord's statement, without prejudice to Tenant's position. If the dispute shall be determined in Tenant's favor, Landlord shall forthwith pay to Tenant the amount of Tenant's overpayment resulting from compliance with Landlord's statement.

6.05. Provided Tenant is not in default of this Lease, Tenant shall have the right, at its sole cost and expense, upon at least ten (10) days' prior written notice to Landlord, to examine Landlord's records relating to Operating Expenses of the Demised Premises for no more than two times per Calendar Year and not more than two days per audit. Landlord shall make records available for examination at Landlord's principal office during Landlord's normal business days and normal business hours. If any such review discloses that Operating Expenses were overstated by Landlord, Landlord shall promptly refund or credit to Tenant any such excess. This provision shall not be deemed to give Tenant the right to offset or deduct or withhold payment of Rent. No subtenant shall have the right to conduct an examination and no assignee shall conduct an inspection for any period during which such assignee was not in possession of the Demised Premises. In the event Tenant elects to exercise an inspection of Landlord's records relating to Operating Expenses of the Demised Premises in accordance with this Section 6.04, such inspection must be conducted by an accountant that is not being compensated by Tenant on a contingency fee basis and Tenant and such firm agree to keep all information obtained during such examination confidential.

ARTICLE 7—COMMON AREAS

7.01. Except as may be otherwise expressly provided in this Lease and so long as Tenant is not in default under this Lease beyond any applicable notice and cure periods. Landlord will operate, manage, equip, light, repair and maintain, or cause to be operated, managed, equipped, lighted, repaired and maintained, the Common Areas for their intended purposes. Landlord reserves the right, at any time and from time to time, to construct within the Common Areas kiosks, fountains, aquariums, planters, pools and sculptures, and to install vending machines, telephone booths, benches and the like, provided same shall not unreasonably block or interfere with Tenant's use, access or means of ingress or egress to and from the Demised Premises.

7.02. So long as Tenant is not in default under this Lease beyond any applicable notice and cure periods. Tenant and its subtenants and concessionaires, and their respective officers, employees, agents, customers and invitees, shall have the non-exclusive right, in common with Landlord and all others to whom Landlord has granted or may hereafter grant such right, but subject to the Rules and Regulations, to use the Common Areas. Landlord reserves the right, at any time and from time to time, to close temporarily all or any portions of the Common Areas when in Landlord's reasonable judgment any such closing is necessary or desirable (a) to make repairs or changes or to effect construction, (b) to prevent the acquisition of public rights in such areas, (c) to discourage unauthorized parking, or (d) to protect or preserve natural persons or property. Landlord may do such other acts in and to the Common Areas as in its judgment may be desirable to improve or maintain same.

7.03. Tenant will, if and when so requested by Landlord, furnish Landlord with the license numbers of any vehicles of Tenant, any subtenant or licensee and their respective officers, employees and agents. After the Tenant's Fraction is 100%, all parking spaces on the Land shall be exclusive to Tenant.

ARTICLE 8—SECURITY

8.01. (a) In the event Tenant deposits with Landlord any Security Deposit, the same shall be held as security for the full and faithful payment and performance by Tenant of Tenant's obligations under this Lease. If Tenant defaults in the full and prompt payment and performance of any of its obligations under this Lease, including, without limitation, the payment of Rent, Landlord may use, apply or retain the whole or any part of the Security Deposit to the extent required for the payment of any Rent or any other sums as to which Tenant is in default or for any sum which Landlord may expend or may be required to expend by reason of Tenant's default in respect of any of Tenant's obligations under this Lease, including, without limitation, any damages or deficiency in the reletting of the Demised Premises, whether such damages or deficiency accrue before or after summary proceedings or other re-entry by Landlord. If Landlord shall so use, apply or retain the whole or any part of the security, Tenant shall upon demand immediately deposit with Landlord a sum equal to the amount so used, applied and retained, as security as aforesaid. If Tenant shall fully and faithfully pay and perform all of Tenant's obligations under this Lease, the Security Deposit or any balance thereof to which Tenant is entitled shall be returned or paid over to Tenant after the date on which this Lease shall expire or sooner end or terminate, and after delivery to Landlord of entire possession of the Demised Premises. In the event of any sale or leasing of the Land, Landlord shall have the right to transfer the security to which Tenant is entitled to the purchaser or lessee and Landlord shall thereupon be released by Tenant from all liability for the return or payment thereof; and Tenant shall look solely to the new landlord for the return or payment of the same; and the provisions hereof shall apply to every transfer or assignment made of the same to a new landlord. Tenant shall not assign or encumber or attempt to assign or encumber the monies deposited herein as security, and neither Landlord nor its successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

8.01. (b) In lieu of the cash security required by this Lease, Tenant shall provide to Landlord an irrevocable transferable Letter of Credit in the amount of the Security Deposit in form annexed hereto as Exhibit E and issued by a financial institution approved by Landlord. Landlord shall have the right, upon written notice to Tenant (except that for Tenant's non-payment of Rent or for Tenant's failure to comply with Article 8.03, no such notice shall be required) and regardless of the exercise of any other remedy the Landlord may have by reason of a default, to draw upon said Letter of Credit to cure any default of Tenant or for any purpose authorized by section 8.01(a) of this Lease and if Landlord does so. Tenant shall, upon demand, additionally fund the Letter of Credit with the amount so drawn so that Landlord shall have the full deposit on hand at all times during the Term of the Lease and for a period of thirty (30) days' thereafter. In the event of a sale of the Building or a lease of the Building subject to this Lease. Landlord shall have the right to transfer the security to the purchaser or lessee.

8.02. The Letter of Credit shall expire not earlier than thirty (30) days after the Expiration Date of this Lease. Upon Landlord's prior consent, the Letter of Credit may be of the type which is automatically renewed on an annual basis (Annual Renewal Date), provided however, in such event Tenant shall maintain the Letter of Credit and its renewals in full force and effect during the entire Term of this Lease (including any renewals or extensions) and for a period of thirty (30) days thereafter. The Letter of Credit will contain a provision requiring the issuer thereof to give the beneficiary (Landlord) sixty (60) days' advance written notice of its intention not to renew the Letter of Credit on the next Annual Renewal Date.

8.03. In the event Tenant shall fail to deliver to Landlord a substitute irrevocable Letter of Credit, in the amount stated above, on or before thirty (30) days prior to the next Annual Renewal Date, said failure shall be deemed a default under this Lease. Landlord may, in its discretion treat this the same as a default in the payment of Rent or any other default and pursue the appropriate remedy. In addition, and not in limitation, Landlord shall be permitted to draw upon the Letter of Credit as in the case of any other default by Tenant under the Lease.

ARTICLE 9—SUBORDINATION

9.01. This Lease, and all rights of Tenant hereunder, are and shall be subject and subordinate to all ground leases and underlying leases of the Land and/or the Building now or hereafter existing and to all Mortgages which may now or hereafter affect the Land and/or building and/or any of such leases, whether or not such Mortgages or leases shall also cover other lands and/or buildings, to each and every advance made or hereafter to be made under such Mortgages, and to all renewals, modifications, replacements and extensions of such leases and such Mortgages and spreaders and consolidations of such Mortgages. The provisions of this Section 9.01 shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, Tenant shall promptly execute, acknowledge and deliver any instrument that Landlord, the lessor under any such lease or the Mortgagee of any such Mortgage or any of their respective successors in interest may reasonably request to evidence such subordination; and if Tenant fails to execute, acknowledge or deliver any such instruments within thirty (30) days after request therefor. Tenant hereby irrevocably constitutes and appoints Landlord as Tenant's attorney-in-fact, coupled with an interest, to execute and deliver any such instruments for and on behalf of Tenant. (See Rider Section R7.)

9.02. If any act or omission of Landlord would give Tenant the right, immediately or after lapse of a period of time, to cancel or terminate this Lease, or to claim a partial or total eviction, Tenant shall not exercise such right (a) until it has given written notice of such act or omission to Landlord and each Superior Mortgagee and each Superior Lessor whose name and address shall previously have been furnished to Tenant, and (b) until a reasonable period for remedying such act or omission shall have elapsed following the giving of such notice and following the time when such Superior Mortgagee or Superior Lessor shall have become entitled under such Superior Mortgage or Superior Lease, as the case may be, to remedy the same (which reasonable period shall in no event be less than the period to which Landlord would be entitled under this Lease or otherwise, after similar notice, to effect such remedy), provided such Superior Mortgagee or Superior Lessor shall with due diligence give Tenant notice of intention to, and commence and continue to, remedy such act or omission.

9.03. If any Superior Lessor or Superior Mortgagee shall succeed to the rights of Landlord under this Lease, whether through possession or foreclosure action or delivery of a new lease or deed, then at the request of such party so succeeding to Landlord's rights ("Successor Landlord") and upon such Successor Landlord's written agreement to accept Tenant's attornment, Tenant shall attorn to and recognize such Successor Landlord as Tenant's landlord under this Lease and shall promptly execute and deliver any instrument that such Successor Landlord may reasonably request to evidence such attornment. Upon such attornment this Lease shall continue in full force and effect as a direct lease between the Successor Landlord and Tenant upon all of the terms, conditions and covenants as are set forth in this Lease except that the Successor Landlord shall not (a) be liable for any previous act or omission of Landlord under this Lease; (b) be subject to any offset, not expressly provided for in this Lease, which theretofore shall have accrued to Tenant against Landlord; (c) be liable for the return of any Security Deposit, in whole or in part, to the extent that same is not paid over to the Successor Landlord; or (d) be bound by any previous modification of this Lease or by any previous prepayment of more than one month's Fixed Rent or Additional Charges, unless such modification or prepayment shall have been expressly approved in writing by the Superior Lessor of the Superior Lease or the Mortgagee of the Superior Mortgage through or by reason of which the Successor Landlord shall have succeeded to the rights of Landlord under this Lease.

ARTICLE 10—QUIET ENJOYMENT

10.01. So long as Tenant pays all of the Rent and performs all of Tenant's other obligations hereunder, Tenant shall peaceably and quietly have, hold and enjoy the Demised Premises without hindrance, ejection or molestation by Landlord or any person lawfully claiming through or under Landlord, subject, nevertheless, to the provisions of this Lease and to Superior Leases and Superior Mortgages.

ARTICLE 11—ASSIGNMENT. SUBLETTING AND MORTGAGING

11.01. Tenant shall not, whether voluntarily, involuntarily, or by operation of law or otherwise, (a) assign or otherwise transfer this Lease, or offer or advertise to do so, (b) sublet the Demised Premises or any part thereof, or offer or advertise to do so, or allow the same to be used, occupied or utilized by anyone other than Tenant, or (c) mortgage, pledge, encumber or otherwise hypothecate this Lease in any manner whatsoever, without in each instance obtaining the prior written consent of Landlord. Landlord agrees not to unreasonably withhold its consent to the subletting of the Demised Premises or an assignment of this Lease. In determining reasonableness, Landlord may take into consideration all relevant factors surrounding the proposed sublease and

assignment, including, without limitation, the following: (i) The business reputation of the proposed assignee or subtenant and its officers or directors in relation to the other tenants or occupants of the Building or Development; (ii) the nature of the business and the proposed use of the Demised Premises by the proposed assignee or subtenant in relation to the other tenants or occupants of the Development; (iii) whether the proposed assignee or subtenant is then a tenant (or subsidiary, affiliate or parent of a tenant) of other space in the Building or Development, or any other property owned or managed by Landlord or its affiliates; (iv) the financial condition of the proposed assignee; (v) restrictions, if any, contained in leases or other agreements affecting the Building and the Development; (vi) the effect that the proposed assignee's or subtenant's occupancy or use of the Demised Premises would have upon the operation and maintenance of the Building and the Development; (vii) the extent to which the proposed assignee or subtenant and Tenant provide Landlord with assurances reasonably satisfactory to Landlord as to the satisfaction of Tenant's obligations hereunder. In any event, at no time shall there be more than three (3) subtenants of the Demised Premises permitted.

In the event the Demised Premises are sublet or this Lease is assigned other than to an Affiliate or as permitted under Section 11.02 below, Tenant shall pay to Landlord as an Additional Charge the following amounts less the actual reasonable expense incurred by Tenant in connection with such assignment or subletting, as substantiated by Tenant, in writing, to Landlord's reasonable satisfaction, including, without limitation, a reasonable brokerage fee and reasonable legal fees, as the case may be: (i) in the case of an assignment, an amount equal to fifty percent (50%) of all sums and other consideration paid to Tenant by the assignee for or by reason of such assignment, and (ii) in the case of a sublease, fifty percent (50%) of any rents, additional charge or other consideration payable under the sublease to Tenant by the subtenant which is in excess of the Fixed Rent and Additional Charges accruing during the term of the sublease in respect of the subleased space (at the rate per square foot payable by Tenant hereunder) pursuant to the terms hereof. Notwithstanding anything herein contained in this subsection to the contrary. Landlord's consent shall not be required with respect to an assignment of this Lease, or a sublet of the whole or any portion of the Premises, to its parent, subsidiary or any affiliate, provided that (i) with respect to an assignment, such assignee executes and delivers to Landlord within ten (10) days thereof an assignment agreement pursuant to which it assumes all obligations under the Lease; and (ii) with respect to a sublease, such sublessee executes and delivers to Landlord within ten (10) days thereof a sublease agreement which includes a provision to the effect that the sublease is subject to all terms and provisions of the Lease. The term "affiliate", as used hereinabove, shall mean any corporation or other entity controlled by, under common control with, or which controls Tenant.

11.02. If at any time (a) the original Tenant named herein, (b) the then Tenant, or (c) any Person owning a majority of the voting stock of, or directly or indirectly controlling, the then Tenant shall be a corporation, limited liability company, or partnership, any transfer of voting stock or other ownership interest (including but not limited to membership interest, economic interest, or partnership interest) resulting in the person(s) who shall have owned a minimum of forty five (45%) percent of such corporation's shares of voting stock, or the majority of the membership interests or economic interest in such limited liability company, or the majority of the general partners' interest or the majority of the limited partner's interest in such partnership, as the case may be, immediately before such transfer, ceasing to own a minimum of forty five (45%) percent of such shares of voting stock, membership or economic interest, general partner's ownership or economic interest, or limited partner's ownership or economic interest, as the case

may be, except as the result of transfers by inheritance or an affiliate transfer as permitted above, shall be deemed to be an assignment of this Lease as to which Landlord's consent shall have been required, and in any such event Tenant shall notify Landlord and Landlord shall consent to such transaction, provided The requirements of (i) and (ii) below are satisfied. The provisions of this Article 11 shall not be applicable (i.e. Landlord's consent shall not be required and no payments shall be required) to any corporation all the outstanding voting stock of which is listed (or shall be listed) on a national securities exchange (as defined in the Securities Exchange Act of 1934, as amended) or is traded in the over-the-counter market with quotations reported by the National Association of Securities Dealers through its automated system for reporting quotations and shall not apply to transactions with a corporation or limited liability company into or with which the then Tenant is merged or consolidated or to which substantially all of the then Tenant's assets are transferred or to any corporation or limited liability company which controls or is controlled by the then Tenant or is under common control with the then Tenant, provided that in any of such events (i) the successor to Tenant has a net worth computed in accordance with generally accepted accounting principles at least equal to the greater of (1) the net worth of Tenant immediately prior to such merger, consolidation or transfer, or (2) the net worth of the original Tenant on the date of this Lease, and (ii) proof satisfactory to Landlord of such net worth shall have been delivered to Landlord at least 10 days prior to the effective date of any such transaction. For the purposes of this Section, the words "voting stock" shall refer to shares of stock regularly entitled to vote for the election of directors of the. corporation. Landlord shall have the right at any time and from time to time during the Term to inspect the stock record books or other ownership records of the entity to which the provisions of this Section 11.02 apply, and Tenant will produce the same on request of Landlord.

11.03. If this Lease is assigned, whether or not in violation of this Lease, Landlord may collect rent from the assignee. If the Demised Premises or any part thereof are sublet or used or occupied by anybody other than Tenant, whether or not in violation of this Lease, Landlord may, after default by Tenant, and expiration of Tenant's time to cure such default, collect rent from the subtenant or occupant. In either event, Landlord may apply the net amount collected to the Rent, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of any of the provisions of Section 11.01 or Section 11.02, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of Tenant from the performance by Tenant of Tenant's obligations under this Lease. The consent by Landlord to any assignment, mortgaging, subletting or use or occupancy by others shall not in any way be considered to relieve Tenant from obtaining the express written consent of Landlord to any other or further assignment, mortgaging or subletting or use or occupancy by others not expressly permitted by this Article 11. References in this Lease to use or occupancy by others (that is, anyone other than Tenant) shall not be construed as limited to subtenants and those claiming under or through subtenants but shall be construed as including also licensees and others claiming under or through Tenant, immediately or remotely.

11.04. Any permitted assignment or transfer, whether made with Landlord's consent pursuant to Section 11.01 or without Landlord's consent if permitted by Section 11.02, shall be made only if. and shall not be effective until, the assignee shall execute, acknowledge and deliver to Landlord an agreement in form and substance satisfactory to Landlord whereby the assignee shall assume Tenant's obligations under this Lease and whereby the assignee shall agree that all of the provisions in this Article 11 shall, notwithstanding such assignment or transfer, continue to be binding upon it in respect to all future assignments and transfers. Notwithstanding any assignment or transfer, whether or not in violation of the provisions of this Lease, and notwithstanding the acceptance of Rent by Landlord from an assignee, transferee, or any other party, the original Tenant and any other person(s) who at any time was or were Tenant shall remain fully liable for the payment of the Rent and for Tenant's other obligations under this Lease.

11.05. The liability of the original named Tenant and any other Person(s) (including but not limited to any Guarantor) who at any time are or become responsible for Tenant's obligations under this Lease shall not be discharged, released or impaired by any agreement or stipulation made by Landlord extending the time of, or modifying any of the terms or obligations under this Lease, or by any waiver or failure of Landlord to enforce, any of this Lease.

11.06. The listing of any name other than that of Tenant, whether on the doors of the Demised Premises or the Building directory, or otherwise, shall not operate to vest any right or interest in this Lease or in the Demised Premises, nor shall it be deemed to be the consent of Landlord to any assignment or transfer of this Lease or to any sublease of the Demised Premises or to the use or occupancy thereof by others. Notwithstanding anything contained in this Lease to the contrary, Landlord shall have the absolute right to withhold its consent to an assignment or subletting to a Person who is otherwise a tenant or occupant of the Building, or of a building owned or managed by Landlord or its affiliated entities.

11.07. Without limiting any of the provisions of Article 27, if pursuant to the Federal Bankruptcy Code (or any similar law hereafter enacted having the same general purpose), Tenant is permitted to assign this Lease notwithstanding the restrictions contained in this Lease, adequate assurance of future performance by an assignee expressly permitted under such Code shall be deemed to mean the deposit of cash security in an amount equal to the sum of six (6) months Fixed Rent plus an amount equal to the Additional Charges for the six (6) months preceding the year in which such assignment is intended to become effective, which deposit shall be held by Landlord for the balance of the Term, without interest, as security for the full performance of all of Tenant's obligations under this Lease, to be held and applied in the manner specified for security in Article 8.

11.08. If Tenant shall propose to assign or in any manner transfer this Lease or any interest therein, or sublet the Demised Premises or any part or parts thereof, or grant any concession or license or otherwise permit occupancy of all or any part of the Demised Premises by any person, Tenant shall give notice thereof to Landlord, together with a copy of the proposed instrument that is to accomplish same and such financial and other information pertaining to the proposed assignee, transferee, subtenant, concessionaire or licensee as Landlord shall require. If Landlord consents to the subject transaction or if Landlord's consent is not required to same, if Tenant does not consummate the subject transaction within 60 days, Tenant shall again be required to comply with the provisions of this Section 11.08 in connection with any such transaction as if the notice by Tenant referred to above in this Section 11.08 had not been given. Notwithstanding anything contained in this Lease to the contrary, Landlord shall not be obligated to entertain or consider any request by Tenant to consent to any proposed assignment of this Lease or sublet of all or any part of the Demised Premises unless each request by Tenant is accompanied by a non-refundable fee-payable to Landlord in the amount of One Thousand Dollars ($1,000.00) to cover Landlord's administrative, legal, and other costs and expenses incurred in processing each of Tenant's requests. Neither Tenant's payment nor Landlord's acceptance of the foregoing fee shall be construed to impose any obligation whatsoever upon Landlord to consent to Tenant's request.

ARTICLE 12—COMPLIANCE WITH LAWS

12.01. Tenant shall comply with all Legal Requirements which shall, in respect of the Demised Premises or the use and occupation thereof, or the abatement of any nuisance in, on or about the Demised Premises, impose any violation, order or duty on Landlord or Tenant; and Tenant shall pay all the costs, expenses, fines, penalties and damages which may be imposed upon Landlord or any Superior Lessor by reason of or arising out of Tenant's failure to fully and promptly comply with and observe the provisions of this Section 12.01. However, Tenant need not comply with any such law or requirement of any public authority so long as Tenant shall be contesting the validity thereof, or the applicability thereof to the Demised Premises, in accordance with Section 12.02. Landlord represents that as of the date hereof it has not received any open uncured violations of Legal Requirements applicable to the Demised Premises and in the event any such violations are received prior to the Commencement Date, Landlord shall be responsible to cure same at its sole cost and expense unless arising as a result of any action of Tenant or any entity-acting on behalf of Tenant. Tenant's obligation to comply with Legal Requirements shall not extend to Building systems, the structural aspects of the Building or structural aspects of the Common Areas unless resulting from Tenant's particular manner of use of the Demised Premises (as opposed to the mere use of the Demised Premises for the Permitted Use set forth herein).

12.02. Tenant may contest, by appropriate proceedings prosecuted diligently and in good faith, the validity, or applicability to the Demised Premises, of any Legal Requirement, provided that (a) Landlord shall not be subject to criminal penalty or to prosecution for a crime or offense, and neither the Demised Premises nor any part thereof shall be subject to being condemned or vacated, by reason of non-compliance or otherwise by reason of such contest; (b) such non-compliance or contest shall not constitute or result in any violation of any Superior Lease or Superior Mortgage, or if any such Superior Lease and/or Superior Mortgage shall permit such non-compliance or contest on condition of the taking of action or furnishing of security by Landlord, such action shall be taken and such security shall be furnished at the expense of Tenant; and (c) Tenant shall keep Landlord advised as to the status of such proceedings. Without limiting the application of the above, Landlord shall be deemed subject to prosecution for a crime or offense if Landlord, or its managing agent, or any officer, director, partner, shareholder or employee of Landlord or its managing agent, as an individual, is charged with a crime or offense of any kind or degree whatsoever, whether by service of a summons or otherwise, unless such charge is withdrawn before Landlord or its managing agent, or such officer, director, partner, shareholder or employee of Landlord or its managing agent (as the case may be) is required to plead or answer thereto. Notwithstanding anything contained in this Lease to the contrary, Tenant shall not file any Real Estate Tax Appeal with respect to the Land, Building or the Demised Premises.

12.03. So long as Tenant shall not be in default hereunder beyond any applicable notice and/or cure periods, after the Tenant's Fraction is 100%, except for any Closed Period (as hereinafter defined), Tenant shall have the right to file a Real Estate Tax appeal with respect to the Demised Premises, subject to the following terms and provisions: In the event any Real Estate Tax appeal is filed by Tenant (either with or without the consent of Landlord): (i) Tenant shall provide Landlord with written notice of Tenant's intention to file such tax appeal not less than fifteen (15)

days prior to the filing of same and Tenant shall provide Landlord with copies of all filings and all appraisal reports and discovery obtained in connection therewith, (ii) Landlord reserves the right, but not the obligation, to prosecute such appeal itself on written notice to Tenant and, in such case, Landlord shall prosecute such appeal with commercially reasonable diligence, (iii) any such appeal by Tenant shall be at Tenant's sole cost and expense and Tenant shall indemnify Landlord against the cost thereof and against all liability for damages, interest, penalties and expenses (including experts' and attorneys' fees and expenses), resulting from or incurred in connection with such appeal, including but not limited to any increase in Real Estate Taxes resulting therefrom, (iv) Tenant shall keep Landlord advised as to the status of such proceedings filed by Tenant, (v) Landlord is not obligated to provide Tenant with copies of other leases or rental information relative to other properties owned by Landlord, and (vi) Tenant shall have no right to settle for any period beyond the expiration of the Term without Landlord's consent which may be withheld in Landlord's sole discretion. In the event that Landlord receives a refund or credit for Real Estate Taxes from any taxing authority for any period in respect to which Tenant paid such Real Estate Taxes, Landlord shall promptly notify Tenant thereof and, provided that Tenant shall not then be in default hereunder beyond any applicable notice and/or cure period, refund to Tenant, the net amount of such refund or credit, after deducting Landlord's costs incurred in securing such refund or credit. In the event Tenant obtains directly from any taxing authority any refund in connection with any such tax appeal, such refund shall be paid over to Landlord and Landlord shall refund Tenant, the net amount of such refund or credit, after deducting Landlord's costs incurred in securing such refund or credit. Notwithstanding anything contained herein to the contrary, (x) Tenant shall only be required to reimburse Landlord for the cost of any Real Estate Tax Appeal (including, specifically, without limitation, reasonable and customary attorneys fees) undertaken by Landlord (whether or not at the request of, or with the permission of Tenant) which results in lowered assessment and/or reduction and/or freeze and/or refund of Real Estate Taxes in respect to of the Demised Premises (but only to the extent of such reduction, or refund, as the case may be), and (y) Tenant shall be required to reimburse Landlord for its out-of-pocket cost of any Real Estate Tax Appeal (including, specifically, without limitation, appraisal fees) undertaken by Landlord at the request of or with the permission of Tenant and such Real Estate Tax Appeal is unsuccessful. For the purposes hereof "Closed Period" shall mean the final year of the Term. The parties' respective obligations with respect to the proceeds or refunds or payments under this Section 12.03 shall survive the expiration or sooner termination of the Term of this Lease.

ARTICLE 13—INSURANCE AND INDEMNITY

13.01. Landlord shall maintain or cause to be maintained All Risk insurance in respect of the Building and other improvements on the Land normally covered by such insurance (except for the property Tenant is required to cover with insurance under Section 13.02 and similar property of other tenants and occupants of the Building or buildings and other improvements which are on land neither owned by nor leased to Landlord) for the benefit of Landlord, any Superior Lessors, any Superior Mortgagees and any other parties Landlord may at any time and from time to time designate, as their interests may appear, but not for the benefit of Tenant, and shall maintain rent insurance as required by any Superior Lessor or any Superior Mortgagee. The All Risk insurance will be in the amounts required by any Superior Lessor or any Superior Mortgagee but not less than the amount sufficient to avoid the effect of the co-insurance provisions of the applicable policy or policies. Landlord may also maintain any other forms and types of insurance which Landlord shall deem reasonable in respect of the Building and Land. Landlord shall have the right to provide any insurance maintained or caused to be maintained by it under blanket policies.

13.02. Tenant shall maintain the following insurance: (a) commercial general liability insurance in respect of the Demised Premises and the conduct and operation of business therein, having a limit of liability not less than a $[******] per occurrence for bodily injury or property damage, coverage to include but not be limited to premises/operations, completed operations, contractual liability and product liability, (b) automobile liability insurance covering all owned, hired and non-owned vehicles used by the Tenant in connection with the premises and any loading or unloading of such vehicles, with a limit of liability not less than $[******] per accident and (c) worker's compensation and employers liability insurance as required by statutes; (d) All Risk insurance in respect of loss or damage to Tenant's stock in trade, fixtures, furniture, furnishings, removable floor coverings, equipment, signs and all other property of Tenant in the Demised Premises in an amount equal to the full replacement value thereof as same might increase from time to time or such higher amount as either may be required by the holder of any fee mortgage, or is necessary to prevent Landlord and/or Tenant from becoming a co-insurer. Such insurance shall include coverage for property of others in the care, custody and control of Tenant in amounts sufficient to cover the replacement value of such property, to the extent of Tenant's liability therefor; and (e) such other insurance as Landlord may reasonably require, provided such requirements are customary for similar real estate in the geographical area. Landlord may at any time and from time to time require that the limits for the general liability insurance to be maintained by Tenant be increased to the limits that new tenants in the Building are required by Landlord to maintain, provided such requirements are customary for similar real estate in the geographical area. Tenant shall deliver to Landlord and any additional insured(s) certificates for such fully paid-for policies upon execution hereof. Tenant shall procure and pay for renewals of such insurance from time to time before the expiration thereof, and Tenant shall deliver to Landlord and any additional insured(s) certificates therefor at least thirty (30) days before the expiration of any existing policy. All such policies shall be issued by companies reasonably acceptable to Landlord, having a Bests Rating of not less than A, Class VII (or an equivalent S&P rating if requested by Landlord), and licensed to do business in New Jersey, and all such policies shall contain a provision whereby the same cannot be canceled unless Landlord and any additional insured(s) are given at least thirty (30) days' prior written notice of such cancellation. The policies and certificates of insurance (such certificates to be on Acord form 27 or its equivalent) to be delivered to Landlord by Tenant pursuant to this Section 13.02 (other than workers compensation insurance) shall name Landlord as an additional insured and, at Landlord's request, shall also name any Superior Lessors or Superior Mortgagees as additional insureds, and the following phrase must be typed on the certificate of insurance: "Hartz Mountain Industries, Inc., and its respective subsidiaries, affiliates, associates, joint ventures, and partnerships, and (if Landlord has so requested) Superior Lessors and Superior Mortgagees are hereby named as additional insureds as their interests may appear. It is intended for this insurance to be primary and non-contributing." Tenant shall give Landlord at least thirty (30) days' prior written notice that any such policy is being canceled or replaced. It is agreed that $[******] of Tenant's $[******] commercial general liability insurance requirement may be satisfied through use of an "umbrella" type policy.

13.03. Tenant shall not do, permit or suffer to be done any act, matter, thing or failure to act in respect of the Demised Premises or use or occupy the Demised Premises or conduct or operate Tenant's business in any manner objectionable to any insurance company or companies whereby, as a result in a change in Insurance Requirements and/or Legal Requirements from those in effect on the date hereof, the fire insurance or any other insurance then in effect in respect of the Land and Building or any part thereof shall become void or suspended or whereby any premiums in respect of insurance maintained by Landlord shall be higher than those which would normally have been in effect for the occupancy contemplated under the Permitted Uses. In case of a breach of the provisions of this Section 13.03, in addition to all other rights and remedies of Landlord hereunder, Tenant shall (a) indemnify Landlord and the Superior Lessors and hold Landlord and the Superior Lessors harmless from and against any loss which would have been covered by insurance which shall have become void or suspended because of such breach by Tenant and (b) pay to Landlord any and all increases of premiums on any insurance, including, without limitation, rent insurance, resulting from any such breach.

13.04. Tenant shall indemnify and hold harmless Landlord and all Superior Lessors and its and their respective partners, joint venturers, directors, officers, agents, servants and employees from and against any and all claims arising from or in connection with (a) the conduct or management of the Demised Premises or of any business therein, or any work or thing whatsoever done, or any condition created (other than by Landlord) in the Demised Premises during the Term or during the period of time, if any, prior to the Commencement Date that Tenant may have been given access to the Demised Premises; (b) any act, omission or negligence of Tenant or any of its subtenants or licensees or its or their partners, joint venturers, directors, officers, agents, employees or contractors; (c) any accident, injury or damage whatever (unless caused solely by Landlord's negligence) occurring in the Demised Premises; and (d) any breach or default by Tenant in the full and prompt payment and performance of Tenant's obligations under this Lease; together with all costs, expenses and liabilities incurred in or in connection with each such claim or action or proceeding brought thereon, including, without limitation, all attorneys' fees and expenses. In case any action or proceeding is brought against Landlord and/or any Superior Lessor and/or its or their partners, joint venturers, directors, officers, agents and/or employees in connection with conduct or management of the Demised Premises or by reason of any claim referred to above, Tenant, upon notice from Landlord or such Superior Lessor, shall, at Tenant's cost and expense, resist and defend such action or proceeding by counsel reasonably satisfactory to Landlord.

13.05. Neither Landlord nor any Superior Lessor shall be liable or responsible for, and Tenant hereby releases Landlord and each Superior Lessor from, all liability and responsibility to Tenant and any person claiming by, through or under Tenant, by way of subrogation or otherwise, for any injury, loss or damage to any person or property in or around the Demised Premises or to Tenant's business irrespective of the cause of such injury, loss or damage, and Tenant shall require its insurers to include in all of Tenant's insurance policies which could give rise to a right of subrogation against Landlord or any Superior Lessor a clause or endorsement whereby the insurer waives any rights of subrogation against Landlord and such Superior Lessors or permits the insured, prior to any loss, to agree with a third party to waive any claim it may have against said third party without invalidating the coverage under the insurance policy.

ARTICLE 14—RULES AND REGULATIONS

14.01. Tenant and its employees and agents shall faithfully observe and comply with the Rules and Regulations and such reasonable changes therein (whether by modification, elimination or addition) as Landlord at any time or times hereafter may make and communicate to Tenant, which in Landlord's judgment, shall be necessary for the reputation, safely, care or appearance of the Land and Building, or the preservation of good order therein, or the operation or maintenance of the Building or its equipment and fixtures, or the Common Areas, and which do not unreasonably affect the conduct of Tenant's business in the Demised Premises; provided, however, that in case of any conflict or inconsistency between the provisions of this Lease and any of the Rules and Regulations, the provisions of this Lease shall control. Nothing in this Lease contained shall be construed to impose upon Landlord any duty or obligation to enforce the Rules and Regulations against any other tenant or any employees or agents of any other tenant, and Landlord shall not be liable to Tenant for violation of the Rules and Regulations by any other tenant or its employees, agents, invitees or licensees.

ARTICLE 15—ALTERATIONS AND SIGNS

15.01. Tenant shall not make any alterations or additions to the Demised Premises, or make any holes or cuts in the walls, ceilings, roofs, or floors thereof, or change the exterior color or architectural treatment of the Demised Premises, without on each occasion first obtaining the consent of Landlord. Notwithstanding the foregoing, Landlord shall not unreasonably withhold, condition or delay its consent for alterations that are non-structural in nature and do not involve or affect the mechanical systems of the Demised Premises or Building and having a cost of less than $100,000.00. Tenant shall submit to Landlord plans and specifications for such work at the time Landlord's consent is sought. Tenant shall pay to Landlord upon demand the reasonable out of pocket cost and expense of Landlord in (a) reviewing said plans and specifications and (b) inspecting the alterations to determine whether the same are being performed in accordance with the approved plans and specifications and all Legal Requirements and Insurance Requirements, including, without limitation, the fees of any architect or engineer employed by Landlord for such purpose. Tenant shall fully and promptly comply with and observe all reasonable Rules and Regulations then in force in respect of the making of alterations. Any review or approval by Landlord of any plans and/or specifications with respect to any alterations is solely for Landlord's benefit, and without any representation or warranty whatsoever to Tenant in respect of the adequacy, correctness or efficiency thereof or otherwise.

15.02. Tenant shall obtain all necessary governmental permits and certificates for the commencement and prosecution of permitted alterations and for final approval thereof upon completion, and shall cause alterations to be performed in compliance therewith and with all applicable Legal Requirements and Insurance Requirements. Alterations shall be diligently-performed in a good and workmanlike manner. Alterations shall be performed by contractors first approved by Landlord; provided, however, that any alterations in or to the mechanical, electrical, sanitary, heating, ventilating, air conditioning or other systems of the Building shall be performed only by the contractor(s) designated by Landlord provided the costs for their services are reasonably competitive. Alterations shall be made in such manner as not to unreasonably interfere with or delay and as not to impose any additional expense upon Landlord in the construction, maintenance, repair or operation of the Building; and if any such additional expense shall be incurred by Landlord as a result of Tenant's making of any alterations, Tenant shall pay any such additional expense upon demand. Throughout the making of alterations, Tenant shall carry, or cause to be carried, worker's compensation insurance in statutory limits and general liability insurance, with completed operation endorsement, for any occurrence in or about the Building, under which Landlord and its managing agent and any Superior Lessor whose name and

address shall previously have been furnished to Tenant shall be named as parties insured, in such limits as Landlord may reasonably require, with insurers reasonably satisfactory to Landlord. Tenant shall furnish Landlord with reasonably satisfactory evidence that such insurance is in effect at or before the commencement of alterations and, on request, at reasonable intervals thereafter during the making of alterations.

15.03. Tenant shall not place any signs on the roof, exterior walls or grounds of the Demised Premises without first obtaining Landlord's written consent thereto, provided however that Landlord's consent shall not be unreasonably withheld or delayed with respect to Tenant's request to place signage on the exterior walls of the Demised Premises and a locator or pathfinder sign at or near the driveway entryway, all in compliance with Legal Requirements. In placing any signs on or about the Demised Premises, Tenant shall, at its expense, comply with all applicable Legal Requirements and obtain all required permits and/or licenses.

ARTICLE 16—LANDLORD'S AND TENANT'S PROPERTY

16.01. All fixtures, equipment, improvements and appurtenances attached to or built into the Demised Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant, shall be and remain a part of the Demised Premises, shall be deemed to be the property of Landlord and shall not be removed by Tenant, except as provided in Section 16.02. Further, any carpeting or other personal properly in the Demised Premises on the Commencement Date, unless installed and paid for by Tenant, shall be and shall remain Landlord's property and shall not be removed by Tenant.

16.02. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment, whether or not attached to or built into the Demised Premises, which are installed in the Demised Premises by or for the account of Tenant without expense to Landlord and can be removed without structural damage to the Building and all furniture, furnishings, and other movable personal property owned by Tenant and located in the Demised Premises (collectively, "Tenant's Property") shall be and shall remain the properly of Tenant and may be removed by Tenant at any time during the Term; provided that if any of the Tenant's Property is removed. Tenant shall repair or pay the cost of repairing any damage to the Demised Premises, the Building or the Common Areas resulting from the installation and/or removal thereof.

16.03. At or before the Expiration Date or the date of any earlier termination of this Lease, or within thirty (30) days after such an earlier termination date, Tenant shall remove from the Demised Premises all of the Tenant's Property (except such items thereof as Landlord shall have expressly permitted to remain, which property shall become the property of Landlord if not removed), and Tenant shall repair any damage to the Demised Premises, the Building and the Common Areas resulting from any installation and/or removal of the Tenant's Property. Any items of the Tenant's Property which shall remain in the Demised Premises after the Expiration Date or after a period of thirty (30) days following an earlier termination date, may, at the option of Landlord, be deemed to have been abandoned, and in such case such items may be retained by Landlord as its property or disposed of by Landlord, without accountability, in such manner as Landlord shall determine at Tenant's expense.

16.04. At or before the Expiration Date or the date of any earlier termination of this Lease, or within twenty one (21) days after such an earlier termination date, Tenant shall, at Tenant's sole cost and expense, remove from the Demised Premises such rack system as may be installed in the Demised Premises and Tenant shall repair any damage to the Demised Premises, the Building and the Common Areas resulting from any installation and/or removal thereof. Such removal, if any, shall be in accordance with the following procedures, unless Landlord shall advise Tenant to the contrary by written notice to Tenant:

Core a hole centered over the anchor bolt with a core bit 1.5 times larger than the bolt to be removed, but in no event smaller than 1" in diameter.

Core hole shall be drilled to a depth equal to the bolt depth, but not less than 2" deep.

Remove the cored concrete with the anchor bolt from the hole. Clean all concrete slurry and debris from area to be patched.

Fill the cored hole with a polymer-modified non-shrink mortar, specifically SikaTop 122 or Master Builders Ceilcote 648 CP, or equivalent, and finish to match surrounding concrete surface.

ARTICLE 17—REPAIRS AND MAINTENANCE

17.01. Tenant shall, throughout the Term, take good care of the Demised Premises, the fixtures and appurtenances therein, and shall not do, suffer, or permit any waste with respect thereto. Tenant shall keep and maintain the Demised Premises including without limitation all building equipment, windows, doors, loading bay doors and shelters, plumbing and electrical systems, healing, ventilating and air conditioning ("HVAC") systems exclusively servicing the Demised Premises (excluding the current warehouse AC systems) (whether located in the interior of the Demised Premises or on the exterior of the Building) in a clean and orderly condition. Tenant shall, at Landlord's option, keep and maintain in a clean and orderly condition all HVAC systems (excluding the current warehouse AC systems) and any other mechanical or other systems exclusively serving the Demised Premises which are located in whole or in part outside of the Demised Premises (it being understood and agreed that if Landlord shall elect to keep and maintain said systems, then the cost of same shall be invoiced to and paid by Tenant). Tenant shall keep and maintain all exterior components of any windows, doors, loading bay doors and shelters serving the Demised Premises in a clean and orderly condition. The phrase "keep and maintain" as used herein includes repairs, replacement and/or restoration as appropriate. Tenant shall not permit or suffer any over-loading of the floors of the Demised Premises. Tenant shall be responsible for all repairs, interior and exterior, structural and nonstructural, ordinary and extraordinary, in and to the Demised Premises, and the Building (including the facilities and systems thereof) and the Common Areas the need for which arises out of (a) the performance or existence of the Tenant's Work or alterations, (b) the installation, use or operation of the Tenant's Property in the Demised Premises, (c) the moving of the Tenant's Property in or out of the Building, or (d) the act, omission, misuse or neglect of Tenant or any of its subtenants or its or their employees, agents, contractors or invitees. Upon request by Landlord, Tenant shall furnish Landlord with true and complete copies of maintenance contracts and with copies of all invoices for work performed, confirming Tenant's compliance with its obligations under this Article. In the event Tenant fails to furnish such copies.

Landlord shall have the right, at Tenant's cost and expense, to conduct such inspections or surveys as may be required to determine whether or not Tenant is in compliance with this Article and to have any work required of Tenant performed at Tenant's cost and expense. Tenant shall promptly replace all scratched, damaged or broken doors and glass in and about the Demised Premises and shall be responsible for all repairs, maintenance and replacement of wall and floor coverings in the Demised Premises and for the repair and maintenance of all sanitary and electrical fixtures and equipment therein. The Tenant shall also arrange for its own cleaning services and rubbish removal, subject to the right of Landlord, at Landlord's option to perform such services and include the cost of such services in Operating Expenses. Tenant shall promptly make all repairs in or to the Demised Premises for which Tenant is responsible, and any repairs required to be made by Tenant to the mechanical, electrical, sanitary, heating, ventilating, air-conditioning or other systems of the Building shall be performed only by contractor(s) approved by Landlord,

17.02. So long as Tenant is not in default under this Lease beyond any applicable notice and cure periods, Landlord shall make all structural repairs and replacements, including, specifically, the roof and roof membrane (except as hereinabove provided in Section 17.01) and the cost thereof shall be included in Operating Expenses, for which Tenant shall pay Tenant's Fraction. Landlord shall keep and maintain the Common Areas and shall procure landscaping and snow removal services for the Building and the cost thereof shall be an Additional Charge, for which Tenant shall pay its then existing Tenant's Fraction thereof.

17.03. Tenant shall not permit or suffer the overloading of the floors of the Demised Premises beyond 250 pounds per square foot for warehouse portion and 80 pounds per square foot for office portion, or lesser amount as may be applicable to any mezzanine area.

17.04. Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant, nor shall Tenant's covenants and obligations under this Lease be reduced or abated in any manner whatsoever, by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's doing any repairs, maintenance, or changes which Landlord is required or permitted by this Lease, or required by Law, to make in or to any portion of the Building.

ARTICLE 18—UTILITY CHARGES

18.01. Tenant shall pay all charges for gas, water, sewer, electricity, heat or other utility or service supplied to the Demised Premises as measured by meters relating to Tenant's use, and any cost of repair, maintenance, replacement, and reading of any meters measuring Tenant's consumption thereof. If any utilities or services are not separately metered or assessed or are only partially separately metered or assessed and are used in common with other tenants or occupants of the Building, Tenant shall pay to Landlord on demand Tenant's proportionate share of such charges for utilities and/or services, which shall be such charges multiplied by a fraction the numerator of which shall be the Floor Space in the Demised Premises and the denominator of which shall be the Floor Space of all tenants and occupants of the Building using such utilities and/or services. In the event Landlord determines that Tenant's utilization of any such service

exceeds the fraction referred to above, Tenant's proportionate share with respect to such service shall, at Landlord's option, mean the percentage of any such service (but not less than the fraction referred to above) which Landlord reasonably estimates as Tenant's utilization thereof. Tenant expressly agrees that Landlord shall not be responsible for the failure of supply to Tenant of any of the aforesaid, or any other utility service. Landlord shall not be responsible for any public or private telephone service to be installed in the space, particularly conduit, if required. If Landlord, or its designee is permitted by law to provide electric energy to the Demised Premises by re-registering meters or otherwise and to collect any charges for electric energy, Landlord or its designee shall have the exclusive right, to do so, in which event Tenant shall pay to Landlord or its designee upon receipt of bills therefor charges for electric energy provided the rates for such electric energy shall not be more than the rates Tenant would be charged for electric energy if furnished directly to Tenant by the public utility which would otherwise have furnished electric energy.

18.02. Tenant's use of electric energy in the Demised Premises shall not at any time exceed the capacity of any of the electrical conductors and equipment in or otherwise serving the Demised Premises. In order to insure that such capacity is not exceeded and to avert possible adverse effect upon the Building's electric service. Tenant shall not, without Landlord's prior consent in each instance (which shall not be unreasonably withheld or delayed), connect any fixtures, appliances or equipment to the Building's electric distribution system or make any alteration or addition to the electric system of the Demised Premises existing on the Commencement Date. Should Landlord grant such consent, all additional risers or other equipment required therefor shall be provided by Landlord and the cost thereof shall be paid by Tenant to Landlord on demand.

18.03. At Landlord's option, Landlord or Landlord's designee shall have the exclusive right, but not the obligation, to install or cause to be installed solar panels or other energy generating equipment on the Building (including but not limited to the roof thereof) for purposes of furnishing in whole or in part electric energy to the Building (herein an "Energy System"). Tenant shall provide Landlord or its designee with access to the Demised Premises for the installation, maintenance and repair of such Energy System as Landlord or its designee may require. If installed, such Energy System shall (either itself or together with such service provided by a public utility provider) meet the minimum service provided to the Building immediately prior to the installation of such Energy System. In the event Landlord elects to install or cause such Energy System to be installed, Tenant shall purchase electric energy for the Demised Premises from Landlord or its designee and Tenant shall pay the charges established by Landlord or its designee for such service from time to time, but not in excess of the rates payable by Tenant from a third party public utility provider having service available to the Building. Landlord also reserves the right to discontinue furnishing electric energy at any time whether or not Tenant is in default of this Lease upon not less than sixty (60) days' notice to Tenant provided that Tenant exercising reasonable efforts shall be able to obtain such electric energy directly from the provider within that time period.

ARTICLE 19—ACCESS, CHANGES AND NAME

19.01. Except for the space within the inside surfaces of all walls, hung ceilings, floors, windows and doors bounding the Demised Premises, all of the Building, including, without limitation, exterior Building walls, core corridor walls and doors and any core corridor entrance, any terraces or roofs adjacent to the Demised Premises, and any space in or adjacent to the Demised Premises used for shafts, stacks, pipes, conduits, fan rooms, ducts, electric or other utilities, sinks or other Building facilities and the use thereof, as well as access thereto through the Demised Premises for the purpose of operating, maintenance, decoration and repair, are reserved to Landlord. Prior to the time that the Tenant's Fraction is 100%, Landlord also reserves the right, to install, erect, use and maintain pipes, ducts and conduits in and through the Demised Premises, provided such are properly enclosed and do not materially interfere with Tenant's use or occupancy of the Demised Premises.

19.02. Landlord and its agents shall have the right, upon prior notice to Tenant (which in this instance need not be in writing) and without interfering with the business of Tenant to enter and/or pass through the Demised Premises at any time or times (a) to examine the Demised Premises and to show them to actual and prospective Superior Lessors, Superior Mortgagees, or prospective purchasers of the Building, and (b) to make such repairs, alterations, additions and improvements in or to the Demised Premises and/or in or to the Building or its facilities and equipment as Landlord is required or desires to make. Landlord shall be allowed to take all materials into and upon the Demised Premises that may be required in connection therewith, without any liability to Tenant and without any reduction of Tenant's obligations hereunder. Landlord agrees that any such access shall not materially interfere with the business of Tenant (except in the event of an emergency). During the period of ten (10) months prior to the Expiration Date (unless Tenant has exercised any option hereunder to extend the Lease), Landlord and its agents may exhibit the Demised Premises to prospective tenants.

19.03. If at any time any windows of the Demised Premises are temporarily darkened or obstructed by reason of any repairs, improvements, maintenance and/or cleaning in or about the Building, or if any part of the Building or the Common Areas, other than the Demised Premises, is temporarily or permanently closed or inoperable, the same shall not be deemed a constructive eviction and shall not result in any reduction or diminution of Tenant's obligations under this Lease. Any such activities performed by or on behalf of Landlord shall be performed in such a manner that it does not materially interfere with Tenant's use or occupancy of the Demised Premises.

19.04. Landlord reserves the right, at any time and from time to time, to make such changes, alterations, additions and improvements in or to the Building and the fixtures and equipment thereof as Landlord shall deem necessary or desirable.

19.05. Prior to the time that the Tenant's Fraction is 100%, Landlord may adopt any name for the Building. Prior to the time that the Tenant's Fraction is 100%, Landlord reserves the right to change the name and/or address of the Building at any time.

ARTICLE 20—MECHANICS' LIENS AND OTHER LIENS

20.01. Nothing contained in this Lease shall be construed to imply any consent of Landlord to subject Landlord's interest or estate to any liability under any mechanic's, construction or other lien law. If any lien or any Notice of Intention (to file a lien), Lis Pendens, or Notice of Unpaid Balance and Right to File Lien is filed against the Land, the Building, or any part thereof, or the Demised Premises, or any part thereof, for any work, labor, services or materials claimed to have been performed or furnished for or on behalf of Tenant, or anyone holding any part of the Demised Premises through or under Tenant, Tenant shall cause the same to be canceled and discharged of record by payment, bond or order of a court of competent jurisdiction within thirty (30) days after notice by Landlord to Tenant.

ARTICLE 21—NON-LIABILITY AND INDEMNIFICATION

21.01. Neither Landlord nor any partner, joint venturer, director, officer, agent, servant or employee of Landlord shall be liable to Tenant for any loss, injury or damage to Tenant or to any other Person, or to its or their property, irrespective of the cause of such injury, damage or loss, unless caused by or resulting from the negligence of Landlord, its agents, servants or employees in the operation or maintenance of the Land or Building without contributory negligence on the part of Tenant or any of its subtenants or licensees or its or their employees, agents or contractors. Further, neither Landlord nor any partner, joint venturer, director, officer, agent, servant or employee of Landlord shall be liable (a) for any such damage caused by other tenants or Persons in, upon or about the Land or Building, or caused by operations in construction of any private, public or quasi-public work; or (b) even if negligent, for consequential damages arising out of any loss of use of the Demised Premises or any equipment or facilities therein by Tenant or any Person claiming through or under Tenant.

21.02. Tenant shall indemnify and hold harmless Landlord and all Superior Lessors and its and their respective partners, joint venturers, directors, officers, agents, servants and employees from and against any and all claims arising front or in connection with (a) the conduct or management of the Demised Premises or of any business therein, or any work or thing whatsoever done, or any condition created (other than by Landlord) in the Demised Premises during the Term or during the period of time, if any, prior to the Commencement Date that Tenant may have been given access to the Demised Premises; (b) any act, omission or negligence of Tenant or any of its subtenants or licensees or its or their partners, joint venturers, directors, officers, agents, employees or contractors; (c) any accident, injury or damage whatever (unless caused solely by Landlord's negligence) occurring in the Demised Premises; and (d) any breach or default by Tenant in the full and prompt payment and performance of Tenant's obligations under this Lease; together with all costs, expenses and liabilities incurred in or in connection with each such claim or action or proceeding brought thereon, including, without limitation, all attorneys' fees and expenses. In case of any action or proceeding is brought against Landlord and/or any Superior Lessor and/or its or their partners, joint venturers, directors, officers, agents and/or employees by reason of any such claim, Tenant, upon notice from Landlord or such Superior Lessor, shall resist and defend such action or proceeding (by counsel reasonably satisfactory to Landlord).

21.03. Notwithstanding any provision to the contrary, Tenant shall look solely to the estate and property of Landlord in and to the Land and Building (or the proceeds received by Landlord on a sale of such estate and property but not the proceeds of any financing or refinancing thereof) in the event of any claim against Landlord arising out of or in connection with this Lease, the relationship of Landlord and Tenant or Tenant's use of the Demised Premises or the Common Areas, and Tenant agrees that the liability of Landlord arising out of or in connection with this Lease, the relationship of Landlord and Tenant or Tenant's use of the Demised Premises or the Common Areas shall be limited to such estate and property of Landlord (or sale proceeds). No other properties or assets of Landlord or any partner, joint venturer, director, officer, agent, servant

or employee of Landlord shall be subject to levy, execution or other enforcement procedures for the satisfaction of any judgment (or other judicial process) or for the satisfaction of any other remedy of Tenant arising out of, or in connection with, this Lease, the relationship of Landlord and Tenant or Tenant's use of the Demised Premises or the Common Areas and if Tenant shall acquire a lien on or interest in any other properties or assets by judgment or otherwise, Tenant shall promptly release such lien on or interest in such other properties and assets by executing, acknowledging and delivering to Landlord an instrument to that effect prepared by Landlord's attorneys.

ARTICLE 22—DAMAGE OR DESTRUCTION

22.01. If the Building or the Demised Premises shall be partially or totally damaged or destroyed by fire or other casualty (and if this Lease shall not be terminated as in this Article 22 hereinafter provided), Landlord shall repair the damage and restore and rebuild the Building and/or the Demised Premises (except for the Tenant's Property) with reasonable dispatch after notice to it of the damage or destruction and the collection of the insurance proceeds attributable to such damage.

22.02. Subject to the provisions of Section 22.05, if all or part of the Demised Premises shall be damaged or destroyed or rendered completely or partially untenantable on account of fire or other casualty, the Rent shall be abated or reduced, as the case may be, in the proportion that the untenantable area of the Demised Premises bears to the total area of the Demised Premises (to the extent of rent insurance proceeds received by the Landlord) for the period from the date of the damage or destruction to (a) the date the damage to the Demised Premises shall be substantially repaired, or (b) if the Building and not the Demised Premises is so damaged or destroyed, the date on which the Demised Premises shall be made tenantable; provided, however, should Tenant reoccupy a portion of the Demised Premises during the period the repair or restoration work is taking place and prior to the date that the Demised Premises arc substantially repaired or made tenantable the Rent allocable to such reoccupied portion, based upon the proportion which the area of the reoccupied portion of the Demised Premises bears to the total area of the Demised Premises, shall be payable by Tenant from the date of such occupancy.

22.03. If (a) the Building or the Demised Premises shall be totally damaged or destroyed by fire or other casualty, or (b) the Building shall be so damaged or destroyed by fire or other casualty (whether or not the Demised Premises are damaged or destroyed) that its repair or restoration requires the expenditure, as estimated by a reputable contractor or architect designated by Landlord, of more than twenty percent (20%) (or ten percent [10%] if such casually occurs during the last year of the Term) of the full insurable value of the Building immediately prior to the casualty, or (c) the Building shall be damaged or destroyed by fire or other casualty (whether or not the Demised Premises are damaged or destroyed) and either the loss shall not be covered by Landlord's insurance or the net insurance proceeds (after deducting all expenses in connection with obtaining such proceeds) shall, in the estimation of a reputable contractor or architect designated by Landlord be insufficient to pay for the repair or restoration work, then in either such case Landlord may terminate this Lease by giving Tenant notice to such effect within ninety (90) days after the date of the fire or other casualty. Upon request by Tenant, Landlord shall advise Tenant of Landlord's reasonably estimated completion date of such restoration (the "Landlord's Advise") and if such date is more than twelve (12) months following the date of casualty, provided Tenant's

grossly negligent or intentional acts were not cause of such casualty, Tenant shall have the right to terminate this Lease upon fifteen (15) days prior notice to Landlord, given within thirty (30) days of Landlord's Advise. In addition, in the event the Demised Premises are not substantially restored on or before the later of the estimated date specified in the Landlord's Advise, if any, or twelve (12) months following the date of casually, provided Tenant's grossly negligent or intentional acts were not the cause of such casualty. Tenant shall have the right to terminate this Lease upon thirty (30) days prior notice to Landlord, if given within the later of thirty (30) days following the estimated date specified in Landlord's Advise, or thirteen (13) months following the date of casually, provided Tenant's grossly negligent or intentional acts were not the cause of such casualty.

22.04. Except as provided in the preceding section, Tenant shall not be entitled to terminate this Lease and no damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance arising from any repair or restoration of any portion of the Demised Premises or of the Building pursuant to this Article 22. Landlord shall use its best efforts to make such repair or restoration promptly and in such manner as not unreasonably to interfere with Tenant's use and occupancy of the Demised Premises, but Landlord shall not be required to do such repair or restoration work except during Landlord's business hours on business days.

22.05. Landlord will not carry insurance of any kind on the Tenant's Property and, except as provided by law or by reason of Landlord's breach of any of its obligations hereunder, shall not be obligated to repair any damage to or replace the Tenant's Property.

22.06. The provisions of this Article 22 shall be deemed an express agreement governing any case of damage or destruction of the Demised Premises and/or Building by fire or other casualty, and any law providing for such a contingency in the absence of an express agreement, now or hereafter in force, shall have no application in such case.

ARTICLE 23—EMINENT DOMAIN

23.01. If the whole of the Demised Premises shall be taken by any public or quasi-public authority under the power of condemnation, eminent domain or expropriation, or in the event of conveyance of the whole of the Demised Premises in lieu thereof, this Lease shall terminate as of the day possession shall be taken by such authority. If 25% or less of the Floor Space of the Demised Premises shall be so taken or conveyed, this Lease shall terminate only in respect of the part so taken or conveyed as of the day possession shall be taken by such authority. If more than 25% of the Floor Space of the Demised Premises shall be so taken or conveyed, this Lease shall terminate only in respect of the part so taken or conveyed as of the day possession shall be taken by such authority, but cither party shall have the right to terminate this Lease upon notice given to the other party within 30 days after such taking possession. If more than 25% of the Floor Space of the Building shall be so taken or conveyed, Landlord may, by notice to Tenant, terminate this Lease as of the day possession shall be taken. If so much of the parking facilities shall be so taken or conveyed that the number of parking spaces necessary, in Tenant's reasonable judgment, for the continued operation of the Demised Premises shall not be available, Tenant may, by notice to Landlord, terminate this Lease as of the day possession shall be taken. If this Lease shall continue in effect as to any portion of the Demised Premises not so taken or conveyed, the Rent shall be

computed as of the day possession shall be taken on the basis of the remaining Floor Space of the Demised Premises. Except as specifically provided herein, in the event of any such taking or conveyance there shall be no reduction in Rent. If this Lease shall continue in effect, Landlord shall, at its expense, but shall be obligated only to the extent of the net award or other compensation (after deducting all expenses in connection with obtaining same) available to Landlord for the improvements taken or conveyed (excluding any award or other compensation for land or for the unexpired portion of the term of any Superior Lease), make all necessary alterations so as to constitute the remaining Building a complete architectural and tenantable unit, except for the Tenant's Property, and Tenant shall make all alterations or replacements to the Tenant's Property and decorations in the Demised Premises. All awards and compensation for any taking or conveyance, whether for the whole or a part of the Land or Building, the Demised Premised or otherwise, shall be the property of Landlord, and Tenant hereby assigns to Landlord all of Tenant's right, title and interest in and to any and all such awards and compensation, including, without limitation, any award or compensation for the value of the unexpired portion of the Term. Tenant shall be entitled to claim, prove and receive in the condemnation proceeding such award or compensation as may be allowed for the Tenant's Property and for loss of business, good will, and depreciation or injury to and cost of removal of the Tenant's Property, but only if such award or compensation shall be made by the condemning authority in addition to, and shall not result in a reduction of, the award or compensation made by it to Landlord.

23.02. If the temporary use or occupancy of all or any part of the Demised Premises shall be taken during the Term, Tenant shall be entitled, except as hereinafter set forth, to receive that portion of the award or payment for such taking which represents compensation for the use and occupancy of the Demised Premises, for the taking of the Tenant's Property and for moving expenses, and Landlord shall be entitled to receive that portion which represents reimbursement for the cost of restoration of the Demised Premises. This Lease shall be and remain unaffected by such taking and Tenant shall continue to be responsible for all of its obligations hereunder insofar as such obligations are not affected by such taking and shall continue to pay the Rent in full when due. If the period of temporary use or occupancy shall extend beyond the Expiration Date, that part of the award or payment which represents compensation for the use and occupancy of the Demised Premises (or a part thereof) shall be divided between Landlord and Tenant so that Tenant shall receive (except as otherwise provided below) so much thereof as represents compensation for the period up to and including the Expiration Date and Landlord shall receive so much thereof as represents compensation for the period after the Expiration Date. All monies to be paid to Tenant as, or as part of, an award or payment for temporary use and occupancy for a period beyond the date to which the Rent has been paid shall be received, held and applied by the first Superior Mortgagee (or if there is no Superior Mortgagee, by Landlord as a trust fund) for payment of the Rent becoming due hereunder.

ARTICLE 24—SURRENDER

24.01. On the Expiration Date, or upon any earlier termination of this Lease, or upon any re-entry by Landlord upon the Demised Premises after an event of default which remains uncured after any applicable notice and cure period. Tenant shall quit and surrender the Demised Premises to Landlord "broom-clean" and in good order, condition and repair, except for ordinary wear and tear and such damage or destruction as Landlord is required to repair or restore under this Lease, and Tenant shall remove all of Tenant's Property therefrom except as otherwise expressly provided in this Lease.

24.02. If Tenant remains in possession of the Demised Premises after the expiration of the Term, Tenant shall be deemed to be occupying the Demised Premises at the sufferance of Landlord subject to all of the provisions of this Lease, except that the monthly Fixed Rent shall be twice the Fixed Rent in effect during the last month of the Term, except the holdover rate for the first month if Landlord is notified prior thereto shall be 150% of such Fixed Rent.

24.03. No act or thing done by Landlord or its agents shall be deemed an acceptance of a surrender of the Demised Premises, and no agreement to accept such surrender shall be valid unless in writing and signed by Landlord.

ARTICLE 25—CONDITIONS OF LIMITATION

25.01. This Lease is subject to the limitation that whenever Tenant or any Guarantor (a) shall make an assignment for the benefit of creditors, or (b) shall commence a voluntary case or have entered against it an order for relief under any chapter of the Federal Bankruptcy Code (Title 11 of the United States Code) or any similar order or decree under any federal or state law, now in existence, or hereafter enacted having the same general purpose, and such order or decree shall have not been stayed or vacated within 60 days after entry, or (c) shall cause, suffer, permit or consent to the appointment of a receiver, trustee, administrator, conservator, sequestrator, liquidator or similar official in any federal, state or foreign judicial or nonjudicial proceeding, to hold, administer and/or liquidate all or substantially all of its assets, and such appointment shall not have been revoked, terminated, stayed or vacated and such official discharged of his duties within 60 days of his appointment, then Landlord, at any time after the occurrence of any such event, may give Tenant a notice of intention to end the Term at the expiration often (10) days from the date of service of such notice of intention, and upon the expiration of said ten (10) day period, whether or not the Term shall theretofore have commenced, this Lease shall terminate with the same effect as if that day were the expiration date of this Lease, but Tenant shall remain liable for damages as provided in Article 27.

25.02. This Lease is subject to the further limitations that: (a) if Tenant shall default in the payment of any Rent and such default shall remain uncured for more than ten (10) days after Landlord gives notice of such default, or (b) if Tenant shall, whether by action or inaction, be in default of any of its obligations under this Lease (other than a default in the payment of Rent) and such default shall continue and not be remedied within thirty (30) days after Landlord shall have given to Tenant a notice specifying the same, or, in the case of a default which cannot with due diligence be cured within a period of thirty (30) days and the continuance of which for the period required for cure will not subject Landlord or any Superior Lessor to prosecution for a crime or offense (as more particularly described in the penultimate sentence of Section 12.02) or termination of any Superior Lease or foreclosure of any Superior Mortgage, if Tenant shall not, (i) within said thirty (30) day period advise Landlord of Tenant’s intention to take all steps necessary to remedy such default, (ii) duly commence within said thirty (30) day period, and thereafter diligently prosecute to completion all steps necessary to remedy the default, and (iii) complete such remedy within a reasonable time after the date of said notice by Landlord, or (c) if any event shall occur or any contingency shall arise whereby this Lease would, by operation of law or

otherwise, devolve upon or pass to any person, firm or corporation other than Tenant, except as expressly permitted by Article 11, or (d) if Tenant shall vacate or abandon the Demised Premises, then in any of said cases Landlord may give to Tenant a notice of intention to end the Term at the expiration of five (5) days from the date of the service of such notice of intention, and upon the expiration of said five (5) days, whether or not the Term shall theretofore have commenced, this Lease shall terminate with the same effect as if that day were the expiration date of this Lease, but Tenant shall remain liable for damages as provided in Article 27.

ARTICLE 26—RE-ENTRY BY LANDLORD

26.01. If Tenant shall default in the payment of any Rent which remains uncured beyond any applicable notice and cure period, or if this Lease shall terminate as provided in Article 25, Landlord or Landlord's agents and employees may immediately or at any time thereafter re-enter the Demised Premises, or any part thereof, either by summary dispossess proceedings or by any suitable action or proceeding at law without being liable to indictment, prosecution or damages therefor, and may repossess the same, and may remove any Person therefrom, to the end that Landlord may have, hold and enjoy the Demised Premises. The word "re-enter," as used herein, is not restricted to its technical legal meaning. If this Lease is terminated under the provisions of Article 25, or if Landlord shall re-enter the Demised Premises under the provisions of this Article 26, or in the event of the termination of this Lease, or of re-entry, by or under any summary dispossess or other proceedings or action or any provision of law by reason of default hereunder on the part of Tenant, Tenant shall thereupon pay to Landlord the Rent payable up to the time of such termination of this Lease, or of such recovery of possession of the Demised Premises by Landlord, as the case may be, and shall also pay to Landlord damages as provided in Article 27.

26.02. In the event of a breach or threatened breach by Tenant of any of its obligations under this Lease. Landlord shall also have the right of injunction. The special remedies to which Landlord may resort hereunder are cumulative and are not intended to be exclusive of any other remedies to which Landlord may lawfully be entitled at any time and Landlord may invoke any remedy allowed at law or in equity as if specific remedies were not provided for herein.

26.03. If this Lease shall terminate under the provisions of Article 25, or if Landlord shall re-enter the Demised Premises under the provisions of this Article 26, or in the event of the termination of this Lease, or of re-entry, by or under any summary dispossess or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant, Landlord shall be entitled to retain all monies, if any, paid by Tenant to Landlord, whether as Advance Rent, security or otherwise, but such monies shall be credited by Landlord against any Rent due from Tenant at. the time of such termination or re-entry or, at Landlord's option, against any damages payable by Tenant under Article 27 or pursuant to law.

ARTICLE 27—DAMAGES

27.01. If this Lease is terminated under the provisions of Article 25 or if Landlord shall reenter the Demised Premises under the provisions of Article 26, or in the event of the termination of this Lease, or of re-entry, by or under any summary dispossess or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant, Tenant shall pay as Additional Charges to Landlord, at the election of Landlord, either or any combination of:

(a) a sum which at the time of such termination of this Lease or at the time of any such re-entry by Landlord, as the case may be, represents the then value of the excess, if any, of (i) the aggregate amount of the Rent which would have been payable by Tenant (conclusively presuming the average monthly Additional Charges to be the same as were the average monthly Additional Charges payable for the year, or if less than 365 days have then elapsed since the Commencement Date, the partial year, immediately preceding such termination or re-entry) for the period commencing with such earlier termination of this Lease or the date of any such re-entry, as the case may be, and ending with the Expiration Date, over (ii) the aggregate rental value of the Demised Premises for the same period; or

(b) sums equal to the Fixed Rent and the Additional Charges which would have been payable by Tenant had this Lease not so terminated, or had Landlord not so re-entered the Demised Premises, payable upon the due dates therefor specified herein following such termination or such re-entry and until the Expiration Dale, provided, however, that if Landlord shall relet the Demised Premises during said period, Landlord shall credit Tenant with the net rents received by Landlord from such reletting, such net rents to be determined by first deducting from the gross rents as and when received by Landlord from such reletting the expenses incurred or paid by Landlord in terminating this Lease or in re-entering the Demised Premises and in securing possession thereof, as well as the expenses of reletting, including, without limitation, altering and preparing the Demised Premises for new tenants, brokers' commissions, legal fees, and all other expenses properly chargeable against the Demised Premises and the rental therefrom, it being understood that any such reletting may be for a period shorter or longer than the period ending on the Expiration Date; but in no event shall Tenant be entitled to receive any excess of such net rents over the sums payable by Tenant to Landlord hereunder, nor shall Tenant be entitled in any suit for the collection of damages pursuant to this subsection (b) to a credit in respect of any rents from a reletting, except to the extent that such net rents are actually received by Landlord. If the Demised Premises or any part thereof should be relet in combination with other space, then proper apportionment on a square foot basis shall be made of the rent received from such reletting and of the expenses of reletting.

If the Demised Premises or any part thereof should be re-let by Landlord before presentation of proof of such damages to any court, commission or tribunal, the amount of rent reserved upon such re-letting shall, prima facie, be the fair and reasonable rental value for the Demised Premises, or part thereof, so re-let during the term of the re-letting. Landlord shall not be liable in any way whatsoever for its failure to re-let the Demised Premises or any part thereof, or if the Demised Premises or any part thereof are re-let, for its failure to collect the rent under such re-letting, and no such failure to re-let or failure to collect rent shall release or affect Tenant's liability for damages or otherwise under this Lease. Landlord shall use commercially reasonable efforts to re-let the Demised Premises to mitigate Landlord's damages. For the purposes hereof, "commercially reasonable efforts" shall mean the following actions, which actions shall create an irrebuttable presumption that Landlord has fulfilled such obligation: (i) Landlord shall include the availability of the Demised Premises in Landlord's leasing flyers sent to brokers (if any), commencing following Landlord's recovery of possession of the Demised Premises, and ending upon re-leasing of the Demised Premises; and (ii) Landlord shall include the availability of the Demised Premises on a website operated by Landlord or its affiliate (if any), commencing following Landlord's recovery of possession of the Demised Premises, and ending upon re-leasing of the Demised Premises; and (iii) Landlord shall hold an "Open House" for the Demised Premises

within forty-five (45) days of Landlord's recovery of possession of the Demised Premises, or (iv) in lieu of (i), (ii) and (iii) of this paragraph, upon Tenant's written request, or at Landlord's option, Landlord shall engage an independent commercial real estate broker to re-let the Demised Premises, the cost and expense of which shall be an element of Landlord's damages in addition to any other damages recoverable pursuant to Section 27.01 hereof. Nothing contained herein shall require Landlord to re-let the Demised Premises prior to or with any preference over the leasing of any other similar premises of Landlord or any affiliate of Landlord, nor shall any rental of such other premises reduce the damages which Landlord would be entitled to recover from Tenant. In the event Tenant, on behalf of itself or any and all persons claiming through or under Tenant, attempts to raise a defense or assert any affirmative obligations on Landlord's part to mitigate such damages or re-let the Demised Premises other than as provided herein, Tenant shall reimburse Landlord for any costs and expenses incurred by Landlord as a result of any such defense or assertion, including but not limited to Landlord's attorneys' fees incurred in connection therewith.

27.02. Suit or suits for the recovery of such damages or, any installments thereof, may be brought by Landlord at any time and from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the Term would have expired if it had not been so terminated under the provisions of Article 25, or under any provision of law, or had Landlord not re-entered the Demised Premises. Nothing herein contained shall be construed to limit or preclude recovery by Landlord against Tenant of any sums or damages to which, in addition to the damages particularly provided above. Landlord may lawfully be entitled by reason of any default hereunder on the part of Tenant. Nothing herein contained shall be construed to limit or prejudice the right of Landlord to prove for and obtain as damages by reason of the termination of this Lease or re-entry of the Demised Premises for the default of Tenant under this Lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the lime, whether or not such amount be greater than, equal to, or less than any of the sums referred to in Section 27.01. Damages shall exclude punitive or consequential damages except with respect to a holdover in excess of five (5) days and affecting Landlord's ability to deliver possession of any portion of the Demised Premises to a replacement tenant(s).

27.03. In addition, if this Lease is terminated under the provisions of Article 25, or if Landlord shall re-enter the Demised Premises under the provisions of Article 26, Tenant covenants that: (a) the Demised Premises then shall be in the same condition as that in which Tenant has agreed to surrender the same to Landlord at the Expiration Date; (b) Tenant shall have performed prior to any such termination any obligation of Tenant contained in this Lease for the making of any alteration or for restoring or rebuilding the Demised Premises or the Building, or any part thereof; and (c) for the breach of any covenant of Tenant set forth above in this Section 27.03, Landlord shall be entitled immediately, without notice or other action by Landlord, to recover, and Tenant shall pay, as and for liquidated damages therefor, the cost of performing such covenant (as estimated by an independent contractor selected by Landlord).

27.04. In addition to any other remedies Landlord may have under this Lease, and without reducing or adversely affecting any of Landlord's rights and remedies under this Article 27, if any Rent or damages payable hereunder by Tenant to Landlord are not paid upon demand therefor, the same shall bear interest at the Late Payment Rate or the maximum rate permitted by law, whichever is less, from the due date thereof until paid, and the amounts of such interest shall be Additional Charges hereunder.

ARTICLE 28—AFFIRMATIVE WAIVERS

28.01. Tenant, on behalf of itself and any and all persons claiming through or under Tenant, does hereby waive and surrender all right and privilege which it, they or any of them might have under or by reason of any present or future law, to redeem the Demised Premises or to have a continuance of this Lease after being dispossessed or ejected from the Demised Premises by process of law or under the terms of this Lease or after the termination of this Lease as provided in this Lease.

28.02. Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, and Tenant's use or occupancy of the Demised Premises and use of the Common Area, including, without limitation, any claim of injury or damage, and any emergency and other statutory remedy with respect thereto. Tenant shall not interpose any counterclaim of any kind in any action or proceeding commenced by Landlord to recover possession of the Demised Premises.

ARTICLE 29—NO WAIVERS

29.01. The failure of either party to insist in any one or more instances upon the strict performance of any one or more of the obligations of this Lease, or to exercise any election herein contained, shall not be construed as a waiver or relinquishment for the future of the performance of such one or more obligations of this Lease or of the right to exercise such election, but the same shall continue and remain in full force and effect with respect to any subsequent breach, act or omission. The receipt by Landlord of Fixed Rent or Additional Charges with knowledge of breach by Tenant of any obligation of this Lease shall not be deemed a waiver of such breach.

ARTICLE 30—CURING DEFAULTS

30.01. If Tenant shall default in the performance of any of Tenant's obligations under this Lease, Landlord, without thereby waiving such default, may (but shall not be obligated to) perform the same for the account and at the expense of Tenant, without notice in a case of emergency, and in any other case only if such default continues after the expiration of thirty (30) days from the date Landlord gives Tenant notice of the default. Charges for any expenses incurred by Landlord in connection with any such performance by it for the account of Tenant, and charges for all costs, expenses and disbursements of every kind and nature whatsoever, including reasonable attorneys' fees and expenses, involved in collecting or endeavoring to collect the Rent or any part thereof or enforcing or endeavoring to enforce any rights against Tenant or Tenant's obligations hereunder, under or in connection with this Lease or pursuant to law, including any such cost, expense and disbursement involved in instituting and prosecuting summary proceedings or in recovering possession of the Demised Premises after default by Tenant or upon the expiration of the Term or sooner termination of this Lease, and interest on all sums advanced by Landlord under this Article at the Late Payment Rate or the maximum rate permitted by law, whichever is less, shall be payable by Tenant and may be invoiced by Landlord to Tenant monthly, or immediately, or at any time, at Landlord's option, and such amounts shall be due and payable upon demand.

30.02. If Landlord shall default in the performance of any of Landlord's obligations under this Lease, Tenant, without thereby waiving such default, may (but shall not be obligated to) perform the same for the account and at the expense of Landlord, without notice in a case of emergency, and in any other case only if such default continues after the expiration of thirty (30) days from the date Tenant gives Landlord notice of the default. Bills for any expenses actually and reasonably incurred by Tenant in connection with any such performance by it for the account of Landlord, may be sent by Tenant to Landlord monthly, or immediately, at Tenant's option, and such amounts shall be due and payable in accordance with the terms of such bills; but in no event shall any such bill be due and payable less than thirty (30) days from the date of such bills. Nothing contained in this Section 30.02 shall be construed to allow or permit Tenant to deduct or offset or reduce any amounts due against any Rent due Landlord under this Lease.

ARTICLE 31—BROKER

31.01. Tenant represents that no broker except the Broker was instrumental in bringing about or consummating this Lease and that Tenant had no conversations or negotiations with any broker except the Broker concerning the leasing of the Demised Premises. Tenant agrees to indemnify and hold harmless Landlord against and from any claims for any brokerage commissions and all costs, expenses and liabilities in connection therewith, including, without limitation, reasonable attorneys' fees and expenses, arising out of any conversations or negotiations had by Tenant with any broker other than the Broker. Landlord agrees to indemnify, defend and hold harmless Tenant against and from any claims for any brokerage commissions and all costs, expenses and liabilities in connection therewith, including, without limitation, reasonable attorneys' fees and expenses, arising out of any conversations or negotiations had by Landlord with any broker including the Broker. Landlord shall pay any brokerage commissions due the Broker pursuant to a separate agreement between Landlord and the Broker.

ARTICLE 32—NOTICES

32.01. Any notice, statement, demand, consent, approval or other communication required or permitted to be given, rendered or made by either party to the other, pursuant to this Lease or pursuant to any applicable Legal Requirement, shall be in writing and shall be deemed to have been properly given, rendered or made only if hand delivered or sent by United Stales registered or certified mail, return receipt requested, addressed to the other party at the address hereinabove set forth and as to Tenant sent to Attn: Chief Financial Officer, and as to Landlord, to the attention of General Counsel with a concurrent notice to the attention of Controller, and shall be deemed to have been given, rendered or made on the second day after the day so mailed, unless mailed outside the State of New Jersey, in which case it shall be deemed to have been given, rendered or made on the third business day after the day so mailed. Either party may, by notice as aforesaid, designate a different address or addresses for notices, statements, demands, consents, approvals or other communications intended for it. In addition, upon and to the extent requested by Landlord, copies of notices shall be sent to the Superior Mortgagee.

ARTICLE 33—ESTOPPEL CERTIFICATES

33.01. Tenant shall, at any time and from time to time, as requested by Landlord, upon not less than ten (10) days' prior notice, execute and deliver to the Landlord or a Superior Mortgagee or Superior Lessor certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), certifying the dates to which the Fixed Rent and Additional Charges have been paid, stating whether or not, to the best knowledge of the party giving the statement, the requesting party is in default in performance of any of its obligations under this Lease, and, if so, specifying each such default of which the party giving the statement shall have knowledge, and stating whether or not, to the best knowledge of the party giving the statement, any event has occurred which with the giving of notice or passage of time, or both, would constitute such a default of the requesting party, and, if so, specifying each such event. Tenant also shall include in any such statement such other information concerning this Lease as Landlord may reasonably request.

ARTICLE 34—ARBITRATION

34.01. Landlord may at any time request arbitration, and Tenant may at any time when not in default in the payment of any Rent beyond any applicable notice and cure period, request arbitration, of any matter in dispute but only where arbitration is expressly provided for in this Lease. The party requesting arbitration shall do so by giving notice to that effect to the other party, specifying in said notice the nature of the dispute, and said dispute shall be determined in Newark. New Jersey, by a single arbitrator, in accordance with the rules then obtaining of the American Arbitration Association (or any comparable organization designated by Landlord). The award in such arbitration may be enforced on the application of either party by the order or judgment of a court of competent jurisdiction. The fees and expenses of any arbitration shall be borne by the parties equally, but each party shall bear the expense of its own attorneys and experts and the additional expenses of presenting, its own proof. If Tenant gives notice requesting arbitration as provided in this Article. Tenant shall simultaneously serve a duplicate of the notice on each Superior Mortgagee and Superior Lessor whose name and address shall previously have been furnished to Tenant, and such Superior Mortgagees and Superior Lessor shall have the right to participate in such arbitration.

ARTICLE 35—MEMORANDUM OF LEASE

35.01. Tenant shall not record this Lease. However, at the request of Landlord. Tenant shall promptly execute, acknowledge and deliver to Landlord a memorandum of lease in respect of this Lease sufficient for recording. Such memorandum shall not be deemed to change or otherwise affect any of the obligations or provisions of this Lease. Whichever party records such memorandum of Lease shall pay all recording costs and expenses, including any taxes that are due upon such recording.

ARTICLE 36—MISCELLANEOUS

36.01. Tenant expressly acknowledges and agrees that Landlord has not made and is not making, and Tenant, in executing and delivering this Lease, is not relying upon, any warranties, representations, promises or statements, except to the extent that the same are expressly set forth in this Lease or in any other written agreement(s) which may be made between the parties concurrently with the execution and delivery of this Lease. All understandings and agreements heretofore had between the parties are merged in this Lease and any other written agreement(s) made concurrently herewith, which alone fully and completely express the agreement of the

parties. Neither party has relied upon any statement or representation not embodied in this Lease or in any other written agreement(s) made concurrently herewith. The submission of this Lease to Tenant does not constitute by Landlord a reservation of, or an option to Tenant for, the Demised Premises, or an offer to lease on the terms set forth herein and this Lease shall become effective as a lease agreement only upon execution and delivery thereof by Landlord and Tenant.

36.02. No agreement shall be effective to change, modify, waive, release, discharge, terminate or effect an abandonment of this Lease, in whole or in part, unless such agreement is in writing, refers expressly to this Lease and is signed by the party against whom enforcement of the change, modification, waiver, release, discharge, termination or effectuation of abandonment is sought.

36.03. If Tenant shall at any time request Landlord to sublet or let the Demised Premises for Tenant's account, Landlord or its agent is authorized to receive keys for such purposes without releasing Tenant from any of its obligations under this Lease, and Tenant hereby releases Landlord of any liability for loss or damage to any of the Tenant's Property in connection with such subletting or letting.

36.04. Except as otherwise expressly provided in this Lease, the obligations under this Lease shall bind and benefit the successors and assigns of the parties hereto with the same effect as if mentioned in each instance where a party is named or referred to; provided, however, that (a) no violation of the provisions of Article 11 shall operate to vest any rights in any successor or assignee of Tenant and (b) the provisions of this Section 36.04 shall not be construed as modifying the conditions of limitation contained in Article 25.

36.05. Except for Tenant's obligations to pay Rent, the time for Landlord or Tenant, as the case may be, to perform any of its respective obligations hereunder shall be extended if and to the extent that the performance thereof shall be prevented due to any Unavoidable Delay. Except as expressly provided to the contrary, the obligations of Tenant hereunder shall not be affected, impaired or excused, nor shall Landlord have any liability whatsoever to Tenant, (a) because Landlord is unable to fulfill, or is delayed in fulfilling, any of its obligations under this Lease due to any of the matters set forth in the first sentence of this Section 36.05, or (b) because of any failure or defect in the supply, quality or character of electricity, water or any other utility or service furnished to the Demised Premises for any reason beyond Landlord's reasonable control.

36.06. Any liability for payments hereunder (including, without limitation, Additional Charges) shall survive the expiration of the Term or earlier termination of this Lease.

36.07. If Tenant shall request Landlord's consent and Landlord shall fail or refuse to give such consent. Tenant shall not be entitled to any damages for any withholding by Landlord of its consent; Tenant's sole remedy shall be an action for specific performance or injunction, and such remedy shall be available only in those cases where Landlord has expressly agreed in writing not to unreasonably withhold or delay its consent or where as a matter of law Landlord may not unreasonably withhold its consent.

36.08. If an excavation shall be made upon land adjacent to or under the Building, or shall be authorized to be made, Tenant shall afford to the Person causing or authorized to cause such excavation, license to enter the Demised Premises for the purpose of performing such work as said Person shall reasonably deem necessary or desirable to preserve and protect the Building from injury or damage and to support the same by proper foundations, without any claim for damages or liability against Landlord and without reducing or otherwise affecting Tenant's obligations under this Lease.

36.09. Tenant shall not exercise its rights under Article 15 or any other provision of this Lease in a manner which would create any work stoppage, picketing, labor disruption or dispute or any interference with the business of Landlord or any tenant or occupant of the Building.

36.10. Tenant shall give prompt notice to Landlord of (a) any fire or other casualty in the Demised Premises, (b) any damage to or defect in the Demised Premises, including the fixtures and equipment thereof, for the repair of which Landlord might be responsible, and (c) any damage, to the knowledge of Tenant, to or defect in any part of the Building's sanitary, electrical, healing, ventilating, air-conditioning, elevator or other systems located in or passing through the Demised Premises or any pan thereof.

36.11. This Lease shall be governed by and construed in accordance with the laws of the State of New Jersey. Tenant hereby irrevocably agrees that any legal action or proceeding arising out of or relating to this Lease may be brought in the Courts of the State of New Jersey, or the Federal District Court for the District of New Jersey, as Landlord may elect. By execution and delivery of this Lease, Tenant hereby irrevocably accepts and submits generally and unconditionally for itself and with respect to its properties, to the jurisdiction of any such court in any such action or proceeding, and hereby waives in the case of any such action or proceeding brought in the courts of the State of New Jersey, or Federal District Court for the District of New Jersey, any defenses based on jurisdiction, venue or forum non conveniens. Landlord hereby irrevocably submits generally and unconditionally for itself and with respect to its properties to the jurisdiction of any such court in any such action or proceeding, and hereby waives in the case of any such action or proceeding brought in the courts of the State of New Jersey located in Hudson County any defenses based on jurisdiction, venue or forum non conveniens. If any provision of this Lease shall be invalid or unenforceable, the remainder of this Lease shall not be affected and shall be enforced to the extent permitted by law. The table of contents, captions, headings and titles in this Lease are solely for convenience of reference and shall not affect its interpretation. This Lease shall be construed without regard to any presumption or other rule requiring construction against the party causing this Lease to be drafted. If any words or phrases in this Lease shall have been stricken out or otherwise eliminated, whether or not any other words or phrases have been added, this Lease shall be construed as if the words or phrases so stricken out or otherwise eliminated were never included in this Lease and no implication or inference shall be drawn from the fact that said words or phrases were so stricken out or otherwise eliminated. Each covenant, agreement, obligation or other provision of this Lease on Tenant's part to be performed, shall be deemed and construed as a separate and independent covenant of Tenant, not dependent on any other provision of this Lease. All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require. In the event Landlord permits Tenant to examine Landlord's books and records with respect to any Additional Charge imposed under this Lease, such examination shall be conducted at Tenant's sole cost and expense and shall be conditioned upon Tenant retaining an independent accounting firm for such purposes which shall not be compensated on any type of

contingent fee basis with respect to such examination. Wherever in this Lease or by law Landlord is authorized to charge or recover costs and expenses for legal services or attorneys' fees, same shall include, without limitation, the costs and expenses for in-house or staff legal counsel or outside counsel at rates not to exceed the reasonable and customary charges for any such services as would be imposed in an arms length third party agreement for such services.

36.12. Upon request, Tenant shall annually furnish to Landlord a copy of its then current audited financial statement (provided however that an unaudited statement certified as true and complete by Tenant's senior financial officer shall be acceptable in the event audited statements are not prepared for Tenant) which shall be employed by Landlord for purposes of financing the Premises and not distributed otherwise without prior authorization of Tenant.

36.13. (i) Tenant acknowledges that the NAICS code number applicable to Tenant's operations may subject the Demised Premises to the requirements of the New Jersey Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq. ("ISRA") and applicable regulations, N.J.A.C. 7:26B-1.1 et seq..

(ii) Not later than ninety (90) days prior to the Expiration Date, Tenant shall provide to Landlord an Affidavit, executed by its President or Vice President, setting forth the following: (a) the NAICS code applicable to the operations performed at the Demised Premises; (b) the type and amounts of any hazardous substances (as defined in N.J.A.C. 7:1E-1.6) treated, stored, disposed of, handled, or used in Tenant's operations; and (c) a representation that based upon the criteria set forth in (a) and (b), Tenant's cessation of operations or other Triggering Event as defined below at the Demised Premises is not subject to ISRA. During the term, Landlord reserves the right to require Tenant to execute an affidavit in similar form for any transaction which Landlord reasonably believes may trigger the requirements of ISRA, including without limitation, an assignment of this Lease, a subtenancy, or a sale or transfer of direct or indirect ownership or control of Tenant (a "Triggering Event'').

(iii) In the event Landlord reasonably determines that ISRA is applicable to a Triggering Event or Tenant's cessation of operations at the Demised Premises, Tenant shall satisfy its obligations under ISRA prior to its lease termination date: by securing an unconditional Response Action Outcome (or its equivalent in the event of a change of law) from a New Jersey Certified Licensed Site Remediation Professional ("LSRP") reasonably acceptable to Landlord. Tenant shall bear sole responsibility for any investigation and cleanup costs, fees, penalties, or damages associated with ISRA compliance, including any supplemental obligations which may arise from any audit of the LSRP, or his/her work, whether such audit is performed by the NJDEP, or LSRP Licensing Board. This requirement shall survive the termination of the Lease. In the event that Tenant is unable to complete its ISRA compliance obligations by the date of its lease termination, Landlord shall continue to provide Tenant with reasonable access to the Demised Premises, provided that any work undertaken by Tenant shall be performed in such a manner as to minimize interference with Landlord's or any other tenant's use of the Demised Premises. However, Landlord reserves its rights to deem Tenant a holdover tenant in the event that Tenant's ISRA compliance unreasonably restricts the Landlord's use of the Demised Premises.

(iv) Tenant shall provide Landlord with copies of all correspondence, documents, data and reports, including sampling results submitted to or received from any LSRP, governmental agency or third party in connection with Tenant's compliance with ISRA.

36.14. Hazardous Substances: Tenant acknowledges that its Permitted Use of the Demised Premises may involve the generation, treatment, storage, disposal or use of "hazardous substances", as defined herein. Tenant agrees to strictly comply with all laws, regulations, ordinances, judgments, or administrative orders relating in any way to its use, generation, treatment, storage, or disposal of such hazardous substances. Subject to R5. Tenant shall hold Landlord harmless and indemnify Landlord against all costs, claims, demands, judgments and liabilities arising from or relating in any way to the use, generation, treatment, storage or disposal of such hazardous substances, or any release, threatened release or discharge by, through or under Tenant or any subtenant or licensee of Tenant of such hazardous substances to air, land, or water, including groundwater, whether or not such discharge was the result of Tenant's negligence, on or from the Demised Premises. For the purpose of the previous paragraph, "hazardous substances" shall mean those substances defined and/or referenced in the New Jersey Administrative Code, Chapter 7, subchapter IE, and specifically N.J.A.C. 7:1E-1.7, as presently defined, and as may be amended from time to time.

36.15. Certification. Tenant certifies that: (i) It is not acting, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation, or transaction pursuant to any law, order, rule, or regulation that is enforced or administered by the Office of Foreign Assets Control; and (ii) It is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity, or nation. Tenant hereby agrees to defend, indemnify, and hold harmless Landlord from and against any and all claims, damages, losses, risks, liabilities, and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease as of the day and year first above written.

HARTZ METRO LEASEHOLD I LLC

By: /s/ Phillip R. Patton
Philip R. Patton
Executive Vice President

RENT THE RUNWAY, INC.

By: /s/ John Rucker
Name: John Rucker
Title: CFO

R1. If any of the provisions of this Rider shall conflict with any of the provisions, printed or typewritten, of this Lease, such conflict shall resolve in every-instance in favor of the provisions of this Rider.

R2. Early Occupancy: Upon lease execution Tenant shall have access to the Initial Premises to perform all Tenant work so long as same does not interfere with Landlords Work. Tenant shall be responsible to obtain all necessary permits and approvals for its work and will also get Landlords consent to same which will not be unreasonably withheld. During the Early Occupancy period the Tenant shall pay its proportionate share of operating expenses, real estate taxes and utilities.

R3. Additional Premises: (a) Landlord hereby leases to Tenant and Tenant hereby leases from Landlord certain additional premises noted on Exhibit A consisting of 82,892 square feet of Floor Space (the "Additional Premises"). The commencement date with respect to the Additional Premises (the "Additional Premises Commencement Date") shall occur on the later of (i) thirty (30) days after the current tenant (Ashley Stewart) vacates the Additional Premises, or (ii) March 1, 2015 (except as stated in subsection (b) below), but no earlier than the date possession of such Additional Premises is delivered to Tenant as required herein. Landlord shall notify' Tenant of the date Ashley Stewart has or is scheduled to vacate the Additional Premises. The Additional Premises represent the balance of the Building not previously delivered to Tenant and shall include the Land outlined in red on Exhibit A. Tenant acknowledges that Landlord's leasing of the Additional Premises is (i) predicated upon the expiration of the current lease of the Additional Premises on December 31, 2015 (which Landlord shall not agree to extend without Tenant's consent); or (ii) the early termination or rejection (in bankruptcy) of Landlord's current lease with its existing tenant for the Additional Premises. From and after the Additional Premises Commencement Date, except as otherwise expressly stated, all references in the Lease to the Demised Premises shall be deemed to include the Additional Premises.

(b) **Fixed Rent:** Fixed Rent on the Additional Premises shall commence upon delivery of the respective portions thereof and Fixed Rent on the Additional Premises shall be at the rates provided for in Section 1.01N.

(c) **Office Space:** The Additional Premises includes 15,000 square feet of office space located on the 1st floor (the "Office Space"). Notwithstanding the provisions of subsection (a) hereof, the Commencement Date with respect to such Office Space shall be ten (10) days after Landlord gives Tenant notice that the current tenant thereof has or will be vacating and surrendering the Office Space but no earlier than the date possession of such Office Space is delivered to Tenant in the manner required herein.

(d) **Security Deposit:** As of the Additional Premises Commencement Date, the Security Deposit shall be increased by $[******]. Not later than the Additional Premises Commencement Dale, Tenant shall deliver a replacement Letter of Credit or an amendment to the existing Letter of Credit reflecting the increased Security Deposit.

(e) **Tenant's Fraction:** From and after the Additional Premises Commencement Date, the Tenant's Fraction shall be increased to 100%. In the event the Office Space is delivered prior to the Additional Premises Commencement Date, then for the period commencing on the date the Office Space is delivered to Tenant and continuing until the day preceding the Additional Premises Commencement Date, the Tenant's Fraction shall be 59.1%. After the Tenant's Fraction is 100%, Landlord's rights with respect to the Common Areas shall require Tenant's consent, not to be unreasonably withheld.

(f) **Landlord's Work:** Not later than the Additional Premises Commencement Date, Landlord shall substantially complete those portion of the Landlord's Workletter dealing with the Additional Premises (except with respect to the work in the Office Space, not later than the delivery date of the Office Space).

R4. Landscaping: Supplementing Section 17.01 hereof, from and after the Additional Premises Commencement Date. Tenant shall keep and maintain sidewalks, landscaping (including lawn areas), curbing, paving whether in driveways, parking areas or access easements, including but not limited to the maintenance of the exterior grounds in accordance with the requirements of Exhibit F annexed hereto. The phrase "keep and maintain" as used herein includes repairs, replacement and/or restoration as appropriate. Tenant shall maintain the exterior areas of the Demised Premises free of accumulation of snow, ice, dirt and rubbish.

R.5. Environmental Indemnity: Landlord agrees that it shall defend, indemnify and save Tenant harmless from and against all claims, loss, damage, liability and expense (including reasonable attorney's fees and expenses) which the Tenant may sustain as a result of or on account of non-compliance of the Demised Premises with the Environmental Laws as the result of conditions existing on the Demised Premises (a) prior to the Commencement Date and/or (b) which were caused by Landlord, or its agents, and employees after the Commencement Date (except to the extent caused by Tenant, its agents, invitees, or employees). Environmental Laws are defined as laws, statutes, ordinances or regulations relating to the discharge of "Hazardous Substances", as defined under New Jersey law [N.J.A.C. 7:1E-1.7], into the air, water, lands or groundwaters of the State of New Jersey, or the United States of America.

R6. Option to Renew: Provided Tenant has not assigned this Lease except as expressly permitted in the Lease or sublet more than fifty (50%) percent of the Demised Premises in the aggregate and is not in default of any monetary or other material obligation hereunder after notice and beyond the applicable cure period. Tenant shall have two (2) options to extend the Term of its lease of the Demised Premises, from the date upon which this Lease would otherwise expire for two (2) extended periods of five (5) years (the first of which shall be referred to as the "First Extended Period" and the second of which shall be referred to as the "Second Extended Period" and both shall collectively be referred to as the "Extended Period"), upon the following terms and conditions:

(a) If Tenant elects to exercise said option, it shall do so by giving notice of such election to Landlord on or before the date which is nine (9) months before the beginning of the Extended Period for which the Term is to be extended by the exercise of such option. Tenant agrees that it shall have forever waived its right to exercise any such option if it shall fail for any reason whatsoever to give such notice to Landlord by the time provided herein for the giving of such notice, whether such failure is inadvertent or intentional, lime being of the essence as to the exercise of each such option.

(b) If Tenant elects to exercise said option, the Term shall be automatically extended for the Extended Period covered by the option so exercised without execution of an extension or renewal lease. Within ten (10) days after request of either party following the effective exercise of any such option, however, Landlord and Tenant shall execute, acknowledge and deliver to each other duplicate originals of an instrument in recordable form confirming that such option was effectively exercised.

(c) The Extended Period shall be upon the same terms and conditions as are in effect immediately preceding the commencement of such Extended Period; provided, however, that Tenant shall have no right or option to extend the Term for any period of time beyond the expiration of the Extended Period and, provided further, that in the Extended Period the Fixed Rent shall be as follows: The Fixed Rent during the first year of each Extended Period shall be Fair Market Value ("FMV"), but not less than the Fixed Rent for the twelve (12) month period immediately preceding the Extended Period for which (he Fixed Rent is being calculated and shall thereafter increase three (3%) percent per annum. FMV shall be determined by mutual agreement of the parties. If the parties are unable to agree on the FMV, the parties shall choose a licensed Real Estate Appraiser who shall determine the FMV on each anniversary of the first day of the Extended Period. The cost of said Real Estate Appraiser shall be borne equally by the parties. If the parties are unable to agree on a licensed Real Estate Appraiser, each party shall select one Appraiser to appraise the FMV. If the difference between the two appraisals is ten percent (10%) or less of the lower appraisal, then the FMV shall be the average of the two appraisals. If the difference between the two appraisals is greater than ten percent (10%) of the lower appraisal, the two Appraisers shall select a third licensed Real Estate Appraiser to appraise and determine the FMV. The cost of the third appraisal shall be borne equally by the parties. Anything to the contrary contained herein notwithstanding, the Fixed Rent for the first year of each Extended Period shall not be less than the Fixed Reni for the twelve (12) month period immediately preceding the Extended Period for which the Fixed Rent is being calculated.

(d) Any termination, expiration, cancellation or surrender of this Lease shall terminate any right or option for the Extended Period not yet exercised.

(e) Landlord shall have the right, for fifteen (15) days after receipt of notice of Tenant's election to exercise any option to extend the Term, to reject Tenant's election if Tenant gave such notice while Tenant was in default in the performance of any of its obligations under the Lease, and such default was not cured after notice and during the applicable cure period and such rejection shall automatically render Tenant's election to exercise such option null and void and of no effect.

(f) The option provided herein to extend the Term of the Lease may not be severed from the Lease or separately sold, assigned or otherwise transferred.

R7. Subordination and Non-Disturbance:

(a) Landlord represents to Tenant that there are no Mortgages encumbering the Demised Premises or any portion thereof as of the date of this Lease except for the Fee and Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement, given by Landlord and its affiliate Hartz Metro Fee I LLC (as fee owner of the Land) to or for the benefit of Bank of America, N.A. or its nominee ("Lender") dated July 25, 2013. Provided Tenant first executes same. Landlord shall obtain from Lender an original agreement substantially in the form of Exhibit G (an "SNDA"), executed and notarized by Lender within thirty (30) days following the date hereof. Landlord shall include with its delivery of such original executed and notarized counterpart of the SNDA such additional executed and notarized counterparts as shall be required for Tenant to retain at least one (1) original counterpart of the SNDA for its files.

(b) If Landlord shall grant any other Mortgage or ground lease in the future. Landlord shall as a condition to the subordination of this Lease obtain and deliver to Tenant a fully executed and notarized Subordination and Non-Disturbance Agreement from any future Mortgagee or ground lessor promptly following the final execution and delivery of any such Mortgage or ground lease. Tenant agrees that in lieu of an Subordination and Non-Disturbance Agreement in the form of Exhibit G it shall execute and return such other Subordination and Non-Disturbance Agreement as shall be in form and substance substantially similar to Exhibit G or otherwise reasonably acceptable to such Mortgagee or ground lessor.

(c) Landlord shall be responsible at its sole cost and expense for paying any recording fees imposed in connection with the recording of the SNDA and, unless required by a future Mortgagee in connection with such financing recording the Subordination and Non-Disturbance Agreement for Lender or any future Mortgagees or ground lessors.

HARTZ METRO LEASEHOLD I LLC

By: /s/ Philip R. Patton
Philip R. Patton
Executive Vice President

RENT THE RUNWAY, INC.

By: /s/ John Rucker
Name: John Rucker
Title: CFO

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT A

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT A-1

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT B

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT C

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT D

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT E

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT F

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT G

[OMITTED]

[Signature Page to Subordination, Nondisturbance and Attornment Agreement]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

LANDLORD'S CONSENT

[OMITTED]

[Landlord's Consent Page to Subordination, Nondisturbance and Attornment Agreement]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

GUARANTOR'S CONSENT

[OMITTED]

[Guarantor's Consent Page to Subordination, Nondisturbance and Attornment Agreement]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

SCHEDULE A

[OMITTED]

Schedule A

CERTAIN IDENTIFIED INFORMATION IN THIS DOCUMENT HAS BEEN EXCLUDED PURSUANT TO REGULATION S-K, ITEM 601(B)(10) BECAUSE IT IS BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [******] INDICATES THAT INFORMATION HAS BEEN REDACTED

LEASE MODIFICATION AGREEMENT

THIS LEASE MODIFICATION AGREEMENT, made this 28th day of April, 2020 by and between **HARTZ METRO LEASEHOLD I LLC**, a New Jersey limited liability company, having an office at 400 Plaza Drive, P.O. Box 1515, Secaucus, New Jersey 07096-1515 (hereinafter referred to as "Landlord") and **RENT THE RUNWAY, INC.**, a Delaware corporation having an office at 345 Hudson Street, Floor 6A, New York, NY 10014 (hereinafter referred to as "Tenant").

WITNESSETH:

WHEREAS, by Agreement of Lease dated July 7, 2014 and corresponding Rider, as either may have been amended from time to time (collectively the "Lease"), Landlord leased to Tenant and Tenant hired from Landlord premises located at 100 Metro Way, Secaucus, New Jersey (hereinafter the "Demised Premises"); and

WHEREAS, Tenant has requested that Landlord consent to a repayment plan/deferral of certain of Tenant's Rent obligations; and

WHEREAS, Landlord has consented to a repayment plan/deferral of certain of Tenant's Rent obligations subject to and in accordance with the terms and conditions contained herein.

NOW, THEREFORE, for and in consideration of the Lease, the mutual covenants herein contained and the consideration set forth herein, the parties agree as follows:

1. Preamble. The foregoing preambles are hereby incorporated by reference herein and made a part hereof.

2. Definitions. All capitalized terms not defined and used herein shall have the same meaning ascribed to them in the Lease.

3. Deferred Amount. Landlord agrees to defer collection of fifty percent (50%) of the Fixed Rent for the months of May, June, July and August, 2020 (the "Deferred Amount"). The Deferred Amount totals [******] dollars ($[******]). **It is expressly agreed and understood by Tenant that all amounts due and owing under the terms of the Lease other than the Deferred Amount (including, but not limited to, fifty percent (50%) of the Fixed Rent for the months of May, June, July and August 2020) are due and payable in accordance with the terms of the Lease.**

4. Payment on Account. Tenant agrees that it shall be obligated to pay the amounts set forth in the attached Exhibit A no later than May 1, 2020 (the "Outstanding Balance").

5. Repayment of Deferred Amount: Tenant will repay the Deferred Amount to Landlord in twelve equal monthly installments of [******] dollars ($[******]) each, commencing September 1, 2020 and ending August 1, 2021. Tenant shall also recommence payment of all Rent (100% of Fixed Rent and Additional Charges) due under the Lease commencing September 1, 2020. **It is expressly agreed and understood by Tenant that repayment of the Deferred Amount shall be in addition to Tenant's obligation to pay all Rent due under the Lease commencing September 1, 2020.**

6. Exercise of first renewal option.

(a) Pursuant to the terms set forth in R6 of the Rider to the Lease, Tenant has the option to extend the Lease beyond the current expiration date of August 31, 2021 for a five (5) year period with a notice to Landlord not later than nine (9) months prior to August 31, 2021 (defined as the "First Extended Period" in the Lease). Landlord has agreed to reduce the term of the First Extended Period from five (5) years to three (3) years (the "Revised First Extended Period").

(b) Tenant hereby exercises its option for the Revised First Extended Period, and Landlord and Tenant agree that such option is exercised in accordance with R6 of the Rider to the Lease and paragraph 6(a) above.. Landlord and Tenant agree that the Fixed Rent for the Revised First Extended Period shall be determined as of November 30, 2020 in accordance with the terms as set forth in R6(c) of the Rider to the Lease. For the avoidance of doubt, the "Fixed Rent" for the twelve (12) month period immediately preceding the First Extended Period used to calculate the Fixed Rent for the Revised First Extended Period shall not include the Deferred Amount.

7. Retention of second renewal option. Landlord and Tenant further agree that Tenant will continue to have one additional option to extend the Lease for an additional five (5) years commencing on September 1, 2024 with notice provided by Tenant to Landlord no later than nine (9) months prior to September 1, 2024 with the Fixed Rent determined as set forth in R6(c) of the Rider to the Lease.

8. No Default. Provided Tenant fully and timely complies with the terms and conditions of this Agreement, Tenant will not be deemed to be in monetary default of the Lease.

9. Failure to pay the Deferred Amount and/or the Outstanding Balance. Tenant's failure to timely pay the Deferred Amount and/or Outstanding Balance shall be deemed a default under the Lease, subject to applicable notice and cure periods under the Lease. Such default shall entitle Landlord to pursue any and all remedies set forth under the Lease for Tenant's default, including but not limited to, an acceleration of any unpaid portion of the Deferred Amount.

10. Binding Effect. Except as modified herein, the terms, conditions and covenants of the Lease shall remain in full force and effect, and shall be binding upon and inure to the benefit of Landlord, Tenant and their respective successors and permitted assigns. The paragraph headings herein contained are for convenience and shall not be deemed to govern or control the substance hereof. The Lease Modification Agreement and Lease may not be changed or modified orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, or modification is sought.

11. Governing Law. This Agreement shall be governed and construed under the laws of the State of New Jersey.

12. Inconsistency. Except as modified herein, the terms, conditions and covenants of the Lease shall remain unchanged and otherwise in full force and effect, and are hereby ratified and reaffirmed. In the event of an inconsistency between this Lease Modification Agreement and the Lease, the terms herein shall control.

13. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. Executed copies hereof may be delivered by facsimile or by email in a PDF attachment, and upon receipt, shall be deemed originals and binding upon the parties hereto. Without limiting or otherwise affecting the validity of executed copies hereof that have been delivered by facsimile or by email in a PDF attachment, the parties shall use diligent efforts to deliver originals as promptly as possible after execution.

14. Confidentiality. Each party hereby acknowledges that the terms and conditions of this Agreement are confidential and shall not disclose same to any other person not a party hereto without the prior written consent of the other, provided that either party may disclose the terms hereof to such accountants, attorneys, managing employees, and others in privity with any such party to the extent reasonably necessary for either party's business purposes. Either party's failure to maintain the confidentiality of this Agreement shall be deemed a material breach hereof, and shall entitle the other party, in addition to all other remedies provided in the Lease and by law, to declare this agreement terminated and null and void and without force and effect. If Tenant is the breaching party, all monies then due and owing from Tenant under the Lease shall become immediately due and payable.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Modification Agreement to be duly executed as of the day and year first above written.

(“Landlord”)

By: /s/ Lawrence D. Garb
Lawrence D. Garb
Executive Vice President

(“Tenant”)

By: /s/ Jennifer Y. Hyma
Name: Jennifer Y. Hyman
Title: Chief Executive Officer

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

Exhibit A

[OMITTED]

CERTAIN IDENTIFIED INFORMATION IN THIS DOCUMENT HAS BEEN EXCLUDED PURSUANT TO REGULATION S-K, ITEM 601(B)(10) BECAUSE IT IS BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [******] INDICATES THAT INFORMATION HAS BEEN REDACTED

SECOND LEASE MODIFICATION AGREEMENT

THIS SECOND LEASE MODIFICATION AGREEMENT, made this 9th day of August, 2020 by and between **HARTZ METRO LEASEHOLD I LLC**, a New Jersey limited liability company, having an office at 400 Plaza Drive, P.O. Box 1515, Secaucus, New Jersey 07096-1515 (hereinafter referred to as "Landlord") and **RENT THE RUNWAY, INC.**, a Delaware corporation having an office at 10 Jay Street, Brooklyn, New York 11201 (hereinafter referred to as "Tenant").

WITNESSETH:

WHEREAS, by Agreement of Lease dated July 7, 2014 and corresponding Rider, as amended by Lease Modification Agreement ("First Modification") dated April 28, 2020 (collectively the "Lease"), Landlord leased to Tenant and Tenant hired from Landlord 165,993 square feet of Floor Space premises located at 100 Metro Way, Secaucus, New Jersey (hereinafter the "Demised Premises"); and

WHEREAS, Tenant has requested that Landlord consent to a payment plan/deferral of certain of Tenant's Rent obligations; and

WHEREAS, Landlord has consented to a payment plan/deferral of certain of Tenant's Rent obligations subject to and in accordance with the terms and conditions contained herein; and

WHEREAS, Landlord and Tenant wish to modify the Lease to reflect the terms of a payment plan/deferral of certain of Tenant' Rent obligations and to set forth the Fixed Rent for the Revised First Extended Period, as defined in Section 6(a) of the First Modification, and amend the Lease accordingly;

NOW, THEREFORE, for and in consideration of the Lease, the mutual covenants herein contained and the consideration set forth herein, the parties agree as follows:

1. Preamble. The foregoing preambles are hereby incorporated by reference herein and made a part hereof.

2. Definitions. All capitalized terms not defined and used herein shall have the same meaning ascribed to them in the Lease.

3. Acknowledgement of Outstanding Amount. Attached hereto as Exhibit A is a Statement of Unpaid Charges for August 2020 ("Outstanding August Additional Charges") currently due to Landlord from Tenant. Tenant acknowledges and agrees that the Outstanding August Additional Charges in the amount of [******] Dollars ($[******]), along with the Deferred Amount (as defined in Section 3 of the First Modification) in the amount of [******] Dollars ($[******]), remain due and owing to Landlord (collectively "Outstanding Amount"). Tenant acknowledges and agrees that the Outstanding Amount will be paid to Landlord in accordance with Sections 4 and 6 below.

Schedule A

4. Payment on Account. Tenant agrees that it shall pay to Landlord the Outstanding August Additional Charges upon execution of this Second Lease Modification Agreement.

5. Updated Deferred Amount. Landlord agrees to defer collection of fifty percent (50%) of the Fixed Rent for the months of September, October, November and December, 2020, in the amount of [******] Dollars ($[******]) together with the Deferred Amount (collectively the "Updated Deferred Amount"). Accordingly, the Updated Deferred Amount totals [******] Dollars ($[******]). **It is expressly agreed and understood by Tenant that all amounts due and owing under the terms of the Lease other than the Updated Deferred Amount (including, but not limited to, fifty percent (50%) of the Fixed Rent for the months of September, October, November and December 2020) are due and payable in accordance with the terms of the Lease.**

6. Payment of Updated Deferred Amount: Tenant will pay the Updated Deferred Amount to Landlord in twelve equal monthly installments of [******] Dollars ($[******]) each, commencing February 1, 2021 and ending January 1, 2022. Tenant shall also recommence payment of all Rent (100% of Fixed Rent and Additional Charges) due under the Lease commencing January 1, 2021. **It is expressly agreed and understood by Tenant that payment of the Updated Deferred Amount shall be in addition to Tenant's obligation to pay all Rent due under the Lease commencing January 1, 2021.**

7. Fixed Rent for Revised First Extended Period: Notwithstanding anything contained in the Lease, Landlord and Tenant hereby agree that the Fixed Rent for the Revised First Extended Period shall be as follows: from September 1, 2021 through and including August 31, 2022, an amount at the annual rate of [******] Dollars ($[******]) multiplied by the Floor Space of the Demised Premises; from September 1, 2022 through and including August 31, 2023, an amount at the annual rate of [******] Dollars ($[******]) multiplied by the Floor Space of the Demised Premises; and from September 1, 2023 through and including August 31, 2024, an amount at the annual rate of [******] Dollars ($[******]) multiplied by the Floor Space of the Demised Premises.

8. No Default. Provided Tenant fully and timely complies with the terms and conditions of this Agreement, Tenant will not be deemed to be in monetary default of the Lease.

9. Failure to pay the Updated Deferred Amount and/or the Outstanding August Additional Charges. Tenant's failure to timely pay the Updated Deferred Amount and/or Outstanding August Additonal Charges shall be deemed a default under the Lease, subject to applicable notice and cure periods under the Lease. Such default shall entitle Landlord to pursue any and all remedies set forth under the Lease for Tenant's default, including but not limited to, an acceleration of any unpaid portion of the Updated Deferred Amount.

10. Amending Article 8. The words "thirty (30) days" in the third to last line of Section 8.01(b) and in the first and fifth lines of Section 8.02 are hereby deleted, and "sixty (60) days" is hereby substituted in each line.

11. Amending Section 13.02. The third and fourth to last sentences of Section 13.02 of the Lease are hereby deleted, and the following is hereby substituted in their place:

"Tenant shall cause the policies and certificates of insurance (such certificates to be on Acord form 27 or its equivalent) to be delivered to Landlord by Tenant pursuant to this Section 13.02 (other than workers compensation insurance) to name Landlord as an additional insured and, at Landlord's request, to also name any Superior Lessors or Superior Mortgagees as additional insureds, and the following phrase must be typed on the certificate of insurance: "Hartz Metro Leasehold I LLC, Hartz Mountain Industries, Inc., and their respective subsidiaries, affiliates, associates, joint ventures, and partnerships, and (if Landlord has so requested) Superior Lessors and Superior Mortgagees are hereby named as additional insureds as their interests may appear. This insurance is primary and non-contributing in respect of Landlord and all additional insureds, any excess and umbrella liability policies are primary and non-contributing in respect of Landlord and all additional insureds, and any excess liability policies follow form." "

12. Amending Section 13.04. The third line of Section 13.04 of the Lease is hereby amended by inserting the following after the word "claims":

"(including, but not limited to, claims arising from Landlord's negligence, other than Landlord's sole negligence)"

13. Binding Effect. Except as modified herein, the terms, conditions and covenants of the Lease shall remain in full force and effect, and shall be binding upon and inure to the benefit of Landlord, Tenant and their respective successors and permitted assigns. The paragraph headings herein contained are for convenience and shall not be deemed to govern or control the substance hereof. The Second Lease Modification Agreement and Lease may not be changed or modified orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, or modification is sought.

14. Governing Law. This Agreement shall be governed and construed under the laws of the State of New Jersey.

15. Inconsistency. Except as modified herein, the terms, conditions and covenants of the Lease shall remain unchanged and otherwise in full force and effect, and are hereby ratified and reaffirmed. In the event of an inconsistency between this Second Lease Modification Agreement and the Lease, the terms herein shall control.

16. Counterparts. This Second Lease Modification Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. Executed copies hereof may be validly executed and delivered by facsimile or by email in a PDF attachment and/or by electronic signature, and upon receipt, shall be deemed originals and binding upon the parties hereto. Without limiting or otherwise affecting the validity of executed copies hereof that have been delivered by facsimile or by email in a PDF attachment and/or by electronic signature, the parties shall use diligent efforts to deliver originals as promptly as possible after execution. Each party agrees that the electronic signatures of the parties, whether digital or encrypted, are intended to authenticate this writing and to have the same force and effect as manual wet ink signatures.

17. Confidentiality. Each party hereby acknowledges that the terms and conditions of this Agreement are confidential and shall not disclose same to any other person not a party hereto without the prior written consent of the other, provided that either party may disclose the terms hereof to such accountants, attorneys, managing employees, and others in privity with any such party to the extent reasonably necessary for either party's business purposes. Either party's failure to maintain the confidentiality of this Second Lease Modification Agreement shall be deemed a material breach hereof, and shall entitle the other party, in addition to all other remedies provided in the Lease and by law, to declare this Second Lease Modification Agreement terminated and null and void and without force and effect. If Tenant is the breaching party, all monies then due and owing from Tenant under the Lease shall become immediately due and payable.

[*signatures on next page*]

IN WITNESS WHEREOF, the parties hereto have caused this Second Lease Modification Agreement to be duly executed as of the day and year first above written.

("Landlord")
HARTZ METRO LEASEHOLD I LLC

By: /s/ Phillip R. Patton
Phillip R. Patton
Executive Vice President

("Tenant")

RENT THE RUNWAY, INC.

By: /s/ Jennifer Y. Hyman
Jennifer Y. Hyman
Chief Executive Officer

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

Exhibit A

[OMITTED]

Exhibit 10.22

CERTAIN IDENTIFIED INFORMATION IN THIS DOCUMENT HAS BEEN EXCLUDED PURSUANT TO REGULATION S-K, ITEM 601(B)(10) BECAUSE IT IS BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [******] INDICATES THAT INFORMATION HAS BEEN REDACTED.

HARTZ METRO LEASEHOLD I LLC

Landlord,

And

RENT THE RUNWAY, INC.

Tenant

LEASE

Premises:

in

55 METRO WAY
SECAUCUS, NEW JERSEY

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LEASE, dated February 7th 2017, between HARTZ METRO LEASEHOLD I LLC, a New Jersey limited liability company, having an office at 400 Plaza Drive, P.O. Box 1515, Secaucus, New Jersey 07096-1515 ("Landlord"), and RENT THE RUNWAY, INC., a Delaware corporation, having an office at 100 Metro Way, Secaucus, New Jersey 07094 ("Tenant").

ARTICLE 1 - DEFINITIONS

1.01. As used in this Lease (including in all Exhibits and any Riders attached hereto, all of which shall be deemed to be part of this Lease) the following words and phrases shall have the meanings indicated:

A. Advance Rent: $[******].

B. Additional Charges: All amounts that become payable by Tenant to Landlord hereunder other than the Fixed Rent.

C. Intentionally omitted.

D. Broker: Chaus Realty.

E. Building: The building or buildings now or hereafter located on the Land and known or to be known as 55 Metro Way, Secaucus, New Jersey.

F. Building Fraction: The fraction, the numerator of which is the Floor Space of the Building (approximately 147,944 square feet) and the denominator of which is the aggregate Floor Space of the buildings in the Development. If the aggregate Floor Space of the buildings in the Development shall be changed due to any construction or alteration, the denominator of the Building Fraction shall be increased or decreased to reflect such change.

G. Calendar Year: Any twelve-month period commencing on a January 1.

H. Commencement Date: The earlier of (a) the date on which both: (i) the Demised Premises shall be Ready for Occupancy, and (ii) actual possession of the Demised Premises shall have been delivered to Tenant by notice to Tenant, or (b) the date Tenant, or anyone claiming under or through Tenant, first occupies the Demised Premises or any part thereof for any purpose other than the performance of Tenant's Work. Landlord shall use commercially reasonable efforts to deliver the Demised Premises to Tenant Ready for Occupancy on or about February 15, 2017. Tenant shall not be obligated to accept delivery of the Premises prior to February 1, 2017.

I. Common Areas: All areas, spaces and improvements in the Building and on the Land which Landlord makes available from time to time for the common use and benefit of the tenants and occupants of the Building and which are not exclusively available for use by a single tenant or occupant, including, without limitation, parking areas, roads, walkways, sidewalks, landscaped and planted areas, community rooms, if any, the managing agent's office, if any, and public rest rooms, if any.

J. Demised Premises: The space that is outlined in red on the floor plan attached hereto as Exhibit A. The Demised Premises contains 52,925 square feet of Floor Space.

K. Development: All land and improvements owned by Landlord or its parents, subsidiaries, or affiliates, now existing or hereafter constructed, located south of Route 3, east of the Hackensack River, west of County Avenue and north of Castle Road.

L. Development Common Areas: The roads and bridges that from time to time service and provide access to the Development for the common use of the tenants, invitees, occupants of the Development, that are maintained by Landlord or its related entities.

M. Expiration Date: August 31, 2021. However, if the Term is extended by Tenant's effective exercise of Tenant's right, if any, to extend the Term, the "Expiration Date" shall be changed to the last day of the latest extended period as to which Tenant shall have effectively exercised its right to extend the Term. For the purposes of this definition, the earlier termination of this Lease shall not affect the "Expiration Date."

N. Fixed Rent: An amount at the annual rate of [******] ($[******]) multiplied by the Floor Space of the Demised Premises from the Commencement Date until August 31, 2017, and an amount at the annual rate of [******] ($[******]) multiplied by the Floor Space of the Demised Premises from September 1, 2017 until August 31, 2018, and an amount at the annual rate of [******] ($[******]) multiplied by the Floor Space of the Demised Premises from September 1, 2018 until August 31, 2019, and an amount at the annual rate of [******] ($[******]) multiplied by the Floor Space of the Demised Premises multiplied by the Floor Space of the Demised Premises from September 1, 2019 until August 31, 2020, and an amount at the annual rate of [******] ($[******]) multiplied by the Floor Space of the Demised Premises from September 1, 2020 until the Expiration Date. It is intended that the Fixed Rent shall be an absolutely net return to Landlord throughout the Term, free of any expense, charge or other deduction whatsoever, with respect to the Demised Premises, the Building, the Land and/or the ownership, leasing, operation, management, maintenance, repair, rebuilding, use or occupation thereof, or any portion thereof, with respect to any interest of Landlord therein, except as may otherwise expressly be provided in this Lease.

O. Floor Space: Any reference to Floor Space of a demised premises shall mean the floor area stated in square feet bounded by the exterior faces of the exterior walls, or by the exterior or Common Areas face of any wall between the premises in question and any portion of the Common Areas, or by the center line of any wall between the premises in question and space leased or available to be leased to a tenant or occupant, plus a pro rata portion of the floor area of the Common Areas in the Building; and any reference to Floor Space of the Building shall mean the aggregate Floor Space of the demised premises leased or which Landlord has available to be leased in the Building. There will be no reduction of Floor Space measurements for setbacks for store fronts or service entrances, and Floor Space of any premises with a setback for a store front shall be measured to the line of such premises as if such premises had no setback. Any reference to the Floor Space is intended to refer to the Floor Space of the entire area in question irrespective of the Person(s) who may be the owner(s) of all or any part thereof.

P. Guarantor: None.

Q. Insurance Requirements: Rules, regulations, orders and other requirements of the applicable board of underwriters and/or the applicable fire insurance rating organization and/or any other similar body performing the same or similar functions and having jurisdiction or cognizance over the Land and Building, whether now or hereafter in force.

R. Land: The Land upon which the Building and Common Areas are located. The Land is described on Exhibit B.

S. Landlord's Work: The materials and work to be furnished, installed and performed by Landlord at its expense in accordance with the provisions of Exhibit C.

T. Legal Requirements: Laws and ordinances of all federal, state, city, town, county, borough and village governments, and rules, regulations, orders and directives of all departments, subdivisions, bureaus, agencies or offices thereof, and of any other governmental, public or quasi-public authorities having jurisdiction over the Land and Building, whether now or hereafter in force, including, but not limited to, those pertaining to environmental matters.

U. Mortgage: A mortgage and/or a deed of trust.

V. Mortgagee: A holder of a mortgage or a beneficiary of a deed of trust.

W. Operating Expenses: The sum of the following: (1) the cost and expense (whether or not within the contemplation of the parties) for the repair, replacement, maintenance, policing, insurance and operation of the Building and Land, and (2) the Building Fraction of the sum of (a) the cost and expense for the repair, replacement, maintenance, policing, insurance and operation of the Development Common Areas; (b) the Real Estate Taxes, if any, attributable to the Development Common Areas. The "Operating Expenses" shall, include, without limitation, the following: (i) the cost for rent, casualty, liability, boiler and fidelity insurance, (ii) if an independent managing agent is employed by Landlord, the fees payable to such agent (provided the same are competitive with the fees payable to independent managing agents of comparable facilities), (iii) costs and expenses incurred for legal, accounting and other professional services (including, but not limited to, costs and expenses for in-house or staff legal counsel or outside counsel at rates not to exceed the reasonable and customary charges for any such services as would be imposed in an arms length third party agreement for such services, plus (iv) if Landlord (or its affiliate) is itself managing the Building and has not employed an independent third party for such management, an amount equal to fifteen (15%) percent of the resulting total of all of the foregoing items making up "Operating Expenses" (excluding any taxes included therein) for Landlord's home office administration and overhead cost and expense provided that any management fee (or Landlord's charge in lieu thereof) may not exceed three percent (3%) of the fixed rent payable for leased space at the Building. All items included in Operating Expenses shall be determined in accordance with generally accepted accounting principles consistently applied. To the extent the Operating Expenses include an expenditure for a roof replacement or any other capital replacement, as determined under generally accepted accounting principles, Tenant shall only be responsible for that portion of the cost of said replacement as is determined by amortizing said cost over the useful life thereof; an annual amount equal to the amortized cost of the replacement plus an interest component equal to the Prime Rate of JPMorgan Chase Bank plus four percent per annum shall be then added to the Operating Expenses and paid by Tenant over the then remaining Term (or extension thereof) of the Lease. Operating Expenses shall not include: (1) Ground rent or other costs under record documents against the Land; (2) Salaries, benefits, wages and fees for

employees above the grade of building manager or for officers or partners of Landlord; (3) Any cost or expense specifically provided in this Lease to be incurred by Landlord at no cost or expense to Tenant; (4) Costs and expenses which would otherwise be includible but which are determined to be materially in excess of the competitive costs and expenses in the area in which the Building is located; (5) To the extent that employees are not employed exclusively at the Building, the costs and expenses with respect to such employees that are not properly allocated to the Land and/or Building; (6) State, county or municipal taxes (other than those properly included in subsection (b) above), federal taxes, death taxes, excess profit taxes, franchise or any taxes imposed or measured on or by the income or revenue of Landlord from the operation of the Building; (7) The costs of repairs, replacements or other work occasioned by fire, windstorm or other casualty to the extent reimbursed by insurance proceeds; (8) The cost of repairs, replacements or other work occasioned by the exercise of eminent domain to the extent reimbursed by condemnation proceeds; (9) Leasing commission, attorney's fees, costs, disbursements and other expenses incurred in connection with solicitation of and negotiation for leases with tenants, other occupants or prospective tenants or other occupants of the Building, or similar costs incurred in connection with disputes and individual tenants, occupants, or prospective tenants or occupants of the Building; (10) Rent for space which is not used by Landlord in connection with the management or operation of the Building; (11) "Tenant allowances", "tenant concessions" and other costs or expenses incurred in completing, fixturing, furnishing, renovating or otherwise improving, decorating or redecorating space for individual tenants or occupants of the Building; (12) Structural repairs and replacements to the foundation, pilings, if any, structural steel and structural support underlying the roof; (13) Any costs in connection with services (including electricity), items or other benefits or a type or quantity which are not standard for the Building and which are not available to Tenant without specific charge therefore, but which are provided to another tenant or occupant of the Building, whether or not such other tenant or occupant is specifically charged therefore by Landlord; (14) All items, utilities and services to the extent Tenant or any other tenant or occupant of the Building specifically reimburses Landlord; (15) Payment of principal, finance charges or interest on debt or amortization on any mortgage; (16) Any costs or expenses for sculpture, paintings, or other works of art, including, costs incurred with respect to purchase, ownership, leasing, repair and/or maintenance of such works of art; (17) Any otherwise includible costs of correcting defects in the Building and/or any associated garage facilities and/or equipment or replacing defective equipment to the extent such costs are covered by and reimbursed pursuant to warranties of manufacturers, suppliers or contractors, or are otherwise borne by parties other than Landlord; (18) Expenses directly resulting from the willful misconduct of the Landlord, its agents, servants or other employees; (19) All costs and expenses associated with the operation of the business of the entity which constitutes Landlord as the same are distinguished from the costs of operation of the Building, including accounting and legal matters, costs of defending any lawsuits with any Landlord's Mortgagee, costs of selling, syndicating, financing, mortgaging or hypothecating any of the Landlord's interest in the Building; and costs of disputes between Landlord and its employees (if any) not engaged in Building operation; (20) Costs paid or incurred in connection with Landlord's Environmental Indemnification, as contained in Section 36.14 below; and (21) Charitable or political donations.

X. Omitted.

Y. Permitted Uses: Warehousing and distribution of garments, showroom and ancillary office use and ancillary dry cleaning.

Z. Person: A natural person or persons, a partnership, a corporation, or any other form of business or legal association or entity.

AA. Ready for Occupancy: The condition of the Demised Premises when for the first time the Landlord's Work shall have been substantially completed and, if same is required to be obtained by Landlord, a temporary, permanent, or continuing Certificate of Occupancy shall have been issued permitting use of the Demised Premises for the Permitted Uses. The Landlord's Work shall be deemed substantially completed notwithstanding the fact that minor or insubstantial details of construction, mechanical adjustment or decoration remain to be performed, the noncompletion of which does not materially interfere with Tenant's use of the Demised Premises (which details Landlord agrees to use good faith efforts to fully complete within thirty (30) days of the Commencement Date).

BB. Real Estate Taxes: The real estate taxes, assessments and special assessments imposed upon the Building and Land by any federal, state, municipal or other governments or governmental bodies or authorities, and any expenses incurred by Landlord in contesting such taxes or assessments and/or the assessed value of the Building and Land, which expenses shall be allocated to the period of time to which such expenses relate. If at any time during the Term the methods of taxation prevailing on the date hereof shall be altered so that in lieu of, or as an addition to or as a substitute for, the whole or any part of such real estate taxes, assessments and special assessments now imposed on real estate there shall be levied, assessed or imposed (a) a tax, assessment, levy, imposition, license fee or charge wholly or partially as a capital levy or otherwise on the rents received therefrom, or (b) any other such additional or substitute tax, assessment, levy, imposition or charge, then all such taxes, assessments, levies, impositions, fees or charges or the part thereof so measured or based shall be deemed to be included within the term "Real Estate Taxes" for the purposes hereof.

CC. Rent: The Fixed Rent and the Additional Charges.

DD. Rules and Regulations: The reasonable rules and regulations that may be promulgated by Landlord from time to time, which may be reasonably changed by Landlord from time to time. The Rules and Regulations now in effect are attached hereto as Exhibit D.

EE. Security Deposit: Such amount as Tenant has deposited or hereinafter deposits with Landlord as security under this Lease. Tenant has deposited the sum of $[******] in the form of a Letter of Credit with Landlord as security hereunder as of the date hereof.

FF. Successor Landlord: As defined in Section 9.03.

GG. Superior Lease: Any lease to which this Lease is, at the time referred to, subject and subordinate.

HH. Superior Lessor: The lessor of a Superior Lease or its successor in interest, at the time referred to.

IL Superior Mortgage: Any Mortgage to which this Lease is, at the time referred to, subject and subordinate.

II. Superior Mortgagee: The Mortgagee of a Superior Mortgage at the time referred to.

JJ. Tenant's Fraction: The Tenant's Fraction shall mean the fraction, the numerator of which shall be the Floor Space of the Demised Premises and the denominator of which shall be the Floor Space of the Building (35.77%). If the size of the Demised Premises or the Building shall be changed from the initial size thereof, due to any taking, any construction or alteration work or otherwise, the Tenant's Fraction shall be changed to the fraction, the numerator of which shall be the Floor Space of the Demised Premises and the denominator of which shall be the Floor Space of the Building. In the event Landlord determines that Tenant's utilization of any item of utilities which exceed the fraction referred to above, Tenant's Fraction with respect to such utilities shall, at Landlord's option, mean the percentage of any such item (but not less than the fraction referred to above) which Landlord reasonably estimates as Tenant's proportionate share thereof.

KK. Tenant's Property: As defined in Section 16.02.

LL. Tenant's Work: The facilities, materials and work which may be undertaken by or for the account of Tenant (other than the Landlord's Work) to equip, decorate and furnish the Demised Premises for Tenant's occupancy.

MM. Term: The period commencing on the Commencement Date and ending at 11:59 p.m. of the Expiration Date, but in any event the Term shall end on the date when this Lease is earlier terminated.

OO. Unavoidable Delays: A delay arising from or as a result of a strike, lockout, or labor difficulty, explosion, sabotage, accident, riot or civil commotion, act of war, fire or other catastrophe, Legal Requirement and any cause beyond the reasonable control of that party, provided that the party asserting such Unavoidable Delay has exercised its best efforts to minimize such delay.

ARTICLE 2 - DEMISE AND TERM

2.01. Landlord hereby leases to Tenant, and Tenant hereby hires from Landlord, the Demised Premises, for the Term. This Lease is subject to (a) any and all existing encumbrances, conditions, rights, covenants, easements, restrictions and rights of way, of record, and other matters of record, applicable zoning and building laws, regulations and codes, and such matters as may be disclosed by an inspection or survey, and (b) easements now or hereafter created by Landlord in, under, over, across and upon the Land for sewer, water, electric, gas and other utility lines and services now or hereafter installed. To Landlord's knowledge, there are no unusual restrictions, rights of way or easements that will impede in any material manner Tenant's use of the Demised Premises and operation of its business. Promptly following the Commencement Date, the parties hereto shall enter into an agreement in form and substance reasonably satisfactory to Landlord setting forth the Commencement Date.

ARTICLE 3 - RENT

3.01. Tenant shall pay the Fixed Rent in equal monthly installments in advance on the first day of each and every calendar month during the Term (except that Tenant shall pay, upon the execution and delivery of this Lease by Tenant, the Advance Rent, to be applied against the first installment or installments of Fixed Rent becoming due under this Lease). If the Commencement Date occurs on a day other than the first day of a calendar month, the Fixed Rent for the partial calendar month at the commencement of the Term shall be prorated.

3.02. The Rent shall be paid in lawful money of the United States to Landlord at its office, or such other place, or Landlord's agent, as Landlord shall designate by notice to Tenant. Tenant shall pay the Rent promptly when due and, with respect to Fixed Rent, without notice or demand therefor and without any abatement, deduction or setoff for any reason whatsoever, except as may be expressly provided in this Lease. If Tenant makes any payment to Landlord by check, same shall be by check of Tenant and Landlord shall not be required to accept the check of any other Person, and any check received by Landlord shall be deemed received subject to collection. If any check is mailed by Tenant, Tenant shall post such check in sufficient time prior to the date when payment is due so that such check will be received by Landlord on or before the date when payment is due. Tenant shall assume the risk of lateness or failure of delivery of the mails, and no lateness or failure of the mails will excuse Tenant from its obligation to have made the payment in question when required under this Lease.

3.03. No payment by Tenant or receipt or acceptance by Landlord of a lesser amount than the correct Rent shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance or pursue any other remedy in this Lease or at law provided.

3.04. If Tenant is in arrears in payment of Rent, Tenant waives Tenant's right, if any, to designate the items to which any payments made by Tenant are to be credited, and Landlord may apply any payments made by Tenant to such items as Landlord sees fit, irrespective of and notwithstanding any designation or request by Tenant as to the items to which any such payments shall be credited.

3.05. In the event that any installment of Rent due hereunder shall be overdue, a "Late Charge" equal to four percent (4%) or the maximum rate permitted by law, whichever is less for Rent so overdue may be charged by Landlord for each month or part thereof that the same remains overdue ("Late Payment Rate"). In the event that any check tendered by Tenant to Landlord is returned for insufficient funds, Tenant shall pay to Landlord, in addition to the charge imposed by the preceding sentence, a fee of $50.00. Any such Late Charges if not previously paid shall, at the option of the Landlord, be added to and become part of the next succeeding Rent payment to be made hereunder. Notwithstanding the foregoing and without waiving any other rights of Landlord in this Agreement, the Late Charge shall be waived for the first two times in each calendar year that the Tenant fails to make a payment of Rent on a timely basis, provided such late payment is received by Landlord within seven (7) days of the date that such payment of Rent is due and owing and provided further that Tenant is in compliance with all other terms of the Lease.

ARTICLE 4 - USE OF DEMISED PREMISES

4.01. Tenant shall use and occupy the Demised Premises for the Permitted Uses, and Tenant shall not use or permit or suffer the use of the Demised Premises or any part thereof for any other purpose. With respect to Tenant's dry cleaning actives, such use shall be ancillary to the Permitted Uses and subject to and strictly in compliance with all Legal Requirements.

4.02. If any governmental license or permit, including a certificate of occupancy or certificate of continued occupancy (a "Certificate of Occupancy") shall be required for the proper and lawful conduct of Tenant's business in the Demised Premises or any part thereof, Tenant shall duly procure and thereafter maintain such license or permit and submit the same to Landlord for inspection. Notwithstanding the foregoing, Landlord shall be responsible for obtaining the Certificate of Occupancy or Continuing Certificate of Occupancy for the initial occupancy by Tenant, provided that Tenant's intended installations, if any, or the actions of Tenant or any agent of Tenant, shall not hinder or delay Landlord in obtaining such Certificate of Occupancy, in which event Tenant shall be responsible for obtaining such Certificate of Occupancy. Tenant shall at all times comply with the terms and conditions of each such license or permit. Tenant shall not at any time use or occupy, or suffer or permit anyone to use or occupy the Demised Premises, or do or permit anything to be done in the Demised Premises, in any manner which (a) violates the Certificate of Occupancy for the Demised Premises or for the Building; (b) causes or is liable to cause injury to the Building or any equipment, facilities or systems therein; (c) constitutes a violation of the Legal Requirements or Insurance Requirements; (d) impairs or tends to impair the character, reputation or appearance of the Building; (e) impairs maintenance, operation and repair of the Building and/or its equipment, facilities or systems; or (f) unreasonably annoys or inconveniences other tenants or occupants of the Building.

ARTICLE 5 - PREPARATION OF DEMISED PREMISES

5.01. (a) The Demised Premises shall be completed and prepared for Tenant's occupancy in the manner described in, and subject to the provisions of, Exhibit C. All of Landlord's Work shall be performed in good and workmanlike manner and in accordance with all Legal Requirements and Insurance Requirements and the space shall be delivered in compliance with such Insurance Requirements. Tenant shall be entitled to occupy the Demised Premises promptly after the Demised Premises are vacant and broom clean and in good and satisfactory condition and possession thereof is delivered to Tenant by Landlord Ready for Occupancy with Landlord giving to Tenant notice of such effect. Except as expressly provided to the contrary in this Lease, the taking of possession by Tenant of the Demised Premises shall be conclusive evidence as against Tenant that the Demised Premises and the Building were in good and satisfactory condition at the time such possession was taken, exclusive of latent defects, if any. Except as expressly provided to the contrary in this Lease, Tenant is leasing the Demised Premises "as is" on the date hereof, subject to reasonable wear and tear.

(b) (i) Except as set forth in Exhibit C or as otherwise expressly provided in this Lease, Landlord shall deliver the Demised Premises to Tenant broom clean and in "as is" condition. Except as set forth in Exhibit C or as otherwise expressly provided in this Lease, Tenant shall be responsible for all construction and work to prepare the Demised Premises for Tenant's occupancy at Tenant's cost and expense. Such construction shall be in accordance with Section 36.09 of this Lease. Prior to performing any work in the Demised Premises, other than decorative work, Tenant shall, within fourteen (14) days of the date thereof submit to Landlord for approval, which approval shall not be unreasonably withheld, conditioned or delayed with respect to work which is non- structural and does not adversely affect the mechanical systems of the Building, final plans and specifications for all construction work in the Demised Premises including, but not limited to layout, mechanical, electrical and plumbing plans and finish schedules ("Plans and Specifications"). Tenant shall employ licensed architect(s) and/or engineer(s) for the

preparation of the Plans and Specifications. Landlord shall notify Tenant of Landlord's approval or disapproval of such Plans and Specifications. If Landlord disapproves, Landlord shall specify the reasons for disapproval and Tenant shall, within fourteen (14) days of receipt of notice of Landlord's disapproval, resubmit revised Plans and Specifications that correct such items.

(ii) Tenant shall obtain and provide all design and architectural services necessary to perform Tenant's Work and shall be responsible for complying with all building codes and Legal Requirements in connection with Tenant's Work, prior to commencing any work in the Demised Premises. Tenant shall obtain a permanent certificate of occupancy of the Demised Premises for the Permitted Uses. The construction of the Demised Premises shall be performed in a good and workmanlike manner. At all times when construction of the Demised Premises is in progress, whether before or after the Commencement Date, Tenant shall maintain or cause to be maintained the insurance coverage required under Section 13.02.

(iii) Tenant shall be solely responsible for the structural integrity of the improvements performed by or under the direction of Tenant and for the adequacy or sufficiency of the Plans and Specifications and all the improvements depicted thereon or covered thereby, and Landlord's consent thereto, approval thereof, or incorporation therein of any of its recommendations shall in no way diminish Tenant's responsibility therefor or reduce or mitigate Tenant's liability in connection therewith. Landlord shall have no obligations or liabilities by reason of this Lease in connections with the performance of construction or of the finish, decorating or installation work performed by Tenant, or on its behalf, or in connection with the contracts for the performance thereof entered into by Tenant. Any warranties extended or available to Tenant in connection with the aforesaid work shall be for the benefit also of Landlord. Tenant further agrees that once it commences construction, it shall diligently and continuously proceed with construction to completion.

5.02. If the substantial completion of the Landlord's Work shall be delayed due solely to (a) any act or omission of Tenant or any of its employees, agents or contractors (including, without limitation, any delays by Tenant in the submission of plans, drawings, specifications or other information or in approving any working drawings or estimates or in giving any authorizations or approvals), or (b) any additional time needed for the completion of the Landlord's Work by the inclusion in the Landlord's Work of any items specified by Tenant that require long lead time for delivery or installation, then the Demised Premises shall be deemed ready for occupancy on the date when they would have been ready but for such delay(s). Except for latent defects, the Demised Premises shall be presumed to be in satisfactory condition on the Commencement Date except for unsatisfactory conditions of which Tenant gives Landlord notice within thirty (30) days after the Commencement Date specifying such details with reasonable particularity.

5.03. If Landlord is unable to give possession of the Demised Premises on the Commencement Date because of the holding-over or retention of possession by any tenant, undertenant or occupant, Landlord shall not be subject to any liability for failure to give possession, the validity of this Lease shall not be impaired under such circumstances, and the Term shall not be extended, but the Rent shall be abated if Tenant is not responsible for the inability to obtain possession.

5.04. Landlord reserves the right, at any time and from time to time, to increase, reduce or change the number, type, size, location, elevation, nature and use of any of the Common Areas, provided same shall not unreasonably block or interfere with Tenant's access, use or means of ingress or egress to and from the Demised Premises.

ARTICLE 6 - TAX AND OPERATING EXPENSE PAYMENTS

6.01. Tenant shall pay to Landlord, as hereinafter provided, Tenant's Fraction of the Real Estate Taxes. Tenant's Fraction of the Real Estate Taxes shall be the Real Estate Taxes in respect of the Building for the period in question, multiplied by the Tenant's Fraction, plus the Real Estate Taxes in respect of the Land for the period in question, multiplied by the Tenant's Fraction. If any portion of the Building shall be exempt from all or any part of the Real Estate Taxes, then for the period of time when such exemption is in effect, the Floor Space on such exempt portion shall be excluded when making the above computations in respect of the part of the Real Estate Taxes for which such portion shall be exempt. Landlord shall estimate the annual amount of Tenant's Fraction of the Real Estate Taxes (which estimate may be changed by Landlord at any time and from time to time), and Tenant shall pay to Landlord 1/12th of the amount so estimated on the first day of each month in advance. Tenant shall also pay to Landlord on demand from time to time the amount which, together with said monthly installments, will be sufficient in Landlord's estimation to pay Tenant's Fraction of any Real Estate Taxes thirty (30) days prior to the date when such Real Estate Taxes shall first become due. When the amount of any item comprising Real Estate Taxes is finally determined for a real estate fiscal tax year, Landlord shall submit to Tenant a statement in reasonable detail of the same, and the figures used for computing Tenant's Fraction of the same, and if Tenant's Fraction so stated is more or less than the amount theretofore paid by Tenant for such item based on Landlord's estimate. Tenant shall pay to Landlord the deficiency within thirty (30) days after submission of such statement, or Landlord shall, at its sole election, either refund to Tenant the excess or apply same to future installments of Real Estate Taxes due hereunder. Any Real Estate Taxes for a real estate fiscal tax year, a part of which is included within the Term and a part of which is not so included, shall be apportioned on the basis of the number of days in the real estate fiscal tax year included in the Term, and the real estate fiscal tax year for any improvement assessment will be deemed to be the one-year period commencing on the date when such assessment is due, except that if any improvement assessment is payable in installments, the real estate fiscal tax year for each installment will be deemed to be the one-year period commencing on the date when such installment is due. The above computations shall be made by Landlord in accordance with generally accepted accounting principles, and the Floor Space referred to will be based upon the average of the Floor Space in existence on the first day of each month during the period in question. In addition to the foregoing, Tenant shall be responsible for any increase in Real Estate Taxes attributable to assessments for improvements installed by or for the account of Tenant at the Demised Premises. If the Demised Premises are not separately assessed, the amount of any such increase shall be determined by reference to the records of the tax assessor.

6.02. Real Estate Taxes, whether or not a lien upon the Demised Premises shall be apportioned between Landlord and Tenant at the beginning and end of the Term; it being intended that Tenant shall pay only that portion of the Real Estate Taxes as is allocable to the Demised Premises for the Term.

6.03. Tenant shall pay to Landlord Tenant's Fraction of the Operating Expenses within thirty (30) days after Landlord submits to Tenant an invoice for same together with reasonably detailed break down of the charges in connection with same.

6.04. Each such statement given by Landlord pursuant to Section 6.01 or Section 6.03 shall be conclusive and binding upon Tenant unless within 30 days after the receipt of such statement Tenant shall notify Landlord that it disputes the correctness of the statement, specifying the particular respects in which the statement is claimed to be incorrect. If such dispute is not settled by agreement, either party may submit the dispute to arbitration as provided in Article 34. Pending the determination of such dispute by agreement or arbitration as aforesaid, Tenant shall, within ten (10) days after receipt of such statement, pay the Additional Charges in accordance with Landlord's statement, without prejudice to Tenant's position. If the dispute shall be determined in Tenant's favor, Landlord shall forthwith pay to Tenant the amount of Tenant's overpayment resulting from compliance with Landlord's statement.

6.05. Provided Tenant is not in default of this Lease, Tenant shall have the right, at its sole cost and expense, upon at least ten (10) days' prior written notice to Landlord, to examine Landlord's records relating to Operating Expenses of the Demised Premises for no more than two times per Calendar Year and not more than two days per audit. Landlord shall make records available for examination at Landlord's principal office during Landlord's normal business days and normal business hours. If any such review discloses that Operating Expenses were overstated by Landlord, Landlord shall promptly refund or credit to Tenant any such excess. This provision shall not be deemed to give Tenant the right to offset or deduct or withhold payment of Rent. No subtenant shall have the right to conduct an examination and no assignee shall conduct an inspection for any period during which such assignee was not in possession of the Demised Premises. In the event Tenant elects to exercise an inspection of Landlord's records relating to Operating Expenses of the Demised Premises in accordance with this Section 6.04, such inspection must be conducted by an accountant that is not being compensated by Tenant on a contingency fee basis and Tenant and such firm agree to keep all information obtained during such examination confidential.

ARTICLE 7 - COMMON AREAS

7.01. Except as may be otherwise expressly provided in this Lease and so long as Tenant is not in default under this Lease beyond any applicable notice and cure periods, Landlord will operate, manage, equip, light, repair and maintain, or cause to be operated, managed, equipped, lighted, repaired and maintained, the Common Areas for their intended purposes. Landlord reserves the right, at any time and from time to time, to construct within the Common Areas kiosks, fountains, aquariums, planters, pools and sculptures, and to install vending machines, telephone booths, benches and the like, provided same shall not unreasonably block or interfere with Tenant's means of ingress or egress to and from the Demised Premises.

7.02. So long as Tenant is not in default under this Lease beyond any applicable notice and cure periods, Tenant and its subtenants and concessionaires, and their respective officers, employees, agents, customers and invitees, shall have the non-exclusive right, in common with Landlord and all others to whom Landlord has granted or may hereafter grant such right, but subject to the Rules and Regulations, to use the Common Areas. Landlord reserves the right, at any time and from time to time, to close temporarily all or any portions of the Common Areas

when in Landlord's reasonable judgment any such closing is necessary or desirable (a) to make repairs or changes or to effect construction, (b) to prevent the acquisition of public rights in such areas, (c) to discourage unauthorized parking, or (d) to protect or preserve natural persons or property. Landlord may do such other acts in and to the Common Areas as in its judgment may be desirable to improve or maintain same.

7.03. Tenant will, if and when so requested by Landlord, furnish Landlord with the license numbers of any vehicles of Tenant, any subtenant or licensee and their respective officers, employees and agents.

ARTICLE 8 - SECURITY

8.01. (a) In the event Tenant deposits with Landlord any Security Deposit, the same shall be held as security for the full and faithful payment and performance by Tenant of Tenant's obligations under this Lease. If Tenant defaults in the full and prompt payment and performance of any of its obligations under this Lease, including, without limitation, the payment of Rent, Landlord may use, apply or retain the whole or any part of the Security Deposit to the extent required for the payment of any Rent or any other sums as to which Tenant is in default or for any sum which Landlord may expend or may be required to expend by reason of Tenant's default in respect of any of Tenant's obligations under this Lease, including, without limitation, any damages or deficiency in the reletting of the Demised Premises, whether such damages or deficiency accrue before or after summary proceedings or other re-entry by Landlord. If Landlord shall so use, apply or retain the whole or any part of the security, Tenant shall upon demand immediately deposit with Landlord a sum equal to the amount so used, applied and retained, as security as aforesaid. If Tenant shall fully and faithfully pay and perform all of Tenant's obligations under this Lease, the Security Deposit or any balance thereof to which Tenant is entitled shall be returned or paid over to Tenant after the date on which this Lease shall expire or sooner end or terminate, and after delivery to Landlord of entire possession of the Demised Premises. In the event of any sale or leasing of the Land, Landlord shall have the right to transfer the security to which Tenant is entitled to the vendee or lessee and Landlord shall thereupon be released by Tenant from all liability for the return or payment thereof; and Tenant shall look solely to the new landlord for the return or payment of the same; and the provisions hereof shall apply to every transfer or assignment made of the same to a new landlord. Tenant shall not assign or encumber or attempt to assign or encumber the monies deposited herein as security, and neither Landlord nor its successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

(b) In lieu of the cash security required by this Lease, Tenant shall provide to Landlord an irrevocable transferable Letter of Credit in the amount of the Security Deposit in form annexed hereto as Exhibit E and issued by a financial institution approved by Landlord. Landlord shall have the right, upon written notice to Tenant (except that for Tenant's non-payment of Rent or for Tenant's failure to comply with Article 8.03, no such notice shall be required) and regardless of the exercise of any other remedy the Landlord may have by reason of a default, to draw upon said Letter of Credit to cure any default of Tenant or for any purpose authorized by section 8.01(a) of this Lease and if Landlord does so, Tenant shall, upon demand, additionally fund the Letter of Credit with the amount so drawn so that Landlord shall have the full deposit on hand at all times during the Term of the Lease and for a period of thirty (30) days' thereafter. In the event of a sale of the Building or a lease of the Building subject to this Lease, Landlord shall have the right to transfer the security to the vendee or lessee.

8.02. The Letter of Credit shall expire not earlier than thirty (30) days after the Expiration Date of this Lease. Upon Landlord's prior consent, the Letter of Credit may be of the type which is automatically renewed on an annual basis (Annual Renewal Date), provided however, in such event Tenant shall maintain the Letter of Credit and its renewals in full force and effect during the entire Term of this Lease (including any renewals or extensions) and for a period of thirty (30) days thereafter. The Letter of Credit will contain a provision requiring the issuer thereof to give the beneficiary (Landlord) sixty (60) days' advance written notice of its intention not to renew the Letter of Credit on the next Annual Renewal Date.

8.03. In the event Tenant shall fail to deliver to Landlord a substitute irrevocable Letter of Credit, in the amount stated above, on or before thirty (30) days prior to the next Annual Renewal Date, said failure shall be deemed a default under this Lease. Landlord may, in its discretion treat this the same as a default in the payment of Rent or any other default and pursue the appropriate remedy. In addition, and not in limitation. Landlord shall be permitted to draw upon the Letter of Credit as in the case of any other default by Tenant under the Lease.

ARTICLE 9 - SUBORDINATION

9.01. This Lease, and all rights of Tenant hereunder, are and shall be subject and subordinate to all ground leases and underlying leases of the Land and/or the Building now or hereafter existing and to all Mortgages which may now or hereafter affect the Land and/or building and/or any of such leases, whether or not such Mortgages or leases shall also cover other lands and/or buildings, to each and every advance made or hereafter to be made under such Mortgages, and to all renewals, modifications, replacements and extensions of such leases and such Mortgages and spreaders and consolidations of such Mortgages. The provisions of this Section 9.01 shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination. Tenant shall promptly execute, acknowledge and deliver any instrument that Landlord, the lessor under any such lease or the Mortgagee of any such Mortgage or any of their respective successors in interest may reasonably request to evidence such subordination; and if Tenant fails to execute, acknowledge or deliver any such instruments within 10 days after request therefor, Tenant hereby irrevocably constitutes and appoints Landlord as Tenant's attorney-in-fact, coupled with an interest, to execute and deliver any such instruments for and on behalf of Tenant.

9.02. If any act or omission of Landlord would give Tenant the right, immediately or after lapse of a period of time, to cancel or terminate this Lease, or to claim a partial or total eviction, Tenant shall not exercise such right (a) until it has given written notice of such act or omission to Landlord and each Superior Mortgagee and each Superior Lessor whose name and address shall previously have been furnished to Tenant, and (b) until a reasonable period for remedying such act or omission shall have elapsed following the giving of such notice and following the time when such Superior Mortgagee or Superior Lessor shall have become entitled under such Superior Mortgage or Superior Lease, as the case may be, to remedy the same (which reasonable period shall in no event be less than the period to which Landlord would be entitled under this Lease or otherwise, after similar notice, to effect such remedy), provided such Superior Mortgagee or Superior Lessor shall with due diligence give Tenant notice of intention to, and commence and continue to, remedy such act or omission.

9.03. If any Superior Lessor or Superior Mortgagee shall succeed to the rights of Landlord under this Lease, whether through possession or foreclosure action or delivery of a new lease or deed, then at the request of such party so succeeding to Landlord's rights ("Successor Landlord") and upon such Successor Landlord's written agreement to accept Tenant's attornment, Tenant shall attorn to and recognize such Successor Landlord as Tenant's landlord under this Lease and shall promptly execute and deliver any instrument that such Successor Landlord may reasonably request to evidence such attornment. Upon such attornment this Lease shall continue in full force and effect as a direct lease between the Successor Landlord and Tenant upon all of the terms, conditions and covenants as are set forth in this Lease except that the Successor Landlord shall not (a) be liable for any previous act or omission of Landlord under this Lease; (b) be subject to any offset, not expressly provided for in this Lease, which theretofore shall have accrued to Tenant against Landlord; (c) be liable for the return of any Security Deposit, in whole or in part, to the extent that same is not paid over to the Successor Landlord; or (d) be bound by any previous modification of this Lease or by any previous prepayment of more than one month's Fixed Rent or Additional Charges, unless such modification or prepayment shall have been expressly approved in writing by the Superior Lessor of the Superior Lease or the Mortgagee of the Superior Mortgage through or by reason of which the Successor Landlord shall have succeeded to the rights of Landlord under this Lease.

9.04. (a) Landlord represents to Tenant that there are no Mortgages encumbering the Demised Premises or any portion thereof as of the date of this Lease except for the Fee and Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement, given by Landlord and its affiliate Hartz Metro Leasehold I LLC (as fee owner of the Land) to or for the benefit of Bank of America, N.A. or its nominee ("Lender") dated July 25, 2013. Provided Tenant first executes same, Landlord shall use its good faith efforts to obtain from Lender an original agreement substantially in the form of Exhibit G (an "SNDA"), executed and notarized by Lender within thirty (30) days following the date hereof. Landlord shall use its good faith efforts to include with its delivery of such original executed and notarized counterpart of the SNDA such additional executed and notarized counterparts as shall be required for Tenant to retain at least one (1) original counterpart of the SNDA for its files.

(b) If Landlord shall grant any other Mortgage or ground lease in the future, Landlord shall use its good faith efforts to obtain and deliver to Tenant a fully executed and notarized Subordination and Non-Disturbance Agreement from any future Mortgagee or ground lessor promptly following the final execution and delivery of any such Mortgage or ground lease. Tenant agrees that in lieu of an Subordination and Non-Disturbance Agreement in the form of Exhibit G it shall execute and return such other Subordination and Non-Disturbance Agreement as shall be in form and substance substantially similar to Exhibit G or otherwise reasonably acceptable to such Mortgagee or ground lessor.

(c) Landlord shall be responsible at its sole cost and expense for paying any recording fees imposed in connection with the recording of the SNDA and, unless required by a future Mortgagee in connection with such financing recording the Subordination and Non- Disturbance Agreement for Lender or any future Mortgagees or ground lessors.

ARTICLE 10 - QUIET ENJOYMENT

10.01. So long as Tenant pays all of the Rent and performs all of Tenant's other obligations hereunder, Tenant shall peaceably and quietly have, hold and enjoy the Demised Premises without hindrance, ejection or molestation by Landlord or any person lawfully claiming through or under Landlord, subject, nevertheless, to the provisions of this Lease and to Superior Leases and Superior Mortgages.

ARTICLE 11 - ASSIGNMENT, SUBLETTING AND MORTGAGING

11.01. Tenant shall not, whether voluntarily, involuntarily, or by operation of law or otherwise, (a) assign or otherwise transfer this Lease, or offer or advertise to do so, (b) sublet the Demised Premises or any part thereof, or offer or advertise to do so, or allow the same to be used, occupied or utilized by anyone other than Tenant, or (c) mortgage, pledge, encumber or otherwise hypothecate this Lease in any manner whatsoever, without in each instance obtaining the prior written consent of Landlord. Landlord agrees not to unreasonably withhold its consent to the subletting of the Demised Premises or an assignment of this Lease. In determining reasonableness, Landlord may take into consideration all relevant factors surrounding the proposed sublease and assignment, including, without limitation, the following: (i) The business reputation of the proposed assignee or subtenant and its officers or directors in relation to the other tenants or occupants of the Building or Development; (ii) the nature of the business and the proposed use of the Demised Premises by the proposed assignee or subtenant in relation to the other tenants or occupants of the Development; (iii) whether the proposed assignee or subtenant is then a tenant (or subsidiary, affiliate or parent of a tenant) of other space in the Building or Development, or any other property owned or managed by Landlord or its affiliates; (iv) the financial condition of the proposed assignee; (v) restrictions, if any, contained in leases or other agreements affecting the Building and the Development; (vi) the effect that the proposed assignee's or subtenant's occupancy or use of the Demised Premises would have upon the operation and maintenance of the Building and the Development; (vii) the extent to which the proposed assignee or subtenant and Tenant provide Landlord with assurances reasonably satisfactory to Landlord as to the satisfaction of Tenant's obligations hereunder. In any event, at no time shall there be more than three (3) subtenants of the Demised Premises permitted.

In the event the Demised Premises are sublet or this Lease is assigned other than to an Affiliate or as permitted under Section 11.02 below, Tenant shall pay to Landlord as an Additional Charge the following amounts less the actual reasonable expense incurred by Tenant in connection with such assignment or subletting, as substantiated by Tenant, in writing, to Landlord's reasonable satisfaction, including, without limitation, a reasonable brokerage fee and reasonable legal fees, as the case may be: (i) in the case of an assignment, an amount equal to fifty percent (50%) of all sums and other consideration paid to Tenant by the assignee for or by reason of such assignment, and (ii) in the case of a sublease, fifty percent (50%) of any rents, additional charge or other consideration payable under the sublease to Tenant by the subtenant which is in excess of the Fixed Rent and Additional Charges accruing during the term of the sublease in respect of the subleased space (at the rate per square foot payable by Tenant hereunder) pursuant to the terms hereof. Notwithstanding anything herein contained in this subsection to the contrary, Landlord's consent shall not be required with respect to an assignment of this Lease, or a sublet of the whole or any portion of the Premises, to its parent, subsidiary or any affiliate, provided that (i) with respect to an assignment, such assignee executes and delivers to Landlord within ten (10) days

thereof an assignment agreement pursuant to which it assumes all obligations under the Lease; and (ii) with respect to a sublease, such sublessee executes and delivers to Landlord within ten (10) days thereof a sublease agreement which includes a provision to the effect that the sublease is subject to all terms and provisions of the Lease. The term “affiliate”, as used hereinabove, shall mean any corporation or other entity controlled by, under common control with, or which controls Tenant.

11.02. If at any time (a) the original Tenant named herein, (b) the then Tenant, or (c) any Person owning a majority of the voting stock of, or directly or indirectly controlling, the then Tenant shall be a corporation, limited liability company, or partnership, any transfer of voting stock or other ownership interest (including but not limited to membership interest, economic interest, or partnership interest) resulting in the person(s) who shall have owned a minimum of forty five (45%) percent of such corporation’s shares of voting stock, or the majority of the membership interests or economic interest in such limited liability company, or the majority of the general partners’ interest or the majority of the limited partner’s interest in such partnership, as the case may be, immediately before such transfer, ceasing to own a minimum of forty five (45%) percent of such shares of voting stock, membership or economic interest, general partner’s ownership or economic interest, or limited partner’s ownership or economic interest, as the case may be, except as the result of transfers by inheritance or an affiliate transfer as permitted above, shall be deemed to be an assignment of this Lease as to which Landlord’s consent shall have been required, and in any such event Tenant shall notify Landlord and Landlord shall consent to such transaction, provided the requirements of (i) and (ii) below are satisfied. The provisions of this Article 11 shall not be applicable (i.e. Landlord’s consent shall not be required and no payments shall be required) to any corporation all the outstanding voting stock of which is listed (or shall be listed) on a national securities exchange (as defined in the Securities Exchange Act of 1934, as amended) or is traded in the over-the-counter market with quotations reported by the National Association of Securities Dealers through its automated system for reporting quotations and shall not apply to transactions with a corporation or limited liability company into or with which the then Tenant is merged or consolidated or to which substantially all of the then Tenant’s assets are transferred or to any corporation or limited liability company which controls or is controlled by the then Tenant or is under common control with the then Tenant, provided that in any of such events (i) the successor to Tenant has a net worth computed in accordance with generally accepted accounting principles at least equal to the greater of (1) the net worth of Tenant immediately prior to such merger, consolidation or transfer, or (2) the net worth of the original Tenant on the date of this Lease, and (ii) proof satisfactory to Landlord of such net worth shall have been delivered to Landlord at least 10 days prior to the effective date of any such transaction. For the purposes of this Section, the words “voting stock” shall refer to shares of stock regularly entitled to vote for the election of directors of the corporation. Landlord shall have the right at any time and from time to time during the Term to inspect the stock record books or other ownership records of the entity to which the provisions of this Section 11.02 apply, and Tenant will produce the same on request of Landlord.

11.03. If this Lease is assigned, whether or not in violation of this Lease, Landlord may collect rent from the assignee. If the Demised Premises or any part thereof are sublet or used or occupied by anybody other than Tenant, whether or not in violation of this Lease, Landlord may, after default by Tenant, and expiration of Tenant’s time to cure such default, collect rent from the subtenant or occupant. In either event, Landlord may apply the net amount collected to the Rent,

but no such assignment, subletting, occupancy or collection shall be deemed a waiver of any of the provisions of Section 11.01 or Section 11.02, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of Tenant from the performance by Tenant of Tenant's obligations under this Lease. The consent by Landlord to any assignment, mortgaging, subletting or use or occupancy by others shall not in any way be considered to relieve Tenant from obtaining the express written consent of Landlord to any other or further assignment, mortgaging or subletting or use or occupancy by others not expressly permitted by this Article 11. References in this Lease to use or occupancy by others (that is, anyone other than Tenant) shall not be construed as limited to subtenants and those claiming under or through subtenants but shall be construed as including also licensees and others claiming under or through Tenant, immediately or remotely.

11.04. Any permitted assignment or transfer, whether made with Landlord's consent pursuant to Section 11.01 or without Landlord's consent if permitted by Section 11.02, shall be made only if, and shall not be effective until, the assignee shall execute, acknowledge and deliver to Landlord an agreement in form and substance satisfactory to Landlord whereby the assignee shall assume Tenant's obligations under this Lease and whereby the assignee shall agree that all of the provisions in this Article 11 shall, notwithstanding such assignment or transfer, continue to be binding upon it in respect to all future assignments and transfers. Notwithstanding any assignment or transfer, whether or not in violation of the provisions of this Lease, and notwithstanding the acceptance of Rent by Landlord from an assignee, transferee, or any other party, the original Tenant and any other person(s) who at any time was or were Tenant shall remain fully liable for the payment of the Rent and for Tenant's other obligations under this Lease.

11.05. The liability of the original named Tenant and any other Person(s) (including but not limited to any Guarantor) who at any time are or become responsible for Tenant's obligations under this Lease shall not be discharged, released or impaired by any agreement or stipulation made by Landlord extending the time of, or modifying any of the tenns or obligations under this Lease, or by any waiver or failure of Landlord to enforce, any of this Lease.

11.06. The listing of any name other than that of Tenant, whether on the doors of the Demised Premises or the Building directory, or otherwise, shall not operate to vest any right or interest in this Lease or in the Demised Premises, nor shall it be deemed to be the consent of Landlord to any assignment or transfer of this Lease or to any sublease of the Demised Premises or to the use or occupancy thereof by others. Notwithstanding anything contained in this Lease to the contrary. Landlord shall have the absolute right to withhold its consent to an assignment or subletting to a Person who is otherwise a tenant or occupant of the Building, or of a building owned or managed by Landlord or its affiliated entities.

11.07. Without limiting any of the provisions of Article 27, if pursuant to the Federal Bankruptcy Code (or any similar law hereafter enacted having the same general purpose), Tenant is permitted to assign this Lease notwithstanding the restrictions contained in this Lease, adequate assurance of future performance by an assignee expressly permitted under such Code shall be deemed to mean the deposit of cash security in an amount equal to the sum of six (6) months Fixed Rent plus an amount equal to the Additional Charges for the six (6) months preceding the year in which such assignment is intended to become effective, which deposit shall be held by Landlord for the balance of the Term, without interest, as security for the full performance of all of Tenant's obligations under this Lease, to be held and applied in the manner specified for security in Article 8.

11.08. If Tenant shall propose to assign or in any manner transfer this Lease or any interest therein, or sublet the Demised Premises or any part or parts thereof, or grant any concession or license or otherwise permit occupancy of all or any part of the Demised Premises by any person, Tenant shall give notice thereof to Landlord, together with a copy of the proposed instrument that is to accomplish same and such financial and other information pertaining to the proposed assignee, transferee, subtenant, concessionaire or licensee as Landlord shall require consents to the subject transaction or if Landlord's consent is not required to same) if Tenant does not consummate the subject transaction within 60 days, Tenant shall again be required to comply with the provisions of this Section 11.08 in connection with any such transaction as if the notice by Tenant referred to above in this Section 11.08 had not been given. Notwithstanding anything contained in this Lease to the contrary, Landlord shall not be obligated to entertain or consider any request by Tenant to consent to any proposed assignment of this Lease or sublet of all or any part of the Demised Premises unless each request by Tenant is accompanied by a non-refundable fee payable to Landlord in the amount of One Thousand Dollars ($1,000.00) to cover Landlord's administrative, legal, and other costs and expenses incurred in processing each of Tenant's requests. Neither Tenant's payment nor Landlord's acceptance of the foregoing fee shall be construed to impose any obligation whatsoever upon Landlord to consent to Tenant's request.

ARTICLE 12 - COMPLIANCE WITH LAWS

12.01. Tenant shall comply with all Legal Requirements which shall, in respect of the Demised Premises or the use and occupation thereof, or the abatement of any nuisance in, on or about the Demised Premises, impose any violation, order or duty on Landlord or Tenant; and Tenant shall pay all the costs, expenses, fines, penalties and damages which may be imposed upon Landlord or any Superior Lessor by reason of or arising out of Tenant's failure to fully and promptly comply with and observe the provisions of this Section 12.01. However, Tenant need not comply with any such law or requirement of any public authority so long as Tenant shall be contesting the validity thereof, or the applicability thereof to the Demised Premises, in accordance with Section 12.02. Landlord represents that as of the date hereof it has not received any open uncured violations of Legal Requirements applicable to the Demised Premises and in the event any such violations are received prior to the Commencement Date, Landlord shall be responsible to cure same at its sole cost and expense unless arising as a result of any action of Tenant or any entity acting on behalf of Tenant. Tenant's obligation to comply with Legal Requirements shall not extend to Building systems, the structural aspects of the Building or structural aspects of the Common Areas unless resulting from Tenant's particular manner of use of the Demised Premises (as opposed to the mere use of the Demised Premises for the Permitted Use set forth herein).

12.02. Tenant may contest, by appropriate proceedings prosecuted diligently and in good faith, the validity, or applicability to the Demised Premises, of any Legal Requirement, provided that (a) Landlord shall not be subject to criminal penalty or to prosecution for a crime or offense, and neither the Demised Premises nor any part thereof shall be subject to being condemned or vacated, by reason of non-compliance or otherwise by reason of such contest; (b) such non-compliance or contest shall not constitute or result in any violation of any Superior Lease or Superior Mortgage, or if any such Superior Lease and/or Superior Mortgage shall permit such non-

compliance or contest on condition of the taking of action or furnishing of security by Landlord, such action shall be taken and such security shall be furnished at the expense of Tenant; and (c) Tenant shall keep Landlord advised as to the status of such proceedings. Without limiting the application of the above, Landlord shall be deemed subject to prosecution for a crime or offense if Landlord, or its managing agent, or any officer, director, partner, shareholder or employee of Landlord or its managing agent, as an individual, is charged with a crime or offense of any kind or degree whatsoever, whether by service of a summons or otherwise, unless such charge is withdrawn before Landlord or its managing agent, or such officer, director, partner, shareholder or employee of Landlord or its managing agent (as the case may be) is required to plead or answer thereto. Notwithstanding anything contained in this Lease to the contrary, Tenant shall not file any Real Estate Tax Appeal with respect to the Land, Building or the Demised Premises.

ARTICLE 13 - INSURANCE AND INDEMNITY

13.01. Landlord shall maintain or cause to be maintained All Risk insurance in respect of the Building and other improvements on the Land normally covered by such insurance (except for the property Tenant is required to cover with insurance under Section 13.02 and similar property of other tenants and occupants of the Building or buildings and other improvements which are on land neither owned by nor leased to Landlord) for the benefit of Landlord, any Superior Lessors, any Superior Mortgagees and any other parties Landlord may at any time and from time to time designate, as their interests may appear, but not for the benefit of Tenant, and shall maintain rent insurance as required by any Superior Lessor or any Superior Mortgagee. The All Risk insurance will be in the amounts required by any Superior Lessor or any Superior Mortgagee but not less than the amount sufficient to avoid the effect of the co-insurance provisions of the applicable policy or policies. Landlord may also maintain any other forms and types of insurance which Landlord shall deem reasonable in respect of the Building and Land. Landlord shall have the right to provide any insurance maintained or caused to be maintained by it under blanket policies.

13.02. Tenant shall maintain the following insurance: (a) commercial general liability insurance in respect of the Demised Premises and the conduct and operation of business therein, having a limit of liability not less than a $[******] per occurrence for bodily injury or property damage, coverage to include but not be limited to premises/operations, completed operations, contractual liability and product liability, (b) automobile liability insurance covering all owned, hired and non-owned vehicles used by the Tenant in connection with the premises and any loading or unloading of such vehicles, with a limit of liability not less than $[******] per accident and (c) worker’s compensation and employers liability insurance as required by statutes; (d) All Risk insurance in respect of loss or damage to Tenant’s stock in trade, fixtures, furniture, furnishings, removable floor coverings, equipment, signs and all other property of Tenant in the Demised Premises in an amount equal to the full replacement value thereof as same might increase from time to time or such higher amount as either may be required by the holder of any fee mortgage, or is necessary to prevent Landlord and/or Tenant from becoming a co-insurer. Such insurance shall include coverage for property of others in the care, custody and control of Tenant in amounts sufficient to cover the replacement value of such property, to the extent of Tenant’s liability therefor; and (e) such other insurance as Landlord may reasonably require, provided such requirements are customary for similar real estate in the geographical area. Landlord may at any time and from time to time require that the limits for the general liability insurance to be maintained by Tenant be increased to the limits that new tenants in the Building are required by Landlord to

maintain, provided such requirements are customary for similar real estate in the geographical area. Tenant shall deliver to Landlord and any additional insured(s) certificates for such fully paid-for policies upon execution hereof. Tenant shall procure and pay for renewals of such insurance from time to time before the expiration thereof, and Tenant shall deliver to Landlord and any additional insured(s) certificates therefor at least thirty (30) days before the expiration of any existing policy. All such policies shall be issued by companies reasonably acceptable to Landlord, having a Bests Rating of not less than A, Class VII (or an equivalent S&P rating if requested by Landlord), and licensed to do business in New Jersey, and all such policies shall contain a provision whereby the same cannot be canceled unless Landlord and any additional insured(s) are given at least thirty (30) days' prior written notice of such cancellation. The policies and certificates of insurance (such certificates to be on Acord form 27 or its equivalent) to be delivered to Landlord by Tenant pursuant to this Section 13.02 (other than workers compensation insurance) shall name Landlord as an additional insured and, at Landlord's request, shall also name any Superior Lessors or Superior Mortgagees as additional insureds, and the following phrase must be typed on the certificate of insurance: "Hartz Mountain Industries, Inc., and its respective subsidiaries, affiliates, associates, joint ventures, and partnerships, and (if Landlord has so requested) Superior Lessors and Superior Mortgagees are hereby named as additional insureds as their interests may appear. It is intended for this insurance to be primary and non-contributing." Tenant shall give Landlord at least thirty (30) days' prior written notice that any such policy is being canceled or replaced. It is agreed that $4,000,000 of Tenant's $5,000,000 commercial general liability insurance requirement may be satisfied through use of an "umbrella" type policy.

13.03. Tenant shall not do, permit or suffer to be done any act, matter, thing or failure to act in respect of the Demised Premises or use or occupy the Demised Premises or conduct or operate Tenant's business in any manner objectionable to any insurance company or companies whereby, as a result in a change in Insurance Requirements and/or Legal Requirements from those in effect on the date hereof, the fire insurance or any other insurance then in effect in respect of the Land and Building or any part thereof shall become void or suspended or whereby any premiums in respect of insurance maintained by Landlord shall be higher than those which would normally have been in effect for the occupancy contemplated under the Permitted Uses. In case of a breach of the provisions of this Section 13.03, in addition to all other rights and remedies of Landlord hereunder, Tenant shall (a) indemnify Landlord and the Superior Lessors and hold Landlord and the Superior Lessors harmless from and against any loss which would have been covered by insurance which shall have become void or suspended because of such breach by Tenant and (b) pay to Landlord any and all increases of premiums on any insurance, including, without limitation, rent insurance, resulting from any such breach.

13.04. Tenant shall indemnify and hold harmless Landlord and all Superior Lessors and its and their respective partners, joint venturers, directors, officers, agents, servants and employees from and against any and all claims arising from or in connection with (a) the conduct or management of the Demised Premises or of any business therein, or any work or thing whatsoever done, or any condition created (other than by Landlord) in the Demised Premises during the Term or during the period of time, if any, prior to the Commencement Date that Tenant may have been given access to the Demised Premises; (b) any act, omission or negligence of Tenant or any of its subtenants or licensees or its or their partners, joint venturers, directors, officers, agents, employees or contractors; (c) any accident, injury or damage whatever (unless caused solely by Landlord's negligence) occurring in the Demised Premises; and (d) any breach or default by Tenant in the full

and prompt payment and performance of Tenant's obligations under this Lease; together with all costs, expenses and liabilities incurred in or in connection with each such claim or action or proceeding brought thereon, including, without limitation, all attorneys' fees and expenses. In case any action or proceeding is brought against Landlord and/or any Superior Lessor and/or its or their partners, joint venturers, directors, officers, agents and/or employees in connection with conduct or management of the Demised Premises or by reason of any claim referred to above, Tenant, upon notice from Landlord or such Superior Lessor, shall, at Tenant's cost and expense, resist and defend such action or proceeding by counsel reasonably satisfactory to Landlord.

13.05. Neither Landlord nor any Superior Lessor shall be liable or responsible for, and Tenant hereby releases Landlord and each Superior Lessor from, all liability and responsibility to Tenant and any person claiming by, through or under Tenant, by way of subrogation or otherwise, for any injury, loss or damage to any person or property in or around the Demised Premises or to Tenant's business irrespective of the cause of such injury, loss or damage, and Tenant shall require its insurers to include in all of Tenant's insurance policies which could give rise to a right of subrogation against Landlord or any Superior Lessor a clause or endorsement whereby the insurer waives any rights of subrogation against Landlord and such Superior Lessors or permits the insured, prior to any loss, to agree with a third party to waive any claim it may have against said third party without invalidating the coverage under the insurance policy.

ARTICLE 14 - RULES AND REGULATIONS

14.01. Tenant and its employees and agents shall faithfully observe and comply with the Rules and Regulations and such reasonable changes therein (whether by modification, elimination or addition) as Landlord at any time or times hereafter may make and communicate to Tenant, which in Landlord's judgment, shall be necessary for the reputation, safety, care or appearance of the Land and Building, or the preservation of good order therein, or the operation or maintenance of the Building or its equipment and fixtures, or the Common Areas, and which do not unreasonably affect the conduct of Tenant's business in the Demised Premises; provided, however, that in case of any conflict or inconsistency between the provisions of this Lease and any of the Rules and Regulations, the provisions of this Lease shall control. Nothing in this Lease contained shall be construed to impose upon Landlord any duty or obligation to enforce the Rules and Regulations against any other tenant or any employees or agents of any other tenant, and Landlord shall not be liable to Tenant for violation of the Rules and Regulations by any other tenant or its employees, agents, invitees or licensees.

ARTICLE 15 - ALTERATIONS AND SIGNS

15.01. Tenant shall not make any alterations or additions to the Demised Premises, or make any holes or cuts in the walls, ceilings, roofs, or floors thereof, or change the exterior color or architectural treatment of the Demised Premises, without on each occasion first obtaining the consent of Landlord. Notwithstanding the foregoing, Landlord shall not unreasonably withhold, condition or delay its consent for alterations that are non-structural in nature and do not involve or affect the mechanical systems of the Demised Premises or Building and having a cost of less than $100,000. Tenant shall submit to Landlord plans and specifications for such work at the time Landlord's consent is sought. Tenant shall pay to Landlord upon demand the reasonable cost and expense of Landlord in (a) reviewing said plans and specifications and (b) inspecting the alterations to determine whether the same are being performed in accordance with the approved

plans and specifications and all Legal Requirements and Insurance Requirements, including, without limitation, the fees of any architect or engineer employed by Landlord for such purpose. Tenant shall fully and promptly comply with and observe the Rules and Regulations then in force in respect of the making of alterations. Any review or approval by Landlord of any plans and/or specifications with respect to any alterations is solely for Landlord's benefit, and without any representation or warranty whatsoever to Tenant in respect of the adequacy, correctness or efficiency thereof or otherwise.

15.02. Tenant shall obtain all necessary governmental permits and certificates for the commencement and prosecution of permitted alterations and for final approval thereof upon completion, and shall cause alterations to be performed in compliance therewith and with all applicable Legal Requirements and Insurance Requirements. Alterations shall be diligently performed in a good and workmanlike manner. Alterations shall be performed by contractors first approved by Landlord; provided, however, that any alterations in or to the mechanical, electrical, sanitary, heating, ventilating, air conditioning or other systems of the Building shall be performed only by the contractor(s) designated by Landlord provided the costs for their services are reasonably competitive. Alterations shall be made in such manner as not to unreasonably interfere with or delay and as not to impose any additional expense upon Landlord in the construction, maintenance, repair or operation of the Building; and if any such additional expense shall be incurred by Landlord as a result of Tenant's making of any alterations, Tenant shall pay any such additional expense upon demand. Throughout the making of alterations, Tenant shall carry, or cause to be carried, worker's compensation insurance in statutory limits and general liability insurance, with completed operation endorsement, for any occurrence in or about the Building, under which Landlord and its managing agent and any Superior Lessor whose name and address shall previously have been furnished to Tenant shall be named as parties insured, in such limits as Landlord may reasonably require, with insurers reasonably satisfactory to Landlord. Tenant shall furnish Landlord with reasonably satisfactory evidence that such insurance is in effect at or before the commencement of alterations and, on request, at reasonable intervals thereafter during the making of alterations.

15.03. Tenant shall not place any signs on the roof, exterior walls or grounds of the Demised Premises without first obtaining Landlord's written consent thereto, provided however that Landlord's consent shall not be unreasonably withheld or delayed with respect to Tenant's request to place signage on the exterior walls of the Demised Premises and a locator or pathfinder sign at or near the driveway, all in compliance with Legal Requirements. In placing any signs on or about the Demised Premises, Tenant shall, at its expense, comply with all applicable Legal Requirements and obtain all required permits and/or licenses.

ARTICLE 16 - LANDLORD'S AND TENANT'S PROPERTY

16.01. All fixtures, equipment, improvements and appurtenances attached to or built into the Demised Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant, shall be and remain a part of the Demised Premises, shall be deemed to be the property of Landlord and shall not be removed by Tenant, except as provided in Section 16.02. Further, any carpeting or other personal property in the Demised Premises on the Commencement Date, unless installed and paid for by Tenant, shall be and shall remain Landlord's property and shall not be removed by Tenant.

16.02. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment, whether or not attached to or built into the Demised Premises, which are installed in the Demised Premises by or for the account of Tenant without expense to Landlord and can be removed without structural damage to the Building and all furniture, furnishings, and other movable personal property owned by Tenant and located in the Demised Premises (collectively, "Tenant's Property") shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of the Tenant's Property is removed, Tenant shall repair or pay the cost of repairing any damage to the Demised Premises, the Building or the Common Areas resulting from the installation and/or removal thereof.

16.03. At or before the Expiration Date or the date of any earlier termination of this Lease, or within twenty (20) days after such an earlier termination date. Tenant shall remove from the Demised Premises all of the Tenant's Property (except such items thereof as Landlord shall have expressly permitted to remain, which property shall become the property of Landlord if not removed), and Tenant shall repair any damage to the Demised Premises, the Building and the Common Areas resulting from any installation and/or removal of the Tenant's Property. Any items of the Tenant's Property which shall remain in the Demised Premises after the Expiration Date or after a period of fifteen (15) days following an earlier termination date, may, at the option of Landlord, be deemed to have been abandoned, and in such case such items may be retained by Landlord as its property or disposed of by Landlord, without accountability, in such manner as Landlord shall determine at Tenant's expense.

16.04. At or before the Expiration Date or the date of any earlier termination of this Lease, or within twenty (20) days after such an earlier termination date, Tenant shall, at Tenant's sole cost and expense, remove from the Demised Premises such rack system as may be installed in the Demised Premises and Tenant shall repair any damage to the Demised Premises, the Building and the Common Areas resulting from any installation and/or removal thereof. Such removal, if any, shall be in accordance with the following procedures, unless Landlord shall advise Tenant to the contrary by written notice to Tenant:

(a) Core a hole centered over the anchor bolt with a core bit 1.5 times larger than the bolt to be removed, but in no event smaller than 1" in diameter.

(b) Core hole shall be drilled to a depth equal to the bolt depth, but not less than 2" deep. Remove the cored concrete with the anchor bolt from the hole. Clean all concrete slurry' and debris from area to be patched. Fill the cored hole with a polymer-modified non-shrink mortar, specifically SikaTop 122 or Master Builders Ceilcote 648 CP, or equivalent, and finish to match surrounding concrete surface.

ARTICLE 17 - REPAIRS AND MAINTENANCE

17.01. Tenant shall, throughout the Term, take good care of the Demised Premises, the fixtures and appurtenances therein, and shall not do, suffer, or permit any waste with respect thereto. Tenant shall keep and maintain the Demised Premises including without limitation all building equipment, windows, doors, loading bay doors and shelters, plumbing and electrical systems, heating, ventilating and air conditioning ("HVAC") systems exclusively servicing the Demised Premises (whether located in the interior of the Demised Premises or on the exterior of

the Building) in a clean and orderly condition. Landlord shall deliver all of the foregoing in good working order. Tenant shall, at Landlord's option, keep and maintain in a clean and orderly condition all HVAC systems and any other mechanical or other systems exclusively serving the Demised Premises which are located in whole or in part outside of the Demised Premises (it being understood and agreed that if Landlord shall elect to keep and maintain said systems, then the cost of same shall be invoiced to and paid by Tenant). Tenant shall keep and maintain all exterior components of any windows, doors, loading bay doors and shelters serving the Demised Premises in a clean and orderly condition. The phrase "keep and maintain" as used herein includes repairs, replacement and/or restoration as appropriate. Tenant shall not permit or suffer any over-loading of the floors of the Demised Premises. Tenant shall be responsible for all repairs, interior and exterior, structural and nonstructural, ordinary and extraordinary, in and to the Demised Premises, and the Building (including the facilities and systems thereof) and the Common Areas the need for which arises out of (a) the performance or existence of the Tenant's Work or alterations, (b) the installation, use or operation of the Tenant's Property in the Demised Premises, (c) the moving of the Tenant's Property in or out of the Building, or (d) the act, omission, misuse or neglect of Tenant or any of its subtenants or its or their employees, agents, contractors or invitees. Upon request by Landlord, Tenant shall furnish Landlord with true and complete copies of maintenance contracts and with copies of all invoices for work performed, confirming Tenant's compliance with its obligations under this Article. In the event Tenant fails to furnish such copies, Landlord shall have the right, at Tenant's cost and expense, to conduct such inspections or surveys as may be required to determine whether or not Tenant is in compliance with this Article and to have any work required of Tenant performed at Tenant's cost and expense. Tenant shall promptly replace all scratched, damaged or broken doors and glass in and about the Demised Premises and shall be responsible for all repairs, maintenance and replacement of wall and floor coverings in the Demised Premises and for the repair and maintenance of all sanitary and electrical fixtures and equipment therein. The Tenant shall also arrange for its own cleaning services and rubbish removal, subject to the right of Landlord, at Landlord's option to perform such services and include the cost of such services in Operating Expenses. Tenant shall promptly make all repairs in or to the Demised Premises for which Tenant is responsible, and any repairs required to be made by Tenant to the mechanical, electrical, sanitary, heating, ventilating, air-conditioning or other systems of the Building shall be performed only by contractor(s) approved by Landlord.

17.02. So long as Tenant is not in default under this Lease beyond any applicable notice and cure periods. Landlord shall make all structural repairs and replacements, including, specifically, the roof and roof membrane (except as hereinabove provided in Section 17.01) and the cost thereof shall be included in Operating Expenses, for which Tenant shall pay its then existing Tenant's Fraction thereof. Landlord shall keep and maintain the Common Areas and shall procure landscaping and snow removal services for the Building and the cost thereof shall be an Additional Charge. Notwithstanding anything in the preceding sentence to the contrary. Landlord shall perform roof maintenance and shall maintain the roof and make all structural repairs and replacements to the roof and roof membrane and the cost and expense for such maintenance, repairs and replacements shall be included in Operating Expenses, for which Tenant shall pay Tenant's Fraction Tenant shall cooperate with Landlord with regard to such roof maintenance, repairs and replacements and shall permit Landlord to make such inspections and perform such maintenance, repairs and replacements.

17.03. Tenant shall not permit or suffer the overloading of the floors of the Demised Premises beyond 250 pounds per square foot, or lesser amount as may be applicable to any mezzanine area.

17.04. Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant, nor shall Tenant's covenants and obligations under this Lease be reduced or abated in any manner whatsoever, by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's doing any repairs, maintenance, or changes which Landlord is required or permitted by this Lease, or required by Law, to make in or to any portion of the Building.

ARTICLE 18 - UTILITY CHARGES

18.01. Tenant shall pay all charges for gas, water, sewer, electricity, heat or other utility or service supplied to the Demised Premises as measured by meters relating to Tenant's use, and any cost of repair, maintenance, replacement, and reading of any meters measuring Tenant's consumption thereof. If any utilities or services are not separately metered or assessed or are only partially separately metered or assessed and are used in common with other tenants or occupants of the Building, Tenant shall pay to Landlord on demand Tenant's proportionate share of such charges for utilities and/or services, which shall be such charges multiplied by a fraction the numerator of which shall be the Floor Space in the Demised Premises and the denominator of which shall be the Floor Space of all tenants and occupants of the Building using such utilities and/or services. In the event Landlord determines that Tenant's utilization of any such service exceeds the fraction referred to above, Tenant's proportionate share with respect to such service shall, at Landlord's option, mean the percentage of any such service (but not less than the fraction referred to above) which Landlord reasonably estimates as Tenant's utilization thereof. Tenant expressly agrees that Landlord shall not be responsible for the failure of supply to Tenant of any of the aforesaid, or any other utility service. Landlord shall not be responsible for any public or private telephone service to be installed in the space, particularly conduit, if required. If Landlord, or its designee is permitted by law to provide electric energy to the Demised Premises by re-registering meters or otherwise and to collect any charges for electric energy, Landlord or its designee shall have the exclusive right to do so, in which event Tenant shall pay to Landlord or its designee upon receipt of bills therefor charges for electric energy provided the rates for such electric energy shall not be more than the rates Tenant would be charged for electric energy if furnished directly to Tenant by the public utility which would otherwise have furnished electric energy.

18.02. Tenant's use of electric energy in the Demised Premises shall not at any time exceed the capacity of any of the electrical conductors and equipment in or otherwise serving the Demised Premises. In order to insure that such capacity is not exceeded and to avert possible adverse effect upon the Building's electric service, Tenant shall not, without Landlord's prior consent in each instance (which shall not be unreasonably withheld or conditioned), connect any fixtures, appliances or equipment to the Building's electric distribution system or make any alteration or addition to the electric system of the Demised Premises existing on the Commencement Date. Should Landlord grant such consent, all additional risers or other equipment required therefor shall be provided by Landlord and the cost thereof shall be paid by Tenant to Landlord on demand.

18.03. At Landlord's option, Landlord or Landlord's designee shall have the exclusive right, but not the obligation, to install or cause to be installed solar panels or other energy generating equipment on the Building (including but not limited to the roof thereof) for purposes of furnishing in whole or in part electric energy to the Building (herein an "Energy System"). Tenant shall provide Landlord or its designee with access to the Demised Premises for the installation, maintenance and repair of such Energy System as Landlord or its designee may require. If installed, such Energy System shall (either itself or together with such service provided by a public utility provider) meet the minimum service provided to the Building immediately prior to the installation of such Energy System. In the event Landlord elects to install or cause such Energy System to be installed, Tenant shall purchase electric energy for the Demised Premises from Landlord or its designee and Tenant shall pay the charges established by Landlord or its designee for such service from time to time, but not in excess of the rates payable by Tenant from a third party public utility provider having service available to the Building. Landlord also reserves the right to discontinue furnishing electric energy at any time whether or not Tenant is in default of this Lease upon not less than thirty (30) days' notice to Tenant, provided that Tenant exercising reasonable efforts shall be able to obtain such electric energy directly from the provider within that time period.

ARTICLE 19 - ACCESS, CHANGES AND NAME

19.01. Except for the space within the inside surfaces of all walls, hung ceilings, floors, windows and doors bounding the Demised Premises, all of the Building, including, without limitation, exterior Building walls, core corridor walls and doors and any core corridor entrance, any terraces or roofs adjacent to the Demised Premises, and any space in or adjacent to the Demised Premises used for shafts, stacks, pipes, conduits, fan rooms, ducts, electric or other utilities, sinks or other Building facilities and the use thereof, as well as access thereto through the Demised Premises for the purpose of operating, maintenance, decoration and repair, are reserved to Landlord. Landlord also reserves the right, to install, erect, use and maintain pipes, ducts and conduits in and through the Demised Premises, provided such are properly enclosed and do not materially interfere with Tenant's use and occupancy of the Demised Premises.

19.02. Landlord and its agents shall have the right, upon prior notice to Tenant (which in this instance need not be in writing) and without interfering with the business of Tenant to enter and/or pass through the Demised Premises at any time or times (a) to examine the Demised Premises and to show them to actual and prospective Superior Lessors, Superior Mortgagees, or prospective purchasers of the Building, and (b) to make such repairs, alterations, additions and improvements in or to the Demised Premises and/or in or to the Building or its facilities and equipment as Landlord is required or desires to make. Landlord shall be allowed to take all materials into and upon the Demised Premises that may be required in connection therewith, without any liability to Tenant and without any reduction of Tenant's obligations hereunder. Landlord agrees that any such access shall not materially interfere with the business of Tenant (except in the event of an emergency). During the period of ten (10) months prior to the Expiration Date (unless Tenant has exercised any option hereunder to extend the Lease), Landlord and its agents may exhibit the Demised Premises to prospective tenants.

19.03. If at any time any windows of the Demised Premises are temporarily darkened or obstructed by reason of any repairs, improvements, maintenance and/or cleaning in or about the Building, or if any part of the Building or the Common Areas, other than the Demised Premises, is temporarily or permanently closed or inoperable, the same shall not be deemed a constructive eviction and shall not result in any reduction or diminution of Tenant's obligations under this Lease. Any such activities performed by or on behalf of Landlord shall be performed in such a manner that it does not materially interfere with Tenant's use or occupancy of the Demised Premises.

19.04. Landlord reserves the right, at any time and from time to time, to make such changes, alterations, additions and improvements in or to the Building and the fixtures and equipment thereof as Landlord shall deem necessary or desirable.

19.05. Landlord may adopt any name for the Building. Landlord reserves the right to change the name and/or address of the Building at any time.

ARTICLE 20 - MECHANICS' LIENS AND OTHER LIENS

20.01. Nothing contained in this Lease shall be construed to imply any consent of Landlord to subject Landlord's interest or estate to any liability under any mechanic's, construction or other lien law. If any lien or any Notice of Intention (to file a lien), Lis Pendens, or Notice of Unpaid Balance and Right to File Lien is filed against the Land, the Building, or any part thereof, or the Demised Premises, or any part thereof, for any work, labor, services or materials claimed to have been performed or furnished for or on behalf of Tenant, or anyone holding any part of the Demised Premises through or under Tenant, Tenant shall cause the same to be canceled and discharged of record by payment, bond or order of a court of competent jurisdiction within thirty (30) days after notice by Landlord to Tenant.

ARTICLE 21 - NON-LIABILITY AND INDEMNIFICATION

21.01. Neither Landlord nor any partner, joint venturer, director, officer, agent, servant or employee of Landlord shall be liable to Tenant for any loss, injury or damage to Tenant or to any other Person, or to its or their property, irrespective of the cause of such injury, damage or loss, unless caused by or resulting from the negligence of Landlord, its agents, servants or employees in the operation or maintenance of the Land or Building without contributory negligence on the part of Tenant or any of its subtenants or licensees or its or their employees, agents or contractors. Further, neither Landlord nor any partner, joint venturer, director, officer, agent, servant or employee of Landlord shall be liable (a) for any such damage caused by other tenants or Persons in, upon or about the Land or Building, or caused by operations in construction of any private, public or quasi-public work; or (b) even if negligent, for consequential damages arising out of any loss of use of the Demised Premises or any equipment or facilities therein by Tenant or any Person claiming through or under Tenant.

21.02. Tenant shall indemnify and hold harmless Landlord and all Superior Lessors and its and their respective partners, joint venturers, directors, officers, agents, servants and employees from and against any and all claims arising from or in connection with (a) the conduct or management of the Demised Premises or of any business therein, or any work or thing whatsoever done, or any condition created (other than by Landlord) in the Demised Premises during the Term or during the period of time, if any, prior to the Commencement Date that Tenant may have been given access to the Demised Premises; (b) any act, omission or negligence of Tenant or any of its

subtenants or licensees or its or their partners, joint venturers, directors, officers, agents, employees or contractors; (c) any accident, injury or damage whatever (unless caused solely by Landlord's negligence) occurring in the Demised Premises; and (d) any breach or default by Tenant in the full and prompt payment and performance of Tenant's obligations under this Lease; together with all costs, expenses and liabilities incurred in or in connection with each such claim or action or proceeding brought thereon, including, without limitation, all attorneys' fees and expenses. In case of any action or proceeding is brought against Landlord and/or any Superior Lessor and/or its or their partners, joint venturers, directors, officers, agents and/or employees by reason of any such claim, Tenant, upon notice from Landlord or such Superior Lessor, shall resist and defend such action or proceeding (by counsel reasonably satisfactory to Landlord).

21.03. Notwithstanding any provision to the contrary, Tenant shall look solely to the estate and property of Landlord in and to the Land and Building (or the proceeds received by Landlord on a sale of such estate and property but not the proceeds of any financing or refinancing thereof) in the event of any claim against Landlord arising out of or in connection with this Lease, the relationship of Landlord and Tenant or Tenant's use of the Demised Premises or the Common Areas, and Tenant agrees that the liability of Landlord arising out of or in connection with this Lease, the relationship of Landlord and Tenant or Tenant's use of the Demised Premises or the Common Areas shall be limited to such estate and property of Landlord (or sale proceeds). No other properties or assets of Landlord or any partner, joint venturer, director, officer, agent, servant or employee of Landlord shall be subject to levy, execution or other enforcement procedures for the satisfaction of any judgement (or other judicial process) or for the satisfaction of any other remedy of Tenant arising out of, or in connection with, this Lease, the relationship of Landlord and Tenant or Tenant's use of the Demised Premises or the Common Areas and if Tenant shall acquire a lien on or interest in any other properties or assets by judgment or otherwise, Tenant shall promptly release such lien on or interest in such other properties and assets by executing, acknowledging and delivering to Landlord an instrument to that effect prepared by Landlord's attorneys.

ARTICLE 22 - DAMAGE OR DESTRUCTION

22.01. If the Building or the Demised Premises shall be partially or totally damaged or destroyed by fire or other casualty (and if this Lease shall not be terminated as in this Article 22 hereinafter provided), Landlord shall repair the damage and restore and rebuild the Building and/or the Demised Premises (except for the Tenant's Property) with reasonable dispatch after notice to it of the damage or destruction and the collection of the insurance proceeds attributable to such damage.

22.02. Subject to the provisions of Section 22.05, if all or part of the Demised Premises shall be damaged or destroyed or rendered completely or partially untenantable on account of fire or other casualty, the Rent shall be abated or reduced, as the case may be, in the proportion that the untenantable area of the Demised Premises bears to the total area of the Demised Premises (to the extent of rent insurance proceeds received by the Landlord) for the period from the date of the damage or destruction to (a) the date the damage to the Demised Premises shall be substantially repaired, or (b) if the Building and not the Demised Premises is so damaged or destroyed, the date on which the Demised Premises shall be made tenantable; provided, however, should Tenant reoccupy a portion of the Demised Premises during the period the repair or restoration work is

taking place and prior to the date that the Demised Premises are substantially repaired or made tenantable the Rent allocable to such reoccupied portion, based upon the proportion which the area of the reoccupied portion of the Demised Premises bears to the total area of the Demised Premises, shall be payable by Tenant from the date of such occupancy.

22.03. If (a) the Building or the Demised Premises shall be totally damaged or destroyed by fire or other casualty, or (b) the Building shall be so damaged or destroyed by fire or other casualty (whether or not the Demised Premises are damaged or destroyed) that its repair or restoration requires the expenditure, as estimated by a reputable contractor or architect designated by Landlord, of more than twenty percent (20%) (or ten percent [10%] if such casualty occurs during the last year of the Term) of the full insurable value of the Building immediately prior to the casualty, or (c) the Building shall be damaged or destroyed by fire or other casualty (whether or not the Demised Premises are damaged or destroyed) and either the loss shall not be covered by Landlord's insurance or the net insurance proceeds (after deducting all expenses in connection with obtaining such proceeds) shall, in the estimation of a reputable contractor or architect designated by Landlord be insufficient to pay for the repair or restoration work, then in either such case Landlord may terminate this Lease by giving Tenant notice to such effect within ninety (90) days after the date of the fire or other casualty. Upon request by Tenant, Landlord shall advise Tenant of Landlord's reasonably estimated completion date of such restoration (the "Landlord's Advise") ad if such date is more than twelve (12) months following the date of casualty, provided Tenant's grossly negligent or intentional acts were no cause of such casualty, Tenant shall have the right to terminate this Lease upon fifteen (15) days prior notice to Landlord, given within thirty (30) days of Landlord's Advise. In addition, in the event the Demised Premises are not substantially restored on or before the later of the estimated date specified in the Landlord's Advise, if any, or twelve (12) months following the date of casualty, provided Tenant's grossly negligent or intentionally acts were no the cause of such casualty, Tenant shall have the right to terminate this Lease upon thirty (30) days prior notice to Landlord, if given within the later of thirty (30) days following the estimated date specified in Landlord's Advise, or thirteen (13) months following the date of casualty, provided Tenant's grossly negligent or intentional acts were not the cause of such casualty.

22.04. Except as provided in the preceding section, Tenant shall not be entitled to terminate this Lease and no damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance arising from any repair or restoration of any portion of the Demised Premises or of the Building pursuant to this Article 22. Landlord shall use its best efforts to make such repair or restoration promptly and in such manner as not unreasonably to interfere with Tenant's use and occupancy of the Demised Premises, but Landlord shall not be required to do such repair or restoration work except during Landlord's business hours on business days.

22.05. Landlord will not carry insurance of any kind on the Tenant's Property and, except as provided by law or by reason of Landlord's breach of any of its obligations hereunder, shall not be obligated to repair any damage to or replace the Tenant's Property.

22.06. The provisions of this Article 22 shall be deemed an express agreement governing any case of damage or destruction of the Demised Premises and/or Building by fire or other casualty, and any law providing for such a contingency in the absence of an express agreement, now or hereafter in force, shall have no application in such case.

ARTICLE 23 - EMINENT DOMAIN

23.01. If the whole of the Demised Premises shall be taken by any public or quasi-public authority under the power of condemnation, eminent domain or expropriation, or in the event of conveyance of the whole of the Demised Premises in lieu thereof, this Lease shall terminate as of the day possession shall be taken by such authority. If 25% or less of the Floor Space of the Demised Premises shall be so taken or conveyed, this Lease shall terminate only in respect of the part so taken or conveyed as of the day possession shall be taken by such authority. If more than 25% of the Floor Space of the Demised Premises shall be so taken or conveyed, this Lease shall terminate only in respect of the part so taken or conveyed as of the day possession shall be taken by such authority, but either party shall have the right to terminate this Lease upon notice given to the other party within 30 days after such taking possession. If more than 25% of the Floor Space of the Building shall be so taken or conveyed, Landlord may, by notice to Tenant, terminate this Lease as of the day possession shall be taken. If so much of the parking facilities shall be so taken or conveyed that the number of parking spaces necessary, in Tenant's reasonable judgment, for the continued operation of the Demised Premises shall not be available, Tenant may, by notice to Tenant, terminate this Lease as of the day possession shall be taken. If this Lease shall continue in effect as to any portion of the Demised Premises not so taken or conveyed, the Rent shall be computed as of the day possession shall be taken on the basis of the remaining Floor Space of the Demised Premises. Except as specifically provided herein, in the event of any such taking or conveyance there shall be no reduction in Rent. If this Lease shall continue in effect, Landlord shall, at its expense, but shall be obligated only to the extent of the net award or other compensation (after deducting all expenses in connection with obtaining same) available to Landlord for the improvements taken or conveyed (excluding any award or other compensation for land or for the unexpired portion of the term of any Superior Lease), make all necessary alterations so as to constitute the remaining Building a complete architectural and tenantable unit, except for the Tenant's Property, and Tenant shall make all alterations or replacements to the Tenant's Property and decorations in the Demised Premises. All awards and compensation for any taking or conveyance, whether for the whole or a pail of the Land or Building, the Demised Premised or otherwise, shall be the property of Landlord, and Tenant hereby assigns to Landlord all of Tenant's right, title and interest in and to any and all such awards and compensation, including, without limitation, any award or compensation for the value of the unexpired portion of the Term. Tenant shall be entitled to claim, prove and receive in the condemnation proceeding such award or compensation as may be allowed for the Tenant's Property and for loss of business, good will, and depreciation or injury to and cost of removal of the Tenant's Property, but only if such award or compensation shall be made by the condemning authority in addition to, and shall not result in a reduction of, the award or compensation made by it to Landlord.

23.02. If the temporary use or occupancy of all or any part of the Demised Premises shall be taken during the Term, Tenant shall be entitled, except as hereinafter set forth, to receive that portion of the award or payment for such taking which represents compensation for the use and occupancy of the Demised Premises, for the taking of the Tenant's Property and for moving expenses, and Landlord shall be entitled to receive that portion which represents reimbursement for the cost of restoration of the Demised Premises. This Lease shall be and remain unaffected by

such taking and Tenant shall continue to be responsible for all of its obligations hereunder insofar as such obligations are not affected by such taking and shall continue to pay the Rent in full when due. If the period of temporary use or occupancy shall extend beyond the Expiration Date, that part of the award or payment which represents compensation for the use and occupancy of the Demised Premises (or a part thereof) shall be divided between Landlord and Tenant so that Tenant shall receive (except as otherwise provided below) so much thereof as represents compensation for the period up to and including the Expiration Date and Landlord shall receive so much thereof as represents compensation for the period after the Expiration Date. All monies to be paid to Tenant as, or as pail of, an award or payment for temporary use and occupancy for a period beyond the date to which the Rent has been paid shall be received, held and applied by the first Superior Mortgagee (or if there is no Superior Mortgagee, by Landlord as a trust fund) for payment of the Rent becoming due hereunder.

ARTICLE 24 - SURRENDER

24.01. On the Expiration Date, or upon any earlier termination of this Lease, or upon any re-entry by Landlord upon the Demised Premises after an event of default which remains uncured after any applicable notice and cure period, Tenant shall quit and surrender the Demised Premises to Landlord “broom-clean” and in good order, condition and repair, except for ordinary wear and tear and such damage or destruction as Landlord is required to repair or restore under this Lease, and Tenant shall remove all of Tenant’s Property therefrom except as otherwise expressly provided in this Lease.

24.02. If Tenant remains in possession of the Demised Premises after the expiration of the Term or termination of this Lease, Tenant shall be deemed to be occupying the Demised Premises at the sufferance of Landlord subject to all of the provisions of this Lease, except that the monthly Fixed Rent shall be twice the Fixed Rent in effect during the last month of the Term except the holdover rate for the first month if Landlord is notified prior thereto shall be 150% of such Fixed Rent.

24.03. No act or thing done by Landlord or its agents shall be deemed an acceptance of a surrender of the Demised Premises, and no agreement to accept such surrender shall be valid unless in writing and signed by Landlord.

ARTICLE 25 - CONDITIONS OF LIMITATION

25.01. This Lease is subject to the limitation that whenever Tenant or any Guarantor (a) shall make an assignment for the benefit of creditors, or (b) shall commence a voluntary case or have entered against it an order for relief under any chapter of the Federal Bankruptcy Code (Title 11 of the United States Code) or any similar order or decree under any federal or state law, now in existence, or hereafter enacted having the same general purpose, and such order or decree shall have not been stayed or vacated within 30 days after entry, or (c) shall cause, suffer, permit or consent to the appointment of a receiver, trustee, administrator, conservator, sequestrator, liquidator or similar official in any federal, state or foreign judicial or nonjudicial proceeding, to hold, administer and/or liquidate all or substantially all of its assets, and such appointment shall not have been revoked, terminated, stayed or vacated and such official discharged of his duties within 30 days of his appointment, then Landlord, at any time after the occurrence of any such event, may give Tenant a notice of intention to end the Term at the expiration of five (5) days from

the date of service of such notice of intention, and upon the expiration of said five (5) day period, whether or not the Term shall theretofore have commenced, this Lease shall terminate with the same effect as if that day were the expiration date of this Lease, but Tenant shall remain liable for damages as provided in Article 27.

25.02. This Lease is subject to the further limitations that: (a) if Tenant shall default in the payment of any Rent and such default shall remain uncured for more than ten (10) days after Landlord gives notice of such default, or (b) if Tenant shall, whether by action or inaction, be in default of any of its obligations under this Lease (other than a default in the payment of Rent) and such default shall continue and not be remedied within thirty (30) days after Landlord shall have given to Tenant a notice specifying the same, or, in the case of a default which cannot with due diligence be cured within a period of thirty (30) days and the continuance of which for the period required for cure will not subject Landlord or any Superior Lessor to prosecution for a crime or offense (as more particularly described in the penultimate sentence of Section 12.02) or termination of any Superior Lease or foreclosure of any Superior Mortgage, if Tenant shall not, (i) within said thirty (30) day period advise Landlord of Tenant's intention to take all steps necessary to remedy such default, (ii) duly commence within said thirty (30) day period, and thereafter diligently prosecute to completion all steps necessary to remedy the default, and (iii) complete such remedy within a reasonable time after the date of said notice by Landlord, or (c) if any event shall occur or any contingency shall arise whereby this Lease would, by operation of law or otherwise, devolve upon or pass to any person, firm or corporation other than Tenant, except as expressly permitted by Article 11, or (d) if Tenant shall vacate or abandon the Demised Premises, then in any of said cases Landlord may give to Tenant a notice of intention to end the Term at the expiration of five (5) days from the date of the service of such notice of intention, and upon the expiration of said five (5) days, whether or not the Term shall theretofore have commenced, this Lease shall terminate with the same effect as if that day were the expiration date of this Lease, but Tenant shall remain liable for damages as provided in Article 27.

ARTICLE 26 - RE-ENTRY BY LANDLORD

26.01. If Tenant shall default in the payment of any Rent which remains uncured beyond any applicable notice and cure period, or if this Lease shall terminate as provided in Article 25, Landlord or Landlord's agents and employees may immediately or at any time thereafter re-enter the Demised Premises, or any part thereof, either by summary dispossess proceedings or by any suitable action or proceeding at law without being liable to indictment, prosecution or damages therefor, and may repossess the same, and may remove any Person therefrom, to the end that Landlord may have, hold and enjoy the Demised Premises. The word "re-enter," as used herein, is not restricted to its technical legal meaning. If this Lease is terminated under the provisions of Article 25, or if Landlord shall re-enter the Demised Premises under the provisions of this Article 26, or in the event of the termination of this Lease, or of re-entry, by or under any summary dispossess or other proceedings or action or any provision of law by reason of default hereunder on the part of Tenant, Tenant shall thereupon pay to Landlord the Rent payable up to the time of such termination of this Lease, or of such recovery of possession of the Demised Premises by Landlord, as the case may be, and shall also pay to Landlord damages as provided in Article 27.

26.02. In the event of a breach or threatened breach by Tenant of any of its obligations under this Lease, Landlord shall also have the right of injunction. The special remedies to which Landlord may resort hereunder are cumulative and are not intended to be exclusive of any other remedies to which Landlord may lawfully be entitled at any time and Landlord may invoke any remedy allowed at law or in equity as if specific remedies were not provided for herein.

26.03. If this Lease shall terminate under the provisions of Article 25, or if Landlord shall re-enter the Demised Premises under the provisions of this Article 26, or in the event of the termination of this Lease, or of re-entry, by or under any summary dispossess or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant, Landlord shall be entitled to retain all monies, if any, paid by Tenant to Landlord, whether as Advance Rent, security or otherwise, but such monies shall be credited by Landlord against any Rent due from Tenant at the time of such termination or re-entry or, at Landlord's option, against any damages payable by Tenant under Article 27 or pursuant to law.

ARTICLE 27 - DAMAGES

27.01. If this Lease is terminated under the provisions of Article 25 or if Landlord shall re- enter the Demised Premises under the provisions of Article 26, or in the event of the termination of this Lease, or of re-entry, by or under any summary dispossess or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant, Tenant shall pay as Additional Charges to Landlord, at the election of Landlord, either or any combination of:

(a) a sum which at the time of such termination of this Lease or at the time of any such re-entry by Landlord, as the case may be, represents the then value of the excess, if any, of (i) the aggregate amount of the Rent which would have been payable by Tenant (conclusively presuming the average monthly Additional Charges to be the same as were the average monthly Additional Charges payable for the year, or if less than 365 days have then elapsed since the Commencement Date, the partial year, immediately preceding such termination or re-entry) for the period commencing with such earlier termination of this Lease or the date of any such re-entry, as the case may be, and ending with the Expiration Date, over (ii) the aggregate rental value of the Demised Premises for the same period; or

(b) sums equal to the Fixed Rent and the Additional Charges which would have been payable by Tenant had this Lease not so terminated, or had Landlord not so re-entered the Demised Premises, payable upon the due dates therefor specified herein following such termination or such re-entry and until the Expiration Date, provided, however, that if Landlord shall relet the Demised Premises during said period, Landlord shall credit Tenant with the net rents received by Landlord from such reletting, such net rents to be determined by first deducting from the gross rents as and when received by Landlord from such reletting the expenses incurred or paid by Landlord in terminating this Lease or in re-entering the Demised Premises and in securing possession thereof, as well as the expenses of reletting, including, without limitation, altering and preparing the Demised Premises for new tenants, brokers' commissions, legal fees, and all other expenses properly chargeable against the Demised Premises and the rental therefrom, it being understood that any such reletting may be for a period shorter or longer than the period ending on the Expiration Date; but in no event shall Tenant be entitled to receive any excess of such net rents over the sums payable by Tenant to Landlord hereunder, nor shall Tenant be entitled in any suit for the collection of damages pursuant to this subsection (b) to a credit in respect of any rents from a re-letting, except to the extent that such net rents are actually received by Landlord.

If the Demised Premises or any part thereof should be re-let by Landlord before presentation of proof of such damages to any court, commission or tribunal, the amount of rent reserved upon such reletting shall, prima facie, be the fair and reasonable rental value for the Demised Premises, or part thereof, so re-let during the term of the re-letting. Landlord shall not be liable in any way whatsoever for its failure to re-let the Demised Premises or any part thereof, or if the Demised Premises or any part thereof are re-let, for its failure to collect the rent under such re-letting, and no such failure to re-let or failure to collect rent shall release or affect Tenant's liability for damages or otherwise under this Lease. Landlord shall use commercially reasonable efforts to re-let the Demised Premises to mitigate Landlord's damages. For the purposes hereof, "commercially reasonable efforts" shall mean the following actions, which actions shall create an irrebuttable presumption that Landlord has fulfilled such obligation: (i) Landlord shall include the availability of the Demised Premises in Landlord's leasing flyers sent to brokers (if any), commencing following Landlord's recovery of possession of the Demised Premises, and ending upon re-leasing of the Demised Premises; and (ii) Landlord shall include the availability of the Demised Premises on a website operated by Landlord or its affiliate (if any), commencing following Landlord's recovery of possession of the Demised Premises, and ending upon re-leasing of the Demised Premises; and (iii) Landlord shall hold an "Open House" for the Demised Premises within forty-five (45) days of Landlord's recovery of possession of the Demised Premises, or (iv) in lieu of (i), (ii) and (iii) of this paragraph, upon Tenant's written request, or at Landlord's option, Landlord shall engage an independent commercial real estate broker to re-let the Demised Premises, the cost and expense of which shall be an element of Landlord's damages in addition to any other damages recoverable pursuant to Section 27.01 hereof. Nothing contained herein shall require Landlord to re-let the Demised Premises prior to or with any preference over the leasing of any other similar premises of Landlord or any affiliate of Landlord, nor shall any rental of such other premises reduce the damages which Landlord would be entitled to recover from Tenant. In the event Tenant, on behalf of itself or any and all persons claiming through or under Tenant, attempts to raise a defense or assert any affirmative obligations on Landlord's part to mitigate such damages or re-let the Demised Premises other than as provided herein. Tenant shall reimburse Landlord for any costs and expenses incurred by Landlord as a result of any such defense or assertion, including but not limited to Landlord's attorneys' fees incurred in connection therewith.

27.02. Suit or suits for the recovery of such damages or, any installments thereof, may be brought by Landlord at any time and from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the Term would have expired if it had not been so terminated under the provisions of Article 25, or under any provision of law, or had Landlord not re-entered the Demised Premises. Nothing herein contained shall be construed to limit or preclude recovery by Landlord against Tenant of any sums or damages to which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any default hereunder on the part of Tenant. Nothing herein contained shall be construed to limit or prejudice the right of Landlord to prove for and obtain as damages by reason of the termination of this Lease or re-entry of the Demised Premises for the default of Tenant under this Lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the time, whether or not such amount be greater than, equal to, or less than any of the sums referred to in Section 27.01. Damages shall exclude punitive or consequential damages except with respect to a holdover in excess of five (5) days and affecting Landlord's ability to deliver possession of any portion of the Demised Premises to a replacement tenant(s).

27.03. In addition, if this Lease is terminated under the provisions of Article 25, or if Landlord shall re-enter the Demised Premises under the provisions of Article 26, Tenant covenants that: (a) the Demised Premises then shall be in the same condition as that in which Tenant has agreed to surrender the same to Landlord at the Expiration Date; (b) Tenant shall have performed prior to any such termination any obligation of Tenant contained in this Lease for the making of any alteration or for restoring or rebuilding the Demised Premises or the Building, or any part thereof; and (c) for the breach of any covenant of Tenant set forth above in this Section 27.03, Landlord shall be entitled immediately, without notice or other action by Landlord, to recover, and Tenant shall pay, as and for liquidated damages therefor, the cost of performing such covenant (as estimated by an independent contractor selected by Landlord).

27.04. In addition to any other remedies Landlord may have under this Lease, and without reducing or adversely affecting any of Landlord's rights and remedies under this Article 27, if any Rent or damages payable hereunder by Tenant to Landlord are not paid upon demand therefor, the same shall bear interest at the Late Payment Rate or the maximum rate permitted by law, whichever is less, from the due date thereof until paid, and the amounts of such interest shall be Additional Charges hereunder.

ARTICLE 28 - AFFIRMATIVE WAIVERS

28.01. Tenant, on behalf of itself and any and all persons claiming through or under Tenant, does hereby waive and surrender all right and privilege which it, they or any of them might have under or by reason of any present or future law, to redeem the Demised Premises or to have a continuance of this Lease after being dispossessed or ejected from the Demised Premises by process of law or under the terms of this Lease or after the termination of this Lease as provided in this Lease.

28.02. Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, and Tenant's use or occupancy of the Demised Premises and use of the Common Area, including, without limitation, any claim of injury or damage, and any emergency and other statutory remedy with respect thereto. Tenant shall not interpose any counterclaim of any kind in any action or proceeding commenced by Landlord to recover possession of the Demised Premises.

ARTICLE 29 - NO WAIVERS

29.01. The failure of either party to insist in any one or more instances upon the strict performance of any one or more of the obligations of this Lease, or to exercise any election herein contained, shall not be construed as a waiver or relinquishment for the future of the performance of such one or more obligations of this Lease or of the right to exercise such election, but the same shall continue and remain in full force and effect with respect to any subsequent breach, act or omission. The receipt by Landlord of Fixed Rent or Additional Charges with knowledge of breach by Tenant of any obligation of this Lease shall not be deemed a waiver of such breach.

ARTICLE 30 - CURING DEFAULTS

30.01. If Tenant shall default in the performance of any of Tenant's obligations under this Lease, Landlord, without thereby waiving such default, may (but shall not be obligated to) perform

the same for the account and at the expense of Tenant, without notice in a case of emergency, and in any other case only if such default continues after the expiration of fifteen (15) days from the date Landlord gives Tenant notice of the default. Charges for any expenses incurred by Landlord in connection with any such performance by it for the account of Tenant, and charges for all costs, expenses and disbursements of every kind and nature whatsoever, including reasonable attorneys' fees and expenses, involved in collecting or endeavoring to collect the Rent or any part thereof or enforcing or endeavoring to enforce any rights against Tenant or Tenant's obligations hereunder, under or in connection with this Lease or pursuant to law, including any such cost, expense and disbursement involved in instituting and prosecuting summary proceedings or in recovering possession of the Demised Premises after default by Tenant or upon the expiration of the Term or sooner termination of this Lease, and interest on all sums advanced by Landlord under this Article at the Late Payment Rate or the maximum rate permitted by law, whichever is less, shall be payable by Tenant and may be invoiced by Landlord to Tenant monthly, or immediately, or at any time, at Landlord's option, and such amounts shall be due and payable upon demand.

30.02. If Landlord shall default in the performance of any of Landlord's obligations under this Lease, Tenant, without thereby waiving such default, may (but shall not be obligated to) perform the same for the account and at the expense of Landlord, without notice in a case of emergency, and in any other case only if such default continues after the expiration of thirty (30) days from the date Tenant gives Landlord notice of the default. Bills for any expenses actually and reasonably incurred by Tenant in connection with any such performance by it for the account of Landlord, may be sent by Tenant to Landlord monthly, or immediately, at Tenant's option, and such amounts shall be due and payable in accordance with the terms of such bills; but in no event shall any such bill be due and payable less than thirty (30) days from the date of such bills. Nothing contained in this Section 30.02 shall be construed to allow or permit Tenant to deduct or offset or reduce any amounts due against any Rent due Landlord under this Lease.

ARTICLE 31 - BROKER

31.01. Tenant represents that no broker except the Broker was instrumental in bringing about or consummating this Lease and that Tenant had no conversations or negotiations with any broker except the Broker concerning the leasing of the Demised Premises. Tenant agrees to indemnify and hold harmless Landlord against and from any claims for any brokerage commissions and all costs, expenses and liabilities in connection therewith, including, without limitation, attorneys' fees and expenses, arising out of any conversations or negotiations had by Tenant with any broker other than the Broker. Landlord agrees to indemnify, defend and hold harmless Tenant against and from any claims for any brokerage commissions and all costs, expenses and liabilities in connection therewith, including, without limitation, reasonable attorneys' fees and expenses, arising out of any conversations or negotiations had by Landlord with any broker including the Broker. Landlord shall pay any brokerage commissions due the Broker pursuant to a separate agreement between Landlord and the Broker.

ARTICLE 32 - NOTICES

32.01. Any notice, statement, demand, consent, approval or other communication required or permitted to be given, rendered or made by either party to the other, pursuant to this Lease or pursuant to any applicable Legal Requirement, shall be in writing and shall be deemed to have been properly given, rendered or made only if hand delivered or sent by United States registered

or certified mail, return receipt requested, addressed to the other party at the address hereinabove set forth and as to Tenant sent to Attn: Chief Financial Officer, and as to Landlord, to the attention of General Counsel with a concurrent notice to the attention of Controller, and shall be deemed to have been given, rendered or made on the second day after the day so mailed, unless mailed outside the State of New Jersey, in which case it shall be deemed to have been given, rendered or made on the third business day after the day so mailed. Either party may, by notice as aforesaid, designate a different address or addresses for notices, statements, demands, consents, approvals or other communications intended for it. In addition, upon and to the extent requested by Landlord, copies of notices shall be sent to the Superior Mortgagee.

ARTICLE 33 - ESTOPPEL CERTIFICATES

33.01. Tenant shall, at any time and from time to time, as requested by Landlord, upon not less than ten (10) days' prior notice, execute and deliver to the Landlord or a Superior Mortgagee or Superior Lessor certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), certifying the dates to which the Fixed Rent and Additional Charges have been paid, stating whether or not, to the best knowledge of the party giving the statement, the requesting party is in default in performance of any of its obligations under this Lease, and, if so, specifying each such default of which the party giving the statement shall have knowledge, and stating whether or not, to the best knowledge of the party giving the statement, any event has occurred which with the giving of notice or passage of time, or both, would constitute such a default of the requesting party, and, if so, specifying each such event; any such statement delivered pursuant hereto shall be deemed a representation and warranty to be relied upon by the party requesting the certificate and by others with whom such party may be dealing, regardless of independent investigation. Tenant also shall include in any such statement such other information concerning this Lease as Landlord may reasonably request.

ARTICLE 34 - ARBITRATION

34.01. Landlord may at any time request arbitration, and Tenant may at any time when not in default in the payment of any Rent beyond any applicable notice and cure period, request arbitration, of any matter in dispute but only where arbitration is expressly provided for in this Lease. The party requesting arbitration shall do so by giving notice to that effect to the other party, specifying in said notice the nature of the dispute, and said dispute shall be determined in Newark, New Jersey, by a single arbitrator, in accordance with the rules then obtaining of the American Arbitration Association (or any comparable organization designated by Landlord). The award in such arbitration may be enforced on the application of either party by the order or judgment of a court of competent jurisdiction. The fees and expenses of any arbitration shall be borne by the parties equally, but each party shall bear the expense of its own attorneys and experts and the additional expenses of presenting its own proof. If Tenant gives notice requesting arbitration as provided in this Article, Tenant shall simultaneously serve a duplicate of the notice on each Superior Mortgagee and Superior Lessor whose name and address shall previously have been furnished to Tenant, and such Superior Mortgagees and Superior Lessor shall have the right to participate in such arbitration.

ARTICLE 35 - MEMORANDUM OF LEASE

35.01. Tenant shall not record this Lease. However, at the request of Landlord, Tenant shall promptly execute, acknowledge and deliver to Landlord a memorandum of lease in respect of this Lease sufficient for recording. Such memorandum shall not be deemed to change or otherwise affect any of the obligations or provisions of this Lease. Whichever party records such memorandum of Lease shall pay all recording costs and expenses, including any taxes that are due upon such recording.

ARTICLE 36 - MISCELLANEOUS

36.01. Tenant expressly acknowledges and agrees that Landlord has not made and is not making, and Tenant, in executing and delivering this Lease, is not relying upon, any warranties, representations, promises or statements, except to the extent that the same are expressly set forth in this Lease or in any other written agreement(s) which may be made between the parties concurrently with the execution and delivery of this Lease. Landlord hereby notifies Tenant in accordance with N.J.S.A. 46:8-50 that the Demised Premises, Building, and Land have been determined to be located in a Zone AE flood zone or area. All understandings and agreements heretofore had between the parties are merged in this Lease and any other written agreement(s) made concurrently herewith, which alone fully and completely express the agreement of the parties and which are entered into after full investigation. Neither party has relied upon any statement or representation not embodied in this Lease or in any other written agreement(s) made concurrently herewith. The submission of this Lease to Tenant does not constitute by Landlord a reservation of, or an option to Tenant for, the Demised Premises, or an offer to lease on the terms set forth herein and this Lease shall become effective as a lease agreement only upon execution and delivery thereof by Landlord and Tenant.

36.02. No agreement shall be effective to change, modify, waive, release, discharge, terminate or effect an abandonment of this Lease, in whole or in part, unless such agreement is in writing, refers expressly to this Lease and is signed by the party against whom enforcement of the change, modification, waiver, release, discharge, termination or effectuation of abandonment is sought.

36.03. If Tenant shall at any time request Landlord to sublet or let the Demised Premises for Tenant’s account, Landlord or its agent is authorized to receive keys for such purposes without releasing Tenant from any of its obligations under this Lease, and Tenant hereby releases Landlord of any liability for loss or damage to any of the Tenant’s Property in connection with such subletting or letting.

36.04. Except as otherwise expressly provided in this Lease, the obligations under this Lease shall bind and benefit the successors and assigns of the parties hereto with the same effect as if mentioned in each instance where a party is named or referred to; provided, however, that (a) no violation of the provisions of Article 11 shall operate to vest any rights in any successor or assignee of Tenant and (b) the provisions of this Section 36.04 shall not be construed as modifying the conditions of limitation contained in Article 25.

36.05. Except for Tenant's obligations to pay Rent, the time for Landlord or Tenant, as the case may be, to perform any of its respective obligations hereunder shall be extended if and to the extent that the performance thereof shall be prevented due to any Unavoidable Delay. Except as expressly provided to the contrary, the obligations of Tenant hereunder shall not be affected, impaired or excused, nor shall Landlord have any liability whatsoever to Tenant, (a) because Landlord is unable to fulfill, or is delayed in fulfilling, any of its obligations under this Lease due to any of the matters set forth in the first sentence of this Section 36.05, or (b) because of any failure or defect in the supply, quality or character of electricity, water or any other utility or service furnished to the Demised Premises for any reason beyond Landlord's reasonable control.

36.06. Any liability for payments hereunder (including, without limitation, Additional Charges) shall survive the expiration of the Term or earlier termination of this Lease.

36.07. If Tenant shall request Landlord's consent and Landlord shall fail or refuse to give such consent, Tenant shall not be entitled to any damages for any withholding by Landlord of its consent; Tenant's sole remedy shall be an action for specific performance or injunction, and such remedy shall be available only in those cases where Landlord has expressly agreed in writing not to unreasonably withhold or delay its consent or where as a matter of law Landlord may not unreasonably withhold its consent.

36.08. If an excavation shall be made upon land adjacent to or under the Building, or shall be authorized to be made, Tenant shall afford to the Person causing or authorized to cause such excavation, license to enter the Demised Premises for the purpose of performing such work as said Person shall reasonably deem necessary or desirable to preserve and protect the Building from injury or damage and to support the same by proper foundations, without any claim for damages or liability against Landlord and without reducing or otherwise affecting Tenant's obligations under this Lease.

36.09. Tenant shall not exercise its rights under Article 15 or any other provision of this Lease in a manner which create any work stoppage, picketing, labor disruption or dispute or any interference with the business of Landlord or any tenant or occupant of the Building.

36.10. Tenant shall give prompt notice to Landlord of (a) any fire or other casualty in the Demised Premises, (b) any damage to or defect in the Demised Premises, including the fixtures and equipment thereof, for the repair of which Landlord might be responsible, and (c) any damage to the knowledge of Tenant to or defect in any part of the Building's sanitary, electrical, heating, ventilating, air-conditioning, elevator or other systems located in or passing through the Demised Premises or any part thereof.

36.11. This Lease shall be governed by and construed in accordance with the laws of the State of New Jersey. Tenant hereby irrevocably agrees that any legal action or proceeding arising out of or relating to this Lease may be brought in the Courts of the State of New Jersey, or the Federal District Court for the District of New Jersey, as Landlord may elect. By execution and delivery of this Lease, Tenant hereby irrevocably accepts and submits generally and unconditionally for itself and with respect to its properties, to the jurisdiction of any such court in any such action or proceeding, and hereby waives in the case of any such action or proceeding brought in the courts of the State of New Jersey, or Federal District Court for the District of New Jersey, any defenses based on jurisdiction, venue or forum non conveniens. Landlord hereby irrevocably submits general and unconditionally for itself and with respect to its properties to the

jurisdiction of any such court in any such action or proceeding, and hereby waives in the vase of any such action or proceeding brought in the courts of the State of New Jersey located in Hudson County and defenses based on jurisdiction, venue or forum non coveniens. If any provision of this Lease shall be invalid or unenforceable, the remainder of this Lease shall not be affected and shall be enforced to the extent permitted by law. The table of contents, captions, headings and titles in this Lease are solely for convenience of reference and shall not affect its interpretation. This Lease shall be construed without regard to any presumption or other rule requiring construction against the party causing this Lease to be drafted. If any words or phrases in this Lease shall have been stricken out or otherwise eliminated, whether or not any other words or phrases have been added, this Lease shall be construed as if the words or phrases so stricken out or otherwise eliminated were never included in this Lease and no implication or inference shall be drawn from the fact that said words or phrases were so stricken out or otherwise eliminated. Each covenant, agreement, obligation or other provision of this Lease on Tenant's part to be performed, shall be deemed and construed as a separate and independent covenant of Tenant, not dependent on any other provision of this Lease. All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require. Tenant specifically agrees to pay Landlord's reasonable costs, charges and expenses, including reasonable attorneys' fees, incurred in connection with any document review requested by Tenant and upon submission of bills therefor. In the event Landlord permits Tenant to examine Landlord's books and records with respect to any Additional Charge imposed under this Lease, such examination shall be conducted at Tenant's sole cost and expense and shall be conditioned upon Tenant retaining an independent accounting firm for such purposes which shall not be compensated on any type of contingent fee basis with respect to such examination. Wherever in this Lease or by law Landlord is authorized to charge or recover costs and expenses for legal services or attorneys' fees, same shall include, without limitation, the costs and expenses for inhouse or staff legal counsel or outside counsel at rates not to exceed the reasonable and customary charges for any such services as would be imposed in an arms length third party agreement for such services.

36.12. Upon request, Tenant shall annually furnish to Landlord a copy of its then current audited financial statement (provided however that an unaudited statement certified as true and complete by Tenant's senior financial officer shall be acceptable in the event audited statements are not prepared for Tenant) which shall be employed by Landlord for purposes of financing the Premises and not distributed otherwise without prior authorization of Tenant.

36.13. (i) Tenant acknowledges that the NAICS code number applicable to Tenant's operations may subject the Demised Premises to the requirements of the New Jersey Industrial Site Recovery Act, N.J.S.A. 13: lK-6 et seq. ("ISRA") and applicable regulations, N.J.A.C. 7:26B-1.1 et seq..

(ii) Not later than ninety (90) days prior to the Expiration Date, Tenant shall provide to Landlord an Affidavit, executed by its President or Vice President, setting forth the following: (a) the NAICS code applicable to the operations performed at the Demised Premises; (b) the type and amounts of any hazardous substances (as defined in N.J.A.C. 7:1E-1.6) treated, stored, disposed of, handled, or used in Tenant's operations; and (c) a representation that based upon the criteria set forth in (a) and (b), Tenant's cessation of operations or other Triggering Event as defined below at the Demised Premises is not subject to ISRA. During the term, Landlord reserves the right to require Tenant to execute an affidavit in similar form for any transaction which Landlord reasonably believes may trigger the requirements of ISRA, including without limitation, an assignment of this Lease, a subtenancy, or a sale or transfer of direct or indirect ownership or control of Tenant (a "Triggering Event").

(iii) In the event Landlord reasonably determines that ISRA is applicable to a Triggering Event or Tenant's cessation of operations at the Demised Premises, Tenant shall satisfy its obligations under ISRA prior to its lease termination date: by securing an unconditional Response Action Outcome (or its equivalent in the event of a change of law) from a New Jersey Certified Licensed Site Remediation Professional ("LSRP") reasonably acceptable to Landlord. Tenant shall bear sole responsibility for any investigation and cleanup costs, fees, penalties, or damages associated with ISRA compliance, including any supplemental obligations which may arise from any audit of the LSRP, or his/her work, whether such audit is performed by the NJDEP, or LSRP Licensing Board. This requirement shall survive the termination of the Lease. In the event that Tenant is unable to complete its ISRA compliance obligations by the date of its lease termination, Landlord shall continue to provide Tenant with reasonable access to the Demised Premises, provided that any work undertaken by Tenant shall be performed in such a manner as to minimize interference with Landlord's or any other tenant's use of the Demised Premises. However, Landlord reserves its rights to deem Tenant a holdover tenant in the event that Tenant's ISRA compliance unreasonably restricts the Landlord's use of the Demised Premises.

(iv) Tenant shall provide Landlord with copies of all correspondence, documents, data and reports, including sampling results submitted to or received from any LSRP, governmental agency or third party in connection with Tenant's compliance with ISRA.

36.14. Landlord agrees that it shall defend, indemnify and save Tenant harmless from and against all claims, loss, damage, liability and expense (including reasonable attorney's fees and expenses) which the Tenant may sustain as a result of or on account of non-compliance of the Demised Premises with the Environmental Laws as the result of conditions existing on the Demised Premises (a) prior to the Commencement Date and/or (b) which were caused by Landlord, or its agents, and employees after the Commencement Date (except to the extent caused by Tenant, its agents, invitees, or employees). Environmental Laws are defined as laws, statutes, ordinances or regulations relating to the discharge of "Hazardous Substances", as defined under New Jersey law [N.J.A.C. 7: IE-1.7], into the air, water, lands or groundwaters of the State of New Jersey, or the United States of America.

36.15. Certification. Tenant certifies that: (i) It is not acting, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation, or transaction pursuant to any law, order, rule, or regulation that is enforced or administered by the Office of Foreign Assets Control; and (ii) It is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity, or nation. Tenant hereby agrees to defend, indemnify, and hold harmless Landlord from and against any and all claims, damages, losses, risks, liabilities, and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease as of the day and year first above written.

HARTZ METRO LEASEHOLD I LLC

By: /s/ Phillip R. Patton
Phillip R. Patton
Executive Vice President

RENT THE RUNWAY, INC.

By: /s/ Charles Ickes
Name: Charlies Ickes
Title: SVP Operations

R1. If any of the provisions of this Rider shall conflict with any of the provisions, printed or typewritten, of this Lease, such conflict shall resolve in every instance in favor of the provisions of this Rider.

R2. Option to Renew: Provided Tenant has not assigned this Lease except as expressly permitted in the Lease or sublet more than fifty (50%) percent of the Demised Premises in the aggregate and is not in default of any monetary or other material obligation hereunder after notice and beyond the applicable cure period, Tenant shall have two (2) options to extend the Term of its lease of the Demised Premises, from the date upon which this Lease would otherwise expire for two (2) extended periods of five (5) years (the first of which shall be referred to as the "First Extended Period" and the second of which shall be referred to as the "Second Extended Period" and both shall collectively be referred to as the "Extended Period"), upon the following terms and conditions:

a. If Tenant elects to exercise said option, it shall do so by giving notice of such election to Landlord on or before the date which is nine (9) months before the beginning of the Extended Period for which the Term is to be extended by the exercise of such option. Tenant agrees that it shall have forever waived its right to exercise any such option if it shall fail for any reason whatsoever to give such notice to Landlord by the time provided herein for the giving of such notice, whether such failure is inadvertent or intentional, time being of the essence as to the exercise of each such option.

b. If Tenant elects to exercise said option, the Term shall be automatically extended for the Extended Period covered by the option so exercised without execution of an extension or renewal lease. Within ten (10) days after request of either party following the effective exercise of any such option, however, Landlord and Tenant shall execute, acknowledge and deliver to each other duplicate originals of an instrument in recordable form confirming that such option was effectively exercised.

c. The Extended Period shall be upon the same terms and conditions as are in effect immediately preceding the commencement of such Extended Period; provided, however, that Tenant shall have no right or option to extend the Term for any period of time beyond the expiration of the Extended Period and, provided further, that in the Extended Period the Fixed Rent shall be as follows: The Fixed Rent during the first year of each Extended Period shall be Fair Market Value ("FMV"), but not less than the Fixed Rent for the twelve (12) month period immediately preceding the Extended Period for which the Fixed Rent is being calculated and shall thereafter increase three (3%) percent per annum. FMV shall be determined by mutual agreement of the parties. If the parties are unable to agree on the FM V, the parties shall choose a licensed Real Estate Appraiser who shall determine the FMV on each anniversary of the first day of the Extended Period. The cost of said Real Estate Appraiser shall be borne equally by the parties. If the parties are unable to agree on a licensed Real Estate Appraiser, each party shall select one Appraiser to appraise the FMV. If the difference between the two appraisals is ten percent (10%)

or less of the lower appraisal, then the FMV shall be the average of the two appraisals. If the difference between the two appraisals is greater than ten percent (10%) of the lower appraisal, the two Appraisers shall select a third licensed Real Estate Appraiser to appraise and determine the FMV. The cost of the third appraisal shall be borne equally by the parties. Anything to the contrary contained herein notwithstanding, the Fixed Rent for the first year of each Extended Period shall not be less than the Fixed Rent for the twelve (12) month period immediately preceding the Extended Period for which the Fixed Rent is being calculated.

d. Any termination, expiration, cancellation or surrender of this Lease shall terminate any right or option for the Extended Period not yet exercised.

e. Landlord shall have the right, for fifteen (15) days after receipt of notice of Tenant's election to exercise any option to extend the Term, to reject Tenant's election if Tenant gave such notice while Tenant was in default in the performance of any of its obligations under the Lease, and such default was not cured after notice and during the applicable cure period and such rejection shall automatically render Tenant's election to exercise such option null and void and of no effect.

f. The option provided herein to extend the Term of the Lease may not be severed from the Lease or separately sold, assigned or otherwise transferred.

R3. **Counterparts**: This Agreement may be executed in one or more counterparts and may be executed by electronic signatures, each of which counterparts and each of which electronic signatures shall be deemed an original, but all of which shall constitute one and the same document. Executed copies hereof may be delivered by facsimile or by email in a PDF attachment, and upon receipt, shall be deemed originals and binding upon the parties hereto. Without limiting or otherwise affecting the validity of executed copies hereof that have been delivered by facsimile or by email in a PDF 8 attachment, the parties shall use diligent efforts to deliver originals as promptly as possible after execution.

HARTZ METRO LEASEHOLD I LLC

By: /s/ Phillip R. Patton
Phillip R. Patton
Executive Vice President

RENT THE RUNWAY, INC.

By: /s/ Charles Ickes
Name: Charles Ickes
Title: SVP Operations

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT A

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT B

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT C

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT D

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT E

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT F

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

LANDLORD'S CONSENT

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

GUARANTOR'S CONSENT

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

SCHEDULE A

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

LEASE MODIFICATION AGREEMENT

THIS LEASE MODIFICATION AGREEMENT, made this 28 day of April, 2020 by and between **HARTZ METRO LEASEHOLD I LLC**, a New Jersey limited liability company, having an office at 400 Plaza Drive, P.O. Box 1515, Secaucus, New Jersey 07096-1515 (hereinafter referred to as "Landlord") and **RENT THE RUNWAY, INC.**, a Delaware corporation having an office at 345 Hudson Street, Floor 6A, New York, NY 10014 (hereinafter referred to as "Tenant").

WITNESSETH:

WHEREAS, by Agreement of Lease dated February 7, 2017 and corresponding Rider, as either may have been amended from time to time (collectively the "Lease"), Landlord leased to Tenant and Tenant hired from Landlord premises located at 55 Metro Way, Secaucus, New Jersey (hereinafter the "Demised Premises"); and

WHEREAS, Tenant has requested that Landlord consent to a repayment plan/deferral of certain of Tenant's Rent obligations; and

WHEREAS, Landlord has consented to a repayment plan/deferral of certain of Tenant's Rent obligations subject to and in accordance with the terms and conditions contained herein.

NOW, THEREFORE, for and in consideration of the Lease, the mutual covenants herein contained and the consideration set forth herein, the parties agree as follows:

1. Preamble. The foregoing preambles are hereby incorporated by reference herein and made a part hereof.

2. Definitions. All capitalized terms not defined and used herein shall have the same meaning ascribed to them in the Lease.

3. Deferred Amount. Landlord agrees to defer collection of fifty percent (50%) of the Fixed Rent for the months of May, June, July and August, 2020 (the "Deferred Amount"). The Deferred Amount totals [******] dollars ($[******]). **It is expressly agreed and understood by Tenant that all amounts due and owing under the terms of the Lease other than the Deferred Amount (including, but not limited to, fifty percent (50%) of the Fixed Rent for the months of May, June, July and August 2020) are due and payable in accordance with the terms of the Lease.**

4. Payment on Account. Tenant agrees that it shall be obligated to pay the amounts set forth in the attached Exhibit A no later than May 1, 2020 (the "Outstanding Balance").

5. Repayment of Deferred Amount: Tenant will repay the Deferred Amount to Landlord in twelve equal monthly installments of [******]* dollars ($[******]) each, commencing September 1, 2020 and ending August 1, 2021. Tenant shall also recommence payment of all Rent (100% of Fixed Rent and Additional Charges) due under the Lease commencing September 1, 2020. **It is expressly agreed and understood by Tenant that repayment of the Deferred Amount shall be in addition to Tenant's obligation to pay all Rent due under the Lease commencing September 1, 2020.**

6. Exercise of first renewal option.

(a) Pursuant to the terms set forth in R2 of the Rider to the Lease, Tenant has the option to extend the Lease beyond the current expiration date of August 31, 2021 for a five (5) year period with a notice to Landlord not later than nine (9) months prior to August 31, 2021 (defined as the "First Extended Period" in the Lease). Landlord has agreed to reduce the term of the First Extended Period from five (5) years to three (3) years (the "Revised First Extended Period").

(b) Tenant hereby exercises its option for the Revised First Extended Period, and Landlord and Tenant agree that such option is exercised in accordance with R2 of the Rider to the Lease and paragraph 6(a) above. Landlord and Tenant agree that the Fixed Rent for the Revised First Extended Period shall be determined as of November 30, 2020 in accordance with the terms as set forth in R2(c) of the Rider to the Lease. For the avoidance of doubt, the "Fixed Rent" for the twelve (12) month period immediately preceding the First Extended Period used to calculate the Fixed Rent for the Revised First Extended Period shall not include the Deferred Amount.

7. Retention of second renewal option. Landlord and Tenant further agree that Tenant will continue to have one additional option to extend the Lease for an additional five (5) years commencing on September 1, 2024 with notice provided by Tenant to Landlord no later than nine (9) months prior to September 1, 2024 with the Fixed Rent determined as set forth in R6(c) of the Rider to the Lease.

8. No Default. Provided Tenant fully and timely complies with the terms and conditions of this Agreement, Tenant will not be deemed to be in monetary default of the Lease.

9. Failure to pay the Deferred Amount and/or the Outstanding Balance. Tenant's failure to timely pay the Deferred Amount and/or Outstanding Balance shall be deemed a default under the Lease, subject to applicable notice and cure periods under the Lease. Such default shall entitle Landlord to pursue any and all remedies set forth under the Lease for Tenant's default, including but not limited to, an acceleration of any unpaid portion of the Deferred Amount.

10. Binding Effect. Except as modified herein, the terms, conditions and covenants of the Lease shall remain in full force and effect, and shall be binding upon and inure to the benefit of Landlord, Tenant and their respective successors and permitted assigns. The paragraph headings herein contained are for convenience and shall not be deemed to govern or control the substance hereof. The Lease Modification Agreement and Lease may not be changed or modified orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, or modification is sought.

11. Governing Law. This Agreement shall be governed and construed under the laws of the State of New Jersey.

12. Inconsistency. Except as modified herein, the terms, conditions and covenants of the Lease shall remain unchanged and otherwise in full force and effect, and are hereby ratified and reaffirmed. In the event of an inconsistency between this Lease Modification Agreement and the Lease, the terms herein shall control.

13. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. Executed copies hereof may be delivered by facsimile or by email in a PDF attachment, and upon receipt, shall be deemed originals and binding upon the parties hereto. Without limiting or otherwise affecting the validity of executed copies hereof that have been delivered by facsimile or by email in a PDF attachment, the parties shall use diligent efforts to deliver originals as promptly as possible after execution.

14. Confidentiality. Each party hereby acknowledges that the terms and conditions of this Agreement are confidential and shall not disclose same to any other person not a party hereto without the prior written consent of the other, provided that either party may disclose the terms hereof to such accountants, attorneys, managing employees, and others in privity with any such party to the extent reasonably necessary for either party's business purposes. Either party's failure to maintain the confidentiality of this Agreement shall be deemed a material breach hereof, and shall entitle the other party, in addition to all other remedies provided in the Lease and by law, to declare this agreement terminated and null and void and without force and effect. If Tenant is the breaching party, all monies then due and owing from Tenant under the Lease shall become immediately due and payable.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Modification Agreement to be duly executed as of the day and year first above written.

("Landlord")

By: /s/ Lawrence D. Garb
Lawrence D. Garb
Executive Vice President

("Tenant")

By: /s/ Jennifer Y. Hyman
Name: Jennifer Y. Hyman
Title: Chief Executive Officer

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

Exhibit A

[OMITTED]

CERTAIN IDENTIFIED INFORMATION IN THIS DOCUMENT HAS BEEN EXCLUDED PURSUANT TO REGULATION S-K, ITEM 601(B)(10) BECAUSE IT IS BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [******] INDICATES THAT INFORMATION HAS BEEN REDACTED

SECOND LEASE MODIFICATION AGREEMENT

THIS SECOND LEASE MODIFICATION AGREEMENT, made this 9th day of August, 2020 by and between **HARTZ METRO LEASEHOLD I LLC**, a New Jersey limited liability company, having an office at 400 Plaza Drive, P.O. Box 1515, Secaucus, New Jersey 07096-1515 (hereinafter referred to as "Landlord") and **RENT THE RUNWAY, INC.**, a Delaware corporation having an office at 10 Jay Street, Brooklyn, New York 11201 (hereinafter referred to as "Tenant").

WITNESSETH:

WHEREAS, by Agreement of Lease dated February 7, 2017 and corresponding Rider, as amended by Lease Modification Agreement ("First Modification") dated April 28, 2020 (collectively the "Lease"), Landlord leased to Tenant and Tenant hired from Landlord 52,925 square feet of Floor Space premises located at 55 Metro Way, Secaucus, New Jersey (hereinafter the "Demised Premises"); and

WHEREAS, Tenant has requested that Landlord consent to a payment plan/deferral of certain of Tenant's Rent obligations; and

WHEREAS, Landlord has consented to a payment plan/deferral of certain of Tenant's Rent obligations subject to and in accordance with the terms and conditions contained herein; and

WHEREAS, Landlord and Tenant wish to modify the Lease to reflect the terms of a payment plan/deferral of certain of Tenant' Rent obligations and to set forth the Fixed Rent for the Revised First Extended Period, as defined in Section 6(a) of the First Modification, and amend the Lease accordingly;

NOW, THEREFORE, for and in consideration of the Lease, the mutual covenants herein contained and the consideration set forth herein, the parties agree as follows:

1. Preamble. The foregoing preambles are hereby incorporated by reference herein and made a part hereof.

2. Definitions. All capitalized terms not defined and used herein shall have the same meaning ascribed to them in the Lease.

3. Acknowledgement of Outstanding Amount. Attached hereto as Exhibit A is a Statement of Unpaid Charges for August 2020 ("Outstanding August Additional Charges") currently due to Landlord from Tenant. Tenant acknowledges and agrees that the Outstanding August Additional Charges in the amount of [******] Dollars ($[******]), along with the Deferred Amount (as defined in Section 3 of the First Modification) in the amount of [******] Dollars ($[******]), remain due and owing to Landlord (collectively "Outstanding Amount"). Tenant acknowledges and agrees that the Outstanding Amount will be paid to Landlord in accordance with Sections 4 and 6 below.

4. Payment on Account. Tenant agrees that it shall pay to Landlord the Outstanding August Additional Charges upon execution of this Second Lease Modification Agreement.

5. Updated Deferred Amount. Landlord agrees to defer collection of fifty percent (50%) of the Fixed Rent for the months of September, October, November and December, 2020, in the amount of [******] Dollars ($[******]) together with the Deferred Amount (collectively the "Updated Deferred Amount"). Accordingly, the Updated Deferred Amount totals [******] Dollars ($[******]). **It is expressly agreed and understood by Tenant that all amounts due and owing under the terms of the Lease other than the Updated Deferred Amount (including, but not limited to, fifty percent (50%) of the Fixed Rent for the months of September, October, November and December 2020) are due and payable in accordance with the terms of the Lease.**

6. Payment of Updated Deferred Amount: Tenant will pay the Updated Deferred Amount to Landlord in twelve equal monthly installments of [******] Dollars ($[******]) each, commencing February 1, 2021 and ending January 1, 2022. Tenant shall also recommence payment of all Rent (100% of Fixed Rent and Additional Charges) due under the Lease commencing January 1, 2021. **It is expressly agreed and understood by Tenant that payment of the Updated Deferred Amount shall be in addition to Tenant's obligation to pay all Rent due under the Lease commencing January 1, 2021.**

7. Fixed Rent for Revised First Extended Period: Notwithstanding anything contained in the Lease, Landlord and Tenant hereby agree that the Fixed Rent for the Revised First Extended Period shall be as follows: from September 1, 2021 through and including August 31, 2022, an amount at the annual rate of [******] Dollars ($[******]) multiplied by the Floor Space of the Demised Premises; from September 1, 2022 through and including August 31, 2023, an amount at the annual rate of [******] Dollars ($[******]) multiplied by the Floor Space of the Demised Premises; and from September 1, 2023 through and including August 31, 2024, an amount at the annual rate of [******] ($[******]) multiplied by the Floor Space of the Demised Premises.

8. No Default. Provided Tenant fully and timely complies with the terms and conditions of this Agreement, Tenant will not be deemed to be in monetary default of the Lease.

9. Failure to pay the Updated Deferred Amount and/or the Outstanding August Additional Charges. Tenant's failure to timely pay the Updated Deferred Amount and/or Outstanding August Additonal Charges shall be deemed a default under the Lease, subject to applicable notice and cure periods under the Lease. Such default shall entitle Landlord to pursue any and all remedies set forth under the Lease for Tenant's default, including but not limited to, an acceleration of any unpaid portion of the Updated Deferred Amount.

10. Amending Article 8. The words "thirty (30) days" in the third to last line of Section 8.01(b) and in the first and fifth lines of Section 8.02 are hereby deleted, and "sixty (60) days" is hereby substituted in each line.

11. Amending Section 13.02. The third and fourth to last sentences of Section 13.02 of the Lease are hereby deleted, and the following is hereby substituted in their place:

"Tenant shall cause the policies and certificates of insurance (such certificates to be on Acord form 27 or its equivalent) to be delivered to Landlord by Tenant pursuant to this Section 13.02 (other than workers compensation insurance) to name Landlord as an additional insured and, at Landlord's request, to also name any Superior Lessors or Superior Mortgagees as additional insureds, and the following phrase must be typed on the certificate of insurance: "Hartz Metro Leasehold I LLC, Hartz Mountain Industries, Inc., and their respective subsidiaries, affiliates, associates, joint ventures, and partnerships, and (if Landlord has so requested) Superior Lessors and Superior Mortgagees are hereby named as additional insureds as their interests may appear. This insurance is primary and non-contributing in respect of Landlord and all additional insureds, any excess and umbrella liability policies are primary and non-contributing in respect of Landlord and all additional insureds, and any excess liability policies follow form." "

12. Amending Section 13.04. The third line of Section 13.04 of the Lease is hereby amended by inserting the following after the word "claims":

"(including, but not limited to, claims arising from Landlord's negligence, other than Landlord's sole negligence)"

13. Binding Effect. Except as modified herein, the terms, conditions and covenants of the Lease shall remain in full force and effect, and shall be binding upon and inure to the benefit of Landlord, Tenant and their respective successors and permitted assigns. The paragraph headings herein contained are for convenience and shall not be deemed to govern or control the substance hereof. The Second Lease Modification Agreement and Lease may not be changed or modified orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, or modification is sought.

14. Governing Law. This Agreement shall be governed and construed under the laws of the State of New Jersey.

15. Inconsistency. Except as modified herein, the terms, conditions and covenants of the Lease shall remain unchanged and otherwise in full force and effect, and are hereby ratified and reaffirmed. In the event of an inconsistency between this Second Lease Modification Agreement and the Lease, the terms herein shall control.

16. Counterparts. This Second Lease Modification Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. Executed copies hereof may be validly executed and delivered by facsimile or by email in a PDF attachment and/or by electronic signature, and upon receipt, shall be deemed originals and binding upon the parties hereto. Without limiting or otherwise affecting the validity of executed copies hereof that have been delivered by facsimile or by email in a PDF attachment and/or by electronic signature, the parties shall use diligent efforts to deliver originals as promptly as possible after execution. Each party agrees that the electronic signatures of the parties, whether digital or encrypted, are intended to authenticate this writing and to have the same force and effect as manual wet ink signatures.

17. Confidentiality. Each party hereby acknowledges that the terms and conditions of this Agreement are confidential and shall not disclose same to any other person not a party hereto without the prior written consent of the other, provided that either party may disclose the terms hereof to such accountants, attorneys, managing employees, and others in privity with any such party to the extent reasonably necessary for either party's business purposes. Either party's failure to maintain the confidentiality of this Second Lease Modification Agreement shall be deemed a material breach hereof, and shall entitle the other party, in addition to all other remedies provided in the Lease and by law, to declare this Second Lease Modification Agreement terminated and null and void and without force and effect. If Tenant is the breaching party, all monies then due and owing from Tenant under the Lease shall become immediately due and payable.

[*signatures on next page*]

IN WITNESS WHEREOF, the parties hereto have caused this Second Lease Modification Agreement to be duly executed as of the day and year first above written.

("Landlord")
HARTZ METRO LEASEHOLD I LLC

By: /s/ Phillip R. Patton
Phillip R. Patton
Executive Vice President

("Tenant")
RENT THE RUNWAY, INC.

By: /s/ Jennifer Y. Hyman
Jennifer Y. Hyman
Chief Executive Officer

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

Exhibit A

[OMITTED]

Exhibit 10.23

CERTAIN IDENTIFIED INFORMATION IN THIS DOCUMENT HAS BEEN EXCLUDED PURSUANT TO REGULATION S-K, ITEM 601(B)(10) BECAUSE IT IS BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [******] INDICATES THAT INFORMATION HAS BEEN REDACTED

BARDIN ROAD BUSINESS PARK

INDUSTRIAL LEASE

BETWEEN

CPF BARDIN JV LP

AS LANDLORD

AND

RENT THE RUNWAY, INC.,

AS TENANT

FOR THE PREMISES LOCATED AT

BUILDING NO. B
1111 W BARDIN ROAD
ARLINGTON, TEXAS 76017

Table of Contents

DEFINITIONS INDEX

INDUSTRIAL LEASE

This Industrial Lease (this "**Lease**") is made and entered into as of March 31, 2018, (the "**Effective Date**") by and between the party designated as the landlord in the Schedule ("**Landlord**") and the party(ies) designated as the tenant(s) in the Schedule (collectively, "**Tenant**"). The Lease consists of the following Schedule (the "**Schedule**"), Terms and Conditions and Exhibit(s) referenced herein.

SCHEDULE

Landlord: Name: CPF BARDIN JV LP
Entity: Limited Partnership
State of Formation: Delaware
Address: c/o Barings
150 South Wacker Drive, Suite 350
Chicago, Illinois 60606

with copy to:

Name: TRANSWESTERN
Address: 5001 Spring Valley Road
Suite 400W
Dallas, Texas 75244
Attn: Property Manager

Tenant: Name: RENT THE RUNWAY, INC.
Federal Tax Identification No.: 80-0376379
Entity: Corporation
State of Formation: Delaware
Address: 345 Hudson Street, 6th floor
New York, New York 10014
Attn: Legal Department

Guarantor: None

Land: The land legally described in Exhibit B attached hereto, upon which Buildings A and B, and all common areas appurtenant thereto, sit.

Building: Building B: 1111 W Bardin Road, Arlington, TX 76017

Premises: Approximately 319,886 leasable square feet as shown on the Floor Plan attached hereto as Exhibit C

Property:	The Land, together with buildings and improvements now or hereafter located on the Land, and all easements, licenses and rights-of-way appurtenant to the Land, commonly known as Bardin Road Business Park
Initial Term:	One Hundred Forty Four (144) months commencing on June 1,2018
Commencement Date:	June 1,2018
Expiration Date:	May 31,2030
Delivery Date:	The first to occur of the Early Access Date (defined in Section 5(i) below), or the Commencement Date

Base Rent:

Period of Term	Annual Base Rent	Monthly Base Rent
6/1/2018 - 1/31/2019	$[******] (8 Months)	$[******]
2/1/2019 - 11/30/2019	$[******] (10 months)	$[******]
12/1/2019 - 5/31/2020	$[******] (6 months)	$[******]
6/1/2020 - 5/31/2021	$[******]	$[******]
6/1/2021 - 5/31/2022	$[******]	$[******]
6/1/2022 - 5/31/2023	$[******]	$[******]
6/1/2023 - 5/31/2024	$[******]	$[******]
6/1/2024 - 5/31/2025	$[******]	$[******]
6/1/2025 - 5/31/2026	$[******]	$[******]
6/1/2026 - 5/31/2027	$[******]	$[******]
6/1/2027 - 5/31/2028	$[******]	$[******]
6/1/2028 - 5/31/2029	$[******]	$[******]
6/1/2029 - 5/31/2030	$[******]	$[******]

Leasable Area of Project B:	Building B: 1111 W Bardin Road, Arlington, TX 76017 - 420,000 square feet
Leasable Area of Property	840,000 square feet
Project B:	Building B, together with the land on which Building B is located and the common areas serving Building B
Tenant's Proportionate Share of Expenses:	[******]% of the Property
Tenant's Proportionate Share of Taxes:	[******]% of Project B
Initial Monthly Estimated Tenant Reimbursement Amount:	$[******]
Permitted Use:	[******]

Security for Tenant's Obligations:	Letter of Credit initially in the amount of $[******], subject to reduction as provided in the definition of Qualified LC in Section 4(a) below, and any cash proceeds thereof.
Tenant's Broker:	Name:Cresa Partners Address: 3475 Piedmont Road, Suite 900 Atlanta, Georgia 30305 Attention: Jim Bob Taylor
Maximum Allowance:	$[******]
Renewal Term:	Two (2) renewal options of Five (5) years each
ROFO Space:	The adjacent vacant space in Building B, containing approximately 100,114 square feet

EXHIBITS:

A	Site Plan
B	Legal Description of Land
C	Floor Plan
C-l	Load Limit Specifications
D	Rules and Regulations
E	Commencement Date Confirmation
F	Landlord's Work
F-l	Cost Estimate
G	Approved Form of Letter of Credit
H	Renewal Options
I	Right of First Opportunity
J	"**Green**" Lease Terms
K	Memorandum of Lease Form
L	Monthly Minimum Letter of Credit Amounts

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease in multiple original counterparts as of the date written above.

LANDLORD:

CPF BARDIN JV LP, a Delaware limited partnership

By: **CPF BARDIN INVESTOR, LLC,** a Delaware limited partnership, its general partner

By: **BARINGS LLC,** a Delaware limited liability company, its manager

By: /s/ Susan Hammersley
Print Name: Susan Hammersley
Title: Vice President
Date: April 16, 2018

TENANT:

RENT THE RUNWAY, INC., a Delaware corporation

By: /s/ Scarlett O'Sullivan
Print Name: Scarlett O'Sullivan
Title: CFO
Date: April 11, 2018

TERMS AND CONDITIONS

1. LEASE OF PREMISES. Demise. Subject to the covenants, terms, provisions and conditions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the premises described in the Schedule (the "**Premises**"), which are contained in the building described in the Schedule (the "**Building**"), which is located on the land described in the Schedule (the "**Land**"), which comprises a part of the real property (the "**Property**") described in the Schedule, including all mechanical (HVAC), electrical, plumbing, life safety and other units, systems and equipment located in or exclusively serving the Premises, together with the right in common with others to use the Common Areas, but excepting and exclusively reserving unto Landlord the use of:

(i) the roof of the Building (excluding the interior surface of the ceiling in the Premises);

(ii) the following, to the extent marked "reserved" in the floor plan attached as Exhibit C (the "**Reserved Areas**"): (a) telephone, electrical and janitorial closets, (b) equipment rooms, building risers or similar areas that are used by Landlord for the provision of common Utilities, and (c) the areas within the Premises used for the installation of common Utility lines and other installations serving occupants of the Building, subject to the covenants, terms, provisions and conditions of this Lease. Landlord reserves the right to add land to the Property and/or additional improvements on the Property and/or such land, including without limitation the proposed Building C and appurtenant land, provided such additions do not materially adversely affect Tenant's use of the Premises and subject to the covenants, terms, provisions and conditions of this Lease (and in such event, the Leasable Area of the Property and Tenant's Proportionate Share thereof shall be adjusted accordingly);

(iii) rights to the land and improvements below the floor of the Premises; and

(iv) the improvements and air rights outside the demising walls of the Premises (other than the Common Areas).

Despite the definitions of Land and Property above, if a proposed Building C (similar in design and function to Building A and B) is constructed on the land adjacent to the Land described in Exhibit A and such new Building C is incorporated into the Property as a unified project (under common management or an operating agreement, declaration, REA or similar agreement), then Landlord may, at its option, expand the Property to include that Building C and the land under and around it, in which case the Leasable Area of the Property and Tenant's Proportionate Share thereof shall be adjusted accordingly.

(b) Covenant of Quiet Enjoyment. Subject to the other provisions of this Lease, Landlord covenants that neither Landlord nor anyone else lawfully claiming superior title through or under Landlord will disturb Tenant's possession of the Premises during the Term.

(c) Term. The initial term of this Lease (the "**Initial Term**") shall commence on the commencement date described in the Schedule (the "**Commencement Date**") and expire on the expiration date described in the Schedule (the "**Expiration Date**"), unless terminated earlier as otherwise provided in this Lease, and subject to renewal if and to the extent described in the Schedule. The Initial Term, as permissibly extended, is hereinafter called the "**Term**"**.** The Commencement Date and the Expiration Date shall be confirmed by execution by the parties of a Commencement Date Confirmation in the form attached hereto as Exhibit E within ten (10) days after the actual Commencement Date is ascertained.

(d) Possession. Landlord agrees to deliver possession of the Premises to Tenant on the delivery date described in the Schedule (the "**Delivery Date**"). If for any purpose, including the performance of any of Tenant's Work, Tenant takes occupancy of the Premises prior to the Commencement Date (which Tenant may not do unless the Delivery Date is a date occurring prior to the Commencement Date), then all of the terms and provisions of this Lease shall apply to such pre-Term occupancy by Tenant, except that Tenant shall not be obligated to pay Base Rent or Tenant Reimbursement Amount for any period before the Commencement Date, but Tenant shall pay for all incremental expenses incurred as a result of Tenant's occupancy prior to the Commencement Date (e.g. electricity, etc.).

(e) Outside Equipment Areas. Notwithstanding anything to the contrary in this Lease, subject to Landlord's approval thereof in accordance with the terms of this lease, as part of Tenant's Work, Tenant shall install certain equipment **("Outside Equipment"),** including (without limitation) Tenant's generator and chillers, in Project B in areas outside the Premises **("Outside Equipment Areas").** All such Outside Equipment Areas shall be deemed part of the Premises for purposes of this Lease, including (without limitation) the maintenance, insurance, indemnification and environmental provisions of this Lease.

2. RENT.

(a) Definitions. For purposes of this Lease, the following terms shall have the following meanings:

(i) "**Agreed Rate**" means an interest rate, or imputed interest rate, or discount rate of 10% per annum.

(ii) "**Excluded Costs**" means the following:

(A) Excluded Taxes, as defined below;

(B) depreciation or other non-cash expenses, except the amortization expense and imputed interest relating to Qualified Capital Expenditures as described in Section 2(c) below;

(C) capital expenditures, including roof replacements, parking lot replacements, replacements of any common Building HVAC units, and any other expenditures that Landlord must capitalize under generally accepted accounting principles; however, the amortization expense and imputed interest relating to Qualified Capital Expenditures as described in Section 2(c) below will not be Excluded Costs and will be included in Expenses;

(D) interest and principal payments and other costs of obtaining or servicing mortgages or other loans made to Landlord (except that this clause will not prevent Landlord from including amortization of Qualified Capital Expenditures as described below); and any rental payments on any ground lease or other superior lease (except for rental payments thereunder which are in the nature of charges to cover or reimburse Taxes or other costs that would, if paid directly by Landlord, qualify as Expenses and not be Excluded Costs under other clauses of this definition);

(E) costs paid or incurred to procure tenants, to lease space, or to sell or otherwise transfer any interest in the Property, including advertising costs, brokerage commissions, legal fees for negotiating leases or sales contracts, and costs paid or incurred to make improvements for, or to provide allowances or other inducements to, any tenant;

(F) any cost or expenditure for which (and to the extent) Landlord is compensated or reimbursed (whether by insurance proceeds, condemnation proceeds, or otherwise), except through tenant reimbursements;

(G) the cost of providing any service to other tenants or to unleased, leasable (i.e., not Common Area) space that Landlord does not provide or make available to Tenant (without a specific additional charge) under this Lease, including the costs of Utilities that Tenant obtains directly from utility providers as provided in Section 6(a) below; and the cost of providing any level of service to other tenants that substantially exceeds the level of service provided by Landlord to Tenant (without a specific additional charge) under this Lease;

(H) salaries and fringe benefits paid to or for executives or employees above the grade of property manager, and a percentage of the salary and benefits paid to or for any other employee of Landlord who spends a substantial portion of his or her time at work on matters unrelated to the Property, which percentage will equal 100% less Landlord's reasonable estimate of the percentage of the employee's time at work devoted to matters related to the Property;

(I) dividends paid by Landlord;

(J) (J) losses charged against income to write off or provide a reserve for uncollectible rent or other receivables of Landlord;

(K) any uninsured costs incurred to repair and restore or replace the Building or other tangible property of Landlord after it is damaged by a fire or other casualty, except that costs for which Landlord is not compensated or reimbursed by insurance only because of a reasonable insurance deductible or self-insured retention that benefits Tenant (by reducing the insurance premiums included in Expenses) will not be Excluded Costs;

(L) the portion, if any, of any fee or price paid by Landlord to an affiliate that exceeds the fee or price Landlord would reasonably have been expected to pay in an arms-length transaction;

(M) fees, dues, and other contributions paid by or for Landlord to real estate or other civic organizations;

(N) political and charitable contributions;

(O) costs of removing or encapsulating Hazardous Substances, except that costs of removing normal construction, office, and cleaning supplies and materials and costs of normal and customary testing and monitoring for Hazardous Substances will not constitute Excluded Costs, and will be included in Expenses;

(P) costs of defending, prosecuting, or otherwise participating in any lawsuit or arbitration that results from an actual or alleged breach of contract by Landlord;

(Q) costs incurred to collect Rents or to otherwise enforce any lease because the tenant under the lease commits a breach of the lease;

(R) costs incurred because of, or to correct, any failure of the Property to comply with Laws, except costs that Landlord incurs because of any changes after the Effective Date in Laws or in the enforcement or generally accepted interpretation thereof;

(S) damages paid or payable by Landlord that are proximately caused by negligence or willful misconduct of Landlord or its employees or affiliates;

(T) rentals and other expenses incurred in leasing air-conditioning equipment or other equipment that are ordinarily considered to be real property improvements or fixtures, except those (if any) the price of which would be a Qualified Capital Expenditure if Landlord had purchased rather than leased them;

(U) Landlord's general off-site administrative and overhead costs or any factor added to other costs to cover general off-site administrative and overhead costs or to provide Landlord an additional profit; except that:

(1) Excluded Costs will not, and Expenses will, include reasonable management fees (not to exceed 3% of Landlord's gross revenue from the Property) and imputed interest on unamortized Qualified Capital Expenditures as described in Section 2(c); and

(2) if, in addition to paying a the 3% management fee to its property manager for the Property, Landlord reimburses the property manager for incidental out-of-pocket expenses (e.g., bank fees and mileage reimbursement), then this clause (U) will not prevent Landlord from including those reimbursements in Expenses and excluding them from Excluded Costs.

(iii) "**Excluded Taxes**" means the following, except, if at any time during the Term, any of the foregoing is levied or assessed by any governmental entity, as a substitute for (but not in addition to), in whole or in part, real estate taxes or other ad valorem taxes, such tax shall constitute and be included in Taxes, but only to the extent that such real estate taxes or other ad valorem taxes are reduced:

(A) taxes on or measured by *net* income of Landlord or of any consolidated tax group of which Landlord is part, but any gross rents taxes or sales taxes on rents shall be included in Taxes;

(B) estate or inheritance taxes;

(C) any transfer, succession, or change of ownership taxes assessed on Landlord's transfer or conveyance of rights or interest in this Lease or in Project B , but not any increases in ad valorem taxes assessed against the Project B resulting from such change of ownership or the sale price thereof, which shall be included in Taxes;

(D) penalties or interest that would not have been imposed but for a failure of Landlord to (a) file its tax returns properly and timely, or (b) make a timely payment of taxes (other than those taxes, if any, for which Tenant itself has not made a timely required payment or reimbursement to Landlord); excluding, however, any penalties or interest imposed because of Landlord's failure to prevail in a good faith dispute with tax authorities where Landlord's reasonable position, had it prevailed, would have benefited Tenant; and

(E) franchise taxes payable by Landlord for the privilege of doing business as an entity (separate and apart from its owners) in Texas or any other jurisdiction.

(iv) "**Expenses**" shall mean all expenses, costs and disbursements—other than Excluded Costs and Taxes—paid or incurred by Landlord in connection with the ownership, management, maintenance, operation, replacement and repair of the Property. Expenses shall be determined on an accrual basis and accounted for consistently from year to year.

(v) "**Qualified Capital Costs**" means any capital expenditure that is made primarily because of changes after the Effective Date in Laws or in the enforcement or generally accepted interpretation thereof, or (b) to improve the Property's security or life safety or to reduce Expenses. For example, the cost of a replacing Common Area lighting will constitute a Qualified Capital Expenditure if Landlord determines that the replacement will be more economical over time because of lower repair costs or utility costs.

(vi) "**Rent**" shall mean Base Rent, Tenant Reimbursement Amount and any other sums or charges owing by Tenant to Landlord under this Lease.

(vii) "**Taxes**" shall mean all taxes, assessments and fees levied upon or against Project B (excluding those taxes, assessments and fees relating solely to buildings other than the Building), the property of Landlord located therein or the rents collected therefrom, other than Excluded Taxes. Taxes will include, except to the extent an Excluded Tax, all charges by any governmental entity based upon the ownership, leasing, renting or operation of the Property, including all reasonable costs and expenses of protesting any such taxes, assessments or fees. Taxes shall not include any Excluded Taxes. For the purpose of determining Taxes for any given calendar year, the amount to be included for such calendar year (A) from all Taxes (including real estate taxes) other than special assessments which are payable in installments, shall be the amount accrued, assessed or otherwise levied for such calendar year (without regard to when such Taxes are due for payment or paid) and (B) from special assessments which are payable in installments shall be the amount of the installment (and any interest) due and payable during such calendar year. (However, to avoid double counting, Taxes will be accounted for consistently from year to year.) With respect to the allocation of Taxes, the Taxes for Building B may include taxes, assessments and/or fees on the land on which Building B is located, as well as additional land, and therefore, until such time as the real estate taxes for Building B are separately assessed, Landlord will reasonably and equitably allocate such Taxes for Building B.

(viii) "**Tenant's Proportionate Share of Expenses**" shall mean the percentage described in the Schedule, which has been determined by dividing the number of leasable square feet in the Premises by the number of leasable square feet in the Property.

(ix) Tenant's Proportionate Share of Taxes" shall mean the percentage described in the Schedule, which has been determined by dividing the number of leasable square feet in the Premises by the number of leasable square feet in Project B.

(b) Components of Rent. Tenant agrees to pay the following amounts to Landlord:

(i) Base rent ("**Base Rent**") to be paid in monthly installments in the amounts described in the Schedule in advance on or before the first day of each month of the Term, except that Tenant shall pay to Landlord upon Tenant's execution of this Lease, the installment of Base Rent which is due for the first month of the Term for which Base Rent is due.

(ii) Additional rent ("**Tenant Reimbursement Amount**") in an annual amount equal to the sum of (A) Tenant's Proportionate Share of Expenses for each calendar year, plus (B) Tenant's Proportionate Share of Taxes for each calendar year. Prior to each calendar year, Landlord shall furnish Tenant with Landlord's good faith estimate of the amount of Tenant Reimbursement Amount that will accrue for such calendar year, and Tenant shall pay Landlord one-twelfth (1/12111) of such estimate on the first day of each month during such calendar year, except that Tenant shall pay to Landlord upon Tenant's execution of this Lease, the installment of estimated Tenant Reimbursement Amount which is owing for the first month of the Term for which Tenant Reimbursement Amount is due. Such estimate may be revised by Landlord whenever it obtains information relevant to making such estimate more accurate. The initial monthly estimated Tenant Reimbursement Amount is described in the Schedule. Within 120 days after the end of each calendar year, Landlord shall deliver to Tenant a statement (the "**Annual Reconciliation**") setting forth the actual Expenses and Taxes for such calendar year and the total amount of estimated Tenant Reimbursement Amount that Tenant has paid for such calendar year. Within thirty (30) days after receipt of such Annual Reconciliation, Tenant shall pay to Landlord the amount of Tenant Reimbursement Amount owing for such calendar year minus all estimated Tenant Reimbursement Amount paid by Tenant for such calendar year. If the total estimated Tenant Reimbursement Amount paid by Tenant for such calendar year exceeds the amount of Tenant Reimbursement Amount owing for such calendar year, then Landlord shall apply such excess as a credit against future payments required of Tenant under this Lease or promptly refund such excess to Tenant if the Term has already ended, provided Tenant is not then in Default hereunder, in either case without interest to Tenant.

(c) Recovery of Qualified Capital Expenditures. For purposes of calculating Expenses, Landlord will amortize any Qualified Capital Expenditure with interest over time, rather than include the entire expenditure in Expenses at the time the expenditure is made. More specifically, Landlord may add periodic charges to Expenses to amortize the Qualified Capital Expenditure over its useful economic life and provide for imputed interest on the unamortized balance at the Agreed Rate.

(d) Prorations for any Short First and Last Years. If the Term begins on any date other than January 1, Landlord must prorate Expenses and Taxes for the calendar year in which the Term begins. Similarly, if the Term (including any extension) ends on a date other than on December 31, Landlord must prorate Expenses and Taxes for the calendar year in which the Term ends.

(e) Verification of Expenses.

(i) *Tenant's Right to Review.* Tenant may engage an accounting firm **("Tenant's Firm")** to review Landlord's books and records relating to Expenses and Taxes during regular business hours at the management office of Landlord or Landlord's property manager, subject to the following conditions: (a) no Default has occurred and is continuing; (b) Tenant has made timely payments of all amounts required by the preceding provisions of this Section 2; (c) Tenant must have given at least 30 days advance notice to Landlord of the date of the commencement of the review; (d) after the review is commenced, it must be conducted expeditiously; (e) a review that extends to Expenses or Taxes for a given calendar year must be started no later than 90 days after Tenant's receipt of the Annual Reconciliation Statement for that year and must be completed no later than sixty (60) days after it is started; (f) Tenant's Firm must (1) be engaged on a non-contingent fee basis, (2)

be a nationally or regionally recognized certified public accounting firm that offers a full range of accounting services, and (3) otherwise be reasonably acceptable to Landlord; and (g) all communications with Landlord (and Landlord's representatives) relating to the review must be by employees of Tenant or Tenant's Firm. Tenant and Tenant's Firm, and the Second Firm, if applicable, shall keep the results of any such inspection strictly confidential, and shall enter into a commercially reasonable non-disclosure agreement upon Landlord's request.

(ii) *Disputed Amounts.* If Landlord disagrees with the results of Tenant's review and the parties do not otherwise resolve their disagreement within 30 days, Landlord and Tenant shall work in good faith to agree on another independent, neutral accounting firm (a "**Second Firm**") to consider the results of Tenant's review and, as the Second Firm deems necessary, to conduct its own review of the relevant books and records, and any determination of Expenses or Taxes made by the Second Firm will be binding on the parties.

(iii) *Resulting Adjustments.* After Tenant's review and the resolution of any disagreement between Landlord and Tenant over the results, if Tenant has overpaid or underpaid the Tenant Reimbursement Amount calculated by reference to the Expenses or Taxes reviewed, then (1) Landlord must credit within 30 days any prior overpayment against payments then due or to become due from Tenant or refund within 30 days the prior overpayment to Tenant, and (2) Tenant must correct within 30 days any prior underpayment by making another payment to Landlord.

(iv) *Costs of the Review.* Tenant must pay all costs incurred because of any review described in this Section 2(e), including the fees of Tenant's Firm and of any Second Firm selected as provided above, except that if Tenant's review of Expenses or Taxes for any calendar year results in the determination that Landlord's Annual Reconciliation had overstated those Expenses or Taxes by more than 10%, then Landlord must pay the fees of any Second Firm involved and must reimburse to Tenant the reasonable, out of pocket hourly or flat fees paid by Tenant to Tenant's Firm.

(v) *Termination of Rights to Object.* Despite the foregoing, Tenant's right to review or object to any Expenses or Taxes reported in an Annual Reconciliation will terminate and be waived 120 days after Tenant receives the Annual Reconciliation, unless and except to the extent that Tenant makes specific objections to those Expenses or Taxes by notice to Landlord given before the end of the 120-day period.

(f) Payment of Rent. The following provisions shall govern the payment of Rent: (i) Tenant shall pay Rent to Landlord at Landlord's address described in the Schedule (Attention: Accounting), or to such other party or to such other address as Landlord may hereafter designate by written notice to Tenant; (ii) if the Term commences or ends on a day other than the first day or last day of a calendar month, then Rent for the month in which the Term so begins or ends shall be prorated based upon the number of days in the applicable month;

(i) Expenses and Taxes shall be prorated for any partial calendar year within the Term based upon the ratio that the number of days in such partial calendar year bears to 365; (iv) except as otherwise provided in this Lease, (a) all Rent shall be paid to Landlord without demand, offset or deduction, and (b) the covenant to pay Rent shall be independent of every other covenant in this Lease; (v) any Rent payment owing by Tenant to Landlord which is not paid when due shall bear interest from the date due until the date paid at a rate (the "**Default Rate**") equal to one and one-half percent (l'A%) per month, but in no event higher than the maximum rate permitted by applicable Law. In addition, Tenant shall pay Landlord a late charge for any Rent payment which is paid more than five (5) days after its due date equal to five percent (5%) of the amount of such Rent payment (but not less than $ 150), provided that, with respect to the first and second delinquency in any calendar year, no late charge shall be due unless Tenant fails to pay the delinquency within five (5) days after written notice of such delinquency is given to Tenant; (vi) if modifications are made to the Property changing the number of leasable square feet contained in the Property, then Landlord shall make an appropriate adjustment to Tenant's Proportionate Share of Expenses and Tenant's Proportionate Share of Taxes; (vii) Tenant's agreement to pay any underpayment of Tenant Reimbursement Amount for the calendar year in which the Term ends, and Landlord's obligation to refund any overpayments of Tenant Reimbursement Amount for the calendar year in which the Term ends shall survive the end of the Term; (viii) each amount owed to Landlord under this Lease for which the date of payment is not expressly fixed shall be due within ten (10) days after Tenant receives a statement or invoice showing such amount is payable; (ix) if Landlord fails to give Tenant an estimate of Tenant Reimbursement Amount prior to the beginning of any calendar year or partial calendar year within the Term, then Tenant shall continue to pay estimated Tenant Reimbursement Amount at the rate for the previous calendar year until Landlord delivers such estimate; and (x) Landlord shall have the right to apply payments received from Tenant pursuant to this Lease (regardless of Tenant's designation of any contrary application) to satisfy any obligations of Tenant hereunder in the order in which those obligations became or will become due.

3. USE.

(a) Permitted Use. Tenant may use the Premises only for the uses described in the Schedule (the "**Permitted Use**") or other lawful uses approved in advance in writing by Landlord, which approval will not be unreasonably withheld, delayed, or conditioned.

(b) Prohibited Uses.

(i) Tenant shall not cause or permit the Premises to be used in any way which (i) constitutes a material violation of any federal, state or local law, statute, ordinance, code, rule order or decree (individually, a "**Law**" and collectively, the "**Laws**"), or (ii) constitutes a nuisance or waste. To be clear, any violation of Laws that is asserted by any Governmental Authority will be considered material for purposes of this provision. As used herein, "**Governmental Authority**" means the United States, the State of Texas, the county, the city, and any other political subdivision in which the Land is located, and any other political subdivision, agency, or instrumentality exercising jurisdiction over Landlord, Tenant, or Project B.

(ii) If, however, any Governmental Authority asserts a violation of Laws—other than a violation of Environmental Laws or Anti-Terrorism Laws—Tenant may in good faith and by appropriate and lawful proceedings contest the assertion and pending the contest Tenant will not be in default under this Lease because of the assertion so long as Tenant satisfies the following conditions: (1) Tenant must diligently prosecute the contest to completion in a manner reasonably satisfactory to Landlord; (2) Tenant must cause the Premises to comply with the Laws at issue promptly after a final determination by a court of competent jurisdiction that the same are valid and apply to the Premises; and (3) Tenant must conclude the contest, correct any violations of such Laws, and pay all claims asserted against Landlord or Project B because of such violations, all before the Contest Resolution Deadline.

(iii) As used herein:

(A) "**Environmental Laws**" has the meaning indicated in Section 22(a) below; "**Antiterrorism Laws**" means the Laws referenced in Section 25(r)(i) below; and

(B) "**Contest Resolution Deadline**" means, with regard to any contest of an asserted violation of Laws undertaken by Tenant as expressly permitted by this Lease, the earliest of (1) the date that any criminal prosecution is instituted or overtly threatened against Landlord because of the subject matter of the contest, (2) the date that any writ or other court order is issued under which property in which Landlord has an interest (including Project B) may be seized or sold because of the subject matter of the contest, (3) the date any other action is taken or overtly threatened by any Governmental Authority against Landlord or any such property because of the subject matter of the contest, (4) the last day of the Term, or (5) the reasonable deadline therefor established by Landlord as necessary to complete a sale or financing involving Project B.

(iv) Tenant shall not use or install any of Tenant's Property in or to the Premises which would exceed the load referenced in Exhibit C-l.

4. LETTERS OF CREDIT.

(a) Definitions. For purposes of this Lease, the following terms shall have the following meanings:

(i) "**Debtor Relief Laws**" means federal and state bankruptcy, insolvency, reorganization, receivership, or similar debtor relief Laws affecting the rights of creditors generally, including the federal Bankruptcy Code as amended from time to time.

(ii) "**End Date**" means the date that is the earlier of (A) 4 months after the Expiration Date (as extended pursuant to Exhibit H if and after Tenant has exercised its right to extend the Term as provided in Exhibit H) or (B) 6 months after any date on which this Lease is terminated before the end of the Term and a final determination has been made as to what amounts, if any, were owed and unpaid from Tenant to Landlord under this Lease.

(iii) "**First Adjustment Date**" means the date that is 29 months after the Commencement Date.

(iv) "**First Issuer**" means Comerica Bank.

(v) "**Letter of Credit**" means any letter of credit issued to and accepted by Landlord as contemplated by this Section 4.

(vi) "**LC Proceeds**" means funds paid to Landlord under any Letter of Credit.

(vii) "**Mishandled LC Proceeds**" means any LC Proceeds (1) that are paid because of a draw on the Letter of Credit by Landlord that is not in accordance with the terms of Section 4(c) below; or (2) that Landlord (A) is not holding in one or more Security Deposit Accounts in accordance with Section 4(f)(i) and (B) has not applied or returned in accordance with Section 4(f)(ii).

(viii) "**Qualified Bank**" means a commercial bank that is organized under the Laws of the United Sates; that is authorized to issue letters of credit in the United States; that has total assets in the United States of at least $5 billion and an investment grade credit rating according to Moody's Investor Service, Inc. or Standard & Poor's Corporation; that has one or more branches or offices in a major city in USA's contiguous 48 States, where draws on any Qualified LC issued by it may be presented and paid; and that is otherwise acceptable to Landlord in its reasonable discretion. As of the Effective Date, the First Issuer is a Qualified Bank.

(ix) "**Qualified LC**" means an irrevocable, unconditional standby letter of credit issued in favor of Landlord (as beneficiary) by a Qualified Bank (as issuer) for the account of Tenant (as applicant and account party) that satisfies all of the following requirements:

(A) The letter of credit must have an initial expiration date no earlier than the first anniversary of the date it was issued to Landlord. It must also provide that it will be automatically renewed without any action by Landlord for a one year period on the initial expiration date and on each anniversary of such date, unless at least 60 days before the then- existing expiration date, the issuer notifies Landlord and Tenant (by certified mail return receipt requested or by recognized overnight courier service) that the issuer has elected not to renew the letter of credit for any additional one-year periods, provided that the final renewal period may be less than one year in order to end on the End Date. Tenant acknowledges that the election by the issuing bank not to renew the letter of credit will not, in any event, diminish the obligation of Tenant to maintain a Qualified LC in favor of Landlord through the End Date.

(B) The letter of credit must state that it (and any proceeds drawn under it) may be transferred any number of times by letter of credit beneficiary, without charge to the transferor or the transferee. However, to accomplish the transfer of the letter of credit, the issuer may require that the letter of credit be surrendered to the issuer so that the issuer can provide a new substitute letter of credit that names the transferee as the beneficiary.

(C) The minimum required dollar amount of any letter of credit issued to Landlord will depend on the date it is issued. If it is issued before the First Adjustment Date, the minimum required amount will be $4,700,000. If it is issued on or after the First Adjustment Date, and if no Default then exists at the time of Tenant's proposed reduction, the minimum required amount will equal the applicable minimum amount specified as the Minimum LOC Balance set forth in Exhibit L attached to this Lease that corresponds to the most recent reduction date set forth in said Exhibit L.

(D) The letter of credit must allow draws to be presented in a major city in USA's contiguous 48 States.

(E) The letter of credit must provide that it is payable at sight on presentment to the issuing bank with a simple sight draft or drawing certificate. The letter of credit may require that the sight draft or drawing certificate be signed by a person who purports to be an authorized representative or agent of the letter of credit beneficiary. It may also require that the sight draft or drawing certificate include a statement by the beneficiary as follows, "**This draw on the letter of credit is allowed by the express terms of beneficiary's lease with [Tenant],**" A required form of sight draft or drawing certificate, consistent with the forgoing, may be attached to the letter of credit.

(F) The letter of credit must either be in the form attached as Exhibit G or in another form satisfactory to Landlord.

(x) "**Security Deposit Account**" means a segregated bank account established and maintained by Landlord at a Qualified Bank to hold LC Proceeds, and only LC Proceeds, pending the application or return of those LC Proceeds as provided in Section 4(f)(ii). (Any net interest earned on any Security Deposit Account will be added to the LC Proceeds in the account and will be considered LC Proceeds for purposes of this Lease.) Notwithstanding the foregoing, the Security Deposit Account need not be segregated nor provide interest at any time when the LC Proceeds held by Landlord are less than $50,000.

(b) Letters of Credit Required.

(i) Concurrently with its signing of this Lease, Tenant must cause the First Issuer to issue a Qualified LC in favor of Landlord. In addition, at least 30 days before the expiration of any Letter of Credit previously delivered to Landlord, unless the expiration will occur after the End Date, Tenant must cause a Qualified Bank to issue a new, substitute Qualified LC to Landlord to replace the expiring Letter of Credit. After

receiving any such new, substitute Qualified LC, Landlord will promptly surrender the Letter of Credit it replaces to Tenant or to the issuer of such Letter of Credit. The initial Letter of Credit and each substitute Letter of Credit issued to Landlord as herein provided, and any Security Deposit Account held hereunder, will serve as security for the faithful performance and observance by Tenant of all of the terms, conditions and provisions of this Lease, including without limitation, the timely surrender of possession of the Premises to Landlord in the condition required under Section 16 below.

(ii) If, before the End Date, the issuer of any outstanding Letter of Credit ceases to be a Qualified Bank or is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation or any successor or similar entity, then Tenant must cause another issuer, which is a Qualified Bank, to issue a new, substitute Qualified LC to Landlord no later than the earlier of (x) the day before the expiration of the outstanding Letter of Credit or (y) 30 days after being notified by Landlord that Landlord requires the substitution. After receiving any such new, substitute Qualified LC, Landlord will promptly surrender the Letter of Credit it replaces to Tenant or to the issuer of such Letter of Credit.

(c) Tenant's Right to Substitute or Amend. At any time, so long as no Default then exists, Tenant may substitute a new Qualified LC (as specified in the definition of Qualified LC above) for the then outstanding Letter of Credit. Without limiting the forgoing, at any time when the amount of an outstanding Letter of Credit exceeds the minimum amount required under this Lease from time to time for any new Qualified LC, and so long as no Default then exists, Tenant may substitute a new Qualified LC for the outstanding Letter of Credit or may amend the outstanding Letter of Credit to reflect the new reduced minimum amount in accordance with the schedule therefor attached hereto as Exhibit L. After receiving any such new, substitute Qualified LC, Landlord will promptly surrender the Letter of Credit it replaces to Tenant or to the issuer of such Letter of Credit. Or in the alternative, after receiving any such qualifying amendment to the Letter of Credit, Landlord will accept such amendment in writing.

(d) Return of the Letter of Credit After the End Date. Promptly after the End Date, Landlord will surrender any then outstanding Letter of Credit to Tenant or to the issuer of the Letter of Credit.

(e) Draws on the Letter of Credit. Landlord may draw on any Letter of Credit in whole or in part as Landlord determines in its sole and absolute discretion:

(i) when any Default exists;

(ii) at any time within the last 30 days before the Letter of Credit will expire, unless (a) the expiration will occur after the End Date, or (b) Landlord has received a new a new, substitute Qualified LC to replace the expiring Letter of Credit as provided in Section 4(b)(i) above;

(iii) after any failure of Tenant to deliver a new, substitute Qualified LC as required by, and within the time specified in, Section 4(b)(ii) above;

(iv) if any petition is filed with a court of competent jurisdiction against Tenant, or an involuntary legal proceeding is otherwise commenced against Tenant, that seeks:

(v) (A) to adjudicate it a bankrupt or insolvent or its dissolution, liquidation, or reorganization, (B) other relief under Debtor Relief Laws, or (C) the appointment of a receiver, trustee, custodian, conservator, or other similar official for it or for any of its significant assets, and either the petition or proceeding remains undismissed or unstayed for a period of 30 consecutive days or any of the actions sought in the petition or proceeding (including the entry of an order for relief or the appointment of a receiver, trustee, custodian, conservator, or other similar official) is ordered or approved by the court; or

(vi) if Tenant files any petition or answer in any court, voluntarily commences any legal proceeding, or consents to or takes any corporate action to initiate or authorize any petition or proceeding, that seeks (l)to adjudicate it as bankrupt or insolvent or its dissolution, liquidation, or reorganization, (2) other relief under Debtor Relief Laws, or (3) the appointment of a receiver, trustee, custodian, conservator, or other similar official for it or for any of its significant assets.

As between Landlord and Tenant, Tenant agrees not to oppose or interfere with any draw on any Letter of Credit that is expressly permitted by the forgoing provisions of this Section 4(e), and Landlord agrees not to make any draw on any Letter of Credit except when expressly permitted by the forgoing provisions of this Section 4(e). Tenant understands, however, that—as between Landlord and the issuer of any Letter of Credit—nothing in this Lease will excuse the issuer from honoring the Letter of Credit.
Landlord will not be required to notify Tenant or to exercise any other remedies that Landlord may have before making any draw on an outstanding Letter of Credit that is expressly permitted by this Section 4(e). Landlord may make any such draw without prejudice to any other right or remedy available to Landlord under this Lease or Laws.

(f) Use of LC Proceeds.

(i) Pending Landlord's application or return of any LC Proceeds (in accordance with the next Section 4(f)(ii), Landlord shall hold those LC Proceeds in one or more Security Deposit Accounts to secure Tenant's obligations under this Lease.

(ii) After making a draw on any Letter of Credit as provided in Section 4(e), Landlord must hold, apply or return the resulting LC Proceeds as follows:

(1) Landlord may apply the resulting LC Proceeds in one or more of the following ways:

(A) to pay any past due Base Rent or Tenant Reimbursement Amount;

(B) to pay any liquidated claim for damages owed to Landlord by Tenant under this Lease; or

(C) as otherwise necessary to cure any outstanding Default; or

(2) Landlord may return any unapplied LC Proceeds to Tenant on or before the End Date; or

(3) If Landlord has fully drawn on the Letter of Credit pursuant to any of sub-clauses (ii) through (vi) of Section 4(e) above, then Landlord may hold the LC Proceeds in the Security Deposit Account as a security deposit hereunder, but in the case of subclauses (ii) and (iii), only until such time as a replacement Letter of Credit from a Qualified Issuer complying with the requirements hereof is delivered to Landlord.

(g) Transfers by Landlord. If ownership of Project B is transferred (by sale, by operation of law, or otherwise), Landlord shall transfer any outstanding Letter of Credit, Security Deposit Accounts, and unapplied LC Proceeds to the new owner. Tenant will cooperate in effecting all such transfers, and Landlord will cause any such new owner to accept and expressly agree to be bound by this Lease (including all of the provisions of this Section 4) as a new Landlord. Landlord must not transfer any outstanding Letter of Credit, Security Deposit Accounts, or unapplied LC Proceeds to anyone except a new owner of Project B in accordance with this Section 4(g).

(h) General Terms. Tenant further covenants that it shall not assign or encumber the LC Proceeds or any Security Deposit Accounts or any part thereof or interest therein, and that neither Landlord nor its successors or assigns shall be bound by any such assignment or encumbrance. Landlord shall not be required to pursue or exhaust any of its other rights or remedies against Tenant before drawing on any Letter of Credit or applying any LC Proceeds as permitted by this Section 4. In no event shall Landlord's receipt of LC Proceeds be considered an advance payment of Rent or liquidated damages, and in no event shall Tenant be entitled to use LC Proceeds, other than Mishandled LC Proceeds as provided below, for the payment of Rent. In the event of a transfer of the Letter of Credit by Landlord, Tenant agrees to promptly pay all transfer fees required by the Qualified Bank and otherwise cooperate to effectuate such transfer. Notwithstanding the fact that the approved form of Letter of Credit attached hereto shows an End Date of September 30,2030, Tenant shall be obligated to maintain the Letter of Credit required hereunder during any Renewal Term and as a condition to any extension hereof, and shall provide a new replacement Letter of Credit for such purposes no later than 30 days prior to the expiration of any Letter of Credit.

(i) Mishandling of LC Proceeds. Despite anything to the contrary in other provisions of this Lease, and without limiting Tenant's other available remedies, if Tenant obtains a final judgment against Landlord from a court with jurisdiction over Landlord stating or to the effect that Landlord's actions have resulted in Mishandled LC Proceeds, then:

(1) Tenant may elect to credit and offset (dollar for dollar) those Mishandled LC Proceeds, to the extent they are not otherwise recovered by Tenant, against any current or future unpaid payments of Base Rent; provided, however, the offset permitted against any monthly installment of Base Rent owed by Tenant to Landlord will not exceed 50% of that monthly installment; and

(2) the minimum required dollar amount of any Qualified LC subsequently issued to Landlord, as described in Section 4(ix)(C) above, will be reduced by the amount of those Mishandled LC Proceeds.

5. CONDITION OF PREMISES.

(a) Delivery Condition.

(i) Except as otherwise provided in this Lease: (1) Landlord will not be obligated to alter, remodel, decorate, clean or improve the Premises or the Property or to demolish and/or remove any improvements, equipment or property located in the Premises (or to provide Tenant with any credit or allowance for any of the foregoing); (2) no representation regarding the condition of the Premises or the Property have been made by or on behalf of Landlord or relied upon by Tenant; and (3) Tenant shall accept the Premises in an "as-is" "where-is" condition and configuration on the date upon which Landlord delivers possession thereof to Tenant, except that Landlord shall perform the Landlord's Work described in Section 5(b)(i) below in a good and workmanlike manner and in accordance with all Laws, including local zoning ordinances and building codes.

(ii) Tenant, at its expense, shall (x) obtain any and all certificates of occupancy, special use permits, sign permits, business licenses and other permits and licenses which may be required by applicable Law for Tenant's use and occupancy of the Premises ("**Required Use Permits**"), and (y) make any and all improvements, alterations and additions within the Premises (other than Landlord's Work) which may be required to obtain such Required Use Permits. The failure of Tenant to obtain any such Required Use Permit shall not be a condition precedent to Tenant's obligation to pay Rent or to perform any of its other obligations hereunder or affect the validity of this Lease.

(iii) Landlord represents to Tenant that, as of the Effective Date, Landlord has no actual knowledge of, and has received no notice from any Governmental Authority of, any material outstanding violations of Environmental Laws or other Laws based on the condition of Project B.

(iv) Nothing in this Section 5(a) will excuse the obligations expressly imposed on Landlord by other provisions of this Lease to make repairs or replacements at Project B.

(b) Landlord's Work.

(i) Landlord agrees to perform certain tenant improvement work **("Landlord's Work") ** in the Premises shown or described in Exhibit F attached hereto. The scope of Landlord's Work described in Exhibit F has been heretofore approved by Landlord and Tenant. Approval by Landlord of Landlord's Work and the Construction Drawings (as hereinafter defined), shall not constitute any warranty by Landlord to Tenant of the adequacy of the design therein for Tenant's intended use of the Premises nor shall Landlord's approval of Landlord's Work create any liability or responsibility on the part of Landlord for the compliance thereof with applicable statutes, ordinances, regulations, laws, codes and industry standards relating to handicap discrimination (including, without limitation, the Americans with Disabilities Act).

(ii) Attached hereto as Exhibit F-1 is a contractor's cost estimate for the work described therein which estimates the cost of Landlord's Work, excluding the Construction Management Fee, provided that such estimate is only an estimate and not an assurance or guaranty of the maximum cost of Landlord's Work, and as such remains subject to change. Tenant hereby acknowledges that the performance of Landlord's Work will occur during normal business hours and may extend beyond the Delivery Date while Tenant is in occupancy of the Premises. Except as provided in Section 5(f) below, no interference to Tenant's business operation in the Premises caused by Landlord's Work shall operate to postpone the Commencement Date, entitle Tenant to any abatement of Rent, constitute a constructive eviction or give rise to any liability of Landlord.

(iii) Tenant and Landlord shall cooperate and coordinate any concurrent work in the Premises. Landlord shall use reasonable efforts to minimize the disruption to Tenant's construction in or use of the Premises caused by the performance of Landlord's Work, and Tenant shall use reasonable efforts to minimize the disruption to the performance of Landlord's Work caused by Tenant's construction or use of the Premises.

(c) Construction Drawings. Landlord shall prepare final construction drawings and specifications for Landlord's Work (the "**Construction Drawings**") based upon and consistent with the description of Landlord's Work in Exhibit F and any plans, drawings, specifications, finish details and other information furnished by Tenant to Landlord. Tenant shall approve or give reasons for disapproval of the Construction Drawings within five (5) days after receipt of same from Landlord. Any such disapproval by Tenant must be reasonable. If reasonably disapproved by Tenant, Landlord will promptly make revisions to the Construction Drawings to address the reasons for disapproval and resubmit the Construction Drawings for Tenant's approval. Tenant shall reimburse to Landlord the out of pocket cost paid by Landlord to any third party design professionals or contractors for preparing the Construction Drawings, subject to application of the Allowance against such cost.

(d) Allowance.

(i) Landlord shall perform the Landlord's Work shown in accordance with the Construction Drawings and in accordance with the other requirements of this Lease. Landlord's construction manager for the Landlord's Work shall be Langford Realty Management, who shall supervise the general contractor selected by Landlord. Landlord shall pay for a portion of the cost of the Landlord's Work (i.e., the sum of the Hard Costs of Landlord's Work and the Construction Management Fee) in an amount (the "**Allowance**") not to exceed the Maximum Allowance and Tenant shall pay for any and all costs and expenses associated with the Landlord's Work (including, without limitation, such additional expenses which result from any special work, materials, finishes or installations required by Tenant, unforeseen field conditions, or from any delays in the Landlord's Work occasioned by Tenant) in excess of the Maximum Allowance, if any ("**Tenant's Excess Share**"). The Allowance may be used and applied only against the cost of labor and materials, general contractor's overhead and profit, contractors* insurance, taxes, bonds and permit fees, impact fees and other similar fees required (collectively, "**Hard Costs**") in connection with Landlord's Work, except that (x) up to $[******] (i.e., $[******] per rentable square foot of the Premises) of the Allowance may be used by Tenant to reimburse Tenant for the following documented, out-of-pocket "soft" costs incurred by Tenant: costs paid by Tenant for the purchase and installation of Tenant's furniture, fixtures and equipment, architectural and engineering fees and the Construction Management Fee (defined below), (y) up to $[******] (i.e., $[******] per rentable square foot of the Premises) of the Allowance may be used by Tenant to reimburse Tenant for the Hard Costs of Tenant's Work, and (z) any unused Allowance may be used for approved change orders as provided in Section 5(i) below.

(ii) All costs of Landlord's Work (which shall include the Construction Management Fee [defined below], which Construction Management Fee shall be deducted from the Allowance by Landlord) in excess of the Maximum Allowance shall be paid by Tenant to Landlord upon Landlord's demand therefor. Tenant shall not be entitled to any credit or payment from Landlord for any portion of the Allowance not utilized by Tenant on or before the date that is nine (9) months after the Commencement Date of the Term of the Lease.

(iii) For purposes hereof, the "**Construction Management Fee**" shall equal the sum of (x) $[******] plus (y) two percent (2%) of the difference of (i) $[******] subtracted from (ii) the total of all Hard Costs of Landlord's Work and all architectural and engineering fees incurred by Landlord.

(iv) Notwithstanding anything to the contrary herein, in addition to the Allowance, Landlord shall contribute $[******] towards the cost of Landlord's Work, representing half of certain costs associated with the construction of the demising wall between the Premises and other premises, plus the amount of $[******] representing the contractor's overhead therefor, for a total contribution of $[******].

(e) Substantial Completion. Landlord shall use commercially reasonable efforts to cause Landlord's Work to be Substantially Complete within a reasonable period of time after this Lease is fully executed and delivered. Landlord's Work shall be deemed "**Substantially Complete**" on the earliest date upon which all of Landlord's Work has been completed in substantial compliance with the Construction Drawings and the requirements of this Lease, other than any minor details of construction, mechanical adjustment or any other similar matter, the noncompletion of which would not materially interfere with Tenant's use of the Premises ("**Punch**

List Items"); provided, however, if Landlord is delayed in completing Landlord's Work because of a Tenant Delay, then Landlord's Work shall be deemed to be Substantially Complete on the earliest date (as reasonably determined by Landlord's architect) that Landlord's Work would have been Substantially Complete but for such Tenant Delay. As used herein, "**Tenant Delay**" shall mean a delay in Substantial Completion that would not have occurred but for (i) Tenant's failure to furnish any information or approvals which Landlord reasonably requests in connection with Landlord's Work within five (5) days after Tenant's receipt of such request, (ii) any special equipment or materials requested by Tenant which have unusually long lead times; (iii) any changes in Landlord's Work or in the Construction Drawings requested by Tenant after the initial approval of the Construction Drawings, or (iv) any delay in the performance of any Landlord's Work resulting from the concurrent performance of Tenant's Work in the Premises. When Landlord's Work—other than Punch List Items—has been (or is about to be) completed, Landlord shall give Tenant written notice thereof. Within three (3) business days after Tenant's receipt of such notice, Landlord and Tenant shall conduct a walk-through of the Premises and prepare a joint list of Punch List Items identifying any incomplete or incorrect items of Landlord's Work. Landlord will thereafter complete and/or correct such Punch List Items with reasonable diligence.

(f) Landlord Delays. The parties anticipate that Landlord's Work will be Substantially Complete on or before September 1, 2018, subject to extension for any Tenant Delays (the "**Anticipated Completion Date**"). If, however, Landlord does not Substantially Complete Landlord's Work by the date (the "**Deadline Completion Date**") which is ninety (90) days after the Anticipated Completion Date for any reason other than a Tenant Delay, this Lease shall continue in full force and effect, and Landlord shall have no liability to Tenant by reason thereof; provided that for each day (if any) after the Deadline Completion Date (which Deadline Completion Date is subject to extension for Tenant Delays, if any) that Tenant's opening for business in the Premises is postponed beyond Tenant's anticipated opening date of February 1, 2019 as a result of Landlord's failure to Substantially Complete Landlord's Work on or before the Deadline Completion Date, Tenant shall be entitled to one day of rent abatement, as its sole remedy for such delay. Notwithstanding the foregoing to the contrary, the parties acknowledge that obtaining permits after April 5, 2018, and having the applicable authorities determining that the 2009 IECC is applicable to Landlord's Work and Tenant's Work, shall be deemed Tenant Delays. Further, if issuance of the permit required to perform Tenant's Work is delayed solely as a result of incomplete or incorrect Landlord's Work, and if such delay in issuance of such permit delays Tenant's substantial completion of Tenant's Work for more than ninety (90) days after Tenant notifies Landlord of such permit delay, this Lease shall continue in full force and effect, but for each day (if any) after such 90-day period (subject to extension beyond 90 days by the number of days of Tenant Delays, if any) that Tenant's opening for business in the Premises is postponed beyond Tenant's anticipated opening date of February 1,2019, Tenant shall be entitled to one day of rent abatement, as its sole remedy for such delay. With respect to the Base Rent accruing for any given day, the foregoing abatement remedies in this subsection 5(f) shall be mutually exclusive and not cumulative.

(g) Assignment of Contractor and Vendor Warranties. Landlord agrees to assign to Tenant all contractors' and manufacturers' warranties for Landlord's Work received by Landlord. Such contractors' warranties shall expire no sooner than one year after Landlord's Work is Substantially Complete.

(h) Payment. Prior to commencing the Landlord's Work, Landlord will submit to Tenant a written statement of (a) the cost of the Landlord's Work, which cost shall include the Construction Management Fee for Landlord's field supervision, administration and overhead, and (b) Tenant's share of the cost of the Landlord's Work. Tenant agrees, within five (5) days after receipt of such a statement of cost, to execute and deliver to Landlord, in the form then reasonably proposed by Landlord, an authorization to proceed with the Landlord's Work, and Tenant shall also then pay to Landlord the amount (if any) reasonably estimated and set forth in Landlord's statement for Tenant's Excess Share. Delays in the performance of the Landlord's Work resulting from the failure of Tenant to comply with the provisions of the preceding sentence shall be deemed to be delays caused by Tenant. None of Landlord's Work shall be commenced until Tenant has fully complied with the preceding portions of this Section 5(f).

(i) Change Orders. Landlord shall have no obligation to implement any change to the Landlord's Work specified in the Construction Drawings unless (1) Landlord and Tenant have agreed on a written change order that describes the change, in the form then reasonably proposed by Landlord, including Tenant's authorization to proceed with such change order, and (2) Tenant shall have paid to Landlord the increase (if any) in Tenant's Excess Share that will be caused by the change order, as reasonably estimated by Landlord (and the cost of the change order shall include the amount of the increase in the Construction Management Fee based on including the cost of such change order in the cost of Landlord's Work). If Tenant does not to execute and deliver to Landlord such authorization to proceed with the change order and pay any increase in Tenant's Excess Share as a result thereof, within five (5) days after Landlord's request, Landlord shall proceed to perform only Landlord's Work specified in the Construction Drawings and not the change order.

(j) Early Access. Landlord grants to Tenant and Tenant's agents a license to enter the Premises after this Lease is fully executed and delivered and before the Commencement Date (the "**Early Access Date**"), in order for Tenant to start moving its equipment into the Premises, subject to the following conditions:

(i) Prior to entering the Premises, Tenant shall provide Landlord certificates of insurance (as required by Section 11(f) below).

(ii) Tenant's agents, contractors, workmen, mechanics, suppliers and invitees shall work in harmony and not interfere with Landlord and Landlord's agents in performing Landlord's Work, any Landlord's work in other premises and in common areas of the Building, or the general operation of the Building. If at any time such entry shall cause or threaten to cause such disharmony, Landlord may withdraw such license upon twenty-four (24) hours' prior written notice to Tenant until such disharmony is corrected.

(iii) Any such entry into and occupation of the Premises by Tenant shall be deemed to be under all of the terms, covenants, conditions and provisions of the Lease, excluding only the covenant to pay Rent before the Commencement Date and specifically including the provisions of Sections 11,12 and 25(s) of this Lease. Landlord shall not be liable for any injury, loss or damage which may occur to any of Tenant's equipment or other property placed in the Premises prior to the Commencement Date, the same being at Tenant's sole risk and liability. Tenant shall be liable to Landlord for any damage to the Premises or to any portion of Landlord's Work caused by Tenant or any of Tenant's employees, agents, contractors, workmen or suppliers.

6. UTILITIES.

(a) Tenant's Utilities. Tenant shall directly obtain from, and contract with the applicable utility or service provider and pay for, all gas, electricity, local and long distance telephone, security, alarm, office cleaning and any other services or utilities (individually, a "**Utility**" and collectively the "**Utilities**") which Tenant desires within the Premises or which may be legally required within the Premises for Tenant's use and occupancy of the Premises. If by agreement of Landlord and Tenant, Landlord will itself provide any Utility to the Premises or the Building, then (i) Tenant shall pay to Landlord all costs of furnishing such Utility to the Premises, if such Utility is separately submetered to the Premises (or Landlord is otherwise able to fairly allocate the cost of such Utility to the Premises), or (ii) all costs for furnishing such Utility to the Building shall be included in Expenses, if such Utility is commonly metered to the Premises together with any or all other tenant spaces located in the Building. In addition to paying the cost of Utilities consumed in the Premises, and notwithstanding anything to the contrary in this Lease, Tenant must also pay for the costs of Utilities consumed by, and maintain, repair and replace at Tenant's sole cost, the Outside Equipment.

(b) Interruptions in Utilities. Tenant agrees that Landlord shall not be liable for damages for any failure or interruption in furnishing any Utility; nor shall any such failure or interruption be considered to be an eviction or disturbance of Tenant's use of the Premises, or relieve Tenant from its obligation to pay any Rent when due or from any other obligations of Tenant under this Lease. Notwithstanding the foregoing, if any such interruption or discontinuance is caused by the gross negligence of Landlord or Landlord's agent or contractor, and such interruption or discontinuance continues for five (5) consecutive business days and as a result thereof Tenant is unable to and does not use all or any significant portion of the Premises for the normal conduct of business or any other purpose (except storage of Tenant's property) then for so long as the interruption or discontinuance continues thereafter, Rent shall be abated in proportion to the portion of the Premises which Tenant is unable to use as a result of the interruption or discontinuance of services, provided that in the event the condition exists solely in the Premises, the abatement shall not commence until the sixth (6th) consecutive business day after Tenant notified Landlord of such condition.

7. RULES AND REGULATIONS. Tenant shall observe and comply, and shall cause the Tenant Parties to observe and comply, with the rules and regulations listed on Exhibit D attached hereto and with such reasonable modifications and additions thereto as Landlord may make from time to time for the benefit of all tenants of Project B, including Tenant (collectively, the **"**Rules and Regulations**"**). Landlord shall not be liable for the failure of any person to obey the Rules and Regulations. Despite the foregoing, however, Tenant shall not be required to comply with any Rules and Regulations that conflict with the other provisions of this Lease or that are written or applied in a manner that discriminates against Tenant as compared to Landlord's other tenants.

8. CERTAIN RIGHTS RESERVED TO LANDLORD. Landlord reserves the following rights, each of which Landlord may exercise without notice to Tenant and without liability to Tenant, and the exercise of any such rights shall not be deemed to constitute an eviction or disturbance of Tenant's use or possession of the Premises and shall not give rise to any claim for set-off or abatement of rent or any other claim:

(a) to change the name or street address of the Building or the Premises, provided that Landlord reimburses Tenant for costs (not to exceed $500) incurred reprinting reasonable quantities of Tenant's printed business materials which are then in stock and which is rendered obsolete by reason of such relocation;

(b) to install, affix and maintain any and all signs on the exterior or interior of the Building, but not on the interior of the Premises or the exterior of the Building where the signs would appear to be associated with Tenant, except in each case for directional signs or signs required by law or for safety;

(c) to make repairs, decorations, alterations, additions, or improvements, whether structural or otherwise, in and about the Property, but outside the Premises (other than in the Reserved Areas), including, without limitation, alterations of the location or configuration of all common electrical, plumbing and life safety units, systems and equipment, driveways, entrances, fire lanes, sidewalks, parking areas, staging areas, lawns and landscaped areas (collectively, the "**Common Areas**"); provided that all such work by Landlord is done in a manner that does not prevent or significantly interfere with Tenant's use of or access to the Premises or with the parking allocated to Tenant as provided in Section 25(t) below;

(d) (d) to grant to any person or to reserve unto itself the exclusive right to conduct any business or render any service in or to the Property, except in the Premises, and so as long as such right does not preclude Tenant from using the Premises for the purposes stated herein;

(e) to inspect the Premises at reasonable times after reasonable notice to Tenant;

(f) show the Premises to prospective purchasers, investors and lenders at any time and to prospective tenants during the last 12 months of the Term;

(g) to show to prospective tenants and to prepare the Premises for reoccupancy at any time after Tenant has abandoned or been evicted from the Premises;

(h) to install, use and maintain in and through the Premises pipes, conduits, wires and ducts serving the Building, provided that such installation, use and maintenance does not unreasonably interfere with Tenant's use of the Premises;

(i) to regulate delivery and usage of the loading docks, staging areas, drive aisles and parking areas within the Common Areas; provided that such regulation does not unreasonably interfere with Tenant's use of the Premises or Tenant's non-exclusive use of the Common Areas as contemplated by other provisions of this Lease; and

(j) to take any other action which Landlord deems reasonable in connection with the operation, maintenance or preservation of the Property, including, without limitation, entering the Premises to gain access to any utility facility or roof accessway in the Premises; provided that such entry does not unreasonably interfere with Tenant's use of the Premises or Tenant's non-exclusive use of the Common Areas as contemplated by other provisions of this Lease.

9. MAINTENANCE AND REPAIRS.

(a) Tenant's General Maintenance. Except as otherwise provided in other provisions of this Lease, Tenant, at its expense, shall keep and maintain the Premises in good order, condition and repair (including making any necessary replacements) and in compliance with all applicable Laws. All maintenance, repairs or replacements shall be performed by Tenant in a good, workmanlike and lien-free manner, consistent with the quality of labor and materials used in the initial build-out of the Premises and in accordance with all applicable Laws. Tenant's obligations hereunder shall include, without limitation, all repairs and replacements to: HVAC units, doors, loading docks, windows, interior walls, interior portions of exterior walls, ceilings, floors, utility meters, those ducts, shafts, vents, pipes and conduits located inside of, on or exclusively serving the Premises, and those ducts, shafts, vents, pipes and conduits (if any) located outside of the Premises and which are installed by or on behalf of Tenant. Tenant's obligations hereunder shall also include maintaining in good order, condition and repair, all mechanical, electrical, plumbing, sprinkler, alarm and other systems and equipment located inside of, on or exclusively serving the Premises, and all supplemental or special heating or air conditioning units installed by Tenant to exclusively serve the Premises. Notwithstanding the foregoing, Tenant shall make no alteration to or adjustment of the HVAC Units or of any sprinkler or alarm units, equipment or systems serving the Building or the Premises, without Landlord's prior written consent. All glass, both interior and exterior, in or on the Premises shall be at the sole risk of Tenant, and any glass broken shall be promptly replaced by Tenant with glass of the same kind, size and quality. Tenant shall commit no waste to the Premises, and shall initiate and carry out a program of regular maintenance and repair of the Premises, including without limitation, the painting and refinishing of interior areas when reasonably needed. Tenant will not use electricity in excess of the electric service capacity limits specified in Exhibit F, as those capacity limits may be increased from time to time by reason of Tenant's installation, but only after obtaining Landlord's prior written approval, of any additional electrical wiring or related equipment which may be required for the increase. Notwithstanding anything to the contrary in this Lease, Tenant shall maintain, repair and replace, at Tenant's sole cost, the Outside Equipment.

(b) Exceptions to Tenant's Maintenance Obligations. Nothing in this Section 9 will obligate Tenant to (1) provide any maintenance for or repairs or replacements to the Building that any of Section 9(d) obligates Landlord to provide (although this clause (1) will not excuse Tenant's obligation to reimburse Landlord for repairs required because of damage to the Building caused by Tenant itself when the waiver in Section 11(g) does not apply); (2) repair or rectify Structural Defects, which are the subject of Section 9(e); (3) make repairs or replacements after a fire or other casualty that Section 13 requires Landlord to make; (4) make repairs or replacements after a Taking that Section 14 requires Landlord to make; (5) make payments or reimbursements that are excused by Landlord's waivers in Section 11(g); or **(6)** rectify or mitigate Excluded Environmental Conditions (as defined in Section 22(a)(v) below). Also, Tenant's obligation to maintain the Premises will be subject to Ordinary Wear and Tear. As used in this Lease, "**Ordinary Wear and Tear**" means the deterioration of any item of tangible property that results from ordinary uses (consistent with the purposes for which the item was designed and constructed or

manufactured) during the intervals between (and despite) periodic maintenance, repairs, or replacements of parts or components that a responsible prudent owner of the item would ordinarily do to keep the item in good working condition. Under this definition, Ordinary Wear and Tear will not include damage or deterioration that such ordinary periodic maintenance, repairs, or replacements would prevent, nor will it include damage or deterioration that results from negligence, carelessness, accident, misuse or abuse of the item

(c) Garbage Storage/Removal. Tenant, at its expense, shall cause the removal of all garbage, debris and refuse (collectively, the "**Garbage**") from the Premises at reasonable intervals, and shall, prior to removal, store the Garbage in appropriate refuse containers and otherwise abide by all Rules or Regulations imposed by Landlord with respect thereto, or as otherwise required by applicable Law. Tenant may store Garbage in one or more dumpsters located outside the Premises as shown in Exhibit C or in other areas (if any) expressly designated by Landlord outside the Premises.

(d) Landlord's General Maintenance. Subject to Ordinary Wear and Tear, Landlord shall keep and maintain in good order, condition and repair and in compliance with applicable Laws, the roof, exterior walls (except doors, windows and interior portions of exterior walls), foundation, and structural portions of the Building (the "**Building Shell**") and all Common Areas (excluding Tenant's Outside Equipment), the cost of which shall be included in Expenses (except Excluded Costs). Landlord shall not be in default with respect to its obligations to make any repairs unless and until Tenant has given written notice to Landlord of the need to make such repairs, and Landlord has failed to commence to make such repairs within a reasonable time after receipt of such notice, or fails to proceed with reasonable diligence to complete such repairs. Subject to the waiver in Section 11(g) for damage by fire or other casualty, Tenant shall reimburse Landlord for the cost of any such repairs to the Building necessitated by the negligent acts or omissions of any Tenant Party.

(e) Structural Defects. Without limiting the foregoing, after the discovery of any defects in the Building Shell ("**Structural Defects**") that materially and adversely affect the permitted use of the Premises by Tenant, Landlord must make repairs as necessary to rectify those Structural Defects. (Structural Defects may include, for example, defective steel or concrete within slab floors or load bearing walls of the Premises, but will not include, for example, defective floor coverings, sheetrock, or wall coverings within the Premises.) The cost of rectifying Structural Defects will not be included in Expenses.

(f) Excluded Environmental Conditions. Landlord shall rectify or mitigate Existing Environmental Conditions that are known or discovered—to the extent, if any, required by any Governmental Authority enforcing Environmental Laws. Costs associated with Excluded Environmental Conditions will not be included in Expenses.

(g) HVAC Maintenance. Tenant, at its expense, shall (i) engage a reputable, licensed HVAC contractor approved by Landlord, to keep and maintain in good condition and repair (and to make all necessary replacements thereof) and in compliance with all applicable Laws, all rooftop heating and air conditioning units exclusively serving the Premises (the 'HVAC Units"), and (ii) provide Landlord with a copy of the applicable HVAC maintenance contract, which contract shall include at least quarterly inspections and cleaning of such HVAC Unit(s), and

all inspection reports generated under the maintenance contract. Tenant shall also perform or cause the HVAC contractor to perform such adjustments and servicing to the HVAC Units as each such inspection report recommends or requires and any additional repairs, testing and servicing to the HVAC Units as shall be necessary and reasonably requested by Landlord. Notwithstanding the foregoing to the contrary, Landlord, at its sole option, upon at least thirty (30) days prior written notice to Tenant, may itself engage a HVAC contractor selected by Landlord to keep and maintain the HVAC Units in good condition and repair (and make all necessary replacements thereof) and in compliance with all applicable Laws, the cost of which shall be included in Expenses (and apportioned between only those tenants of the Building for which Landlord provides such HVAC maintenance services).

10. TENANT'S WORK.

(a) Requirements. Tenant shall not make any addition (including the installation of Tenant signage on the exterior of the Premises), alteration, or improvement to Project B (an "**Alteration**"), other than Allowed Interior Alterations, without the prior written consent of Landlord, which consent will not be unreasonably withheld, delayed, or conditioned. However, Tenant may make, at its sole expense, Allowed Interior Alterations consistent with the Permitted Uses, including alterations to make the Premises ready for Tenant's initial occupancy. "**Allowed Interior Alteration**" means an addition, alteration, or improvement entirely within the interior of the Premises that (1) does not involve any structural changes to or penetrations of the Building Shell, (2) will not adversely affect the Building's common systems (if any), including any common HVAC, plumbing, electric, or other systems outside the Premises, and (3) is done in accordance with all Laws, including local building codes, and (4) the estimated cost thereof does not exceed $250,000, provided, however, that the performance of the Allowed Interior Alteration shall remain subject to all of the other provisions of this Section 10. Any Alteration which Tenant desires to perform in or for the Premises is hereinafter called "**Tenant's Work**". (To be clear, Tenant's Work will not include Landlord's Work or the installation or removal of personal property, including Tenant's clothes cleaning equipment. However, the attachment of any such personal property to the Building will constitute Tenant's Work, and thus the attachment itself will be subject to the terms and conditions of this Section. If, for example, Tenant wants to bolt any item of Tenant's clothes cleaning equipment to the slab floor of the Building, Tenant must (A) have Landlord's prior written consent— as would be required for any Alteration involving a penetration of the slab floor; and (B) comply with the requirements listed in the next sentence regarding submissions for Landlord's prior approval.) In the event Tenant proposes to perform any Tenant's Work other than Allowed Interior Alterations, Tenant shall, prior to commencing such Tenant's Work, submit to Landlord for prior written approval: (i) initial detailed plans and specifications (and Tenant shall thereafter submit to Landlord for approval, any and all proposed changes to such plans and specifications or the Tenant's Work); (ii) a list of the names, addresses and copies of contracts for all contractors; (iii) a detailed cost estimate for the Tenant's Work; (iv) all necessary permits evidencing compliance with all applicable governmental rules, regulations and requirements; (v) certificates of insurance in form and amounts reasonably required by Landlord, naming the Landlord Parties as additional insureds; (vi) all other documents and information as Landlord may reasonably request in connection with such Tenant's Work. Tenant shall pay to Landlord within thirty (30) days after billing, (y) an amount equal to the sums paid by Landlord for third party examination of Tenant's plans and specifications for any Tenant's Work (excluding Allowed Interior Alterations), and (z) a fee for Landlord's oversight and coordination

of such Tenant's Work (excluding Allowed Interior Alterations) equal to five percent (5%) of the cost of such Tenant's Work. Landlord's approval of any Tenant's Work shall not constitute a representation by Landlord that such Tenant's Work complies with applicable Laws or will be adequate for Tenant's use. All Tenant's Work shall be performed in a good and workmanlike manner and in compliance with all applicable Laws. In addition, all Tenant's Work other than Allowed Interior Alterations shall be performed in accordance with plans and specifications approved by Landlord as provided in this Section 10(a) and shall meet or exceed the standards for construction and quality of materials reasonably established by Landlord for the Building.

(b) Ownership. All real property improvements included in or resulting from Tenant's Work shall be owned by Landlord and shall remain upon the Premises upon the end of the Term without compensation to Tenant; provided, however, Landlord, by written notice to Tenant given within sixty (60) days prior to the end of the Term, may require Tenant to remove, at Tenant's expense, any Tenant's Work of a nature that would require removal and repair costs that are materially in excess of the removal and repair costs associated with standard industrial/office improvements (for example, internal stairways, raised floors, personal baths and showers, vaults, elevators, rolling file systems, conveyor systems, cranes, racks, or other structural alterations or modifications), (collectively referred to as the "**Required Removables**"). The Required Removables designated by Landlord shall be removed by Tenant before the end of the Term. Notwithstanding the foregoing, Tenant may, before undertaking any Tenant's Work, request in writing that Landlord advise Tenant whether such Tenant's Work or any portion of such Tenant's Work will be designated as a Required Removable. Within ten (10) days after receipt of Tenant's request, Landlord shall advise Tenant in writing as to which portions of such Tenant's Work, if any, will be considered to be Required Removables.

(c) Liens. Upon completion of any Tenant's Work, Tenant shall promptly furnish Landlord with (i) full and final waivers of lien covering all labor and materials included in such Tenant's Work, and (ii) ''as- built" plans for such Tenant's Work (excluding Allowed Interior Alterations). . If any mechanic's lien is filed against the Property, or any part thereof, arising out of or alleged to arise out of any Tenant's Work (including Allowed Interior Alterations), Tenant shall within twenty (20) days after written notice thereof, cause such lien to be released of record (either by payment in full or by appropriate statutory bonding procedure, if applicable). If Tenant fails to have such Hen so released, then Landlord, without investigating the validity of such lien, may pay or discharge such lien, and Tenant shall reimburse Landlord upon demand for the amount so paid by Landlord, including Landlord's expenses and attorneys' fees.

11. INSURANCE.

(a) Landlord's Property Insurance. Landlord shall purchase and maintain in effect throughout the Term, (i) policies of insurance (the "**Landlord's Property Insurance**"**)** covering the Property. The Landlord's Property Insurance:

(i) will be for the benefit of and shall name (x) Landlord as named insured and (y) each Mortgagee, under a standard New York Mortgagee Clause;

(ii) will provide "special form" (formerly known as "all risk") coverage and shall include loss of rents for at least one (1) year;

(iii) may also cover such other risks or hazards which are now or may hereafter be customarily insured against with respect to properties similar in construction, design, general location, use and occupancy to the Property; and

(iv) will cover 100% of the replacement cost of the Building and other real property improvements at Project B (excluding, at Landlord's option, excavation, foundations, and footings below the surface of the ground or below the lowest basement level), including all improvements made as part of Landlord's Work.

(b) Landlord's Liability Insurance. Landlord shall also maintain commercial general liability insurance (the "**Landlord's Liability Insurance**") for accidents in the Common Areas, providing a minimum limit of $[******] per occurrence and $[******] in the aggregate. The cost of the Landlord's Property Insurance and the Landlord's Liability Insurance shall be included in Expenses.

(c) Tenant's Property Insurance. Tenant shall purchase and maintain in effect throughout the Term, (i) policies of insurance, with responsible companies authorized to do business in the State of Texas(the "**Tenant's Property Insurance**") covering all of Tenant's tangible personal property in the Premises ("**Tenant's Property**"), including all office furniture, trade fixtures, office equipment, machinery, moveable partitions, moveable wall and floor coverings, inventory, merchandise, racking, and equipment. The Tenant's Property Insurance will:

(i) will be for the benefit of and shall name Tenant as named insured, and it may also be for the benefit of any lender to Tenant who has a security interest in any of Tenant's Property;

(ii) will provide "special form" (formerly known as "all risk") coverage;

(iii) may also cover such other risks or hazards which are now or may hereafter be customarily insured against with respect to properties similar to Tenant's Property in the Premises; and

(iv) will cover 100% of the replacement cost of the Tenant's Property in the Premises.

(d) Tenant's Liability Insurance. Tenant shall also maintain commercial general liability insurance (the "**Tenant's Liability Insurance**") for accidents in the Premises, providing a minimum limit of $[******] per occurrence and $[******] in the aggregate. The Tenant's Liability Insurance will:

(i) be written on an "occurrence" basis using the ISO's current commercial general liability policy form (CG 0001) (the "**Standard CGL Policy**") or another equivalent policy form;

(ii) be endorsed to include Landlord, Landlords property manager, and such other parties in interest as Landlord may from time to time reasonably designate (by name) to Tenant in writing **(**"**Other Designated Additional Insureds**"**)** as additional insureds using ISO form CG 2011, without modification, or another equivalent substitute form providing the same or greater coverage to Landlord and the Other Designated Additional Insureds;

(iii) contain no other endorsements or added special provisions that limit or exclude such coverage of Landlord or Other Designated Additional Insureds because of their negligence;

(iv) contain no endorsement or other added special provision that deletes or limits the Standard CGL Policy's separation of insureds provision; and

(v) contain no endorsement or other added special provision that deletes or limits the Standard CGL Policy's contractual liability coverage for "insured contracts".

(e) Tenant's Worker's Compensation Insurance. Tenant shall also maintain commercial workers' compensation insurance with statutory limit covering, at the Premises, Tenant's employment of workers and anyone for whom Tenant may be liable for workers' compensation claims. (To be clear, workers' compensation insurance is required and no alternative forms of insurance are permitted.) Tenant shall also maintain employer's liability insurance with a policy limit of not less than $[******] each accident, and $[******] disease-each employee. The insurance policies required under this Section 11(e) will be endorsed to waive the insurance carriers' right of subrogation against Landlord.

(f) Insurance Certificates. On or before the earlier to occur of the Lease Commencement Date and the date Tenant takes possession of the Premises, Tenant shall furnish to Landlord and its Property Manager, "**ACORD form**" certificates of insurance (or equivalent evidence of insurance) as confirmation of the aforesaid insurance coverage, including naming Landlord and Landlord's Property Manager as additional insureds on a primary non-contributory basis under the Tenant's Liability Insurance. Also, at least ten (10) days before the expiration date of any policy required of Tenant, and otherwise promptly after any renewal or replacement of any such policy if it is renewed or replaced before it expires, Tenant must provide a new certificate of insurance to Landlord to confirm the continuation of coverage.

(g) Other Insurance Provisions and Requirements. The insurance requirements set forth above in this Section 10(c) are independent of the waiver, indemnification, and other obligations under this Lease and will not be construed or interpreted in any way to restrict, limit or modify the waiver, indemnification and other obligations or to in any way limit any party's liability under this Lease. In addition to the requirements set forth in this Section 11(g), the insurance required of Landlord or Tenant under this Lease must be issued by an insurance company with a rating of no less than A-VIII in the current Best's Insurance Guide and must be admitted to engage in the business of insurance in the state in which the Building is located. Tenant is responsible for providing Landlord and Landlord's Property Manager with copies of any and all cancellation and non-renewal notices for each policy required to be carried hereunder, 30 days prior to such cancellation or non-renewal (10 days for non-payment of premium). Landlord shall have the right to approve all deductibles and self-insured retentions under Tenant's Liability Policy, subject to the following: (1) Landlord will not require any lower self insured retention or deductible under Tenant's Liability Policy than the self insured retention and deductibles applicable to Landlord's Liability Policy; and (2) in any event, such approval shall not be unreasonably withheld, conditioned or delayed.

(h) Waivers of Subrogation. Notwithstanding anything to the contrary set forth herein:

(i) *Waiver by Tenant.* Landlord shall not be liable (by way of subrogation or otherwise) to Tenant or anyone claiming through Tenant (including any insurance company insuring Tenant's property) for any loss or damage to Tenant's Property in or around the Premises that is caused by a fire or other casualty which is insured or required by this Lease to be covered under Tenant's Property Insurance, **EVEN IE SUCH LOSS OR DAMAGE MIGHT HAVE BEEN OCCASIONED BY THE NEGLIGENCE OR WILLFUL ACTS OR OMISSIONS OF THE LANDLORD, AND EVEN IF LANDLORD MIGHT BE STRICTLY LIABLE FOR THE LOSS OR DAMAGE BUT FOR THIS PROVISION.** Tenant shall notify its property insurers of this waiver, and Tenant must have its property insurance policies endorsed to make them valid notwithstanding this waiver if the endorsement is necessary to prevent a loss of insurance coverage.

(ii) *Waiver by Landlord.* Tenant shall not be liable (by way of subrogation or otherwise) to Landlord or anyone claiming through Landlord (including any insurance company insuring Landlord's property) for any loss or damage to the Land, the Building, or any other property of Landlord on or about the Land that is caused by a fire or other casualty which is insured or required by this Lease to be covered under Landlord's Property Insurance, **EVEN IF SUCH LOSS OR DAMAGE MIGHT HAVE BEEN OCCASIONED BY THE NEGLIGENCE OR WILLFUL ACTS OR OMISSIONS OF THE TENANT, AND EVEN IF TENANT MIGHT BE STRICTLY LIABLE FOR THE LOSS OR DAMAGE BUT FOR THIS PROVISION.** Landlord shall notify its property insurers of this waiver, and Landlord must have its property insurance policies endorsed to make them valid notwithstanding this waiver if the endorsement is necessary to prevent a loss of insurance coverage.

For the purpose of the foregoing waivers, the amount of any deductible applicable to any loss or damage shall be deemed covered by, and recoverable by the insured under the insurance policy to which such deductible relates.

(i) Avoid Action Increasing Rates. Tenant shall comply with all applicable Laws, and requirements and recommendations of insurance rating agencies with respect to the Premises, and shall not, directly or indirectly, knowingly make any use of the Premises which may (1) thereby be prohibited, (2) jeopardize any insurance coverage maintained by Landlord, (3) increase the cost of such insurance, or (4) require Landlord to obtain additional insurance coverages not required by the provisions above; provided, however, this Section 1 l(i) is subject to the other provisions of this Lease and, consequently, this Section 1 l(i) is will not prevent Tenant from using the Premises for the Permitted Uses.

(j) Failure to Insure. If either party fails to maintain any insurance which it is required to maintain pursuant to this Section 11, then it shall be liable to the other party for any loss or damages proximately caused by such failure to maintain such insurance. Neither party may self-insure against any risks required herein to be covered by insurance.

(k) Representations. Neither party makes any representation that the limits of liability specified above for required insurance coverages are adequate to protect against all losses or damages attributable to insurable occurrences. If either party believes that any of its insurance coverage required in this Section 11 is insufficient, that party shall provide, at its own expense, such additional insurance as it deems adequate.

(l) Additional Requirements. Tenant shall require each of its construction contractors and their subcontractors, while they perform work at the Property, to maintain insurance that meets the requirements in Sections 11(d) and 11(e) above, including liability insurance that covers Landlord and Other Designated Additional Insureds as additional insureds. In addition to the requirements set forth above, each such contractor, and subcontractor will be required to maintain General Liability coverage to include completed operations coverage extending out through the date that is three (3) years after Tenant's Work is Substantially Complete.

12. WAIVER AND INDEMNITY.

(a) Waiver by Tenant.

(i) Except as otherwise provided in this Lease: Tenant releases Landlord, Landlord's members, each Mortgagee and their respective directors, officers, shareholders, affiliates, agents and employees (Landlord and each of said persons and entities being hereinafter individually called a "**Landlord Party**" and collectively called the "**Landlord Parties**"), from, and waives all claims for, damage or injuiy to person or property and loss of business sustained by Tenant and resulting from the Property or the Premises or any part thereof or any equipment therein becoming in disrepair, or resulting from any accident in or about the Property. This paragraph shall apply particularly, but not exclusively, to flooding, damage caused by any equipment and apparatus, water, snow, frost, steam, roof leaks, excessive heat or cold, broken glass, sewage, gas, odors, excessive noise or vibration or the bursting or leaking of pipes, plumbing Fixtures or sprinkler devices.

(ii) Despite the foregoing, nothing in this Section 12(a) will excuse Landlord or other Landlord Parties from liability for anything any of them may do that constitutes or qualifies as negligence, willful misconduct, or a breach of the other provisions of this Lease. Also, nothing in this Section 12(a) will excuse Landlord's agreements in Section 12(c) below,

(b) **TENANT INDEMNITY. TENANT AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE LANDLORD PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, ACTIONS, LIABILITIES, DAMAGES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES), FOR INJURIES TO ANY PERSONS AND DAMAGE TO OR THEFT OR MISAPPROPRIATION OR LOSS OF PROPERTY OWNED BY ANY THIRD PARTIES THAT:**

(1) **OCCURS IN OR ABOUT THE PROPERTY; AND**

(2) **ARISES FROM (A) THE TENANT'S USE AND OCCUPANCY OF THE PREMISES OR (B) ANY ACTIVITY, WORK, OR THING DONE, OR AUTHORIZED BY TENANT IN OR ABOUT THE PREMISES, INCLUDING, WITHOUT LIMITATION, ANY TENANT'S WORK PERFORMED BY OR ON BEHALF OF TENANT;**

(EXCEPT IF AND TO THE EXTENT SAME IS CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY LANDLORD PARTY), OR THAT IS PROXIMATELY CAUSED BY ANY DEFAULT UNDER THIS LEASE BY TENANT OR TENANT'S SUBTENANTS, ASSIGNEES, INVITEES, LICENSEES, EMPLOYEES, CONTRACTORS AND AGENTS (TENANT AND EACH OF SAID PERSONS AND ENTITIES BEING HEREINAFTER INDIVIDUALLY CALLED A "TENANT PARTY" AND COLLECTIVELY CALLED THE "TENANT PARTIES"). IF ANY SUCH PROCEEDING IS FILED AGAINST ANY LANDLORD PARTY, THEN TENANT SHALL DEFEND SUCH LANDLORD PARTY IN SUCH PROCEEDING AT TENANT'S SOLE COST BY LEGAL COUNSEL REASONABLY SATISFACTORY TO SUCH LANDLORD PARTY, IF REQUESTED BY SUCH LANDLORD PARTY. THE FOREGOING INDEMNITY SHALL SURVIVE THE END OF THE TERM.

(c) Landlord Indemnity. Landlord agrees to indemnify, defend and hold harmless the Tenant Parties from and against any and all claims, demands, actions, liabilities, damages, costs and expenses (including attorneys' fees), for injuries to any persons and damage to or theft or misappropriation or loss of property owned by any third parties that:

(1) occurs in or about the Property; and

(2) arises from any activity, work, or thing done, or authorized by Landlord in or about the Common Areas;

(except if to the extent same is caused by the negligence or willful misconduct of any Tenant Party), or that is proximately caused by any default under this Lease by Landlord or other Landlord Parties. If any such proceeding is filed against any Tenant Party, then Landlord shall defend such Tenant Party in such proceeding at Landlord's sole cost by legal counsel reasonably satisfactory to such Tenant Party, if requested by such Tenant Party. The foregoing indemnity shall survive the end of the Term.

13. FIRE AND CASUALTY.

(a) Damage. If all or any part of the Premises is damaged by fire or other casualty, Tenant shall immediately notify Landlord in writing. During any period of time that all or a material portion of the Premises is rendered untenantable as a result of a fire or other casualty, Base Rent and Tenant Reimbursement Amount shall abate for the portion of the Premises that is untenantable and not used by Tenant. Landlord shall have the right to terminate this Lease if: (i)the Building shall be damaged so that, in Landlord's reasonable judgment, substantial alteration or reconstruction of the Building shall be required at a cost that will exceed 35% of the value of the

Building prior to the fire or other casualty (whether or not the Premises has been damaged); (ii) Landlord is not permitted by Law to rebuild the Building in substantially the same form as existed before the fire or casualty; or (iii) the Premises have been materially damaged and there is less than two (2) years of the Term remaining on the date of the casualty. Landlord may exercise its right to terminate this Lease by notifying Tenant in writing within ninety (90) days after the date of casualty. If Landlord does not terminate this Lease, Landlord shall commence and proceed with reasonable diligence to repair and restore the Building and the Premises. Landlord shall not be liable for any loss or damage to Tenant's Property or to the business of Tenant resulting in any way from the fire or other casualty or from the repair and restoration of the damage. Also, in connection with the casualty, the waivers in Section 11(g) will apply.

(b) Restoration. If all or any portion of the Premises shall be made untenantable by fire or other casualty, Landlord shall, with reasonable promptness, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again, using standard working methods (the "**Completion Estimate**"). If the Completion Estimate indicates that the Premises cannot be made tenantable within two hundred seventy (270) days from the date the repair and restoration is started, then regardless of anything in Section 13(a) above to the contrary, either party shall have the right to terminate this Lease by giving written notice to the other of such election within ten (10) days after receipt of the Completion Estimate. Tenant, however, shall not have the right to terminate this Lease if the fire or casualty was caused by the willful misconduct of any Tenant Party (e.g., arson). Also, if the damage was due to any negligent act or omission of a Tenant Party, then Tenant shall pay to Landlord the difference (if any) between the actual cost of repair and any insurance proceeds received by Landlord resulting from any commercially reasonable deductible that applies to Landlord's property insurance.

14. CONDEMNATION. Either party may terminate this Lease if the whole or any material part of the Premises, or any part of Project B necessary for Tenant's access to or parking for the Premises (unless reasonable alternative access or parking is provided), shall be taken or condemned for any public or quasi-public use under any applicable Law, by eminent domain or private purchase in lieu thereof (each, a "**Taking**"). Landlord shall also have the right to terminate this Lease if there is a Taking of any portion of the Building or the Property which would leave the remainder of the Building unsuitable for use as an industrial building in a manner comparable to the use of the Building prior to the Taking. In order to exercise its right to terminate this Lease, Landlord or Tenant, as the case may be, must provide written notice of termination to the other within forty-five (45) days after the terminating party first receives notice of the Taking and the scope of the Taking. Any such termination shall be effective as of the date the physical taking of the Premises or the portion of the Building or the Property occurs. If this Lease is not terminated, the leasable area of the Premises and/or the Property and Tenant's Proportionate Share of Expenses and Tenant's Proportionate Share of Taxes shall, if applicable, be appropriately adjusted. In addition, Rent for any portion of the Premises taken or condemned shall be abated during the unexpired Term effective as of the date when the physical taking of the portion of the Premises occurs. All compensation awarded for a Taking of the Land or real property improvements, the leasehold interest or sale proceeds from a sale in lieu thereof, shall be the property of Landlord, any right to receive such compensation or proceeds being expressly waived by Tenant. However, Tenant may file a separate claim at its expense, for Tenant's Property, for business interruption, and for relocation expenses, provided the filing of the claim by Tenant does not purport to extend to any interest of Tenant in the Land or real property improvements or the leasehold interest under this Lease.

15. ASSIGNMENT AND SUBLETTING.

(a) Transfer. Except by a Permitted Transfer, Tenant shall not, without the prior written consent of Landlord, which approval will not be unreasonably withheld, delayed, or conditioned: (i) assign, reassign, convey, mortgage or otherwise transfer this Lease or any interest hereunder, or (ii) sublease the Premises, or any part thereof, whether voluntarily or by operation of Law; (iii) permit the use of the Premises by any person or entity other than Tenant and its employees. Any such transfer, sublease or use described in the preceding sentence is hereinafter called a "**Transfer**". Landlord's consent to any Transfer shall not constitute a waiver of Landlord's right to withhold its consent to any future Transfer. Landlord's consent to any Transfer or acceptance of rent from any party other than Tenant shall not release Tenant from any covenant or obligation under this Lease. Landlord may require as a condition to its consent to any assignment of this Lease that the assignee sign a commercially reasonable form of assumption agreement. If Tenant is a corporation, limited liability company, partnership, or similar entity, and if the person or entity which owns or controls a majority of the voting shares/rights in Tenant at any time changes, and such change was effectuated solely for the purpose of avoiding the consent requirement for a transfer of this Lease (i.e., a subterfuge), then such change of ownership or control shall constitute a Transfer.

(b) Permitted Transfer. Notwithstanding Section 15(a) above, each of the following will be a "**Permitted Transfer**" and will not require prior the consent of Landlord:

(i) a transfer (directly or indirectly) of any or all of the stock or other ownership interests in Tenant so long as Tenant is a corporation, limited liability company, partnership, or similar entity (unless such transfer is a subterfuge as described immediately above);

(ii) any other transaction that creates a Qualified Successor to Tenant so long as Tenant is a corporation, limited liability company, partnership, or similar entity;

(iii) a sale of all or substantially all of Tenant's assets to a Qualified Purchaser;

(iv) any listing or registration of Tenant or its stock on a recognized security exchange;

(v) any subleases or similar arrangements that, in the aggregate, cover less than 20,000 square feet of the Premises and that are made to allow vendors, services suppliers, or customers of Tenant to operate in the Premises in ways that Tenant considers to be necessary or helpful to its business; and (vi) any assignment of this Lease or sublease of all or any part of the Premises, to an Affiliate of Tenant;

provided, that: (i) Tenant gives Landlord a written notice of (x) any assignment or sublease to the Affiliate not later than thirty (30) days prior to the effective date of such assignment or sublease, together with current financial statements of Tenant and of the Affiliate, and (y) any other Permitted Transfer not later than ten (10) days prior to the effective date of such Transfer (or upon such later date that Tenant is first permitted to give such notice if prohibited by law or contract to give such prior notice prior to such Transfer), together with current financial statements of Tenant and of the transferee; (ii) no Default by Tenant has occurred and is continuing under this Lease; (iii) with respect to any such Transfer that involves an assignment of this Lease, the assignee assumes this Lease by a written assumption agreement delivered to Landlord on or prior to the effective date of such assignment;

(vi) the transferee shall use the Premises only for Permitted Uses; (v) the occurrence of the Transfer shall not waive Landlord's rights as to any subsequent Transfer; and (vi) Tenant shall not be released from any liability under this Lease (whether past, present or future) by reason of the Transfer.

(c) As used herein, (1) "**Affiliate**" means any person or entity who or which controls, is controlled by, or is under common control with Tenant and which is solvent and creditworthy, (2) ''control" shall mean the possession of the power to direct the management and policies of the applicable controlled entity through the ownership (directly or indirectly) of more than fifty percent (50%) of the voting or equity securities in such controlled entity, (3) ''Qualified Successor" means any business entity in which or with which Tenant is merged or consolidated in accordance with applicable statutory provisions governing merger and consolidation of business entities, so long as (A) Tenant's obligations under this Lease are assumed by the Successor; and (B) the Tangible Net Worth of the Successor is not less than $38,000,000, (4) ''Qualified Purchaser" means any person or entity who or which acquires all or substantially all of the assets of Tenant, so long as the Tangible Net Worth of the Purchaser is not less than $38,000,000; and (5) ''Tangible Net Worth" means the excess of total assets over total liabilities, in each case as determined in accordance with generally accepted accounting principles consistently applied ("**GAAP**"), excluding however, from the determination of total assets, all assets which would be classified as intangible assets under GAAP, including, without limitation, good will, licenses, patents, trademarks, trade names, copyrights and franchises.

(d) Tenant's Request for Consent. If Tenant desires the consent of Landlord to a Transfer other than a Permitted Transfer, Tenant shall submit to Landlord at least sixty (60) days prior to the effective date of the Transfer, a written notice which includes current financial statements for the transferee, a complete copy of the Transfer documents and such other information as Landlord may reasonably request. Landlord shall not unreasonably withhold any such consent. However, Landlord shall not be deemed to have unreasonably withheld, delayed, or conditioned its consent if, in the judgment of Landlord: (i) the transferee is of a character, image or reputation which is not in keeping with the standards or criteria used by Landlord in leasing the Property; (ii) in ways that are material, the financial condition of the proposed transferee is inferior to the financial condition of Tenant; (iii) the purpose for which the transferee intends to use the Premises or portion thereof differs in any material way from the Permitted Uses; (iv) the transferee (or any Affiliate of the transferee) is then a tenant or occupant of space at the Property outside the Premises, and at the time of the Transfer the Property has other comparable unleased space available; (v) any portion of the Property or the Premises would likely become subject to materially more burdensome Laws as a result of the Transfer; (vi) the intended use of the Premises by the transferee would, in Landlord's reasonable judgement, more likely than not cause a violation of

Section 2(f) above; or (vii) there are other reasonable justifications for Landlord's withholding of the consent. If any Default has occurred and is continuing at the time Tenant requests Landlord's consent to a proposed Transfer, then Landlord's consent to such Transfer may be conditioned upon Tenant curing such Default. If any Default has occurred and is continuing during the term of any sublease, then Landlord may require that all sublease payments be made directly to Landlord during and for the period such Default continues, in which event Tenant shall receive a credit against Rent in the amount of any payments received (less Landlord's fifty percent (50%) share of any excess described in the next section), and the subtenant shall agree in writing (either in the
sublease or in Landlord's consent document) to make rental payments under the sublease directly to Landlord upon the subtenant's receipt of a written notice from Landlord informing the subtenant of such Default and of Landlord's election to receive such sublease rental payments directly from the subtenant. In addition, Tenant shall pay to Landlord all reasonable attorneys' fees and expenses incurred by Landlord in connection with any Transfer other than a Permitted Transfer, whether or not Landlord consents to such Transfer.

(e) Excess Rent. If Landlord consents to any sublease that is not a Permitted Transfer, then Tenant shall pay Landlord fifty percent (50%) of all rent and other consideration which Tenant receives as a result of the sublease that is in excess of Base Rent and Tenant Reimbursement Amount payable to Landlord for the portion of the Premises and Term covered by the sublease. Tenant shall pay Landlord for Landlord's share of any excess within thirty (30) days after Tenant's receipt of each such excess consideration. However, before calculating the excess and making any such payment to Landlord, Tenant may deduct from the excess all reasonable, documented, out-of-pocket costs paid by Tenant to third parties to procure the sublease, including brokerage fees, marketing costs and construction costs.

(f) Assignment of Sublease Revenues. Tenant absolutely assigns to Landlord all of Tenant's right, title and interest in and to all revenues from each sublease of all or any portion of the Premises; provided, however, that Landlord grants Tenant a license, which shall remain in effect so long as no Default exists, to collect all such revenues (subject to Tenant's obligation to deliver certain of such revenues to Landlord under Section 15(d) above) and to enforce the sublease, to modify it, and to terminate it as Tenant deems appropriate. Upon the occurrence of a Default, Landlord may revoke such license by written notice to Tenant and may, by written notice to any subtenant of Tenant, demand that such subtenant pay all such revenues directly to Landlord. In such event Tenant hereby irrevocably authorizes and directs any such subtenant to pay such revenues to Landlord, and further agrees (i) that any such subtenant shall be obligated and entitled to pay such revenues to Landlord notwithstanding any contrary contentions or instructions later received from Tenant and (ii) that no such subtenant shall have any liability to Tenant for any such revenues paid to Landlord in accordance with the foregoing. Landlord shall not be entitled to use or enjoy any such revenues except for the purpose of applying such revenues against unfulfilled obligations of Tenant hereunder, or to reimburse Landlord for costs incurred as a result of any Default, or to compensate Landlord for other losses suffered by Landlord as a result of any Default. Any such revenues remaining in Landlord's possession following the cure of all Defaults and the reimbursement of all such costs and losses shall be delivered to Tenant. No such notice to any subtenant or receipt of revenues from any subtenant shall be deemed to constitute either (y) Landlord's consent to such sublease or *(z)* the assumption by Landlord of any obligation of Tenant under such sublease, nor shall any such notice or receipt create privity of contract between Landlord and the applicable subtenant or be construed as a nondisturbance or similar agreement between Landlord and such subtenant.

16. SURRENDER. Upon the end of the Term or termination of Tenant's right to possession of the Premises, Tenant shall (a) return the Premises to Landlord in good order and broom clean condition, free of debris, Ordinary Wear and Tear and damage by fire or other casualty excepted, and (b) remove all of the Required Removables and ail of Tenant's Property (including all telecommunications cabling and wiring), which removal shall be done in a good, workmanlike and lien-free manner, and upon such removal Tenant shall repair all damage to the Premises and the Property caused by the installation or removal of such items. If Tenant does not so remove any items comprising Tenant's Property or the Required Removables, then Landlord may remove such items and repair and restore the Premises, and Tenant shall pay the cost of such removal, repair and restoration to Landlord upon demand. Also, if Tenant does not remove any items comprising Tenant's Property or the Required Removables, then Tenant shall be conclusively presumed to have conveyed such items to Landlord without further payment or credit by Landlord to Tenant, or at Landlord's sole option, such items shall be deemed abandoned, in which event Landlord may cause such items to be stored, removed or disposed of at Tenant's expense, without notice to Tenant and without obligation to compensate Tenant.

17. DEFAULTS AND REMEDIES.

(a) Default. The occurrence of each of the following shall constitute an event of default by Tenant under this Lease (a "**Default**"):

(i) *Payments of Base Rent.* Tenant fails to pay any Base Rent on or before the date it first becomes due, and the failure continues for 7 days after Tenant is notified of the failure; or, Tenant fails to pay any Base Rent on or before the date it first becomes due more than two times in any period of 12 consecutive calendar months, regardless of whether any of the payments are later made within the 7-day period after notice.

(ii) *Payments Other Than Base Rent.* Tenant fails to pay any amount required by any of this Lease (other than Base Rent) on or before the date it first becomes due, and the failure continues for 7 days after Tenant is notified of the failure; or, Tenant fails to pay any such amount (other than Base Rent) on or before the date it first becomes due more than two times in any period of 12 consecutive calendar months, regardless of whether any of the payments are later made within the 7-day period after notice.

(iii) *Expiration or Termination of a Letter of Credit.* Any Letter of Credit issued to Landlord expires or is terminated before the End Date and before Tenant causes a Qualified Bank to issue a new, substitute Qualified LC to Landlord to replace the expired or terminated Letter of Credit.

(iv) *Dishonor of a Letter of Credit.* After receiving a request and proper documentation from Landlord for a draw under a Letter of Credit permitted by Section 4(e) above, the issuer of the Letter of Credit fails to pay the requested draw within the time allowed by the Letter of Credit.

(v) *Failure to Timely Deliver a Letter of Credit.* Tenant fails to cause a Qualified Bank to deliver a new, substitute Qualified LC to Landlord on or before the date that such delivery is required according to Section 4(b) above.

(vi) *Failure to Timely Deliver an Estoppel Certificate.* Tenant fails to execute and return an Estoppel Certificate required by Section 20 below within 10 days after receiving the Estoppel Certificate and a request from Landlord for Tenant's execution of the same, and such failure continues for an additional 5 business days after Tenant receives another notice from Landlord, stating that:

(1) because of Tenant's failure to sign and return the Estoppel Certificate within the 10 business days after Tenant received it, Tenant is at risk of a Default under Section 17(a)(vi) of this Lease; and

(2) if the failure continues for more than 5 business days after Tenant's receipt of the notice, Landlord will have the right to terminate this Lease or Tenant's right to possession pursuant to Section 17(b) of this Lease.

(vii) *Failure to Timely Deliver a Subordination Agreement.* Tenant fails to execute and return a Subordination Agreement with a Nondisturbance Provision (as contemplated in Section 21(b)) within 10 days after receiving the Subordination Agreement and a request from Landlord for Tenant's execution of the same, and such failure continues for an additional 5 business days after Tenant receives another notice from Landlord, stating that:

(1) because of Tenant's failure to sign and return the Subordination Agreement within the 10 business days after Tenant received it, Tenant is at risk of a Default under Section 17(a)(vii) of this Lease; and

(2) if the failure continues for more than 5 business days after Tenant's receipt of the notice, Landlord will have the right to terminate this Lease or Tenant's right to possession pursuant to Section 17(b) of this Lease.

(viii) *Breach of Other Requirements.* Tenant fails to comply (other than as described in the other subsections of this Section 17(a)) with any provision in this Lease, and the failure is not cured before the earlier of (A) 30 days after notice thereof is given to Tenant, (B) the last business day before the last day of the Term, (C) the date any writ or other court order is issued for the levy or sale of Project B or any other property of Landlord because of the failure, or (D) the date any criminal prosecution is instituted or overtly threatened against Landlord or any of its Affiliates because of the failure; *except that*, so long as no such writ or order is issued and no such criminal prosecution is instituted or overtly threatened, the 30-day period within which Tenant may cure the failure will be extended by an additional 90 days, subject to the following conditions: (l)the failure can be

cured by Tenant, but only with the extension of time despite Tenant's diligent effort to cure; (2) Tenant must have promptly commenced the cure after being notified of the failure, and after commencing the cure Tenant must continuously pursue the cure with reasonable diligence (and must keep Landlord informed of such steps to cure and the progress made); and (3) no extension of the period for cure will continue beyond the last business day before the last day of the Term.

(b) Remedies. When any Default has occurred and is continuing, Landlord shall have the right without further notice or demand to pursue any of its rights and remedies at Law or in equity, including any one or more of the following remedies:

(i) Terminate this Lease, in which case Tenant shall immediately surrender the Premises to Landlord. If Tenant fails to surrender the Premises, Landlord may, in compliance with applicable Law and without prejudice to any other right or remedy, enter upon and take possession of the Premises and expel and remove Tenant, Tenant's Property and all parties occupying all or any part of the Premises. Tenant shall pay Landlord on demand the amount of all past due Rent and other losses and damages which Landlord may suffer as a result of the Default, whether by Landlord's inability to relet the Premises on satisfactory terms or otherwise, including, without limitation, all Costs of Reletting and any deficiency that may arise from reletting or the failure to relet the Premises. "**Costs of Reletting**" shall mean and include all costs and expenses incurred by Landlord in reletting or attempting to relet the Premises for the remainder of the scheduled Term, including, without limitation, reasonable legal fees, and (to the extent fairly allocable to the remainder of the scheduled Term) brokerage commissions, the cost of alterations and the value of other concessions or allowances granted to a new tenant.

(ii) Terminate Tenant's right to possession of the Premises (without termination of this Lease) and in compliance with applicable Law, expel and remove Tenant, Tenant's Property and all parties occupying all or any part of the Premises. Landlord may (but shall not be obligated to) relet all or any part of the Premises, without notice to Tenant, for a term that may be greater or less than the balance of the Term and on such conditions (which may include concessions, free rent and alterations of the Premises) and for such uses as Landlord in its absolute discretion shall determine. Landlord may collect and receive all rents and other income from the reletting. Tenant shall pay Landlord on demand all past due Rent, all Costs of Reletting and any deficiency arising from the reletting or failure to relet the Premises. Except as required by Laws (including Section 91.006 of the Texas Property Code), Landlord shall not be responsible or liable for the failure to relet all or any part of the Premises or for the failure to collect any Rent. The reentry or taking of possession of the Premises shall not be construed as an election by Landlord to terminate this Lease unless and until a written notice of termination is given to Tenant.

(iii) In lieu of calculating damages under Sections 15(b)(1) or 15(b)(ii) above, Landlord may elect to receive as damages the sum of (A) all Rent accrued through the date of termination of this Lease or Tenant's right to possession, and **(B)** an amount equal to the total Rent that Tenant would have been required to pay for the remainder of the Term discounted to present value at the "**Prime Rate**" as defined in *The Wall Street Journal* (or direct successor publication) then in effect, minus the then present fair rental value of the Premises for the remainder of the Term, similarly discounted, after deducting all anticipated Costs of Reletting.

(c) Other Remedies. Landlord may but shall not be obligated to perform any obligation of Tenant under this Lease as necessary to cure outstanding Defaults or to mitigate damages resulting therefrom, and if Landlord so elects, all costs and expenses paid by Landlord in performing such obligation, together with interest at the Default Rate, shall be reimbursed by Tenant to Landlord on demand. Any and all rights and remedies set forth in this Lease: (i) shall be in addition to any and all other rights and remedies Landlord may have at Law or in equity, (ii) shall be cumulative, and (iii) 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.

(d) Waiver of Trial by Jury. Landlord and Tenant waive trial by juiy in the event of any action, proceeding or counterclaim brought by either Landlord or Tenant against the other in connection with this Lease.

(e) Attorney's Fees. If either Landlord or Tenant brings an action or proceeding to enforce or defend its rights under this Lease the Prevailing Party in any such action or proceeding, or appeal thereon, shall be entitled to receive (and shall be awarded) all of its court costs and reasonable attorneys' fees. Such costs and fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. As used herein, "**Prevailing Party**" shall mean the party who substantially attains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other party of its claim or defense.

(f) Venue. If either Landlord or Tenant desires to bring an action against the other in connection with this Lease, such action shall be brought either in any court with jurisdiction sitting in Dallas or Tarrant County, Texas. That will include any action instigated by Landlord to regain possession of any part of the Premises or for any other equitable relief against Tenant in the state courts of Texas. Landlord and Tenant consent to the jurisdiction of such courts and waive any right to have such action transferred from such courts on the grounds of improper venue or inconvenient forum.

18. HOLDING OVER. If Tenant retains possession of any part of the Premises after the end of the Term or termination of Tenant's right to possession of the Premises (it being agreed that Tenant's failure to timely remove Tenant's Property or the Required Removables from the Premises shall also be considered a retention of the Premises by Tenant), then such retention of possession shall be considered a tenancy "at will" or "sufferance" (and not a month-to-month tenancy) for the entire Premises, and Tenant shall pay Rent during such holding over at a rate equal to 125% of the rate used to calculate gross monthly Rent in effect under this Lease immediately preceding such holding over for the first 30 days of such holdover, and thereafter at a rate equal to 150% of the rate used to calculate gross monthly Rent in effect under this Lease immediately preceding such holding over, computed on a weekly basis for each week or partial week that Tenant remains in possession. In addition to the payment of the amounts provided above, if such holdover extends beyond sixty (60) days and Landlord is unable to timely deliver possession of

any part of the Premises to a new tenant as a result of Tenant's holdover then Tenant shall be liable to Landlord for all damages, including, without limitation, consequential damages that Landlord suffers from the holdover. The provisions of this Section 18 do not waive Landlord's right of re-entry or right to regain possession by actions at Law or in equity or any other rights hereunder, and any receipt of payment by Landlord shall not be deemed a consent by Landlord to Tenant's remaining in possession or be construed as creating or renewing any lease or right of tenancy between Landlord and Tenant. **Notwithstanding anything herein to the contrary, pursuant to Section 91.001(c) of the Texas Property Code, Landlord and Tenant specifically agree that no notice to terminate Tenant's tenancy hereunder will be required from and after the expiration of the Term of this Lease under Section 91.001 or Section 24.005 of the Texas Property Code before Landlord files a forcible detainer suit on grounds that the tenant is holding over beyond the end of the rental term or renewal period (if any) hereof; and any sublease hereunder shall not be approved unless it also contains a specific comparable waiver by the subtenant thereunder.**

19. SUBSTITUTION OF OTHER PREMISES. Intentionally deleted.

20. ESTOPPEL CERTIFICATES. Tenant agrees from time to time upon written request from Landlord, but not more often than twice in any calendar year, to execute and deliver to Landlord or to any third party designated by Landlord in such request, a written estoppel certificate (an "**Estoppel Certificate**"), certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that this Lease as modified is in full force and effect); (ii) the dates to which Rent has been paid; (iii) that Tenant is in possession of the Premises, if that is the case; (iv) that to Tenant's knowledge Landlord is not in default under this Lease, or, if Tenant believes Landlord is in default, the nature thereof in detail; (v) that Tenant has no off-sets or defenses to the performance of its obligations under this Lease except as provided in this Lease (or if Tenant believes there are any other off-sets or defenses, a full and complete explanation thereof); and (vi) such additional factual matters concerning this Lease as may be reasonably requested by Landlord. Estoppel Certificates may be relied upon by any prospective purchaser, Mortgagee, prospective Mortgagee, or other person having or acquiring an interest in the Building. Within ten (10) days after receipt from Landlord of any requested Estoppel Certificate, Tenant shall execute and return the Estoppel Certificate to Landlord (or to any such designated third party), provided Tenant may modify any provisions in the requested Estoppel Certificate to reflect Tenant's understanding of such facts; otherwise, the failure of Tenant to do so shall automatically constitute Tenant's approval of the requested Estoppel Certificate as though such Estoppel Certificate had been executed and delivered by Tenant to Landlord or such designated third party in form identical to the form submitted by Landlord to Tenant.

21. SUBORDINATION.

(a) This Lease is and shall be expressly subject and subordinate at all times to the following (each, a "**Superior Instrument**"): (i) any ground or underlying lease of the Property, now or hereafter existing, and all amendments, renewals and modifications to any such lease; and (ii) the lien of any mortgage or trust deed now or hereafter encumbering fee title to the Property and/or the leasehold estate under any such lease. If any such mortgage or trust deed is foreclosed, or if any such lease is terminated, upon request of the mortgagee, holder or lessor, as the case may

be (each, a "**Mortgagee**"), Tenant will attorn to the purchaser at the foreclosure sale or to the lessor under such lease, as the case may be. Notwithstanding anything to the contrary contained herein, any Mortgagee may subordinate, in whole or in part, its Superior Instrument to this Lease by sending Tenant notice in writing subordinating the Superior Instrument to this Lease. The foregoing provisions are declared to be self-operative and no further instruments shall be required to effect such subordination and/or attornment; provided, however, that Tenant agrees upon request by any such Mortgagee or purchaser at foreclosure, to execute and deliver any instrument (a "**Subordination Agreement**") as may be required by such person to confirm such subordination and/or attornment. Tenant's failure to execute and deliver any Subordination Agreement within ten (10) days after written request from Landlord shall automatically constitute Tenant's acknowledgement and agreement that this Lease is subordinate (or superior as the case may be) to the Superior Instrument identified in the Subordination Agreement submitted by Landlord to Tenant.

(b) Notwithstanding anything in this Section 21 to the contrary, Tenant shall not be obligated to sign any Subordination Agreement with respect to any Superior Instrument unless the Superior Instrument includes a Nondisturbance Provision. (As used herein, a "**Nondisturbance Provision**" means an express provision in a Superior Instrument stating that, despite any other provisions therein to the contrary, Tenant's right of possession of the Premises and other rights under this Lease shall not be disturbed by reason of any foreclosure, termination, or enforcement of the Superior Instrument so long as there is no Default by Tenant under this Lease.) Furthermore, despite the automatic subordination contemplated by the preceding Section 21(a), no Mortgagee or foreclosure purchaser may disturb Tenant's right of possession of the Premises or other rights under this Lease so long as there is no Default by Tenant under this Lease.

(c) Landlord represents that as of the date of this Lease there is no Superior Instrument encumbering the Property.

22. ENVIRONMENTAL MATTERS.

(a) Definitions:

(i) "**Environmental Law or Laws**" shall mean any and all federal, state or local laws, regulations, ordinances, rules, orders, directions, requirements or court decrees pertaining to health, industrial hygiene, or the environmental conditions on, under or about the Premises, including, without limitation, the Resource Conservation and Recovery Act, as amended (42 U.S.C. §6901, *et seq.)*, and regulations promulgated thereunder **("RCRA");** the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. §9601, *et seq.),* and regulations promulgated thereunder **("CERCLA"),** the Hazardous Materials Transportation Act, as amended (49 U.S.C. §1801, *et seq.),* and regulations promulgated thereunder; the Toxic Substances Control Act, as amended (15 U.S.C. §2601, *et seq.),* and regulations promulgated thereunder; the Federal Insecticide, Fungicide and Rodenticide Act, as amended (7 U.S.C. §136, *et seq.),* and regulations promulgated thereunder; the Federal Water Pollution Control Act (the Clean Water Act), as amended (33 U.S.C. §1251, *et seq.),* and regulations promulgated thereunder; the Safe Drinking Water Act, as amended (42 U.S.C. §300f *et seq.),* and regulations promulgated thereunder; the Clean Air Act, as amended (42 U.S.C. §7401 *et seq.),* and regulations promulgated thereunder; and all parallel, similar or relevant Laws.

(ii) "**Hazardous Materials**" shall mean any (A) hazardous waste as defined in RCRA, (B) hazardous substance as defined in CERCLA; (C) petroleum or liquid petroleum or wastes; and (D) any other toxic or hazardous substances that may be regulated from time to time by applicable Environmental Laws.

(iii) "**Environmental Conditions**" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of Hazardous Materials on, from, or about the Premises other than in compliance with applicable Environmental Laws. The term "**Environmental Conditions**" includes, but is not limited to, the presence of Hazardous Materials on, from, or about the Premises attributable to the operation of any underground or above-ground storage tanks, oil/water separators, or in-ground hydraulic lifts or hoists, and associated equipment.

(iv) "**Environmental Costs**" shall mean any and all judgments, damages, penalties, fines, costs, liabilities, obligations, losses, or expenses of whatever kind and nature (including, without limitation, diminution in value of the Property, damages for the loss or restriction on use of leasable space, damages arising from any adverse impact on marketing of space, sums paid in settlement of claims, attorney fees, consultant fees and expert fees), arising from or incurred in connection with Environmental Conditions, including, but not limited to, those relating to the presence, investigation, or remediation of Hazardous Materials.

(v) "**Excluded Environmental Conditions**" means Environmental Conditions that:

(A) exist as of the Delivery Date;

(B) result from the actions of Landlord;

(C) result from the underground migration of Hazardous Materials from a location outside the Premises through no fault of Tenant; or

(D) occurs after the expiration of the Term and Tenant's surrender of the Premises and is not caused by a Tenant Party.

(b) Representations, Warranties and Covenants: Tenant represents, warrants and covenants to and with Landlord that:

(i) Tenant has the full right, power, and authority to cany out its environmental obligations hereunder.

(ii) Tenant is financially capable of performing and satisfying its environmental obligations hereunder.

(iii) To Tenant's knowledge, Tenant is not now in violation of any applicable Environmental Law, including, but not limited to, any Environmental Law relating to the generation, handling, usage, transportation, treatment, storage, or disposal of Hazardous Materials, nor is it subject to any existing or pending action by any governmental authority in connection therewith.

(iv) Tenant's generation, handling, usage, transportation, treatment, storage, or disposal of Hazardous Materials at the Premises shall at all times comply with applicable Environmental Laws in all material respects, and will not cause or allow any material Environmental Condition (other than Excluded Material Conditions, if any) to occur or exist

(v) Tenant, at its expense, shall comply with each Environmental Law pertaining to the Premises or Tenant's use of the Premises, and with all directions, of all public officers issued pursuant to any Environmental Law, which shall impose any duty upon the owner or operator with respect to the use or occupancy of the Premises, except that Tenant does not assume responsibility for Excluded Environmental Conditions.

(vi) Tenant will not install, use or operate any underground storage tank without the express written permission of Landlord, which permission may be withheld in Landlord's sole and arbitrary discretion.

(c) Notice. Tenant shall give immediate written notice to Landlord of (i) any proceeding or inquiry instituted against Tenant or the Premises (if Tenant has notice thereof) by any Governmental Authority with respect to the presence of any Hazardous Materials on the Premises or the migration thereof from or to other areas,

(i) all claims made or threatened against Tenant or otherwise known to Tenant relating to any loss or injury resulting from any Hazardous Materials on or about the Premises, and (iii) Tenant's discovery of any occurrence or condition on any property adjoining or in the vicinity of the Premises that Tenant reasonably expects or believes will or may result in any restrictions on the ownership, occupancy, transferability, or use of any of the Property under any Environmental Law.

(d) **INDEMNIFICATION. TENANT SHALL DEFEND, WITH COUNSEL REASONABLY APPROVED BY LANDLORD, ALL ACTIONS AGAINST LANDLORD WITH RESPECT TO, AND PAY, PROTECT, INDEMNIFY, AND HOLD HARMLESS, TO THE EXTENT PERMITTED BY LAW, LANDLORD FROM AND AGAINST ANY AND ALL ENVIRONMENTAL COSTS OF ANY NATURE ARISING OUT OF, OR CLAIMED BY ANY THIRD PARTY TO BE ARISING OUT OF, ANY ENVIRONMENTAL CONDITIONS OTHER THAN EXCLUDED ENVIRONMENTAL CONDITIONS. (NOTWITHSTANDING ANYTHING IN THIS LEASE TO THE CONTRARY, LANDLORD AGREES THAT TENANT SHALL NOT BE RESPONSIBLE FOR EXCLUDED ENVIRONMENTAL CONDITIONS.) THIS INDEMNIFICATION SHALL INCLUDE WITHOUT LIMITATION ENVIRONMENTAL COSTS ARISING OUT OF ANY VIOLATIONS OF ENVIRONMENTAL LAWS (OTHER THAN VIOLATIONS CONSISTING OF OR CAUSED BY EXCLUDED ENVIRONMENTAL CONDITIONS), REGARDLESS OF ANY REAL OR ALLEGED FAULT, NEGLIGENCE, WILLFUL MISCONDUCT, GROSS NEGLIGENCE, BREACH OF WARRANTY, OR STRICT LIABILITY ON THE PART OF TENANT. THE FOREGOING INDEMNITY SHALL SURVIVE THE END OF THE TERM.**

(e) Disclosure. Prior to the Commencement Date, and prior to January 1 of each year of the Term, including January 1 of the year immediately following the year during which the Term ends, Tenant shall disclose to Landlord in writing the names and amounts of all Hazardous Materials, or any combination thereof, which were stored, used or disposed of on the Premises in material quantities, or which Tenant intends to store, use or dispose of on the Premises, except those described in Section 22(h) below. Further, Tenant shall provide Landlord a copy of eveiy document related to the Property that Tenant makes available to any Governmental Authority or to any person under any Environmental Law.

(f) Inspection. Landlord shall have the right, but not the duty, to inspect the Premises at any time (during normal business hours and after reasonable notice to Tenant) to determine whether Tenant is complying with the terms of this Section 22. If Tenant is not in compliance and does not promptly and diligently work to achieve compliance after receipt of a notice of noncompliance from Landlord, then Landlord shall have the right to immediately enter upon the Premises to remedy, at Tenant's expense, any Environmental Conditions caused by Tenant's failure to comply. Any such remediation measures by Landlord shall be done in accordance with the recommendations of Landlord's geotechnical engineers and/or consultants, and/or the requirements of any Governmental Authority having jurisdiction over such matters. Tenant shall pay to Landlord, as additional rent, all Environmental Costs incurred by Landlord in performing any such remediation measures within thirty (30) days after Landlord's written request therefore. Landlord shall use reasonable efforts to minimize interference with Tenant's business operations, but Landlord shall not be liable for any interference caused thereby.

(g) Tenant's Environmental Insurance. To ensure the availability of funds to satisfy Tenant's environmental obligations under this Section 22, on or before the execution of this Lease, Tenant, at its expense, at Landlord's discretion shall maintain pollution legal liability insurance with minimum limits of [******] Dollars ($[******]) with respect to the Premises, providing coverage for on-site and off-site cleanup costs and third-party bodily injury and property damage claims arising from on-site and off-site Environmental Conditions.

(h) Permitted Hazardous Materials. Tenant's Permitted Use will include the use of reasonable quantities, properly labeled and contained, of other maintenance and cleaning supplies in the ordinary course of Tenant's business for purposes other than the cleaning of clothing, accessories, and other inventory; provided, however, that Tenant must use, transport, store, handle, and dispose of those supplies in accordance with Laws and accepted industry standards and practices.

23. TENANT'S BROKER. Tenant represents to Landlord that Tenant has dealt only with the real estate broker, if any, set forth in the Schedule (**"**Tenant's Broker**"**) in connection with this Lease and that, insofar as Tenant knows, no other broker negotiated this Lease on Tenant's behalf or is entitled to any commission by reason of its representation of Tenant. Tenant agrees to indemnify, defend and hold the Landlord Parties harmless from and against any claims for a fee or commission made by any broker, other than Tenant's Broker, claiming to have acted by or on behalf of Tenant in connection with this Lease, Landlord agrees to pay Tenant's Broker a commission subject to the terms and conditions of a separate agreement between Landlord and Tenant's Broker.

24. NOTICES. All notices and demands to be given by one party to the other party under this Lease shall be given in writing, mailed or delivered to Landlord or Tenant, as the case may be, at the address for such party described in the Schedule or at such other address as either party may hereafter designate by giving written notice to the other party in the same manner as herein specified for notices. Notices shall be delivered by hand or by United States certified or registered mail, postage prepaid, return receipt requested, or by a nationally recognized overnight air courier service or by a locally recognized ground courier service. Notices shall be considered to have been given upon the earlier to occur of actual receipt or (with respect only to notices sent through the United States certified mail, return receipt requested), three (3) business days after deposit with the U.S. Postal Service.

25. MISCELLANEOUS.

(a) Successors and Assigns. Subject to Section 15 above, each provision of this Lease shall extend to, bind and inure to the benefit of Landlord and Tenant and their respective legal representatives, successors and assigns; and all references herein to Landlord and Tenant shall be deemed to include all such parties.

(b) Entire Agreement. This Lease, and the riders and exhibits, if any, attached hereto which are hereby made a part of this Lease, represent the complete agreement between Landlord and Tenant; and Landlord has made no representations or warranties except as expressly set forth in this Lease. No modification or amendment of or waiver under this Lease shall be binding upon Landlord or Tenant unless in writing and signed by Landlord and Tenant.

(c) Time of Essence. Time is of the essence of this Lease and each and all of its provisions, specifically including, without limitation, the payment of Rent and the exercise of any option or right in favor of Tenant under this Lease. That does not mean, however, that a missed deadline will justify a termination of this Lease before any notice requirements provided herein are satisfied or any cure periods provided herein have expired.

(d) Execution and Delivery.

(i) Submission of this Lease for examination or signature by Tenant does not constitute a reservation of space or an option for lease, and it is not effective until execution and delivery by both Landlord and Tenant.

(ii) Execution and delivery of this Lease by Tenant to Landlord shall constitute an irrevocable offer by Tenant to lease the Premises on the terms and conditions set forth herein, which offer may not be revoked for ten (10) business days after such delivery.

(iii) Tenant covenants, warrants and represents that: (A) each individual executing, attesting and/or delivering this Lease on behalf of Tenant is authorized to do so on behalf of Tenant; (B) this Lease is binding upon Tenant, subject to any limitations or qualifications imposed by Laws; and (C) Tenant is legally existing in the state of its organization and is qualified to do business in the state of Texas.

(iv) Landlord covenants, warrants and represents that: (A) each individual executing, attesting and/or delivering this Lease on behalf of Landlord is authorized to do so on behalf of Landlord; (B) this Lease is binding upon Landlord, subject to any limitations or qualifications imposed by Laws; and (C) Landlord is legally existing in the state of its organization and is qualified to do business in the state of Texas.

(e) Severability. The invalidity or unenforceability of any provision of this Lease shall not affect or impair any other provisions.

(f) Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Texas.

(g) Delay in Possession. In no event shall Landlord be liable to Tenant if Landlord is unable to deliver possession of the Premises to Tenant on or before the Delivery Date for causes outside Landlord's reasonable control. If Landlord is unable to deliver possession of the Premises to Tenant on or before the Delivery Date, then the Delivery Date shall be deferred until the date upon which Landlord can deliver possession of the Premises to Tenant, in which event the Commencement Date and the Expiration Date shall each be deferred by an equal number of days. (But see Section 5(f) above.)

(h) Joint and Several Liability. If Tenant is comprised of more than one party, each such party shall be jointly and severally liable for Tenant's obligations under this Lease. Notices, payments and agreements given or made by, with or to any one person or entity shall be deemed to have been given or made by, with and to all of them.

(i) Force Majeure. Landlord shall not be in default hereunder and Tenant shall not be excused from performing any of its obligations hereunder if Landlord is prevented from performing any of its obligations hereunder due to any accident, breakage, strike, delay in obtaining any governmental permit or license, including any building permit, shortage of materials, act of God or other causes beyond Landlord's reasonable control, provided that in no event shall this provision excuse or permit any delay in the proper application or handling of LC Proceeds, or any delay in the cure of any default which may be cured by the payment of money. Likewise, Tenant shall not be in default hereunder and Landlord shall not be excused from performing any of its obligations hereunder if Tenant is prevented from performing any of its obligations hereunder due to any accident, breakage, strike, delay in obtaining any governmental permit or license, including any building permit, shortage of materials, act of God or other causes beyond Tenant's reasonable control, provided that in no event shall this provision excuse or permit any delay in the payment of Rent or the delivery of any required Qualified Letter of Credit, or any delay in the cure of any default which may be cured by the payment of money.

(j) Financial Statements.

(i) Within fifteen (15) days after Landlord's request, but not more often than twice in any calendar year, Tenant will deliver to Landlord, the most recent audited financial statements (including all notes to such statements) of Tenant, or, if no such audited statements have been prepared, then unaudited financial statements (including all notes to such statements) certified by Tenant's Chief Financial Officer as being true and correct in all material respects and containing no material misstatements or omissions therein, unless and except as otherwise explained or noted therein (the "**Financial Statements**"**).**

(ii) Landlord acknowledges the importance to Tenant of maintaining the confidentiality of its Financial Statements. Landlord shall not disclose any aspect of any Financial Statements provided by Tenant, except (i) to any Mortgagee, prospective Mortgagee, or prospective purchaser of the Building (a "**Permitted Recipient**"**),** and (ii) if required by court order or subpoena. Also, when disclosing any aspect of the Financial Statements to a Permitted Recipient, Landlord shall advise the Permitted Recipient of the confidential nature thereof and shall, by instruction to or agreement with the Permitted Recipient, endeavor to require the Permitted Recipient not to disclose any aspect of the Financial Statements. Landlord may use any Financial Statements provided by Tenant to evaluate and monitor Tenant's ability to perform its obligations under this Lease, but not for any other purposes.

(iii) Tenant represents and warrants to Landlord that all financial information of Tenant delivered or to be delivered to Landlord by or on behalf of Tenant is and will be true and correct in all material respects and will contain no material misstatements or omissions therein, unless and except as otherwise explained or noted therein.

(k) Headings. The headings and titles in this Lease are for convenience only and shall have no effect upon the construction or interpretation of this Lease.

(l) No Implied Waiver.

(i) No receipt of money by Landlord from Tenant after termination of this Lease or after the service of any notice or after the commencing of any suit or after final judgment for possession of the Premises shall renew, reinstate, continue or extend the Term or affect any such notice or suit. No waiver of any Default shall be implied from any omission by Landlord to take any action on account of such Default if such Default persists or be repeated, and no express waiver shall affect any Default other than the Default specified in the express waiver and then only for the time and to the extent therein stated.

(m) Recording. If requested by Tenant, Landlord will sign a memorandum of this Lease in recordable form, which Tenant may file in the local real property records. However, any such memorandum will not disclose the Rents required by this Lease. If the parties do not agree on some other form, the recording memorandum will be in the form attached as Exhibit K.

(n) Except as specifically and expressly provided in the Lease, no failure of Landlord or Tenant to insist at any time on the strict performance of, or to exercise any right or remedy available to it under, this Lease will constitute a waiver by it of any of its rights or remedies then or for the future. No waiver by Landlord or Tenant of, or acceptance by it of redress for, any breach of this Lease by the other party will constitute a waiver of any similar subsequent breach. Any express waiver by Landlord or Tenant of any provision of this Lease will affect only the term or condition specified in the waiver and only for the time and in the manner specifically stated in the waiver. No waiver of any provision of this Lease by Landlord or Tenant will be effective unless expressed in writing and signed by it. No receipt or acceptance by Landlord of any payment from Tenant with knowledge of a Default will constitute a waiver of the Default. Without limiting the forgoing, the acceptance by Landlord of any payment from Tenant in an amount less than the entire amount of all Rents then due will not constitute a waiver of Tenant's failure to pay the entire amount of all Rents due or in any way excuse any other Default..

(o) Relationship of Parties. It is the intention of this Lease to create the relationship between the parties hereto of only landlord and tenant and no other relationship whatsoever, and nothing contained in this Lease (including, without limitation, the method of determining Rent) shall be construed to make the parties partners or joint venturers or to render either party liable for any of the debts or obligations of the other party.

(p) Recapture Right. If Tenant vacates or abandons the Premises for a period of at least six (6) months, then and notwithstanding the fact that such vacation or abandonment may not ipso facto constitute a Default, Landlord shall have the right to terminate this Lease and recapture the Premises by giving Tenant a written notice thereof at any time after the expiration of said 6-month period and before Tenant resumes the occupancy of the Premises.

(q) Counterparts. This Lease may be executed in counterparts and each copy of this Lease to which is attached counterpart signature pages collectively containing the signatures of all of the parties hereto shall be deemed for all purposes to be a fully executed original of this Lease.

(r) Limitation on Landlord's Liability.

(i) It is expressly understood and agreed by Tenant that none of Landlord's covenants, undertakings or agreements are made or intended as personal covenants, undertakings or agreements by the members in Landlord or of any other Landlord Parties except Landlord.

(ii) Also, any liability of Landlord itself for damages for any breach or nonperformance by Landlord shall be collectible only out of Landlord's interest in the Property, as the same may then be encumbered, and no personal liability hereunder is assumed by, nor at any time may be asserted against Landlord, all such personal liability, if any, being expressly waived and released by Tenant. (To be clear, as used in this Section 25(r)(ii), the "personal liability" of Landlord means liability beyond Landlord's interest in the Property. Nothing in this Section 25(r) will prevent Tenant from suing Landlord for a breach of this Lease, or from obtaining a judgment against Landlord, or from executing the judgment against the Property. However, even if Tenant obtains a judgment against Landlord for a breach of this Lease, Tenant may not execute the judgment against any assets of Landlord other than the Property.)

(iii) Tenant further expressly understands and agrees that Landlord's agent executes this Lease, not in its own right but solely as Landlord's agent and that nothing in this Lease shall be construed as creating any liability whatsoever against such Landlord's agent, its members or their respective shareholders, directors, officers or employees and in particular. Without limiting the generality of the foregoing, none of them shall be liable to pay any indebtedness or sum accruing hereunder, or to perform any covenant or agreement whether express or implied herein contained, it being agreed that Landlord shall have sole responsibility therefor.

(iv) Landlord shall have the right to sell or convey and/or master lease the Building, and in connection therewith, to transfer and assign its rights under this Lease, and upon any such transfer and assignment Landlord shall be released from all obligations of the landlord under this Lease accruing after the effective date of such transfer or assignment, and Tenant agrees to look solely to the successor in interest of Landlord for the performance of such obligations.

(v) Despite the foregoing, nothing in this Section 25(r) will limit or release any rights of Tenant to recover Mishandled LC Proceeds from Landlord or any Landlord Party who receives those Mishandled LC Proceeds.

(s) Anti-Terrorism Representation. Each party to this Lease (Landlord and Tenant) represents that neither it nor any of its affiliates or constituents nor, to the best of its knowledge, any brokers or other agents of same, have engaged in any dealings or transactions, directly or indirectly, (i) in contravention of any U.S., international or other money laundering regulations or conventions, including, without limitation, the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986, the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, Trading with the Enemy Act (50 U.S.C. §1 et seq., as amended), or any foreign asset control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter **V,** as amended) or any enabling legislation or executive order relating thereto, or (ii) in contravention of Executive Order No. 13224 dated September 24, 2001 issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), as may be amended or supplemented from time to time **(**"**Anti-Terrorism Order**"**)** or (iii) on behalf of terrorists or terrorist organizations, including those persons or entities that are included on any relevant lists maintained by the United Nations, North Atlantic Treaty Organization, Organization of Economic Cooperation and Development, Financial Action Task Force, U.S. Office of Foreign Assets Control, U.S. Securities & Exchange Commission, U.S. Federal Bureau of Investigation, U.S. Central Intelligence Agency, U.S. Internal Revenue Service, or any country or organization, all as may be amended from time to time. Each party also represents and warrants that neither it nor any of its affiliates or constituents nor, to the best of its knowledge, any brokers or other agents of same, (1) are or will be conducting any business or engaging in any transaction with any person appearing on the U.S. Treasury Department's Office of Foreign Assets Control list of restrictions and prohibited persons, and (2) are a person described in section 1 of the Anti-Terrorism Order; and to the best knowledge of the party making this representation and warranty, neither it nor any of its affiliates have engaged in any dealings or transactions, or otherwise been associated with any such person. If at any time any of the foregoing representations and warranties becomes false then it shall be considered a default under this Lease by the party who made the false representation or warranty and, and the other party shall have the right to exercise all of the remedies set forth in this Lease in the event of a default or to terminate this Lease immediately.

(t) Parking. Subject to any temporary interruptions to Tenant's parking during repairs made by Landlord as provided in subsection 8(c) of this Lease and subject to applicable Laws, during the Term, so long as Tenant remains in possession of the Premises, Tenant and its employees and invitees may park in the parking areas serving the Building as shown on Exhibit C in the areas surrounding the Premises. Tenant agrees not to use any of the parking spaces north of the Premises. As part of Landlord's Work Landlord shall install parking spaces in those areas (by painting parking space striping as shown on Exhibit C). Tenant may reserve up to a total of 585 spaces (see estimated parking count on Exhibit C attached hereto) for the exclusive use of Tenant and its employees and invitees.

(u) Signage. For so long as this Lease is in full force and effect and Tenant is not in Default hereunder, and subject to all applicable codes and ordinances and governmental unit approval, Tenant shall have the right to display signage on the exterior of and near the entrances to the Premises. No other tenant or licensee of Landlord will display signage on the exterior of or near the entrances to the Premises. Other tenants or licensees may, however, be authorized by Landlord to display signage at other locations at Project B. Any exterior signage of Tenant (whether one or more, the "**Signs**") must be installed and maintained by Tenant. Also, the size, location, design, color, material and graphics of the Signs will be subject to Landlord's prior written approval (which shall not be unreasonably withheld, conditioned or delayed). Tenant shall pay all costs and expenses associated with the installation, maintenance and removal of the Signs and to obtain any and all permits required for the Signs. Upon the expiration or termination of this Lease or termination of Tenant's right to possession of the Premises, Tenant, at its expense, shall remove the Signs and shall repair and restore any damage caused by such removal.

(v) Waiver of Landlord's Lien. Simultaneously with the full execution of the Lease, Landlord, Tenant and Tenant's existing lender shall execute and deliver an agreement containing a waiver of Landlord's lien on Tenant's Property for the benefit of Tenant's lender in a form reasonably satisfactory to the parties thereto. Without limiting any provision of that waiver, Landlord hereby waives any statutory landlord's or other lien Landlord may have against any property of Tenant—other than Tenant's rights in relation to any Letters of Credit, LC Proceeds, or any Security Deposit Accounts, all of which will serve as security for Tenant's obligations under this Lease.

[END OF LEASE BODY EXHIBITS FOLLOW]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT A

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT B

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT C

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT C-l

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT D

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT E

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT F

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT F-l

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT F-2

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT F-3

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT G

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT H

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT I

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT J

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT K

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

Annex 1

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

Annex 2

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT L

[OMITTED]

Exhibit 10.24

CERTAIN IDENTIFIED INFORMATION IN THIS DOCUMENT HAS BEEN EXCLUDED PURSUANT TO REGULATION S-K, ITEM 601(B)(10) BECAUSE IT IS BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [******] INDICATES THAT INFORMATION HAS BEEN REDACTED

LEASE

10 JAY MASTER TENANT LLC,

a Delaware Limited Liability Company

Landlord

and

RENT THE RUNWAY, INC.,

a Delaware Corporation

Tenant

for

Entire 7th, 8th, 9th and 10th Floors
10 Jay Street
Brooklyn, New York

April 1, 2019

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LEASE

THIS LEASE (this "**Lease**") is made as of the 1st day of March, 2019 (the "**Effective Date**"), between **10 JAY MASTER TENANT LLC** ("**Landlord**"), a Delaware limited liability company, and **RENT THE RUNWAY, INC.** ("**Tenant**"), a Delaware corporation.

Landlord and Tenant hereby agree as follows:

Article 1

BASIC LEASE PROVISIONS

PREMISES	The (i) entire rentable area of the 7th floor of the Building, which the parties hereby conclusively agree, without representation or warranty, contains 23,621 RSF, as more particularly shown hatched on **Exhibit A-1** annexed hereto (the "**7th Floor Premises**"), (ii) entire rentable area of the 8th floor of the Building, which the parties hereby conclusively agree, without representation or warranty, contains 23,621 RSF, as more particularly shown hatched on **Exhibit A-2** annexed hereto (the "**8th Floor Premises**"), (iii) entire rentable area of the 9th floor of the Building, which the parties hereby conclusively agree, without representation or warranty, contains 23,621 RSF, as more particularly shown hatched on **Exhibit A-3** annexed hereto (the "**9th Floor Premises**") and (iv) entire rentable area of the 10th floor of the Building, which the parties hereby conclusively agree, without representation or warranty, contains 12,188 RSF, as more particularly shown hatched on **Exhibit A-4** annexed hereto (the "**10th Floor Premises**"; the 7th Floor Premises, the 8th Floor Premises and the 9th Floor Premises, together with the 10th Floor Premises, collectively, the "**Premises**").
BUILDING	The building, fixtures, equipment and other improvements and appurtenances now located or hereafter erected, located or placed upon the land known as 10 Jay Street, Brooklyn, New York.
REAL PROPERTY	The Building, together with the plot of land upon which it stands.
COMMENCEMENT DATE	April 1, 2019. Landlord and Tenant agree that as of the Effective Date, the Premises is vacant and broom-clean, and Landlord's Work (as hereinafter defined) has been completed therein.

RENT COMMENCEMENT DATE	With respect to the 7th Floor Premises, the date that is twenty (20) months from the Commencement Date (the "**7th Floor Premises Rent Commencement Date**"); and With respect to the 8th Floor Premises, the 9th Floor Premises and the 10th Floor Premises, the date that is twelve (12) months from the Commencement Date (the "**8th-10th Floor Premises Rent Commencement Date**"; the 7th Floor Premises Rent Commencement Date and the 8th-10th Floor Premises Rent Commencement Date, each, as and when applicable, the "**Rent Commencement Date**").
EXPIRATION DATE	The last day of the calendar month in which the day immediately preceding the twelfth (12th) anniversary of the 7th Floor Premises Rent Commencement Date occurs, or the last day of any renewal or extended term, if the Term of this Lease is extended in accordance with any express provision hereof.
TERM	The period commencing on the Commencement Date and ending on the Expiration Date.
PERMITTED USES	General, administrative and executive offices and all other uses ancillary to Tenant's business, subject to compliance with Article 3.
BASE EXPENSE YEAR	Calendar year 2019.
TENANT'S TAX PROPORTIONATE SHARE	[******]%
TENANT'S OPERATING PROPORTIONATE SHARE	[******]%
AGREED AREA OF BUILDING	221,509 RSF, as mutually agreed by Landlord and Tenant, without representation or warranty, for the purpose of calculating Tenant's Tax Proportionate Share, and 207,222 RSF, as mutually agreed by Landlord and Tenant, without representation or warranty, for the purpose of calculating Tenant's Operating Proportionate Share.
AGREED AREA OF PREMISES	83,051 RSF, as mutually agreed by Landlord and Tenant, without representation or warranty.
FIXED RENT	With respect to the 7th Floor Premises only and commencing on the 7th Floor Premises Rent Commencement Date:

Period	Per Annum	Per Month
Lease Years 1 - 5	$ [******]	$ [******]
Lease Years 6 - 10	$ [******]	$ [******]
Lease Years 11 - Expiration Date	$ [******]	$ [******]

With respect to the 8th Floor Premises only and commencing on the 8th-10th Floor Premises Rent Commencement Date:

Period	Per Annum	Per Month
Lease Years 1 - 5	$[******]	$[******]
Lease Years 6 - 10	$[******]	$[******]
Lease Years 11 - - Expiration Date	$[******]	$[******]

With respect to the 9th Floor Premises only and commencing on the 8th-10th Floor Premises Rent Commencement Date:

Period	Per Annum	Per Month
Lease Years 1 - 5	$[******]	$[******]
Lease Years 6 - 10	$[******]	$[******]
Lease Years 11 - Expiration Date	$[******]	$[******]

With respect to the 10th Floor Premises only and commencing on the 8th-10th Floor Premises Rent Commencement Date:

Period	Per Annum	Per Month
Lease Years 1 - 5	$[******]	$[******]
Lease Years 6 - 10	$[******]	$[******]
Lease Years 11 - Expiration Date	$[******]	$[******]

ADDITIONAL RENT All sums other than Fixed Rent payable by Tenant to Landlord under this Lease, including Tenant's BID Payment and Annual Interim Payment or Tenant's Tax Payment, as applicable, Tenant's Operating Payment, late charges, overtime or excess service charges, damages, and interest and other costs related to Tenant's failure to perform any of its obligations under this Lease.

RENT Fixed Rent and Additional Rent, collectively.

INTEREST RATE The lesser of (i) [******]% per annum above the then current Base Rate, and (ii) the maximum rate permitted by applicable law.

TENANT'S ADDRESS FOR NOTICES	Until Tenant commences business operations from the Premises: Rent the Runway, Inc. 345 Hudson Street, 6th Floor New York, New York 10014 Attn: Legal Department Thereafter: Rent the Runway, Inc. 10 Jay Street Brooklyn, New York 11201 Attn: Legal Department In each case with a copy to: Patterson Belknap Webb & Tyler LLP 1133 Avenue of the Americas New York, New York 10036 Attn: Jason T. Polevoy, Esq.
LANDLORD'S ADDRESS FOR NOTICES	10 Jay Master Tenant LLC c/o Glacier Global Partners LLC 220 East 42nd Street, Suite 3002 New York, New York 10017 Attn: Yaniv Blumenfeld With a copy to: Loeb & Loeb LLP 345 Park Avenue New York, New York 10154 Attn: Nichole D. Cortese, Esq.
BROKER(S)	Jones Lang LaSalle Brokerage, Inc. and CBRE, Inc.
LANDLORD'S CONTRIBUTION	$[******]

All capitalized terms used in this Lease without definition are defined in **Exhibit B-1**, and an index of defined terms is annexed hereto as **Exhibit B-2**.

Article 2

PREMISES, TERM, RENT

Section 2.1 **Lease of Premises**. Subject to the terms of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises for the Term. In addition, Landlord grants to Tenant the right to use, on a non-exclusive basis and in common with other tenants, the Common Areas.

Section 2.2 **Commencement Date**. (a) Upon the Effective Date, the terms and provisions hereof shall be fully binding on Landlord and Tenant prior to the occurrence of the Commencement Date. The Term of this Lease shall commence on the Commencement Date and, unless sooner terminated or extended as hereinafter provided, shall end on the Expiration Date. Notwithstanding anything to the contrary contained herein, Tenant acknowledges and agrees that as of the Effective Date, Landlord's Work is complete in the Premises, and the Premises is vacant and broom-clean.

(b) Once the Commencement Date has occurred, Landlord and Tenant shall execute an agreement stating the Commencement Date, each Rent Commencement Date and the Expiration Date, in the form of **Exhibit D** annexed hereto, but the failure to do so will not affect the determination of such dates.

Section 2.3 **Intentionally Omitted**.

Section 2.4 **Payment of Rent**. Tenant shall pay to Landlord, without notice or demand, and without any set-off, counterclaim, abatement or deduction whatsoever, except as may be expressly set forth in this Lease, in lawful money of the United States by wire transfer of funds pursuant to wiring instructions provided by Landlord to Tenant by written notice from time to time, provided that Landlord shall endeavor to provide Tenant with not less than ten (10) Business Days' advance written notice of any change in such wiring instructions, (i) Fixed Rent in equal monthly installments, in advance, on the first day of each month during the Term, commencing on the applicable Rent Commencement Date, and (ii) Additional Rent, commencing on the Commencement Date, at the times and in the manner set forth in this Lease. Notwithstanding the foregoing, Tenant shall pay the first (1st) full monthly installment of Fixed Rent applicable to the entire Premises to Landlord on or prior to April 1, 2019.

Article 3

USE AND OCCUPANCY

Section 3.1 **Use and Occupancy.** (a) Tenant shall use and occupy the Premises for the Permitted Uses and for no other purpose. Tenant shall not use or occupy or permit the use or occupancy of any part of the Premises in a manner constituting a Prohibited Use. If Tenant uses the Premises for a purpose constituting a Prohibited Use, violating any Requirement, or causing the Building to be in violation of any Requirement, then Tenant shall promptly discontinue such use upon its receipt of written notice of such violation. Tenant, at its expense, shall procure and at all times maintain and comply with the terms and conditions of all licenses and permits that may be required by applicable Requirements to be maintained by Tenant for the lawful conduct of Tenant's business in the Premises, consistent with the Permitted Uses. Upon Tenant's request, Landlord shall cooperate with Tenant in all reasonable respects to Tenant procuring and maintaining any licenses and/or permits required for the lawful conduct of Tenant's business in the Premises, consistent with the Permitted uses.

(b) Notwithstanding anything to the contrary provided in this Lease, so long as Tenant obtains all permits and licenses required by Government Authorities, if applicable, Tenant may serve and/or sell alcoholic beverages to its employees and guests in the Premises or may enter into concessions with third parties to serve and/or sell alcoholic beverages to Tenant's employees and guests in the Premises (and not to the public and not for consumption outside the Premises). Such arrangements shall not be deemed a sublease under Article 13 of this Lease and shall not require Landlord's consent (it being agreed that any such concessionaire

shall constitute a Permitted Occupant hereunder); however, this Lease shall not be contingent on Tenant's ability to procure a liquor license or other permits or licenses that may be required for the service and/or sale of alcoholic beverages in the Premises. Tenant shall have the right to have one (1) or more pantries in the Premises and may use in each such pantry an ordinary kitchen (as opposed to industrial) grade dishwasher, refrigerator, sink, toaster oven and microwave oven (collectively referred to herein as "**Permitted Equipment**"), provided that no such use shall require use of a flue or other means of venting, a rotoclone, or similar type of equipment. Tenant may use Permitted Equipment to warm, heat, or re-heat foods that are cooked off-site for consumption by Tenant's employees and guests in the Premises.

(c) Without limiting the generality of Article 25 of this Lease, Tenant agrees to indemnify and hold harmless Landlord from and against any and all claims and any and all loss, cost, damage or expense relating to the service or sale of alcoholic beverages in and from the Premises, including, without limitation, any such claim arising from any act, omission or negligence of Tenant or Persons Within Tenant's Control, or from any accident, injury, or damage whatsoever caused to any person or to the property of any person occurring from and after the date that possession of the Premises is delivered to Tenant until the end of the Term (or such later date that Tenant ceases to occupy the Premises), whether such claim arises or accident, injury or damages occurs within the Premises, within the Building but outside the Premises, or outside the Building, except to the extent caused by Landlord's negligence or willful misconduct. This indemnity and hold harmless agreement shall include indemnity against all costs, expenses and liabilities (including, without limitation, reasonable out of pocket legal fees, court costs and other reasonable disbursements) incurred or made in connection with any such claim or proceeding brought thereon, and the defense thereof, and shall survive the termination of this Lease. It is understood that without this indemnification of Landlord by Tenant, Landlord would not permit the service or sale of alcoholic beverages in or from the Premises, and Tenant covenants that Tenant's liability insurance referred to in this Lease shall cover, indemnify and hold harmless Landlord from all such matters and items mentioned in this indemnity.

Section 3.2 **Certificate of Occupancy.** Notwithstanding anything to the contrary contained in this Lease, the parties acknowledge that no certificate of occupancy has been issued in respect of the Building. Accordingly, and in order for Landlord to be responsible for the orderly process by which a temporary certificate of occupancy (and the final certificate of occupancy) shall be issued, Tenant shall retain Landlord's expediter to file Tenant's Plans for the Initial Installations with the NYC Department of Buildings (it being agreed that such expediter shall charge commercially reasonable rates competitive with those of similarly qualified expediters performing similar services in first class office buildings in the vicinity of the Building). For the avoidance of doubt, Landlord shall maintain a temporary certificate of occupancy in full force and effect until such time as a permanent certificate of occupancy is issued for the Building (which Landlord shall diligently and continuously pursue to completion).

Article 4

CONDITION OF THE PREMISES

Section 4.1 **Condition**. (a) Tenant has inspected the Premises and agrees to accept possession of the Premises in the condition existing on the Commencement Date "as is", it being agreed that that the same shall be delivered vacant and broom-clean, with Landlord's Work completed therein. Tenant acknowledges that Landlord's Work has been completed as of the Effective Date, and except for Landlord's Contribution and the completion of Landlord's Post-Commencement Work (as hereinafter defined), Landlord has no obligation to perform any work, supply any materials, incur any expense or make any alterations or improvements to prepare the Premises for Tenant's occupancy. Any work to be performed by Tenant in connection with Tenant's initial occupancy of the Premises shall be hereinafter referred to as the **"Initial Installations"**.

(b) Notwithstanding anything to the contrary contained herein, Tenant, within ten (10) months following the Commencement Date (with time being of the essence), may give Landlord a written notice (herein called a "**Latent Defects List**") specifying in reasonable detail any latent defects discovered by Tenant in the Premises with respect to Landlord's Work (but not defects caused by Tenant or Persons Within Tenant's Control). If Tenant shall so timely deliver a Latent Defects List, then upon confirmation of the items on said list, Landlord shall use reasonable efforts to correct any such items as soon as is reasonably practicable, provided that Tenant shall give Landlord access to the Premises for the performance of such work, and provided further, that Landlord shall perform such work so as not to unreasonably interfere with Tenant's use and occupancy of the Premises for the conduct of its business or for the performance of the Initial Installations (it being agreed, however, that Landlord shall not be required to perform any such work on an overtime or premium-pay basis, unless (x) Tenant shall request the same, in which event Tenant shall pay the incremental increased costs thereof, or (y) the performance of such work during Ordinary Business Hours on Business Days would materially interfere with the conduct of Tenant's business in the Premises, such that Tenant would be unable to use at least 5,000 RSF of the Premises for the ordinary conduct of its business for more than two (2) consecutive Business Days). Any dispute between Landlord and Tenant as to whether any item has been properly included on a Latent Defects List shall be subject to determination by expedited arbitration (initiated by either party) in accordance with Article 33 of this Lease, provided that any arbitrator charged with resolving such dispute shall have at least ten (10) years' experience in construction management with respect to projects in commercial properties similar to the Building. The foregoing provisions of this Section 4.1 shall not derogate any of the repair obligations of Landlord expressly set forth in this Lease.

Section 4.2 **Landlord's Contribution**. (a) Landlord shall pay to Tenant an amount not to exceed Landlord's Contribution toward the cost of the Initial Installations (excluding any "soft costs" and Tenant's Property), provided that as of the date on which Landlord is required to make payment thereof pursuant to Section 4.2(b): (i) this Lease is in full force and effect, and (ii) no Event of Default then exists. Tenant shall pay all costs of the Initial Installations in excess of Landlord's Contribution. Landlord's Contribution shall be payable solely on account of labor directly related to the Initial Installations and materials delivered to the Premises in connection with the Initial Installations (excluding any "soft costs" and Tenant's Property), except that Tenant may apply up to 20% of Landlord's Contribution to pay "soft cost" incurred in connection with the Initial Installations, which shall be limited to the actual architectural, consulting, engineering, expediting, permitting and filing fees incurred by Tenant in connection therewith. Tenant shall not be entitled to receive any portion of Landlord's Contribution not actually expended by Tenant in the performance of the Initial Installations; provided, however, that so long as the Initial Installations shall have been substantially completed and an Event of Default shall not then be continuing, at any time on or after the second (2nd) anniversary of the last occurring Rent Commencement Date, Tenant shall have the right to apply any unexpended portion of Landlord's Contribution as a credit against Fixed Rent upon prior written notice to Landlord.

(b) Landlord shall make progress payments of Landlord's Contribution to Tenant from time to time (but not more frequently than on a monthly basis), in each case within thirty (30) days following the delivery to Landlord of a requisition therefor accompanied by (i) with the exception of the first requisition, copies of partial waivers of lien from all contractors,

subcontractors, and material suppliers covering all work and materials which were the subject of previous progress payments of Landlord's Contribution, (ii) a certification from Tenant's architect that the work for which the requisition is being made has been completed substantially in accordance with the plans and specifications approved by Landlord therefor and in accordance with applicable Requirements and (iii) a written signed statement from an authorized financial officer of Tenant outlining in detail the amount of Landlord's Contribution being requested, along with a certification by Tenant that the amount claimed is for reimbursement to Tenant for payment to the listed parties. Landlord may withhold an amount equal to ten percent (10%) of each requisition for retainage. After the Initial Installations have been completed in the Premises, Landlord shall disburse any amount retained by it hereunder upon submission by Tenant to Landlord of Tenant's requisition therefor accompanied by all documentation required under this Section 4.2(b), together with (A) proof of the satisfactory completion of all required inspections and issuance of any required approvals, permits and sign-offs for the Initial Installations by Governmental Authorities having jurisdiction thereover, (B) final "as-built" plans and specifications for the Initial Installations as required pursuant to Section 5.1(c) and (C) issuance of final lien waivers by all contractors, subcontractors and material suppliers covering all of the Initial Installations. The right to receive Landlord's Contribution is for the exclusive benefit of Tenant, and in no event shall such right be assigned to or be enforceable by or for the benefit of any third party, including any contractor, subcontractor, materialman, laborer, architect, engineer, attorney or other person or entity.

(c) If Landlord shall fail to pay an installment of Landlord's Contribution on a timely basis in accordance with this Section 4.2, Tenant may provide written notice of such failure to Landlord. If Landlord shall not make the required payment to Tenant within thirty (30) days after such notice shall have been given to Landlord, in bold face capitalize type with specific reference to the provisions of this Section 4.2(c), then any dispute arising between Landlord and Tenant as to whether Landlord has failed properly to pay such installment of Landlord's Contribution shall be subject to expedited arbitration initiated by Tenant pursuant to the terms of Article 33 of this Lease, and in the event that Tenant shall obtain a final and binding determination in such arbitration to the effect that Landlord was required to pay such installment of Landlord's Contribution, then if Landlord shall not within ten (10) days after such judgment has been obtained pay such funds to Tenant, Tenant shall have the right to offset such amount against the next installment(s) of Fixed Rent, Tenant's BID Payment, the Annual Interim Payment, Tenant's Tax Payment and Tenant's Operating Payment becoming due hereunder until Tenant has been fully reimbursed therefor. For the avoidance of doubt, Landlord shall pay to Tenant any portions of any installment of Landlord's Contribution which are not in dispute, rather than awaiting the outcome of any arbitration or negotiation regarding disputed components thereof.

Section 4.3 **Landlord's Work**. Landlord has, at its own cost and expense, in a good and workmanlike manner and in compliance with applicable Laws, performed Landlord's Work (as more particularly described and defined on **Exhibit C** annexed hereto).

Section 4.4 **Landlord's Post-Commencement Work; Landlord Delays**. Landlord shall, at its own cost and expense, in a good and workmanlike manner and in compliance with applicable Laws, (i) encase the exposed column in the 8th Floor Premises in brick on or prior to April 15, 2019 (the "**Column Work**") and (ii) pour a new concrete slab on each floor of the Premises reasonably promptly and diligently after the installation of Tenant's conduit on each floor of the Premises ("**Landlord's Post-Commencement Work**") (which conduit shall be installed by Tenant as part of the Initial Installations). Landlord and its employees, contractors and agents shall have access to the Premises at all reasonable times for the performance of the Column Work and Landlord's Post-Commencement Work and for the storage of materials reasonably

required in connection therewith, and Tenant shall reasonably cooperate with Landlord in connection therewith. Landlord shall diligently complete the Column Work and Landlord's Post-Commencement Work and shall use reasonable efforts to minimize interference with Tenant's use and occupancy of the Premises (including, without limitation, the performance of the Initial Installations) during the performance of such work, and any damage to the Premises resulting therefrom shall be promptly repaired by Landlord, at its sole cost and expense. Landlord and Tenant shall use reasonable efforts to cooperate with each other so as to permit the other to work in the Premises at the same time. There shall be no Rent abatement or allowance to Tenant for a diminution of rental value, no actual or constructive eviction of Tenant, in whole or in part, no relief from any of Tenant's other obligations under this Lease, and no liability on the part of Landlord, by reason of inconvenience, annoyance or injury to business arising from the performance of the Column Work or Landlord's Post-Commencement Work or the storage of any materials in connection therewith. Notwithstanding the foregoing, provided that no Event of Default shall then be continuing hereunder, if Tenant shall actually be delayed in completion of the Initial Installations due to (x) Landlord's failure to complete Landlord's Post-Commencement Work within seven (7) days after Tenant's installation of Tenant's conduit on each floor of the Premises as part of the Initial Installations (provided that Tenant shall have given Landlord at least 30 days prior notice (which notice may be given verbally) of its anticipated completion of such conduit installation) (the "**Post-Commencement Work Deadline**"); or (y) any wrongful act or refusal to act (where Landlord has an express duty to act) of Landlord, provided in the case of this clause (y) that Tenant shall have given Landlord notice of such wrongful act or refusal to act (where Landlord has an express duty to act) and Landlord shall have failed to cure the same within one (1) Business Day after Landlord's receipt of such notice (an "**Act or Refusal Delay**"), then, as Tenant's sole and exclusive remedy for such actual delay in completion of the Initial Installations, Tenant shall receive a credit against the Fixed Rent due hereunder commencing on the Rent Commencement Date in an amount equal to (I) 1/30 of the monthly amount of Fixed Rent due for every one (1) full day that occurs after the Post-Commencement Work Deadline until Landlord's Post-Commencement Work is substantially completed, and/or (II) 1/30 of the monthly amount of Fixed Rent due for every one (1) full day on which any Act or Refusal Delay(s) shall continue hereunder. Notwithstanding anything to the contrary contained in this Lease, (i) Landlord and Tenant acknowledge and agree that no act, omission or refusal to act by Landlord shall constitute an Act or Refusal Delay if any other remedy (including, without limitation, deemed approval and/or rent abatement) shall be available to Tenant therefor under any other provision of this Lease (including, without limitation, pursuant to Sections 2.3, 5.1(b), 5.3, 5.13, 8.1(b), 10.10(b), 26.22 and/or Article 34), and (ii) no abatement of Fixed Rent shall be granted on any given calendar day in duplication of any other abatement of Fixed Rent accruing with respect to such calendar day. Any dispute between Landlord and Tenant as to whether Tenant has actually been delayed in completion of the Initial Installations as set forth in this Section 4.4 shall be subject to determination by expedited arbitration (initiated by either party) in accordance with Article 33 of this Lease, provided that any arbitrator charged with resolving such dispute shall have at least ten (10) years' experience in construction management with respect to projects in commercial properties similar to the Building.

In addition to the foregoing, if Landlord shall not have completed the Column Work by April 15, 2019 (with time being of the essence), then as Tenant's sole and exclusive remedy therefor, Tenant shall receive a credit against the Fixed Rent due and payable for the 8th Floor Premises in the amount of $[******] per day for each day after April 15, 2019 on which the Column Work shall not be completed.

Article 5

ALTERATIONS

Section 5.1 **Tenant's Alterations**. (a) Except as otherwise expressly provided in Section 5.10, Tenant shall not make any alterations, additions or other physical changes in or about the Premises (collectively, "**Alterations**"), other than decorative Alterations, such as painting, wall coverings and floor coverings (collectively, "**Decorative Alterations**"), which Decorative Alterations may be performed by Tenant without Landlord's approval, or, subject to the provisions of Section 5.10, such Alterations that (i) are non-structural and do not affect any Building Systems, (ii) affect only the Premises and are not visible from outside of the Premises, (iii) do not affect the certificate of occupancy issued for the Building or the Premises, or, prior to the issuance of a certificate of occupancy for the Building or the Premises, do not affect any then existing temporary certificate of occupancy or Alt-1 permit for work in the Building or any work in connection therewith, and (iv) do not violate any Requirements (collectively, "**Non-Structural Alterations**"). Tenant shall observe and comply with the Building's rules and regulations with respect to performing all Alterations, as reasonably supplemented or amended from time to time. For the avoidance of doubt, the Initial Installations shall constitute Alterations under this Lease. Subject to Landlord's approval of the plans and specifications therefor in accordance with this Article 5 and Tenant's compliance with the Rules and Regulations, and provided that the same shall not adversely affect the structural integrity of the floor(s) involved or adversely affect any contiguous floors, at Tenant's cost, Tenant may, from time to time, install internal staircase(s) (each, an "**Internal Staircase**") between contiguous floors of the Premises (provided that Landlord's structural engineer shall prepare the plans and specifications therefor, it being agreed that such engineer shall charge rates competitive with other similarly qualified structural engineers performing similar services in comparable office buildings in the vicinity of the Building). In the event that Tenant installs one (1) or more Internal Staircases as part of the Initial Installations, Landlord shall pay to Tenant an amount not to exceed $[******] in the aggregate (the "**Internal Staircase Allowance**") toward the cost of any such Internal Staircase(s) to be disbursed in accordance with the provisions of Section 4.2; however, Tenant shall not be entitled to receive any portion of the Internal Staircase Allowance not actually expended by Tenant in the installation of any Internal Staircase(s) as part of the Initial Installations, nor shall Tenant have any right to apply any unexpended portion of the Internal Staircase Allowance as a credit against Rent or any other obligation of Tenant hereunder.

(b) **Plans and Specifications**. Prior to making any Alterations, Tenant, at its expense, shall (i) submit to Landlord for its approval, which approval shall not be unreasonably withheld or delayed, pursuant to Section 5.1(a), detailed plans and specifications ("**Plans**") of each proposed Alteration (other than Decorative Alterations), and with respect to any Alteration affecting any Building System, evidence that the Alteration has been designed by, or reviewed and approved by (consistent with the standards of approval set forth in Section 5.1(a)), Landlord's designated engineer for the affected Building System, provided such engineer charges commercially reasonable rates, (ii) obtain all permits, approvals and certificates required by any Governmental Authorities, and (iii) furnish to Landlord certificates of worker's compensation (covering all persons to be employed by Tenant, and Tenant's contractors and subcontractors in connection with such Alteration) and commercial general liability (including property damage coverage) insurance and Builder's Risk coverage (as described in Article 11) all in such form, with such companies, for such periods and in such amounts as Landlord may reasonably require, naming Landlord, its manager, any Lessor and any Mortgagee as additional insureds. Tenant shall give Landlord not less than five (5) Business Days' notice prior to performing any Decorative Alteration, which notice shall contain a description of such Decorative Alteration. Landlord shall

respond to any request for approval of Tenant's Plans within fifteen (15) days after such request is made. In addition, Landlord agrees to respond to any resubmission of the Plans within ten (10) days after resubmission to Landlord. If Landlord fails to respond to Tenant's request within the applicable review period set forth herein, Tenant shall have the right to provide Landlord with a second request for approval (a "**Second Request**"), which shall specifically identify the Plans to which such request relates, and set forth in bold capital letters the following statement: **IF LANDLORD FAILS TO RESPOND WITHIN FIVE (5) BUSINESS DAYS AFTER RECEIPT OF THIS NOTICE, THE PLANS SHALL BE DEEMED APPROVED AND TENANT SHALL BE ENTITLED TO COMMENCE CONSTRUCTION OF THE ALTERATIONS IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS PREVIOUSLY SUBMITTED TO LANDLORD AND TO WHICH LANDLORD HAS FAILED TO TIMELY RESPOND.** If Landlord fails to respond to a Second Request within five (5) Business Days after receipt by Landlord, the Plans (or revisions thereto) for which the Second Request is submitted shall be deemed to be approved by Landlord, and Tenant shall be entitled to commence construction of the Alterations or portion thereof to which the Plans relate, provided that such Plans have (if required) been appropriately filed in accordance with any applicable Requirements, all permits and approvals required to be issued by any Governmental Authority as a prerequisite to the performance of such Alterations shall have been duly issued, Tenant shall otherwise have complied with all applicable provisions of this Lease relating to the performance of such Alterations, and such Alterations shall comply with the Benefits Requirements (as hereinafter defined). Landlord hereby approves in concept the design aesthetics shown on **Exhibit P** annexed hereto, subject to further approval of Tenant's Plans as set forth herein and compliance with the terms and conditions of this Lease.

(c) **Governmental Approvals**. Tenant, at its expense, shall, as and when required, promptly obtain certificates of partial and final approval of such Alterations required by any Governmental Authority and shall, within thirty (30) days after completion of any Alterations, furnish Landlord with copies thereof, together with "as-built" Plans for such Alterations (other than Decorative Alterations and any Alterations where it would be contrary to the generally accepted industry practice to produce "as-built" Plans) prepared on an AutoCAD Computer Assisted Drafting and Design System (or such other system or medium as Landlord may reasonably accept), using naming conventions issued by the American Institute of Architects in June, 1990 (or such other naming conventions as Landlord may reasonably accept) and magnetic computer media of such record drawings and specifications translated in DWG format or another format reasonably acceptable to Landlord. Upon Tenant's request, Landlord shall reasonably cooperate with Tenant in obtaining any permits, approvals and/or certificates required to be obtained by Tenant in connection with any permitted Alteration (if the provisions of the applicable Requirement require that Landlord join in such application), provided that Tenant shall reimburse Landlord for any actual and reasonable out-of-pocket costs or expenses in connection therewith, provided further that Landlord shall not charge any fees for the mere execution of any documents and Landlord shall not charge any fees under this Section 5.1(c) in duplication of fees charged to Tenant pursuant to any other terms and conditions of this Lease. Without limiting the foregoing, provided that Tenant shall have submitted to Landlord reasonably acceptable Plans for the Initial Installations, Landlord shall sign any required application for Tenant to obtain a building permit for the Initial Installations at such time as Landlord shall initially respond to Tenant's submissions of its Plans for the Initial Installations; provided that Landlord's execution of any such application shall not be deemed an approval of the Initial Installations or the Plans therefor or permission from Landlord for Tenant to do any work in the Premises. Landlord reserves all rights with respect to the approval of Alterations and the plans and specifications therefor and to require Tenant to withdraw or revise the applications and modify the Alterations and the plans and specification therefor in Landlord's reasonable discretion. With respect to the Initial Installations, Tenant's architect shall be permitted to utilize "self-certification" to obtain building permits, provided that in such event, Tenant shall indemnify and hold harmless Landlord from and against any liability due to omissions or design defects, subject to the limitations contained in this Lease.

(d) **Certain Violations**. If the existence of any violations of Requirements noted of record against the Real Property (other than any such violations created by any Tenant Party or which will be cured by Tenant by the performance of the Initial Installations) shall delay (or prevent) Tenant from obtaining any governmental permits, consents, approvals or other documentation required by Tenant for (A) the performance of any Initial Installations or (B) the lawful occupancy of any portion of the Premises upon completion of any Initial Installations (it being understood that the imposition of conditions by a Governmental Authority requiring the cure of any such violation as a condition precedent to obtaining any such governmental permits, consents, approvals or other documentation which shall so delay Tenant from obtaining any governmental permits, consents, approvals or other documentations shall be deemed such a prevention or delay), then, upon the giving of notice by Tenant to Landlord of such prevention or delay and of the applicable violations and such prevention or delay shall be the cause of any actual delay in Tenant's commencement of its performance, and/or substantial completion, of the Initial Installations, Landlord shall promptly commence and thereafter diligently prosecute to completion the cure and removal of record of such violations.

Section 5.2 **Manner and Quality of Alterations**. (a) All Alterations shall be performed (i) in a good and workmanlike manner and free from defects, (ii) substantially in accordance with the Plans approved by Landlord therefor (or submitted to Landlord in accordance with Section 5.10 below, as applicable), and by contractors, subcontractors, architects and engineers reasonably approved by Landlord (such approval not to be unreasonably withheld or delayed), (iii) in compliance with all Requirements, the terms of this Lease and all construction procedures, rules and regulations then reasonably prescribed by Landlord, and (iv) at Tenant's expense (subject to Landlord's Contribution in accordance with Article 4 with respect to the Initial Installations). All materials and equipment shall be of first quality and at least equal to the applicable standards for the Building reasonably established by Landlord (which shall be consistent with comparable buildings), and no such materials or equipment (other than Tenant's Property) shall be subject to any lien or other encumbrance. Notwithstanding anything herein to the contrary, Tenant shall be required to use Landlord's designated contractor in connection with any Alterations affecting a Building System (it being agreed that such contractor shall charge commercially reasonable rates competitive with those of similarly qualified contractors performing similar services in first class office buildings in the vicinity of the Building).

(b) Notwithstanding anything to the contrary set forth herein, Tenant shall be permitted to grant a security interest in any and all moveable Tenant's Property in the Premises, provided that such moveable Tenant's Property can be removed from the Premises without damage to the Premises or the Building (such moveable Tenant's Property, collectively, the "**Collateral Property**") in connection with customary financing secured by such Collateral Property ("**Tenant Financing**"), provided further that: (i) the secured party shall agree to repair any damage to the Premises and/or the Building caused by its removal of any Collateral Property therefrom and to indemnify Landlord and its Mortgagees and Lessors in connection therewith; and (ii) such secured party shall execute an agreement on a commercially reasonable form agreeing to the foregoing and to Landlord's other standard provisions with respect to any Tenant Financing and any required secured party access to the Building and the Premises in connection therewith (it being agreed that the agreement annexed hereto as **Exhibit Q** (the "**Collateral Access Agreement**") shall be deemed to be commercially reasonable). Landlord and Tenant acknowledge and agree that Landlord and Comerica Bank, as the initial secured party (the "**Initial Secured Party**"), will enter into the Collateral Access Agreement in the form annexed hereto as

Exhibit Q promptly following the Effective Date. Thereafter, during the Term, if Tenant shall replace the initial Tenant Financing with a subsequent Tenant Financing with a different secured party, then upon termination of the Collateral Access Agreement with the Initial Secured Party, Landlord shall agree to enter into another Collateral Access Agreement with the secured party under Tenant's subsequent Tenant Financing, provided that in no event shall more than one Collateral Access Agreement be in effect at any one time.

Section 5.3 **Removal of Tenant's Property**. Tenant's Property shall remain the property of Tenant and Tenant may remove the same at any time on or before the Expiration Date. On or prior to the Expiration Date, Tenant shall, at Tenant's expense, remove all of Tenant's Property and, unless otherwise directed by Landlord as provided below, any Specialty Alterations from the Premises, and close up any slab penetrations in the Premises (other than any slab penetrations existing as of the Commencement Date which were not created by Tenant and any slab penetrations that are made as part of the Initial Installations). Notwithstanding the foregoing, Landlord agrees that (x) Tenant shall not be required to remove from the Premises any Internal Staircase vertically connecting one or more floors of the Premises that is installed by Tenant as part of the Initial Installations, and the same shall not be deemed to constitute Specialty Alterations hereunder, and (y) Tenant shall not be required to remove from the Premises up to two (2) private or executive restrooms (each of which may include one shower therein) on up to two (2) floors of the Premises (for a maximum aggregate of four (4) such private or executive restrooms), in each case installed by Tenant in the Premises as part of the Initial Installations, and the same shall not be deemed to constitute Specialty Alterations hereunder (provided that any multi-stall shower facility or so-called "gang shower" facility shall constitute Specialty Alterations which Tenant shall be required to remove from the Premises on or prior to the Expiration Date). Tenant shall repair and restore, in a good and workmanlike manner, any damage to the Premises or the Building caused by Tenant's removal of any Alterations or Tenant's Property or by the closing of any slab penetrations, and upon default thereof, Tenant shall reimburse Landlord the reasonable cost actually incurred by Landlord for repairing and restoring such damage. Any Specialty Alterations or Tenant's Property not so removed shall be deemed abandoned and Landlord may retain or remove and dispose of same, and repair and restore any damage caused thereby, at Tenant's reasonable cost and without accountability to Tenant. All other Alterations shall become Landlord's property upon termination of this Lease. Notwithstanding the foregoing, Landlord shall advise Tenant, at any time during the Term, in each case within ten (10) Business Days after Tenant's written request, as to whether Tenant will be required to remove any Specialty Alterations from the Premises, it being agreed that if Landlord fails to so identify any Specialty Alterations requiring removal within ten (10) Business Days after Tenant's written request, then Tenant shall not be required to remove the same at the end of the Term, provided that Tenant shall give Landlord a second written notice stating in bold, capitalized letters that: "THIS IS A SECOND REQUEST FOR LANDLORD TO IDENTIFY ANY SPECIALTY ALTERATIONS INSTALLED IN THE PREMISES WHICH TENANT WILL BE REQUIRED TO REMOVE UPON THE EXPIRATION OR EARLIER TERMINATION OF THE LEASE TERM, AND LANDLORD SHALL BE DEEMED TO HAVE WAIVED THE RIGHT TO REQUIRE REMOVAL OF ANY SPECIALTY ALTERATIONS INSTALLED IN THE PREMISES AND NOT SO IDENTIFIED IF LANDLORD SHALL NOT RESPOND TO THIS NOTICE AND IDENTIFY THE SAME WITHIN FIVE (5) BUSINESS DAYS," and Landlord shall fail to respond to such second notice and so identify any Specialty Alterations in the Premises which Tenant will be required to remove at the end of the Term within such five (5) Business Day period; provided further that that such waiver shall have no effect on, and shall not abrogate, Landlord's rights with respect to (i) any subsequent Specialty Alterations installed by Tenant after the date of such notice and/or (ii) any Specialty Alterations previously identified by Landlord as requiring removal, either in a prior notice to Tenant or pursuant to the express terms and conditions of this Lease.

Section 5.4 **Mechanic's Liens**. Tenant, at its expense, shall discharge any lien or charge recorded or filed against the Real Property in connection with any work done or claimed to have been done by or on behalf of, or materials furnished or claimed to have been furnished to, Tenant (other than for Landlord's Work or Landlord's Post-Commencement Work), within twenty-five (25) days after Tenant shall have received written notice thereof by payment, filing the bond required by law or otherwise in accordance with law. Nothing contained in this Section 5.4 shall limit Tenant's right to challenge the claim that is made by the person or entity that files a lien, provided that Tenant discharges such lien of record as aforesaid.

Section 5.5 **Labor Relations**. Tenant shall not employ, or permit the employment of, any contractor, mechanic or laborer, or permit any materials to be delivered to or used in the Building, if, in Landlord's sole but reasonable judgment, such employment, delivery or use will interfere or cause any conflict with other contractors, mechanics or laborers engaged in the construction, maintenance or operation of the Building by Landlord, Tenant or others. If such interference or conflict occurs, upon Landlord's request, Tenant shall cause all contractors, mechanics or laborers causing such interference or conflict to leave the Building immediately.

Section 5.6 **Tenant's Costs**. Tenant shall pay to Landlord, upon demand, all reasonable out-of-pocket costs actually incurred by Landlord in connection with Tenant's Alterations, including reasonable and actual out-of-pocket costs incurred in connection with (a) third-party review of the Plans therefor (provided that with respect to the Initial Installations, Tenant shall only be required to pay third-party review costs in connection with Landlord's architect's and engineers' review of proposed structural Alterations and proposed Alterations affecting the Building Systems, including, without limitation, the mechanical, electrical and plumbing systems of the Building) and (b) other than for the Initial Installations, the provision of Building personnel during the performance of any Alteration, to operate elevators or otherwise to facilitate Tenant's Alterations. Tenant shall, upon request, provide Landlord with reasonable evidence of all amounts expended by it for Alterations (including any "soft costs").

Section 5.7 **Tenant's Equipment**. Tenant shall provide written notice to Landlord (which may be by email) prior to moving any heavy machinery, heavy equipment, freight, bulky matter or fixtures (collectively, "**Equipment**") into or out of the Building and shall pay to Landlord any reasonable costs actually incurred by Landlord in connection therewith. If such Equipment requires special handling, Tenant agrees (a) to employ only persons holding all necessary licenses to perform such work, (b) all work performed in connection therewith shall comply with all applicable Requirements and (c) such work shall be done only during hours reasonably designated by Landlord.

Section 5.8 **Legal Compliance**. The approval of Plans, or consent by Landlord to the making of any Alterations, does not constitute Landlord's representation that such Plans or Alterations comply with any Requirements. Landlord shall not be liable to Tenant or any other party in connection with Landlord's approval of any Plans, or Landlord's consent to Tenant's performing any Alterations. If any Alterations made by or on behalf of Tenant, require Landlord to make any alterations or improvements to any part of the Building in order to comply with any Requirements ("**Compliance Alterations**"), Tenant shall pay all reasonable costs and expenses incurred by Landlord in connection with such Compliance Alterations, as reasonably evidenced to Tenant.

Section 5.9 **Floor Load**. Tenant shall not place a load upon any floor of the Premises that exceeds 100 pounds per square foot "live load". Landlord reserves the right to reasonably designate the position of all Equipment which Tenant wishes to place within the Premises, and to place limitations on the weight thereof.

Section 5.10 **Non-Structural Alterations.** Landlord's consent shall not be required with respect to any Non-Structural Alterations (x) which do not require the issuance of a work permit by the NYC Department of Buildings, and (y) the estimated cost of which does not exceed $[******]; provided, however, that at least ten (10) Business Days prior to making any such Non-Structural Alterations, Tenant shall submit to Landlord the Plans for such Alteration (unless Plans shall not be required by any applicable Requirement or good construction practice), and any such Alteration shall otherwise be performed in compliance with the applicable provisions of this Article 5. Tenant shall also deliver to Landlord, promptly upon request, copies of applicable contracts in order that Landlord can confirm that the Alterations in question do not require Landlord's consent hereunder.

Section 5.11 **ACP-5**. As soon as reasonably practicable after Tenant provides Landlord with Tenant's Plans (approved by Landlord and in form to be filed with the NYC Department of Buildings) for the performance of the Initial Installations in the Premises, Landlord shall provide Tenant with ACP-5 certificates in respect of such Initial Installations.

Section 5.12 **Initial Space Programming**. Landlord hereby agrees that, at Tenant's request, Landlord's architect shall prepare two (2) test fits predicated on Tenant's initial space programing at no cost to Tenant.

Section 5.13 **Benefits Requirements**. Notwithstanding anything herein to the contrary, any Alterations shall (x) not alter any existing historic columns, ceilings, and moldings existing as of the date hereof, except that historic ceilings may be painted, but not skim coated where the terra cotta texture is covered and non-historic portions of ceilings and walls are not restricted, (y) keep ceilings at maximum height, except for heating, ventilation and air-conditioning ("**HVAC**") and other similar installations, which, if installed, shall be set back at least three (3') feet from any exterior windows of the Building and (z) not contain any partitions that interrupt any window openings (collectively, the "**Benefits Requirement**"). The parties hereto acknowledge that Landlord has availed itself of certain historical benefits programs in connection with recent renovations and upgrades to the Building. If Landlord qualifies for any such benefits, the applicable entity providing such benefits (the "**Benefits Entity**") may, notwithstanding anything herein to the contrary, have the right to approve Alterations within eighteen (18) months after the installation thereof. If the Benefits Entity objects to any Alterations (an "**Objection**"), Landlord shall, at Landlord's sole cost and expense, notwithstanding anything herein to the contrary, prior to the date that is eighteen (18) months after the installation of such Alterations, have the right to remove and/or alter such Alteration subject to the applicable Objection and perform the work required by the Benefits Entity to remove and/or alter the Alteration subject to the applicable Objection (any such work being referred to herein as the "**Benefits Work**"), provided such Benefits Work does not adversely affect the usable area of the Premises, except to a *de minimis* extent. Landlord and its employees, contractors and agents shall have access to the Premises at all reasonable times (which times shall be coordinated with Tenant) upon advance reasonable notice to Tenant for the performance of the Benefits Work and for the storage of materials reasonably required in connection therewith. Landlord shall diligently complete the Benefits Work and use reasonable efforts to minimize interference with Tenant's use and occupancy of the Premises during the performance of the Benefits Work. In furtherance thereof, in performing the Benefits Work, Landlord shall, at Tenant's request, employ contractors at times other than during Ordinary Business Hours on Business Days, if the performance of such work shall interfere with Tenant's use and occupancy of the Premises during such times to more than a *de minimis* extent.

Except as otherwise expressly provided in this Section 5.13, there shall be no Rent abatement or allowance to Tenant for a diminution of rental value, no actual or constructive eviction of Tenant, in whole or in part, no relief from any of Tenant's other obligations under this Lease, and no liability on the part of Landlord, by reason of inconvenience, annoyance or injury to business arising from the performance of the Benefits Work or the storage of any materials in connection therewith for that day's work. Notwithstanding the foregoing, if Tenant is unable to use all or a portion of the Premises for the ordinary conduct of its business solely due to the performance of the Benefits Work, and (i) Tenant furnishes a notice to Landlord (the "**Benefits Abatement Notice**") stating that Tenant is unable to use all or a portion of the Premises for the ordinary conduct of its business solely due to the performance of the Benefits Work, (ii) Tenant does not actually use or occupy all or such portion of the Premises for the ordinary conduct of its business for more than two (2) Business Days, and (iii) such condition or delay has not resulted from the acts or omissions of Tenant or any Persons Within Tenant's Control, then, as Tenant's sole and exclusive remedy with respect thereto, the Fixed Rent shall be abated on a *per diem* basis with respect to the portion of the Premises Tenant does not so use or occupy for the ordinary conduct of its business for the period commencing on the third (3rd) Business Day after Tenant provides Landlord the Benefits Abatement Notice and ending on the date Landlord substantially completes the Benefits Work.

Section 5.14 **Fire Stairways**. Tenant shall have the right to use the fire stairways connecting the floors of the Premises as convenience stairs subject to compliance with all Building rules and regulations and applicable Requirements. Subject compliance with all Building rules and regulations and applicable Requirements, Tenant shall have the right to install breakaway locks and an internal security system in connection therewith, and shall tie such system into the Building's security and Class E system, at Tenant's cost and expense. Tenant shall have the right to make purely cosmetic Alterations to such fire stairways, subject to compliance with applicable Requirements, upon at least ten (10) days prior notice to Landlord. Any such Alterations made to such fire stairways by Tenant shall be maintained by Tenant at its cost and expense, and shall be restored to conform with Building standards upon the expiration or earlier termination of the Term (notwithstanding the fact that such Alterations shall not constitute Specialty Alterations).

Section 5.15 **Building Violations**. If any violations of Requirements exist with respect to the Building on the Commencement Date that prevent Tenant from obtaining a building permit or a final sign-off for the Initial Installations or otherwise prevent Tenant from occupying the Premises for the uses permitted hereunder, Landlord, following written notice thereof from Tenant to Landlord (a "**Building Violation Notice**"), shall discharge same (or cause the same to be so discharged), subject, however to Landlord's right to contest diligently and in good faith the applicability or legality thereof. If, for a period of more than ten (10) Business Days following the date on which Tenant shall give to Landlord a Building Violation Notice, Tenant is unable to (and does not actually) perform the Initial Installations or use and occupy the Premises for the uses permitted hereunder, then as Tenant's sole and exclusive remedy therefor, the Fixed Rent due and payable hereunder by Tenant shall abate (in proportion to the portion of the Premises so affected or rendered unusable by the violation in question, if applicable) during the period commencing on the eleventh (11th) Business Day following the date on which the Building Violation Notice is given to Landlord and ending on the date that the applicable violation is cured (or on such earlier date upon which Tenant resumes performance of the Initial Installations in the affected portion of the Premises or use and occupancy of the same).

Article 6

REPAIRS

Section 6.1 **Landlord's Repair and Maintenance**. From and after the Commencement Date (subject to Unavoidable Delay), Landlord shall operate, maintain and, except as provided in Section 6.2 hereof, make all necessary repairs and replacements (both structural and nonstructural) to (i) the Building Systems, (ii) the Common Areas, (iii) the structural portions of the Building, (iv) the roof of the Building, and (v) the sidewalks adjacent to the Building. Notwithstanding anything to the contrary set forth herein, Landlord shall have no obligation to provide any services to the Terrace (as hereinafter defined) or to clean the same or to remove snow or ice from the Terrace. Notwithstanding the foregoing, if Landlord determines that snow or ice must be removed from the Terrace to protect the structural integrity of the Terrace or the roof, Tenant shall afford Landlord access to the Terrace for such removal.

Section 6.2 **Tenant's Repair and Maintenance**. Tenant shall promptly, at its expense and in compliance with Article 5, make all nonstructural repairs to the Premises (and the Terrace, for so long as Tenant shall have the right to the exclusive use thereof) and the fixtures, equipment and appurtenances therein (including all electrical, plumbing, heating, ventilation and air conditioning, sprinklers and life safety systems in and serving the Premises from the point of connection to the Building Systems) (collectively, "**Tenant Fixtures**") as and when needed to preserve the Premises in good working order and condition, except for reasonable wear and tear and damage for which Tenant is not responsible. All damage to the Building or to any portion thereof, or to any Tenant Fixtures requiring structural or nonstructural repair caused by or resulting from any negligence or willful misconduct of a Tenant Party or the moving of Tenant's Property or Equipment into, within or out of the Premises by a Tenant Party, shall be repaired at Tenant's reasonable expense by (i) Tenant, if the required repairs are nonstructural in nature and do not affect any Building System, or (ii) Landlord, if the required repairs are structural in nature, involve replacement of exterior window glass or affect any Building System. All Tenant repairs shall be of good quality utilizing new construction materials.

Section 6.3 **Restorative Work**. Landlord reserves the right to make all changes, alterations, additions, improvements, repairs or replacements to the Building and Building Systems, including changing the arrangement or location of entrances or passageways, doors and doorways, corridors, elevators, stairs, toilets or other Common Areas (collectively, "**Restorative Work**"), as Landlord deems necessary or desirable, and to take all materials into the Premises required for the performance of such Restorative Work provided that (a) the level of any Building service shall not decrease (except to a *de minimis* extent) from the level required of Landlord in this Lease as a result thereof (other than temporary changes in the level of such services during the performance of any such Restorative Work) and (b) Tenant is not deprived of access to or use of the Premises for the Permitted Use. Landlord shall use reasonable efforts to minimize interference with Tenant's use and occupancy of the Premises during the performance of such Restorative Work. There shall be no Rent abatement or allowance to Tenant for a diminution of rental value, no actual or constructive eviction of Tenant, in whole or in part, no relief from any of Tenant's other obligations under this Lease, and no liability on the part of Landlord by reason of inconvenience, annoyance or injury to business arising from Landlord, Tenant or others performing, or failing to perform, any Restorative Work, except as otherwise expressly provided in this Lease.

Article 7

INCREASES IN TAXES AND OPERATING EXPENSES

Section 7.1 **Definitions**. For the purposes of this Article 7, the following terms shall have the meanings set forth below:

(a) "**Assessed Valuation**" shall mean the amount for which the Real Property is assessed pursuant to the applicable provisions of the City Charter and the Administrative Code of New York, or any successor Requirements, for the purpose of imposition of Taxes.

(b) "**Base BID Assessments**" shall mean the BID Assessments payable with respect to the 2019/2020 Tax Year.

(c) "**Base Operating Expenses**" shall mean the Operating Expenses for the Base Expense Year.

(d) "**Base Tax Year**" shall mean the second full Tax Year immediately following the Tax Year during which the Real Property becomes Stabilized (as defined below). By way of example, if the Real Property becomes Stabilized during calendar year 2019, the Base Tax Year shall be the Tax Year commencing upon July 1, 2021 and ending upon June 30, 2022.

(e) "**Base Taxes**" shall mean the Taxes for the Base Tax Year.

(f) "**BID Assessments**" shall mean any assessments made as a result of the Building being within a business improvement district.

(g) "**Comparison Year**" shall mean (i) with respect to Taxes, each Tax Year commencing subsequent to the Base Tax Year, and (ii) with respect to Operating Expenses, each calendar year commencing subsequent to the Base Expense Year.

(h) "**Operating Expenses**" shall mean the aggregate of all costs and expenses paid or incurred by or on behalf of Landlord in connection with the ownership, operation, repair and maintenance of the Real Property, including without limitation, (i) the cost of services and utilities (including taxes and other charges incurred in connection therewith) provided to the Building, including, without limitation, water, power, gas, sewer, waste disposal, telephone and cable television facilities, fuel, supplies, equipment, tools, materials, service contracts, janitorial services, waste and refuse disposal, window cleaning, maintenance and repair of sidewalks and Building exterior and services areas, gardening and landscaping; (ii) the cost of insurance premiums and deductibles, including, but not limited to, public liability, fire, property damage, wind, hurricane, earthquake, terrorism, flood, rental loss, rent continuation, boiler machinery, business interruption, contractual indemnification and property/casualty coverage insurance for the Real Property and such other insurance as is reasonably and customarily carried by operators of other first-class office buildings in the vicinity of the Building, to the extent carried by Landlord in its discretion; (iii) the cost of compensation, including employment, welfare and social security taxes, paid vacation days, disability, pension, medical and other fringe benefits of all persons (including independent contractors) who perform services connected with the ownership, operation, repair and maintenance of the Real Property; (iv) any association assessments, costs, dues and/or expenses relating to the Real Property; (v) personal property taxes on and maintenance and repair of equipment and other personal property used in connection with the

ownership, operation, repair and maintenance of the Real Property; (vi) such reasonable auditors' fees and legal fees as are incurred in connection with the ownership, operation, repair and maintenance of the Real Property; (vii) a property management fee (which fee may be imputed if Landlord has internalized management or otherwise acts as its own property manager provided such imputed fee shall be commercially reasonable); (viii) the cost of the maintenance of any easements or ground leases benefiting the Real Property, whether by Landlord or by an independent contractor; (ix) an allowance for depreciation of personal property used in the ownership, operation, repair and maintenance of the Real Property; (x) license, permit and inspection fees; (xi) all costs and expenses required by any Governmental Authority or by applicable Requirements; (xii) the rental value of Landlord's Building office; and (xiii) capital improvements and capital expenditures incurred after the Base Expense Year, provided that the same shall only constitute Operating Expenses if such capital improvements and capital expenditures are either (1) reasonably intended to result in a reduction in Operating Expenses (as for example, a labor-saving improvement), (2) made during any Comparison Year in compliance with Requirements, and/or (3) made to replace (rather than repair, which would be included in any event) items which Landlord would be obligated to repair under the Lease. Such capital improvements and capital expenditures shall be amortized (with interest at 2% in excess of the Base Rate at the time that such expenditure is made) on a straight-line basis over the useful life of the item in question, and the amount included in Operating Expenses in any Comparison Year shall be equal to the annual amortized amount. Operating Expenses shall not include any Excluded Expenses. If during all or part of the Base Expense Year or any Comparison Year, Landlord shall not furnish any particular item(s) of work or service (which would otherwise constitute an Operating Expense) to any leasable portions of the Building for any reason, then, for purposes of computing Operating Expenses for such period, the amount included in Operating Expenses for such period shall be increased by an amount equal to the costs and expenses that would have been reasonably incurred by Landlord during such period if Landlord had furnished such item(s) of work or service to such portion of the Building. In determining the amount of Operating Expenses for the Base Expense Year or any Comparison Year, if less than 95% of the Building rentable area is occupied by tenants at any time during the Base Expense Year or any such Comparison Year, Operating Expenses shall be determined for the Base Expense Year or such Comparison Year to be an amount equal to the like expenses which would normally be expected to be incurred had such occupancy been 95% throughout the Base Expense Year or such Comparison Year.

(i) "**Stabilized**" shall mean that both (x) at least ninety percent (90%) of the rentable area of the above-grade office space in the Building and (y) at least two (2) of the three (3) retail spaces in the Building (as shown on **Exhibit O** annexed hereto) shall have been leased to tenants, and such tenants of the office and retail premises specified in clause (x) and clause (y) shall have taken and remained in possession and/or commenced paying rent for at least ten (10) months of the applicable Tax Year.

(j) "**Statement**" shall mean a statement containing a reasonably detailed comparison of (i) the Base Taxes and the Taxes for any Comparison Year or (ii) the Base Operating Expenses and the Operating Expenses for any Comparison Year.

(k) "**Tax Year**" shall mean the twelve month period from July 1 through June 30 (or such other period as hereinafter may be duly adopted by the City of New York as its fiscal year for real estate tax purpose).

(l) "**Taxes**" shall mean (x) all real estate taxes, assessments, and other governmental levies, impositions or charges, whether general, special, ordinary, extraordinary, foreseen or unforeseen, which may be assessed, levied or imposed upon all or any part of the Real Property, and (y) all reasonable expenses (including reasonable attorneys' fees and disbursements and experts' and other witnesses' fees) incurred in contesting any of the foregoing or the Assessed Valuation of the Real Property. Taxes shall not include (x) interest or penalties incurred by Landlord as a result of Landlord's late payment of Taxes, (y) franchise, corporate, transfer, gift, inheritance, succession, estate or net income, personal property, sales, capital levy, capital stock, value added or excess profits taxes imposed upon Landlord or (z) BID Assessments. If Landlord elects to pay any assessment in annual installments, then (i) such assessment shall be deemed to have been so divided and to be payable in the maximum number of installments permitted by law, and (ii) there shall be deemed included in Taxes for each Comparison Year, the installments of such assessment becoming payable during such Comparison Year, together with interest payable during such Comparison Year, on such installments and on all installments thereafter becoming due as provided by law, all as if such assessment had been so divided. If at any time the methods of taxation prevailing on the Commencement Date shall be altered so that in lieu of or as an addition to the whole or any part of Taxes, there shall be assessed, levied or imposed (1) a tax, assessment, levy, imposition or charge based on the income or rents received from the Real Property whether or not wholly or partially as a capital levy or otherwise, (2) a tax, assessment, levy, imposition or charge measured by or based in whole or in part upon all or any part of the Real Property and imposed upon Landlord, (3) a license fee measured by the rents, or (4) any other tax, assessment, levy, imposition, charge or license fee however described or imposed, then all such taxes, assessments, levies, impositions, charges or license fees (except to the extent same are included in Operating Expenses) or the part thereof so measured or based shall be deemed to be Taxes. Taxes for the Base Tax Year and each Comparison Year shall be computed without taking into account the effects of any exemption or abatement program, such as the Industrial and Commercial Abatement Program ("**ICAP**"). Notwithstanding the foregoing, upon Landlord's written request, Tenant shall use commercially reasonable efforts to cooperate, at no cost or liability to Tenant, with the requirements of any such benefits program specified by Landlord. For example, to the extent that Landlord requests that Tenant comply with the obligations of the ICAP program in connection with the performance of the Initial Installations or any subsequent Alterations, Tenant shall use commercially reasonable efforts to do so, at no cost or liability to Tenant, and Landlord shall reimburse Tenant for the reasonable and actual out-of-pocket costs of such compliance within thirty (30) days after demand (accompanied by reasonable supporting documentation).

Section 7.2 **Annual Interim Payment and Tenant's Tax Payment**. (a) Subject to the terms of this Section 7.2(a) and Section 7.2(c), commencing on the first day of the first Interim Tax Year (as defined below), Tenant shall pay to Landlord, as Additional Rent, the amount set forth on **Exhibit H** corresponding to such Interim Tax Year (such amount corresponding to a particular Interim Tax Year being referred to herein as the "**Annual Interim Payment**"). Tenant shall pay to Landlord on the first (1st) day of each month during the Term that Tenant is obligated hereunder to pay the Annual Interim Payment an amount equal to 1/12th of the Annual Interim Payment for such Interim Tax Year. The first "**Interim Tax Year**" shall commence on July 1, 2019 and shall end on June 30, 2020. Each succeeding "**Interim Tax Year**" shall constitute the next succeeding twelve (12) month period (*i.e.*, the next succeeding Tax Year); provided, however, that the last Interim Tax Year shall end on the earlier to occur of (x) the last day of the Base Tax Year and (y) the Expiration Date.

(b) Intentionally Omitted.

(c) From and after the first day of the first Comparison Year, (x) if the Taxes payable for any Tax Year after the Base Tax Year exceed the Base Taxes, Tenant shall pay to Landlord Tenant's Tax Proportionate Share of such excess and (y) the Annual Interim Payment that was payable by Tenant pursuant to Section 7.2(a) immediately prior to the first day of the first Comparison Year (collectively, "**Tenant's Tax Payment**"). For each Comparison Year in which any such Tax Year commences, Landlord shall furnish to Tenant a statement setting forth Landlord's reasonable estimate of Tenant's Tax Payment for such Tax Year (the "**Tax Estimate**"). Tenant shall pay to Landlord on the first (1st) day of each month during such Comparison Year an amount equal to 1/12th of the Tax Estimate for such Tax Year. If Landlord furnishes a Tax Estimate for a Comparison Year subsequent to the commencement thereof, then (i) until the first (1st) day of the month following the month in which the Tax Estimate is furnished to Tenant, Tenant shall pay to Landlord on the first (1st) day of each month an amount equal to the monthly sum payable by Tenant to Landlord under this Section 7.2(c) for the last month of the preceding Comparison Year; (ii) promptly after the Tax Estimate is furnished to Tenant or together therewith, Landlord shall give notice to Tenant stating whether the installments of the Tax Estimate previously made for such Comparison Year were greater or less than the installments of the Tax Estimate to be made for such Comparison Year in accordance with the Tax Estimate, and (x) if there shall be a deficiency, Tenant shall pay the amount thereof within thirty (30) days after demand, or (y) if there shall have been an overpayment, Landlord shall credit the amount thereof against the next subsequent payments of Rent next coming due hereunder; and (iii) on the first (1st) day of the month following the month in which the Tax Estimate is furnished to Tenant, and on the first (1st) day of each month thereafter throughout the remainder of such Comparison Year, Tenant shall pay to Landlord an amount equal to 1/12th of the Tax Estimate. Landlord may, during each Comparison Year, furnish to Tenant a revised Tax Estimate for such Comparison Year, and in such case, Tenant's Tax Payment for such Comparison Year shall be adjusted and any deficiencies paid or overpayments credited, as the case may be, substantially in the same manner as provided in the preceding sentence. After the end of each Comparison Year, Landlord shall furnish to Tenant a Statement of Taxes applicable to Tenant's Tax Payment payable for such Comparison Year and (A) if such Statement shall show that the sums so paid by Tenant were less than Tenant's Tax Payment due for such Comparison Year, Tenant shall pay to Landlord the amount of such deficiency within thirty (30) days after delivery of the Statement to Tenant, or (B) if such Statement shall show that the sums so paid by Tenant were more than such Tenant's Tax Payment, Landlord shall credit such overpayment against the next subsequent payments of Rent next coming due. If there shall be any increase in the Taxes for any Tax Year, whether during or after such Tax Year, or if there shall be any decrease in the Taxes for any Tax Year, Tenant's Tax Payment for such Comparison Year shall be appropriately adjusted and any deficiencies paid or overpayments credited, as the case may be, substantially in the same manner as provided in the preceding sentence. If Tenant is entitled to a credit due to an overpayment of Taxes and such credit is not exhausted by the Expiration Date, then, provided no Event of Default exists as of the Expiration Date, Landlord shall pay to Tenant an amount equal to the balance of such credit within thirty (30) days after the Expiration Date, which obligation shall survive the expiration or sooner termination of this Lease.

(d) Only Landlord may institute proceedings to reduce the Assessed Valuation of the Real Property and the filings of any such proceeding by Tenant without Landlord's consent shall constitute an Event of Default. If the Base Taxes are reduced, the Additional Rent previously paid or payable on account of Tenant's Tax Payment hereunder for all Comparison Years shall be recomputed on the basis of such reduction, and Tenant shall pay to Landlord, within thirty (30) days after demand therefor (together with Landlord's reasonably detailed computation thereof), any deficiency between the amount of such Additional Rent previously computed and paid by Tenant to Landlord, and the amount due as a result of such recomputation.

If the Base Taxes are increased, then Landlord shall either pay to Tenant within thirty (30) days, or at Landlord's election, credit (if prior to the Expiration Date) against the next subsequent payments of Rent due, the amount by which such Additional Rent previously paid on account of Tenant's Tax Payment exceeds the amount actually due as a result of such recomputation. If Landlord receives a refund of Taxes for any Comparison Year, Landlord shall, at its election, either pay to Tenant within thirty (30) days, or credit against the next subsequent payments of Rent due hereunder, an amount equal to Tenant's Tax Proportionate Share of the refund, net of any expenses reasonably incurred by Landlord in achieving such refund, which amount shall not exceed Tenant's Tax Payment, paid for such Comparison Year (provided that, if Tenant is entitled to a credit due to an overpayment of Taxes and such credit is not exhausted by the Expiration Date, then, provided no Event of Default exists as of the Expiration Date, Landlord shall pay to Tenant an amount equal to the balance of such credit within thirty (30) days after the Expiration Date, which obligation shall survive the expiration or sooner termination of this Lease). Landlord shall be obligated to file an application or institute a proceeding seeking a reduction in the Assessed Valuation with respect to each Comparison Year, unless Landlord shall be advised by reputable tax certiorari attorney or consultant that such challenge would not be prudent in respect of such Comparison Year.

(e) Tenant shall be responsible for any applicable occupancy or rent tax now in effect or hereafter enacted and, if such tax is payable by Landlord, Tenant shall pay such amounts to Landlord, within thirty (30) days of Landlord's demand therefor.

(f) Tenant shall be obligated to make Tenant's BID Payment and Annual Interim Payments, or Tenant's Tax Payment, as applicable, regardless of whether Tenant may be exempt from the payment of any taxes as the result of any reduction, abatement, or exemption from Taxes granted or agreed to by any Governmental Authority, or by reason of Tenant's diplomatic or other tax exempt status.

(g) Tenant shall not be responsible for any increase in Taxes resulting from either: (i) a sale of any portion of the Building or any interest in the Landlord entity, (ii) a financing of the Building or (iii) any capital improvements that do not directly or indirectly benefit Tenant's occupancy of the Premises.

Section 7.3 **Tenant's Operating Payment**. (a) If the Operating Expenses payable for any Comparison Year exceed the Base Operating Expenses, Tenant shall pay to Landlord Tenant's Operating Proportionate Share of such excess ("**Tenant's Operating Payment**"). For each Comparison Year, Landlord shall furnish to Tenant a statement setting forth Landlord's reasonable estimate of Tenant's Operating Payment for such Comparison Year (the "**Expense Estimate**"). Tenant shall pay to Landlord on the first (1st) day of each month during such Comparison Year an amount equal to 1/12 of the Expense Estimate. If Landlord furnishes an Expense Estimate for a Comparison Year subsequent to the commencement thereof, then (i) until the 1st day of the month following the month in which the Expense Estimate is furnished to Tenant, Tenant shall pay to Landlord on the 1st day of each month an amount equal to the monthly sum payable by Tenant to Landlord under this Section 7.3 during the last month of the preceding Comparison Year, (ii) promptly after the Expense Estimate is furnished to Tenant or together therewith, Landlord shall give notice to Tenant stating whether the installments of Tenant's Operating Payment previously made for such Comparison Year were greater or less than the installments of Tenant's Operating Payment to be made for such Comparison Year in accordance with the Expense Estimate, and (A) if there shall be a deficiency, Tenant shall pay the amount thereof within thirty (30) days after demand therefor, or (B) if there shall have been an overpayment, Landlord shall credit the amount thereof against subsequent payments of Rent due

hereunder, and (iii) on the first (1st) day of the month following the month in which the Expense Estimate is furnished to Tenant, and on the first (1st) day of each month thereafter throughout the remainder of such Comparison Year, Tenant shall pay to Landlord an amount equal to 1/12 of the Expense Estimate.

(b) After each Comparison Year, Landlord shall furnish to Tenant a Statement for the immediately preceding Comparison Year (and Landlord shall endeavor to do so within one hundred eighty (180) days after the end of each Comparison Year). If the Statement shows that the sums paid by Tenant under Section 7.3(a) exceeded the actual amount of Tenant's Operating Payment for such Comparison Year, Landlord shall credit the amount of such excess against subsequent payments of Rent due hereunder. If the Statement shows that the sums so paid by Tenant were less than Tenant's Operating Payment for such Comparison Year, Tenant shall pay the amount of such deficiency within thirty (30) days after delivery of the Statement to Tenant.

Section 7.4 **Non-Waiver; Disputes**. (a) Landlord's failure to render any Statement on a timely basis with respect to any Comparison Year shall not prejudice Landlord's right to thereafter render a Statement with respect to such Comparison Year or any subsequent Comparison Year nor shall the rendering of a Statement prejudice Landlord's right to thereafter render a corrected Statement for that Comparison Year, unless such failure continues for more than two (2) years after the Expiration Date (*i.e.*, Landlord may not render a revised Statement or a Statement in respect of any Comparison Year more than two (2) years after the Expiration Date).

(b) Tenant, upon reasonable notice given within one hundred twenty (120) days after delivery of any Statement, may elect to have Tenant's designated (in such notice) Certified Public Accountant (as hereinafter defined) (who may be an employee of Tenant) examine such of Landlord's books and records (collectively "**Records**") as are directly relevant to the Statement in question, together with reasonable supporting data therefor. Tenant shall have the right to audit the Base Expense Year at the time Tenant audits the first Comparison Year occurring during the Term, provided that such audit, if any, of the Base Expense Year occurs no later than two (2) years following the expiration of the Base Expense Year. In making such examination, Tenant agrees, and shall cause its designated Certified Public Accountant to agree, to keep confidential (i) any and all information contained in such Records and (ii) the circumstances and details pertaining to such examination and any dispute or settlement between Landlord and Tenant arising out of such examination, except as may be required (A) by applicable Requirements or (B) by a court of competent jurisdiction or arbitrator or in connection with any action or proceeding before a court of competent jurisdiction or arbitrator, or (C) to Tenant's attorneys, accountants and other professionals in connection with any dispute between Landlord and Tenant; and Tenant will confirm and cause its Certified Public Accountant to confirm such agreement in a separate written agreement, if requested by Landlord. If Tenant shall not give such notice within such one hundred twenty (120) day period (with time being of the essence), then the Landlord's Statement as furnished by Landlord shall be conclusive and binding upon Tenant. Tenant shall, at Tenant's expense, have the right to obtain copies and/or make abstracts of the Records as it may request in connection with its verification of any such Operating Statement, subject to the foregoing confidentiality provisions. For purposes of this Lease, a "**Certified Public Accountant**" shall mean (x) one of the so-called "big four" accounting firms, (y) an independent and reputable certified public accounting firm having at least five (5) years of experience in commercial real estate accounting and consisting of fifteen (15) or more professionals who are certified public accountants or (z) an employee of Tenant. The Certified Public Accountant shall not be retained or paid by Tenant on a contingency fee basis.

(c) In the event that Tenant, after having reasonable opportunity to examine the Records (but in no event more than one hundred twenty (120) days from the date on which the Records are made available to Tenant), shall disagree with the Landlord's Statement, then Tenant may send a written notice ("**Tenant's Statement**") to Landlord of such disagreement (and if Tenant shall not give such Tenant's Statement within such one hundred twenty (120) day period (with time being of the essence), then the Landlord's Statement as furnished by Landlord shall be conclusive and binding upon Tenant), specifying in reasonable detail the basis for Tenant's disagreement and the amount of the Tenant's Operating Payment Tenant claims is due. Landlord and Tenant shall attempt to resolve such disagreement. If they are unable to do so within thirty (30) days following Landlord's receipt of Tenant's Statement, Landlord and Tenant shall designate a Certified Public Accountant (the "**Arbiter**") whose determination made in accordance with this Section 7.4(c) shall be binding upon the parties. If the determination of Arbiter shall substantially confirm the determination of Landlord, then Tenant shall pay the cost of the Arbiter. If the Arbiter shall substantially confirm the determination of Tenant, then Landlord shall pay the cost of the Arbiter. In all other events, the cost of the Arbiter shall be borne equally by Landlord and Tenant. The Arbiter shall be a member of an independent certified public accounting firm having at least ten (10) accounting professionals and having at least ten (10) years of experience in commercial real estate accounting. In the event that Landlord and Tenant shall be unable to agree upon the designation of the Arbiter within thirty (30) days after receipt of notice from the other party requesting agreement as to the designation of the Arbiter, which notice shall contain the names and addresses of two or more Certified Public Accountants who are acceptable to the party sending such notice (any one of whom, if acceptable to the party receiving such notice as shall be evidenced by notice given by the receiving party to the other party within such thirty (30) day period, shall be the agreed upon Arbiter), then either party shall have the right to request the AAA (as hereinafter defined) in the City of New York (or any organization which is the successor thereto) to designate as the Arbiter a Certified Public Accountant whose determination made in accordance with this Section 7.4(c) shall be conclusive and binding upon the parties, and the cost charged by the AAA (or any organization which is the successor thereto), for designating such Arbiter, shall be shared equally by Landlord and Tenant. Landlord and Tenant hereby agree that any determination made by an Arbiter designated pursuant to this Section 7.4(c) shall not exceed the amount(s) as determined to be due in the first instance by the applicable Statement, nor shall such determination be less than the amount(s) claimed to be due by Tenant in Tenant's Statement, and that any determination which does not comply with the foregoing shall be null and void and not binding on the parties. In rendering such determination such Arbiter shall not add to, subtract from or otherwise modify the provisions of this Lease, including the immediately preceding sentence. Notwithstanding the foregoing provisions of this section, Tenant, pending the resolution of any contest pursuant to the terms hereof, shall continue to pay all sums as determined to be due in the first instance by such Statement and upon the resolution of such contest, suitable adjustment shall be made in accordance therewith with appropriate refund to be made by Landlord to Tenant within thirty (30) days following written notice of such resolution (or credit allowed Tenant against Fixed Rent and Additional Rent becoming due) if required thereby. (The term "**substantially**" as used herein, shall mean a variance of three percent (3%) or more; provided that in no event shall Landlord be required to pay the costs of any Arbiter if Landlord shall not have been determined to have overstated the amount due from Tenant on the Landlord's Statement in question by more than five percent (5%).)

Section 7.5 **Proration**. Any (a) Annual Interim Payment payable during the Interim Tax Year (or Tax Year) in which the Expiration Date occurs shall be apportioned on the basis of the number of days in such Interim Tax Year (or Tax Year) from the first day of such Interim Tax Year (or Tax Year) to the Expiration Date, (b) Tenant's Tax Payment payable during the Tax Year in which the Expiration Date occurs shall be apportioned on the basis of the number of days in such Tax Year from the first day of such Tax Year to the Expiration Date and (c) Tenant's Operating Payment payable during the calendar year in which the Expiration Date occurs shall be apportioned on the basis of the number of days in such calendar year from the first day of such calendar year to the Expiration Date. If Tenant is obligated hereunder to pay Tenant's BID Payment as of the Expiration Date, any such Tenant's BID Payment payable during the Tax Year in which the Expiration Date occurs shall be apportioned on the basis of the number of days in the Tax Year from the first day of such Tax Year to the Expiration Date. Upon the expiration or earlier termination of this Lease, any Additional Rent under this Article 7 shall be adjusted or paid within thirty (30) days after submission of the Statement for the last Interim Tax Year or Comparison Year, as applicable.

Section 7.6 **No Reduction in Rent**. In no event shall any decrease in Operating Expenses or Taxes in any Comparison Year below the Operating Expenses or Base Taxes, as the case may be, result in a reduction in the Fixed Rent or any other component of Additional Rent payable hereunder.

Section 7.7 **Tax Incentives.** (a) At Tenant's request, Landlord shall reasonably cooperate with Tenant, in all reasonable respects and at no liability, cost or expense to Landlord, in obtaining, for the benefit of Tenant, all such state and municipal tax credits, business incentive grants (including construction grants), savings programs, relocation programs, sales tax reductions and other credits or grants, as may be available for the operation of Tenant's businesses in the Premises for the Permitted Use.

(b) At Landlord's request, Tenant shall reasonably cooperate with Landlord, in all reasonable respects and at no liability, cost or expense to Tenant, in obtaining, for the benefit of Landlord, all such state and municipal tax credits, business incentive grants (including construction grants), savings programs, relocation programs, sales tax reductions, and other credits or grants, as may be available to Landlord in connection with the Real Property.

Section 7.8 **BID Assessments.** From and after July 1, 2020, if the BID Assessments for any Tax Year exceed the Base BID Assessments, Tenant shall pay to Landlord Tenant's Tax Proportionate Share of such excess ("**Tenant's BID Payment**"). For the Tax Year commencing on July 1, 2020, and each Tax Year thereafter during the Term, Landlord shall furnish to Tenant a statement setting forth Tenant's BID Payment for such Tax Year (the "**BID Statement**"). Tenant shall pay to Landlord on the first (1st) day of each month during such Tax Year an amount equal to 1/12th of Tenant's BID Payment for such Tax Year. If Landlord furnishes a BID Statement for a Tax Year subsequent to the commencement thereof, then (i) until the first (1st) day of the month following the month in which the BID Statement with respect to the current Tax Year is furnished to Tenant, Tenant shall pay to Landlord on the first (1st) day of each month an amount equal to the monthly sum payable by Tenant to Landlord under this Section 7.8 for the last month of the preceding Tax Year; (ii) promptly after the BID Statement with respect to the current Tax Year is furnished to Tenant or together therewith, Landlord shall give notice to Tenant stating whether the installments of the Tenant's BID Payment previously made for such Tax Year were greater or less than the installments of Tenant's BID Payment to be made for such Tax Year in accordance with BID Statement with respect to the current Tax Year, and (x) if there shall be a deficiency, Tenant shall pay the amount thereof within thirty (30) days after demand, or (y) if there shall have been an overpayment, Landlord shall credit the amount thereof against the next subsequent payments of Rent next coming due hereunder; and (iii) on the first (1st) day of the month following the month in which the BID Statement with respect to the current Tax Year is furnished to Tenant, and on the first (1st) day of each month thereafter throughout the remainder of such Tax Year, Tenant shall pay to Landlord an amount equal to 1/12th of Tenant's BID Payment with respect to the current Tax Year.

Article 8

REQUIREMENTS OF LAW

Section 8.1 **Compliance with Requirements.**

(a) **Tenant's Compliance**. Tenant, at its expense, shall comply with all Requirements applicable to the Premises and/or Tenant's use or occupancy thereof, provided, however, that Tenant shall not be obligated to comply with any Requirements requiring any structural alterations to the Building unless the application of such Requirements arises from (i) the specific manner and nature of Tenant's use or occupancy of the Premises, as distinct from general office use, (ii) Alterations made by Tenant, or (iii) a breach by Tenant of any provisions of this Lease. Any repairs or Alterations required for compliance with applicable Requirements shall be made at Tenant's reasonable expense (1) by Tenant in compliance with Article 5 if such repairs or Alterations are nonstructural and do not affect any Building System and to the extent such repairs or Alterations do not affect areas outside the Premises, or (2) by Landlord if such repairs or Alterations are structural or affect any Building System or to the extent such repairs or Alterations affect areas outside the Premises. If Tenant obtains knowledge of any failure to comply with any Requirements applicable to the Premises, Tenant shall give Landlord prompt notice thereof.

(b) **Hazardous Materials**. Tenant shall not cause or permit (i) any Hazardous Materials to be brought into the Building, (ii) the storage or use of Hazardous Materials in or about the Building or the Premises (subject to the second sentence of this Section 8.1(b)), in any manner other than in full compliance with any Requirements, or (iii) the escape, disposal or release of any Hazardous Materials within or in the vicinity of the Building. Nothing herein shall be deemed to prevent Tenant's use of any Hazardous Materials customarily used in the ordinary course of office work, provided such use is in accordance with all Requirements. Tenant shall be responsible, at its expense, for all matters directly or indirectly based on, or arising or resulting from the presence of Hazardous Materials in the Building which is caused or permitted by a Tenant Party. Tenant shall provide to Landlord copies of all communications received by Tenant with respect to any Requirements relating to Hazardous Materials, and/or any claims made in connection therewith. Landlord or its agents may perform environmental inspections of the Premises at any time upon reasonable advance notice to Tenant. To Landlord's knowledge, upon delivery to Tenant, the Premises shall be free and clear of any Hazardous Materials defined as such as of the Effective Date. If during the performance of the Initial Installations, any Hazardous Materials defined as such as of the date of this Lease are discovered in the Premises in violation of any Requirements, and such Hazardous Materials were not introduced to the Premises by or on behalf of Tenant or Persons Within Tenant's Control, Landlord shall promptly, at Landlord's cost and expense, either (x) remove, abate, encapsulate, or otherwise remediate (or cause to be removed, abated, encapsulated or otherwise remediated) any such Hazardous Materials, or at Landlord's option, (y) reimburse Tenant for its reasonable and actual out-of-pocket costs and expenses for such remediation within thirty (30) days after written demand, accompanied by reasonable supporting documentation.

(c) **Landlord's Insurance**. Tenant shall not cause or permit any action or condition that would (i) invalidate or conflict with Landlord's insurance policies, (ii) violate applicable rules, regulations and guidelines of the Fire Department, Fire Insurance Rating Organization or any other authority having jurisdiction over the Building, (iii) cause an increase in the premiums of fire insurance for the Building over that payable with respect to comparable buildings, or (iv) result in Landlord's insurance companies' refusing to insure the Building or any property therein in amounts and against risks as reasonably determined by Landlord. If fire insurance premiums increase as a result of Tenant's failure to comply with the provisions of this Section 8.1, Tenant shall promptly cure such failure and shall reimburse Landlord for the increased fire insurance premiums paid by Landlord as a result of such failure by Tenant.

(d) **Fire and Life Safety; Sprinkler**. Landlord shall deliver the Premises in compliance with local and federal fire and sprinkler code. Tenant shall thereafter maintain in good order and repair the sprinkler, fire-alarm and life-safety system installed in the Premises in accordance with this Lease, the Rules and Regulations and all Requirements. If the Fire Insurance Rating Organization or any Governmental Authority or any of Landlord's insurers requires or recommends any modifications and/or alterations be made or any additional equipment be supplied in connection with the sprinkler system or fire alarm and life-safety system serving the Building by reason of the specific manner and nature of Tenant's use or occupancy of the Premises, as distinct from general office use, any Alterations performed by Tenant or the location of the partitions, Tenant's Property, or other contents of the Premises, Landlord (to the extent outside of the Premises) or Tenant (to the extent within the Premises) shall make such modifications and/or Alterations, and supply such additional equipment, in either case at Tenant's reasonable expense.

(e) **Landlord's Compliance**. Landlord represents and warrants to Tenant that as of the Commencement Date, to the best of Landlord's knowledge, the Building will be in compliance with all applicable Requirements. Landlord shall, at its sole cost and expense, comply with (or cause to be complied with) all Requirements applicable to the Building which are not the obligation of Tenant hereunder, to the extent that non-compliance would impair and/or adversely affect Tenant's use and occupancy of the Premises for the Permitted Uses, other than to a *de minimis* extent.

Article 9

SUBORDINATION

Section 9.1 **Subordination and Attornment**. (a) Expressly conditioned upon and subject to Tenant's obtaining subordination, nondisturbance and attornment agreements from all existing and future Mortgagees and Lessors (each, an "**SNDA**") in accordance with the terms of Section 9.6 hereof, this Lease is subject and subordinate to all Mortgages and Superior Leases, and, at the request of any Mortgagee or Lessor, Tenant shall attorn to such Mortgagee or Lessor, its successors in interest or any purchaser in a foreclosure sale.

(b) In the event of any conflict between the terms of any SNDA and this Section 9.1(b), the terms of the SNDA shall govern. If a Lessor or Mortgagee or any other person or entity shall succeed to the rights of Landlord under this Lease, whether through possession or foreclosure action or the delivery of a new lease or deed, then at the request of the successor landlord and upon such successor landlord's written agreement to accept Tenant's attornment and to recognize Tenant's interest under this Lease, Tenant shall be deemed to have attorned to and recognized such successor landlord as Landlord under this Lease. The provisions of this Section 9.1 are self-operative and require no further instruments to give effect hereto; provided, however, that Tenant shall promptly execute and deliver any instrument that such successor landlord may reasonably request (i) evidencing such attornment, (ii) setting forth the terms and

conditions of Tenant's tenancy, and (iii) containing such other terms and conditions as may be required by such Mortgagee or Lessor, provided such terms and conditions do not (x) increase the Rent, (y) increase Tenant's other obligations or (z) adversely affect Tenant's rights under this Lease, except, in the case of clause (y) and (z) above, to a *de minimis* extent. Upon such attornment this Lease shall continue in full force and effect as a direct lease between such successor landlord and Tenant upon all of the terms, conditions and covenants set forth in this Lease except as expressly provided in any applicable SNDA and except that such successor landlord shall not be:

(A) liable for any previous act or omission of Landlord (except to the extent such act or omission continues beyond the date when such successor landlord succeeds to Landlord's interest and Tenant gives notice of such act or omission);

(B) subject to any defense, claim, counterclaim, set-off or offset which Tenant may have against Landlord;

(C) bound by any prepayment of more than one month's Rent to any prior landlord;

(D) bound by any obligation to make any payment to Tenant which was required to be made prior to the time such successor landlord succeeded to Landlord's interest;

(E) bound by any obligation to perform any work or to make improvements to the Premises except for (x) repairs and maintenance required to be made by Landlord under this Lease, and (y) repairs to the Premises as a result of damage by fire or other casualty or a partial condemnation pursuant to the provisions of this Lease, but only to the extent that such repairs can reasonably be made from the net proceeds of any insurance or condemnation awards, respectively, actually made available to such successor landlord;

(F) bound by any modification, amendment or renewal of this Lease made without successor landlord's consent;

(G) liable for the repayment of any security deposit or surrender of any letter of credit, unless and until any such security deposit actually is paid or any such letter of credit is actually delivered to such successor landlord; or

(H) liable for the payment of any unfunded tenant improvement allowance, refurbishment allowance or similar obligation.

(c) Tenant shall, from time to time, within twenty (20) days of request from Landlord execute and deliver any documents or instruments that may be reasonably required by any Mortgagee or Lessor to confirm any subordination.

(d) (i) Landlord represents and warrants to Tenant that (x) a true, correct and complete copy of each existing Superior Lease including all amendments and exhibits thereto (each, an "**Existing Superior Lease**", and collectively, the "**Existing Superior Leases**") (except for the rent and certain other financial provisions, which have been redacted) has been delivered to Tenant, and (y) each Existing Superior Lease is in full force and effect.

(ii) Landlord covenants and agrees not to voluntarily cancel or surrender any Existing Superior Lease or voluntarily modify any Existing Superior Lease so as to deprive Tenant of any rights under this Lease except to a *de minimis* extent or take or omit to take any action the effect of which would be to diminish Tenant's receipt of any building services to the Premises nor in any manner increase the Fixed Rent or Additional Rent under this Lease, without the prior written consent of Tenant; provided, that, Landlord may voluntarily cancel or surrender an Existing Superior Lease if the applicable Lessor agrees to recognize this Lease as a direct lease between the applicable Lessor and Tenant. Landlord represents that it has the right, pursuant to the Existing Superior Leases, to purchase a tenant-in-common interest in the Premises (as defined in the Existing Superior Leases) (the "**Option**") and, upon the closing of such transaction, the Landlord's leasehold estate in the Premises (as defined in the Existing Superior Leases) shall be deemed to have merged with the fee estate in the Premises (as defined in the Existing Superior Leases). Notwithstanding anything herein to the contrary, nothing in this Section 9.1(d)(ii) shall prohibit Landlord from exercising the Option, and, in the event Landlord exercises the Option, Landlord agrees to recognize this Lease as a direct lease between Tenant and the fee owner of the Premises and either party hereto, upon the request of the other party hereto, shall enter into a direct lease identical to this Lease, except that such direct lease will reflect the fee owners (as opposed to Landlord) as the landlord thereunder and all provisions herein relating to the Existing Superior Leases will be deleted therefrom; provided that (a) if Landlord requests that Tenant enter into a new Lease pursuant to this sentence, then Landlord shall promptly reimburse Tenant for any reasonable out-of-pocket costs (including reasonable attorneys' fees) incurred by Tenant in connection with such new Lease and (b) if Tenant requests that Landlord enter into a new Lease pursuant to this sentence, then Landlord's and Tenant shall each be responsible for its respective out-of-pocket costs in connection with such new Lease.

Section 9.2 **Mortgage Priority; Requested Lease Modifications**. Any Mortgagee may elect that this Lease shall have priority over the Mortgage and, upon notification to Tenant by such Mortgagee, this Lease shall be deemed to have priority over such Mortgage, regardless of the date of this Lease. In connection with any financing of the Real Property, Tenant shall not unreasonably withhold its consent to any reasonable modifications of this Lease requested by any lending institution, provided such modifications do not (x) increase the Rent, (y) increase Tenant's other obligations or (z) adversely affect Tenant's rights under this Lease, except, in the case of clause (y) and (z) above, to a *de minimis* extent. Landlord shall promptly reimburse Tenant for any reasonable out-of-pocket costs (including reasonable attorneys' fees) incurred by Tenant in connection with any such requested modifications to this Lease. Landlord represents and warrants to Tenant that the Existing Mortgagee is the sole existing Mortgagee as of the Effective Date.

Section 9.3 **Tenant's Termination Right**. Subject to the terms and conditions of any applicable SNDA (including, without limitation, any time periods set forth therein), as long as any Superior Lease or Mortgage exists, Tenant shall not seek to terminate this Lease by reason of any act or omission of Landlord until (a) Tenant shall have given notice of such act or omission to all Lessors and/or Mortgagees of whom it has notice, and (b) a reasonable period of time shall have elapsed following the giving of notice of such default and the expiration of any applicable notice or grace periods (unless such act or omission is not capable of being remedied within a reasonable period of time), during which period such Lessors and/or Mortgagees shall have the right, but not the obligation, to remedy such act or omission and thereafter diligently proceed to so remedy such act or omission. If any Lessor or Mortgagee elects to remedy such act or omission of Landlord, Tenant shall not seek to terminate this Lease so long as such Lessor or Mortgagee is proceeding with reasonable diligence to effect such remedy.

Section 9.4 **Provisions**. The provisions of this Article 9 shall (a) inure to the benefit of Landlord, any future owner of the Building or the Real Property, Lessor or Mortgagee and any sublessor thereof and (b) apply notwithstanding that, as a matter of law, this Lease may terminate upon the termination of any such Superior Lease or Mortgage.

Section 9.5 **Future Condominium Declaration**. This Lease and Tenant's rights hereunder will be subject and subordinate to any condominium declaration, by-laws and other instruments (collectively, the "**Declaration**") which may be recorded in order to subject the Building to a condominium form of ownership pursuant to Article 9-B of the New York Real Property Law or any successor Requirement, provided that the Declaration does not by its terms increase the Rent, increase Tenant's non-Rent obligations (except to a *de minimis* extent) or adversely affect Tenant's rights under this Lease (except to a *de minimis* extent). At Landlord's request, and subject to the foregoing proviso, Tenant will execute and deliver to Landlord an amendment of this Lease confirming such subordination and modifying this Lease to conform to such condominium regime (with Tenant's reasonable modifications thereto). Landlord shall promptly reimburse Tenant for any reasonable out-of-pocket costs (including reasonable attorneys' fees) incurred by Tenant in connection with any such condominium conversion.

Section 9.6 **Non-Disturbance Agreements**. (a) Concurrently with the execution and delivery of this Lease, Tenant shall execute, have acknowledged and deliver to Landlord, a SNDA (the "**Existing Mortgagee SNDA**") to be entered into with ACORE CAPITAL MORTGAGE, LP, the holder of the existing mortgage on the Real Property (the "**Existing Mortgagee**"), in the form annexed hereto as **Exhibit F**. Landlord shall, at Landlord's cost and expense, cause the Existing Mortgagee to countersign, acknowledge and deliver to Tenant such Existing Mortgagee SNDA concurrently with Landlord's execution and delivery of this Lease. Tenant shall cooperate with the Existing Mortgagee and provide such information as the Existing Mortgagee may reasonably request in connection with Landlord's efforts to obtain the Existing Mortgagee SNDA.

(b) (i) Concurrently with the execution and delivery of this Lease, Tenant shall execute, have acknowledged and deliver to Landlord, a SNDA (the "**Existing Ground Lessor SNDA**") to be entered into with SAFDI PLAZA PROPERTY LLC, the landlord (the "**Existing Ground Lessor**") under the Existing Superior Lease dated November 24, 2015 (the "**Existing Ground Lease**"), in the form annexed hereto as **Exhibit G-1**. Landlord shall, at Landlord's cost and expense, cause the Existing Ground Lessor to countersign, acknowledge and deliver to Tenant such Existing Ground Lessor SNDA concurrently with Landlord's execution and delivery of this Lease. Tenant shall cooperate with the Existing Ground Lessor and provide such information as the Existing Ground Lessor may reasonably request in connection with Landlord's efforts to obtain the Existing Ground Lessor SNDA.

(ii) Concurrently with the execution and delivery of this Lease, Tenant shall execute, have acknowledged and deliver to Landlord, a SNDA (the "**Existing Master Lessor SNDA**") to be entered into with 10 JAY PROPERTY LLC, the master landlord (the "**Existing Master Lessor**") under the Existing Superior Lease dated November 6, 2018 (the "**Existing Master Lease**"), in the form annexed hereto as **Exhibit G-2**. Landlord shall, at Landlord's cost and expense, cause the Existing Master Lessor to countersign, acknowledge and deliver to Tenant such Existing Master Lessor SNDA concurrently with Landlord's execution and delivery of this Lease. Tenant shall cooperate with the Existing Master Lessor and provide such information as the Existing Master Lessor may reasonably request in connection with Landlord's efforts to obtain the Existing Master Lessor SNDA. Landlord represents and warrants that (x) the only Existing Superior Leases affecting the Building are the Existing Ground Lease and the Existing Master Lease and that Landlord has provided Tenant with redacted copies thereof, (y) if

Tenant shall comply with the terms and conditions of this Lease, then Tenant shall be in compliance with any applicable terms and conditions of the Existing Ground Lease and the Existing Master Lease; and (z) none of the provisions of the Existing Ground Lease and the Existing Master Lease which were redacted on the copies provided by Landlord to Tenant shall abrogate Tenant's rights or increase Tenant's obligations under this Lease.

(c) Intentionally omitted.

(d) Notwithstanding anything to the contrary contained in this Lease, Landlord shall, at Tenant's cost and expense, cause (x) any future Mortgagee, as a condition precedent to Tenant's agreement to subordinate this Lease to the Mortgage in question, and/or (y) any future Lessor, as a condition precedent to Tenant's agreement to subordinate this Lease to the Superior Lease in question, to execute, acknowledge and deliver to Tenant a SNDA in substantially the same form as is annexed hereto as **Exhibits F** and **G-2**, as applicable, and Tenant shall promptly execute, have acknowledged and deliver such SNDA to any future Mortgagee or Lessor. Notwithstanding anything to the contrary set forth herein, Landlord's failure to obtain such SNDA shall not constitute a default under this Lease, and Landlord shall have no liability hereunder in the event that any Mortgagee or Lessor shall fail or refuse to execute the same, provided that in such event, this Lease shall not be subordinate to the Mortgage or Superior Lease in question; provided further, however, that if such proposed SNDA shall be in the same form as **Exhibits F** and **G-2**, as the case may be, annexed hereto, and Tenant shall fail or refuse to execute, have acknowledged and deliver such applicable SNDA to a future Mortgagee or Lessor within ten (10) Business Days after Landlord's written request therefor, then this Lease shall be subject and subordinate to the applicable Mortgage or Superior Lease in question without the need for any further documentation evidencing the same, provided that Landlord shall have sent to Tenant a second notice demanding that such SNDA be executed, acknowledged and delivered by Tenant, which notice shall contain in bold capital letters the following statement: "**IF TENANT FAILS TO HAVE THE ENCLOSED SNDA EXECUTED, ACKNOWLEDGED AND DELIVERED TO LANDLORD WITHIN FIVE (5) BUSINESS DAYS AFTER RECEIPT OF THIS NOTICE, THEN THE LEASE SHALL BE SUBORDINATE TO THE MORTGAGE OR SUPERIOR LEASE IN QUESTION WITHOUT THE NEED FOR ANY FURTHER DOCUMENTATION**" and Tenant shall fail to so execute, have acknowledged and deliver the SNDA in question within such five (5) Business Day period.

Article 10

SERVICES

Section 10.1 **Electricity**. (a) Landlord shall redistribute or furnish electricity to or for the use of Tenant in the Premises, at a level sufficient to accommodate a demand load of six (6) watts per usable square foot of office space in the Premises (exclusive of the HVAC System (as hereinafter defined)). Subject to the next to last sentence of this Section 10.1(a), Tenant shall from and after the Commencement Date pay to Landlord, within thirty (30) days of demand therefor (together with reasonably detailed supporting documentation), but not more frequently than monthly, for its consumption of electricity, a sum equal to 103% of the product of (x) the Cost Per Kilowatt Hour, multiplied by (y) the actual number of kilowatt hours of electric current consumed by Tenant in such billing period. Landlord shall install and maintain a submeter or submeters, at Landlord's expense, to measure Tenant's consumption of electricity. The rate to be paid by Tenant for submetered electricity shall include any taxes or other charges in connection therewith. If any tax is imposed upon Landlord's receipts from the sale or resale of electricity to Tenant, Tenant shall reimburse Landlord for such tax, if and to the extent permitted by

Requirements. For any period during which such submeter or submeters are not installed or are not operational in the Premises, Tenant shall pay for electricity monthly an amount equal to the product of (A) $0.2917, subject to adjustment for any increases or decreases in electric rates or taxes, and (B) the number of rentable square feet in the Premises. From and after the Commencement Date, all electricity used during the performance of cleaning services, or the making of any Alterations or Restorative Work in the Premises, or the operation of any supplemental or special air-conditioning systems serving the Premises, shall be paid for by Tenant.

(b) **Compliance**. Tenant shall at all times comply with the rules and regulations of the utility company supplying electricity to the Building. Tenant shall not use any electrical equipment which, in Landlord's reasonable judgment, would exceed the capacity of the electrical equipment serving the Premises. If Landlord reasonably determines that Tenant's electrical requirements necessitate installation of any additional risers, feeders or other electrical distribution equipment (collectively, "**Electrical Equipment**"), or if Tenant provides Landlord with evidence reasonably satisfactory to Landlord of Tenant's need for excess electricity and requests that additional Electrical Equipment be installed, Landlord shall, at Tenant's reasonable expense, install such additional Electrical Equipment, provided that Landlord, in its sole judgment, determines that (i) such installation is practicable and necessary, (ii) such additional Electrical Equipment is permissible under applicable Requirements, and (iii) the installation of such Electrical Equipment will not cause permanent damage to the Building or the Premises, cause or create a hazardous condition, entail excessive or unreasonable alterations, interfere with or limit electrical usage by other current or future tenants or occupants of the Building or exceed the limits of the switchgear or other facilities serving the Building, or require power in excess of that available from the utility serving the Building.

Section 10.2 **Elevators**. From and after the Commencement Date (subject to Unavoidable Delay), Landlord shall provide passenger elevator service to the Premises twenty-four (24) hours per day, seven (7) days per week; provided, however, Landlord may reduce passenger elevator service during times other than Ordinary Business Hours (it being agreed that if one (1) passenger elevator shall not be reasonably sufficient to serve the Premises at times other than during Ordinary Business Hours, then Landlord shall provide at least two (2) passenger elevators for service to the Premises at such times in Landlord's sole but reasonable discretion). Landlord shall provide at least one freight elevator serving the Premises available upon Tenant's prior request, on a non-exclusive "first come, first serve" basis with other Building tenants, on all Business Days from 8:00 a.m. to 6:00 p.m., which hours of operation are subject to change.

Section 10.3 **Heating, Ventilation and Air Conditioning.** (a) From and after the Commencement Date (subject to Unavoidable Delay), Landlord shall furnish to the Premises base Building-supplied condenser water sufficient to operate the HVAC System during Ordinary Business Hours without charge in accordance with the specifications set forth on **Exhibit L** annexed hereto. Landlord shall have access to all air-cooling, fan, ventilating and machine rooms and electrical closets and all other mechanical installations of Landlord (collectively, "**Mechanical Installations**"), and Tenant shall not construct partitions or other obstructions which may interfere in any material respect with Landlord's access thereto or the moving of Landlord's equipment to and from the Mechanical Installations. No Tenant Party shall at any time enter the Mechanical Installations or tamper with, adjust, or otherwise affect such Mechanical Installations. Tenant shall install, if missing, blinds or shades on all windows, which blinds and shades shall be subject to Landlord's reasonable approval, and shall keep all of the operable windows in the Premises closed, and lower the blinds when necessary because of the sun's position, whenever the HVAC System is in operation or as and when required by any Requirement, except in the event of an emergency. Tenant shall cooperate with Landlord and shall abide by the rules and regulations which Landlord may reasonably prescribe for the proper functioning and protection of the HVAC System.

(b) Tenant, at its sole cost and expense, shall procure and maintain any permits required by Government Authorities with respect to any supplemental air conditioning system serving the Premises, and Tenant shall operate the same in compliance therewith and in compliance with all rules and regulations which Landlord may prescribe. In furtherance of the foregoing, any supplemental air conditioning systems must be equipped with automatic shutdown devices connected to the Building's fire alarm system.

(c) Tenant, at its sole cost and expense, shall procure and maintain an annual maintenance and service contract for the maintenance and repair of all air-conditioning equipment now or hereafter serving the Premises, including without limitation, the units comprising the HVAC System and any supplemental air conditioning system serving the Premises, providing for inspections and/or service at least twice a year, to be renewed each year throughout the Term of this Lease with an air-conditioning contractor reasonably approved by Landlord. Tenant shall furnish copies of such service contract not later than thirty (30) days after the Commencement Date or the installation of any supplemental air conditioning system, as the case may be, and shall furnish copies of all renewals thereof promptly after procuring the same.

(d) Tenant shall, at its sole cost and expense, perform any and all necessary repairs to, and cause any and all replacements of, all air-conditioning equipment now or hereafter serving the Premises, including without limitation, the units comprising the HVAC System and any supplemental air conditioning system serving the Premises; provided, however, that so long as Tenant shall maintain a service contract with a reputable air-conditioning maintenance contractor reasonably approved by Landlord as required in Section 10.3(c), Landlord shall be responsible for the replacement of the units comprising the HVAC System serving the Premises and the major components thereof throughout the Term of this Lease unless such replacement is caused by Tenant's misuse or neglect. The HVAC System and any replacements thereof, shall be and remain at all times the property of Landlord, and any supplemental air conditioning system(s) (and any replacements thereof) shall become the property of Landlord upon the expiration or earlier termination of this Lease, and Tenant shall surrender the HVAC System, any supplemental air conditioning system(s), and all such repairs and replacements to Landlord in good working order and condition on the Expiration Date, except for ordinary wear and tear, damage by fire or other casualty, if any, and other conditions requiring repair, if any, which are not the obligation of Tenant to repair under the terms of this Lease.

(e) All electricity used in connection with the operation of the HVAC System and any supplemental air conditioning system shall be supplied by Landlord upon, and subject to, all of the terms, covenants and conditions contained in Section 10.1 hereof.

(f) In the event Tenant desires to install one or more supplemental air-conditioning systems in the Premises designed to be hooked up to and to run off the main condenser water system in the Building, Tenant shall request Landlord's consent therefor (which shall not be unreasonably withheld, conditioned or delayed) and shall submit plans and specifications therefor to Landlord for Landlord's approval (which shall not be unreasonably withheld, conditioned or delayed). Landlord shall make available to Tenant up to seventy-five (75) tons (the "**Maximum Number of Tons**") of condenser water per annum (to be applied as a total number to be allocable to any portion of the Premises at Tenant's discretion so that the Maximum Number of Tons is not required to be allocated evenly per floor) at Landlord's then

current annual fee per ton (the "**Condenser Water Charge**"), which charge shall be commercially reasonable (and which as of the date of this Lease is $550.00 per ton per annum), and Tenant acknowledges that Tenant shall not be allocated condenser water in excess of such Maximum Number of Tons, unless otherwise approved by Landlord. If Landlord consents and such plans and specifications are approved, installation and operation of any such air-conditioning system shall be at Tenant's expense and performed in accordance with the terms and conditions of this Lease, and shall be subject to payment of the Condenser Water Charge (provided that Tenant shall not be required to pay any so-called tap-in or hook-up charge in connection therewith). Such Condenser Water Charge shall be (i) in effect with respect to the number of tons of condenser water requested by and allocated to Tenant (not to exceed the Maximum Number of Tons), without regard to whether such system is actually installed or whether such condenser water is actually used by Tenant, (ii) payable from and after the date upon which Landlord reserves capacity for such system (or the Commencement Date, if later), and (iii) subject to increases to reflect actual increases in Landlord's costs of operating the condenser water system and supplying (or reserving) such requirements for Tenant. Notwithstanding the foregoing, Landlord shall reserve up to the Maximum Number of Tons for Tenant's use through and including the second (2nd) anniversary of the 8th-10th Floor Premises Rent Commencement Date, after which time, if Tenant shall not have requested that Landlord make any portion of such capacity available (with time being of the essence), then Landlord shall no longer be required to maintain such capacity (or the remaining portion thereof) for Tenant's exclusive use, provided that Tenant may thereafter request condenser water, subject to availability. Tenant shall also have the right, by written notice to Landlord, at any time during the Term, to reduce the number of tons of condenser water allocated to Tenant hereunder (provided that Tenant shall not then have equipment connected to utilize the same), in which event, thirty (30) days following Landlord's receipt of such notice, the Condenser Water Charge shall be reduced to reflect only the number of tons of condenser water that remain allocated to Tenant. For the avoidance of doubt, Tenant may allocate the condenser water made available by Landlord to the Premises as Tenant shall determine in its discretion.

Section 10.4 **Overtime Freight Elevators and HVAC**. The Fixed Rent does not include any charge to Tenant for the furnishing of any freight elevator service or condenser water to operate the HVAC System during any periods other than the hours set forth in Sections 10.2 and 10.3 ("**Overtime Periods**") ("**Overtime HVAC Service**"). If Tenant desires any such services during Overtime Periods, Tenant shall deliver notice (which may be via email) to the Building office requesting such services at least 24 hours prior to the time Tenant requests such services to be provided. If Landlord furnishes freight elevator or Overtime HVAC Service during Overtime Periods, Tenant shall pay to Landlord the cost thereof at the then established rates for such services in the Building. As of the Effective Date, Landlord's established Building-standard rate (a) for Overtime HVAC Service is $75 per hour per floor as of the date condenser water is made available to the Premises to operate the HVAC System pursuant to this Section 10.4, and (b) for freight elevator service is $200.00 per hour. A four (4) hour minimum may apply to overtime services depending on the day and time requested, to the extent that the applicable contract requires Landlord to engage the necessary personnel (including, without limitation, a building engineer) for such minimum number of overtime hours. The foregoing rates for Overtime HVAC Service and for freight elevator service during Overtime Periods shall be subject to increase or decrease, as applicable, on the first day of each calendar year during the Term by the percentage increase or decrease, as applicable, if any, in Landlord's actual cost of providing such service as reasonably determined by Landlord by comparison to such cost on the first day of the immediately preceding calendar year. If (x) Landlord so provides Overtime HVAC Service to the Premises during an Overtime Period (as so requested by Tenant), and (y) another tenant in the same HVAC zone as Tenant requests or other tenants in the same HVAC zone as Tenant request HVAC

during the same Overtime Period, then Landlord shall reduce equitably Landlord's aforesaid charge to Tenant for HVAC during such Overtime Period to reflect such other tenant's use, or such other tenants' use, of HVAC during such Overtime Period. Notwithstanding anything to the contrary provided in this Article 10, Landlord shall not charge Tenant for up to a maximum of 100 hours dedicated use by Tenant of the freight elevator (or any related charges) in connection with Tenant's Initial Installations and move in to the Premises.

Section 10.5 **Cleaning**. Tenant shall keep the Premises clean and in good order to the reasonable satisfaction of Landlord. Tenant shall have the right to have Tenant's employees perform such cleaning. Tenant agrees that it shall not employ any cleaning and maintenance contractor for such purpose without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. In furtherance thereof, Landlord hereby agrees that as of the date of this Lease, WeWork Community Service Associate ("**WWCSA**") is an approved contractor to provide cleaning and maintenance to the Premises. In no event shall any contractor or vendor providing cleaning, maintenance, management or similar services to Tenant at the Premises, including, without limitation, WWCSA, advertise its products or services (or the products or services of any of its or their affiliates) in any manner at the Building, including, without limitation, by having its employees or agents dress in branded uniforms (other than uniforms branded with the name and/or logo of the Tenant under this Lease) while at the Premises or the Building. Landlord shall not be obligated to provide cleaning services, except Landlord shall clean the public portions of the Building.

Section 10.6 **Water**. From and after the Commencement Date (subject to Unavoidable Delay), Landlord shall provide tempered and cold water in the core lavatories and pantries on each floor of the Premises. If Tenant requires water for any additional purposes, Tenant shall pay for the reasonable cost of bringing water to the Premises and Landlord may install a meter to measure the water. Tenant shall pay the reasonable cost of such installation and for all maintenance, repairs and replacements thereto, and for the reasonable charges of Landlord for the water consumed.

Section 10.7 **Refuse Removal**. From and after the Commencement Date (subject to Unavoidable Delay), Landlord shall provide refuse removal services at the Building for ordinary office refuse and rubbish, provided Tenant removes its refuse and rubbish from the Premises and delivers same to the trash room in the Building designated by Landlord on each Business Day. Tenant shall pay to Landlord Landlord's reasonable charge for such removal to the extent that the refuse generated by Tenant in the Premises exceeds, in any material respect, the refuse customarily generated by general office tenants on any given Business Day. Subject to the terms hereof, Tenant shall not dispose of any refuse in the Common Areas (other than the trash room(s) expressly designated by Landlord), and if Tenant does so, Tenant shall be liable for Landlord's reasonable charge for such removal.

Section 10.8 **Directory**. To the extent the same is in existence, Landlord shall provide to Tenant a reasonable number of listings within the electronic Building directories (the "**Directory**"). There shall be no charge to Tenant for the initial programming of the Directory. Tenant shall pay to Landlord the reasonable out-of-pocket costs relating to re-programming the Directory to reflect any permitted assignee of this Lease, additional affiliates or trade names of Tenant, or any permitted subtenants of the Premises.

Section 10.9 **Telecommunications**. If Tenant requests that Landlord grant access to the Building to a telecommunications service provider designated by Tenant for purposes of providing telecommunications services to Tenant, Landlord shall respond to such request within ten (10) Business Days. Landlord shall not unreasonably deny access to the Building to any such additional service providers requested by Tenant, provided that such service providers shall enter into Landlord's then-standard license agreement and pay Landlord's then standard charges for such access and the right to provide its services (which charges shall be commercially reasonable). As of the Effective Date, (x) Spectrum and Verizon currently provide data and telecommunications services to the tenants and occupants of the Building, and (y) Landlord has approved Metro Optical as an additional service provider for the Building, subject to such service provider's compliance with the immediately preceding sentence. Landlord represents to Tenant that there is currently one point-of-entry for telecommunications services at the Building. If Tenant desires to add an additional point-of-entry, Landlord will cooperate with Tenant to facilitate the same, at Tenant's sole cost and expense, provided that Tenant shall comply with the terms and conditions of Article 5 hereof in connection therewith.

Section 10.10 **Service Interruptions**. (a) Landlord reserves the right to suspend any service when necessary, by reason of Unavoidable Delays, accidents or emergencies, or for Restorative Work which, in Landlord's reasonable judgment, are necessary or appropriate until such Unavoidable Delay, accident or emergency shall cease or such Restorative Work is completed and Landlord shall not be liable for any interruption, curtailment or failure to supply services. Landlord shall use reasonable efforts to minimize interference with Tenant's use and occupancy of the Premises as a result of any such interruption, curtailment or failure of or defect in such service, or change in the supply, character and/or quantity of electrical service, and to restore any such services, remedy such situation and minimize any interference with Tenant's business. The exercise of any such right or the occurrence of any such failure by Landlord shall not constitute an actual or constructive eviction, in whole or in part, entitle Tenant to any compensation, abatement or diminution of Rent (except as otherwise expressly provided in this Lease), relieve Tenant from any of its obligations under this Lease, or impose any liability upon Landlord or any Indemnitees by reason of inconvenience to Tenant, or interruption of Tenant's business, or otherwise. Landlord shall endeavor to provide Tenant with advance notice as reasonably practicable under the circumstances of any suspension, curtailment or interruption of service.

(b) Notwithstanding anything to the contrary contained in this Lease, if, by reason of Landlord's failure to (i) make repairs required to be made by Landlord pursuant to this Lease (or if due to the performance of such repairs by Landlord) or (ii) provide the services required to be provided by Landlord under Section 10.1(a), Section 10.2 or Section 10.3(a) (such required repairs or service obligations set forth in this Section 10.10(b) being referred to individually and/or collectively as an "**Abatement Event**"), and as a result thereof all or a "material portion of the Premises" is rendered untenantable for the conduct of Tenant's business, and Tenant ceases to use such portion of the Premises for the conduct of its business, and such Abatement Event continues unremedied for more than five (5) consecutive Business Days after Tenant gives written notice to Landlord of such failure and the fact that a material portion of the Premises has been rendered untenantable for the conduct of Tenant's business by reason of such Abatement Event and that Tenant shall have ceased using such portion of the Premises for the conduct of its business, then the Fixed Rent shall be abated for such portion of the Premises during the time that such portion remains so untenantable and unused by reason of such Abatement Event after such fifth (5th) consecutive Business Day, apportioned according to the RSF of the Premises so rendered untenantable and unused. Nothing contained in this Section 10.10(b) is intended to, or shall be deemed to, make any casualty, condemnation or Unavoidable Delays or Section 10.10(a) or any event resulting from an act or omission of Tenant or its agents, employees, subtenants, licensees or contractors, an Abatement Event. For the purposes of this Section 10.10(b), a "material portion of the Premises" shall mean at least 5,000 RSF.

Section 10.11 **Access to Premises.** Subject to Unavoidable Delays, Landlord's reasonable security requirements, service interruptions, and the Rules and Regulations, Tenant shall have access to the Building and the Premises twenty-four (24) hours per day, seven (7) days per week.

Section 10.12 **Building Security**. During the Term, the Building lobby shall be attended by at least one security personnel during Ordinary Business Hours and in a manner that is consistent with the security provided by landlords of comparable first-class office buildings in the vicinity of the Building. Subject to the terms of Article 5 hereof, Tenant shall have the right to install an internal security system for all portions of the Premises. To the extent required for entry to the Building, Tenant will be provided key cards for Landlord's Building security system for all of its employees at Landlord's Building-standard charge (provided that Landlord shall provide the first 400 such key cards to Tenant without charge), which shall be capable of being deactivated immediately at the request of Tenant. Landlord shall cooperate with Tenant from time to time so that Tenant can make arrangements for Tenant's internal security system for the Premises to correspond with Landlord's visitor security management system in the lobby of the Building so that one (1) card key may be used to gain access through both systems. Landlord shall provide lobby desk reception services at the Building's lobby reception desk to direct Tenant's visitors to the Premises, and Landlord shall maintain and repair the security turnstiles in the Building lobby throughout the Term.

Article 11

INSURANCE; PROPERTY LOSS OR DAMAGE

Section 11.1 **Tenant's Insurance**. (a) Tenant, at its expense, shall obtain and keep in full force and effect during the Term:

(i) a policy of commercial general liability insurance on an occurrence basis against claims for personal injury, bodily injury, death and/or property damage occurring in or about the Building, under which Tenant is named as the insured and Landlord, and any Lessors and any Mortgagees whose names have been furnished to Tenant are named as additional insureds (the "**Insured Parties**"). Such insurance shall provide primary coverage without contribution from any other insurance carried by or for the benefit of the Insured Parties, and Tenant shall obtain blanket broad-form contractual liability coverage to insure its indemnity obligations set forth in Article 25. The minimum limits of liability applying to the Premises shall be a combined single limit with respect to each occurrence in an amount of not less than $[******], which amount may be satisfied with a primary commercial general liability policy of not less than $[******] per occurrence / $[******] general aggregate and an excess (or "umbrella") liability policy affording coverage, at least as broad as that afforded by the primary commercial general liability policy, in an amount not less than the difference between $[******] and the amount of the primary policy. Notwithstanding the foregoing, Landlord shall retain the right to require Tenant to increase such coverage from time to time, but not more than once per twelve (12) month period, to that amount of insurance which in Landlord's reasonable judgment is then being customarily required by landlords for similar office space in comparable buildings in the vicinity of the Building. The self-insured retention for such policy shall not exceed $[******]. Tenant may provide such insurance coverage as part of a blanket or umbrella policy, which includes other premises of Tenant, provided that the aggregate limits of insurance coverage required to be in effect for the Premises pursuant to the terms hereof shall not be reduced as a result of claims made against other premises or property of Tenant covered under such policies, and such blanket or umbrella polices shall comply with the terms hereof;

(ii) insurance against loss or damage by fire, and such other risks and hazards as are insurable under then available standard forms of "Special Form Causes of Loss" or "All Risk" property insurance policies with extended coverage, insuring Tenant's Property and all Alterations and improvements to the Premises (including the Initial Installations), for the full insurable value thereof or replacement cost thereof, having a deductible amount, if any, not in excess of $[******];

(iii) during the performance of any Alteration, until completion thereof, Builder's Risk insurance on an "all risk" basis and on a completed value form including a Permission to Complete and Occupy endorsement, for full replacement value covering the interest of Landlord and Tenant (and their respective contractors and subcontractors) in all work incorporated in the Building and all materials and equipment in or about the Premises;

(iv) Workers' Compensation Insurance, as required by law;

(v) Business Interruption Insurance covering a minimum of one hundred eighty (180) days of anticipated gross income;

(vi) for such period of time as Tenant shall serve alcoholic beverages, the broadest available so-called liquor law liability insurance (sometimes also known as "dram shop" insurance) policy or policies so that at all times Landlord will be fully protected against claims that may arise by reason of or in connection with the sale and dispensing of alcoholic beverages in and from the Premises; and

(vii) such other insurance in such amounts as the Insured Parties may reasonably require from time to time.

(b) All insurance required to be carried by Tenant (i) shall contain a provision that (x) no act or omission of Tenant shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained, and (y) such insurance shall be non-cancellable unless the Insured Parties shall be given at least ten (10) days' prior notice of the same, and (ii) shall be effected under valid and enforceable policies issued by reputable insurers admitted to do business in the State of New York and rated in Best's Insurance Guide, or any successor thereto as having a "Best's Rating" of "A-" or better and a "Financial Size Category" of at least "X" or better or, if such ratings are not then in effect, the equivalent thereof or such other financial rating as Landlord may at any time consider reasonably appropriate.

(c) On or prior to the Commencement Date, Tenant shall deliver to Landlord appropriate certificates of insurance, including evidence of waivers of subrogation required to be carried pursuant to this Article 11 and that the Insured Parties are named as additional insureds (the **"Certificates of Insurance"**). Evidence of each renewal or replacement of the Certificates of Insurance shall be delivered by Tenant to Landlord at least ten (10) days prior to the expiration of the Policies. In lieu of the Certificates of Insurance, Tenant may deliver to Landlord a certification from Tenant's insurance company (on the form currently designated "Acord 27" (Evidence of Property Insurance) and "Acord 25-S" (Certificate of Liability Insurance), or the equivalent, provided that attached thereto is an endorsement to Tenant's commercial general liability policy naming the Insured Parties as additional insureds, which endorsement is at least as broad as ISO policy form "CG2011 Additional Insured – Managers or Lessors of Premises" (pre-1999 edition) or its equivalent and which endorsement expressly provides coverage for the negligence of the additional insureds, which certification shall be binding on Tenant's insurance company, and which shall expressly provide that such certification (i) provides to the Insured Parties all the rights and privileges afforded under the Policies as primary insurance, and (ii) contains an unconditional obligation of the insurance company to advise all Insured Parties in writing at least ten (10) days in advance of any termination of the Policies.

(d) Tenant shall notify Landlord promptly of any change of the terms of any of the Policies which would be inconsistent with the terms of this Lease.

Section 11.2 **Waiver of Subrogation**. Landlord and Tenant shall each procure an appropriate clause in or endorsement to any property insurance covering the Real Property and personal property, fixtures and equipment located therein, wherein the insurer waives subrogation or consents to a waiver of right of recovery, and Landlord and Tenant agree not to make any claim against, or seek to recover from, the other for any loss or damage to its property or the property of others resulting from fire or other hazards. Tenant acknowledges that Landlord shall not carry insurance on, and shall not be responsible for, (i) damage to any Alterations, (ii) Tenant's Property, and (iii) any loss suffered by Tenant due to interruption of Tenant's business.

Section 11.3 **Restoration**. If the Premises are damaged by fire or other casualty, or if the Building is damaged such that Tenant is deprived of reasonable access to, or egress from, the Premises, the damage to the core and shell of the Premises and the Building systems serving the same, and the damage to those portions of the Building required for Tenant's ingress and egress to and from the Premises, shall be repaired by Landlord with reasonable dispatch, at its sole cost and expense, to substantially the condition required for delivery of the Premises on the Commencement Date, subject to the provisions of any Mortgage or Superior Lease, but Landlord shall have no obligation to repair or restore (i) Tenant's Property, or (ii) any Initial Installations or other Alterations or improvements to the Premises. Until the restoration affecting Tenant's occupancy of the Premises required to be performed by Landlord pursuant to the terms hereof is substantially completed or would have been substantially completed but for Tenant Delay or Tenant's occupancy of the affected portion of the Premises, whichever is the first to occur, Fixed Rent shall be reduced in the proportion by which the area of the part of the Premises which is not usable (or accessible) and is not used by Tenant bears to the total area of the Premises. This Article 11 constitutes an express agreement governing any case of damage or destruction of the Premises or the Building by fire or other casualty, and Section 227 of the Real Property Law of the State of New York, which provides for such contingency in the absence of an express agreement, and any other law of like nature and purpose now or hereafter in force, shall have no application in any such case.

Section 11.4 **Landlord's Termination Right**. Notwithstanding anything to the contrary contained in Section 11.3, if (a) the Premises are totally damaged or are rendered wholly untenantable, (b) the Building shall be so damaged that, in Landlord's reasonable opinion, substantial alteration, demolition, or reconstruction of the Building shall be required (whether or not the Premises are so damaged or rendered untenantable) or (c) any Mortgagee shall require that the insurance proceeds or any portion thereof be used to retire the Mortgage debt or the Existing Superior Lease shall be terminated in connection with the Improvements (as defined in the Existing Superior Lease) being destroyed or damaged in whole by fire or other casualty pursuant to Section 7.01 of the Existing Superior Lease, as the case may be, then in any of such events, Landlord may, not later than ninety (90) days following the date of the damage, terminate this Lease by notice to Tenant, provided that if the Premises are not damaged, Landlord may not terminate this Lease unless Landlord similarly terminates the leases of other tenants in the Building aggregating at least 75% (including Tenant) of the portion of the Building occupied for office purposes immediately prior to such damage. If this Lease is so terminated, (i) the Term shall expire upon the 30th day after such notice is given, (ii) Tenant shall vacate the Premises

and surrender the same to Landlord, (iii) Tenant's liability for Rent shall cease as of the date of the damage, (iv) any prepaid Rent for any period after the date of the damage shall be refunded by Landlord to Tenant (which obligation shall survive the earlier termination of this Lease), and (v) Landlord shall promptly return the Security Deposit to Tenant, and thereupon neither party shall have any liability to the other under this Lease, except for any obligations expressly stated to survive the Expiration Date or termination hereof.

Section 11.5 **Tenant's Termination Right**. If the Premises are totally damaged and are thereby rendered wholly untenantable, or if the Building shall be so damaged that Tenant is deprived of reasonable access to, or egress from, the Premises, and if Landlord elects to restore the Premises, Landlord shall, within ninety (90) days following the date of the damage, cause a contractor or architect selected by Landlord to give notice (the "**Restoration Notice**") to Tenant of the date by which such contractor or architect estimates the restoration of the Premises required to be performed by Landlord, if any, shall be substantially completed. If such date, as set forth in the Restoration Notice, is more than twelve (12) months from the date of such damage, then Tenant shall have the right to terminate this Lease by giving notice (the "**Termination Notice**") to Landlord not later than thirty (30) days following delivery of the Restoration Notice to Tenant. If Tenant elects not to terminate this Lease in accordance with the immediately preceding sentence, or if Tenant shall not have the right to do so hereunder, and if Landlord shall not substantially complete its required repair and restoration work by the date that is the later to occur of (x) the date estimated in the Restoration Notice and (y) the date that is fifteen (15) months after the date of the applicable casualty (subject to extension due to Unavoidable Delays not to exceed three (3) months), then Tenant shall have the further right to elect to terminate this Lease upon written notice (a "**Restoration Failure Termination Notice**") to Landlord and such election shall be effective upon the expiration of thirty (30) days after the date of such notice, unless Landlord substantially completes its required repairs within such thirty (30) day period. If Tenant terminates this Lease as set forth in this Section 11.5, this Lease shall be deemed to have terminated as of the date of the giving of the Termination Notice or the Restoration Failure Termination Notice, as applicable, in the manner set forth in the second sentence of Section 11.4 (and the obligations of Landlord under clauses (iv) and (v) of Section 11.4 shall survive the early termination of this Lease).

Section 11.6 **Final 18 Months**. Notwithstanding anything to the contrary in this Article 11, if the Premises are substantially damaged by fire or other casualty during the final eighteen (18) months of the then current Term, either Landlord or Tenant may terminate this Lease by notice to the other party within thirty (30) days after the occurrence of such damage and this Lease shall expire on the 30th day after the date of such notice. For purposes of this Section 11.6, the Premises shall be deemed wholly untenantable if Tenant shall be precluded from using more than 30% of the Premises for the conduct of its business and Tenant's inability to so use the Premises is reasonably expected to continue for more than ninety (90) days. If the Lease is terminated pursuant to this Section 11.6, prepaid Rent relating to any period after the date of the damage shall promptly be refunded by Landlord to Tenant and Landlord shall promptly return the Security Deposit to Tenant (which obligation shall survive the early termination of this Lease), and thereupon neither party shall have any liability to the other under this Lease, except for any obligations expressly stated to survive the Expiration Date or termination hereof.

Section 11.7 **Landlord's Liability**. Any Building employee to whom any property shall be entrusted by or on behalf of Tenant shall be deemed to be acting as Tenant's agent with respect to such property and neither Landlord nor its agents shall be liable for any damage to such property, or for the loss of or damage to any property of Tenant by theft or otherwise, unless caused by the gross negligence or willful misconduct of Landlord, its agents or employees. None

of the Insured Parties shall be liable for any injury or damage to persons or property or interruption of Tenant's business resulting from fire or other casualty, any damage caused by other tenants or persons in the Building or by construction of any private, public or quasi-public work, or any latent defect in the Premises or in the Building (except that Landlord shall be required to repair the same to the extent provided in Article 6). No penalty shall accrue for delays which may arise by reason of adjustment of fire insurance on the part of Landlord or Tenant, or for any Unavoidable Delays arising from any repair or restoration of any portion of the Building, provided, however, that Landlord shall use reasonable efforts to minimize interference with Tenant's use and occupancy of the Premises during the performance of any such repair or restoration.

Section 11.8 **Landlord's Insurance**. Landlord shall carry such insurance as may be required by any Lessor or Mortgagee. If at any time there is no Mortgage or Superior Lease, then Landlord shall carry such insurance as would reasonably be expected to be carried by the owner of a comparable building.

Article 12

EMINENT DOMAIN

Section 12.1 **Taking**.

(a) **Total Taking**. If all or substantially all of the Real Property, the Building or the Premises shall be acquired or condemned for any public or quasi-public purpose (a "**Taking**"), this Lease shall terminate and the Term shall end as of the date of the vesting of title and Rent shall be prorated and adjusted as of such date and thereafter neither party shall have any further liability or obligation hereunder, except as and to the extent same expressly survives such expiration or earlier termination of the term hereof.

(b) **Partial Taking**. Upon a Taking of only a part of the Real Property, the Building or the Premises then, except as hereinafter provided in this Article 12, this Lease shall continue in full force and effect, provided that from and after the date of the vesting of title, Fixed Rent, Tenant's Tax Proportionate Share and Tenant's Operating Proportionate Share shall be modified to reflect the reduction of the Premises and/or the Building as a result of such Taking.

(c) **Landlord's Termination Right**. Whether or not the Premises are affected, Landlord may, by notice to Tenant, within ninety (90) days following the date upon which Landlord receives notice of the Taking of all or a portion of the Real Property, the Building or the Premises, terminate this Lease, provided that Landlord elects to terminate leases (including this Lease) affecting at least 75% of the rentable area of the Building.

(d) **Tenant's Termination Right**. If the part of the Real Property so Taken contains more than 15% of the total area of the Premises occupied by Tenant immediately prior to such Taking, or if, by reason of such Taking, Tenant no longer has reasonable means of access to, or egress from, the Premises, Tenant may terminate this Lease by notice to Landlord given within thirty (30) days following the date upon which Tenant is given notice of such Taking. If Tenant so notifies Landlord, this Lease shall end and expire upon the 30th day following the giving of such notice. If a part of the Premises shall be so Taken and this Lease is not terminated in accordance with this Section 12.1 Landlord shall, subject to the provisions of any Mortgage or Superior Lease, restore that part of the Premises not so Taken to a self-contained rental unit substantially equivalent (with respect to character, quality, appearance and services) to that which existed immediately prior to such Taking, excluding Tenant's Property and any Tenant Alterations.

(e) **Apportionment of Rent**. Upon any termination of this Lease pursuant to the provisions of this Article 12, Rent shall be apportioned as of, and shall be paid or refunded up to and including, the date of such termination.

Section 12.2 **Awards**. Upon any Taking, Landlord shall receive the entire award for any such Taking, and Tenant shall have no claim against Landlord or the condemning authority for the value of any unexpired portion of the Term or Tenant's Alterations (except for the cost of such Alterations solely to the extent in excess of Landlord's Contribution); and Tenant hereby assigns to Landlord all of its right in and to such award. Nothing contained in this Article 12 shall be deemed to prevent Tenant from making a separate claim in any condemnation proceedings for (x) the cost of Tenant's Alterations solely to the extent in excess of Landlord's Contribution and/or (y) the then value of any Tenant's Property so taken and/or (z) for any moving expenses; provided in each case that any such award is in addition to, and does not result in a reduction of, the award made to Landlord.

Section 12.3 **Temporary Taking**. If all or any part of the Premises is Taken temporarily during the Term for any public or quasi-public use or purpose, Tenant shall give prompt notice to Landlord and the Term shall not be reduced or affected in any way and Tenant shall continue to pay all Rent payable by Tenant without reduction or abatement and to perform all of its other obligations under this Lease, except to the extent prevented from doing so by the condemning authority, and Tenant shall be entitled to receive any award or payment from the condemning authority for such use, which shall be received, held and applied by Tenant as a trust fund for payment of the Rent falling due.

Article 13

ASSIGNMENT AND SUBLETTING

Section 13.1 **Consent Requirements.**

(a) **No Transfers**. Except as expressly set forth herein, Tenant shall not assign, mortgage, pledge, encumber, or otherwise transfer this Lease, whether by operation of law or otherwise, and shall not sublet, or permit, or suffer the Premises or any part thereof to be used or occupied by others (whether for desk space, mailing privileges or otherwise), without Landlord's prior consent in each instance. Any assignment, sublease, mortgage, pledge, encumbrance or transfer in contravention of the provisions of this Article 13 shall be void.

(b) **Collection of Rent**. If, without Landlord's consent, this Lease is assigned, or any part of the Premises is sublet or occupied by anyone other than Tenant or this Lease is encumbered (by operation of law or otherwise), Landlord may collect rent from the assignee, subtenant or occupant, and apply the net amount collected to the Rent herein reserved. No such collection shall be deemed a waiver of the provisions of this Article 13, an acceptance of the assignee, subtenant or occupant as tenant, or a release of Tenant from the performance of Tenant's covenants hereunder, and in all cases Tenant shall remain fully liable for its obligations under this Lease.

(c) **Further Assignment/Subletting**. Landlord's consent to any assignment or subletting shall not relieve Tenant from the obligation to obtain Landlord's consent to any further assignment or subletting requiring Landlord's consent hereunder. In no event shall any permitted subtenant assign or encumber its sublease or further sublet any portion of its sublet space, or otherwise suffer or permit any portion of the sublet space to be used or occupied by others without first complying with this Article 13.

Section 13.2 **Tenant's Notice**. If Tenant desires to assign this Lease or sublet all or any portion of the Premises requiring Landlord consent hereunder, Tenant shall submit a statement to Landlord (an "**A/S Statement**") containing the following information: (a) the name and address of the proposed subtenant or assignee, (b) with respect to an assignment of this Lease, a term sheet executed by Tenant and the proposed assignee and the terms and conditions of the proposed assignment, including, without limitation, the consideration payable for such assignment, any additional consideration payable for leasehold improvements or Tenant's Property and the cost of any work to prepare the Premises for occupancy by such assignee and the date Tenant desires the assignment to be effective, and (c) with respect to a sublet of all or a part of the Premises, a term sheet executed by Tenant and the proposed subtenant containing a description of the portion of the Premises to be sublet, and the terms and conditions of the proposed subletting, including, without limitation, the consideration per rentable square foot payable for such subletting (the "**Sublease Rent**"), any additional consideration payable for leasehold improvements and Tenant's Property and the cost of any work to prepare the sublet space for occupancy by such subtenant and the date Tenant desires the subletting to be effective. Such notice shall be deemed an irrevocable offer from Tenant to Landlord of the right, at Landlord's option, if the proposed transaction is (x) an assignment of this Lease or (y) a subletting of all or substantially all of the rentable square footage of the Premises for all or substantially all of the remainder of the term of this Lease (*i.e.*, for a term ending within the last twenty-four (24) months of the Term (the "**Recapture Space**"), to either terminate this Lease or to require Tenant to sublease the Recapture Space to Landlord (or its designee) pursuant to the terms and conditions of Section 13.3 below. Such option may be exercised by notice from Landlord to Tenant within thirty (30) days after delivery of Tenant's A/S Statement along with the applicable documentation and information stated above. If Landlord exercises its option to terminate this Lease, (a) this Lease shall end and expire on the date that such assignment or sublease was to commence, provided that such date is in no event less than sixty (60) days after the date of the above notice unless Landlord agrees to an earlier date, (b) Rent shall be apportioned, paid or refunded as of such termination date, and (c) Landlord shall be free to lease the Premises (or any part thereof) to Tenant's prospective assignee or subtenant (or to any other party in Landlord's sole and absolute discretion).

Section 13.3 **Subletting by Landlord**.

(a) If Landlord shall exercise its option to sublet the Recapture Space, then, notwithstanding the terms contained in the A/S Statement, such sublease (a "**Recapture Sublease**") to Landlord or its designee as subtenant (the "**Recapture Subtenant**") or assignee shall:

(i) be at a rate, at all times throughout the term of the Recapture Sublease, equal to (if Tenant had proposed to sublet the Premises) the rate set forth in the A/S Statement;

(ii) otherwise be upon the same terms and conditions as those contained in the A/S Statement (other than, in the case of an assignment, payment of consideration therefor to Tenant) and (except as modified by the A/S Statement) the terms and conditions contained in this Lease, except such as are irrelevant or inapplicable and except as otherwise expressly set forth to the contrary in this Section 13.3;

(iii) give the Recapture Subtenant the unqualified and unrestricted right, without Tenant's permission, to assign such sublease and to further sublet the Recapture Space or any part thereof and to make any and all changes, alterations, and improvements in and to the Recapture Space, provided that Tenant shall not be required to restore and/or remove any alterations made by or on behalf of any Recapture Subtenant;

(iv) provide in substance that any such changes, alterations, and improvements made in the Recapture Space may be removed, in whole or in part, prior to or upon the expiration or other termination of the Recapture Sublease provided that any material damage and injury caused thereby shall be repaired, and if not so removed, Tenant shall have no restoration and/or removal obligation in respect thereof;

(v) provide that (x) the parties to such Recapture Sublease expressly negate any intention that any estate created under the Recapture Sublease be merged with any estate held by either of said parties, and (y) at the expiration of the term of such Recapture Sublease, Tenant will accept the Recapture Space in its then existing condition, broom clean (provided that Tenant will not be required to restore any alterations made by or on behalf of the Recapture Subtenant at the end of the Lease Term); and

(vi) provide that the Recapture Subtenant or occupant shall use and occupy the Recapture Space for any purpose approved by Landlord (without regard to any limitation set forth in the A/S Statement).

(b) Until the termination of a Recapture Sublease, performance by Recapture Subtenant under a Recapture Sublease shall be deemed performance by Tenant of any similar obligation under this Lease and Tenant shall not be liable for any default under this Lease or deemed to be in default hereunder if such default is occasioned by or arises from any act or omission of Recapture Subtenant (or any person or entity acting by, through or under Recapture Subtenant) under the Recapture Sublease or is occasioned by or arises from any act or omission of any occupant under the Recapture Sublease (or any person or entity acting by, through or under such occupant), and Landlord shall indemnify Tenant from and against any and all damages, liabilities and/or claims to the extent resulting from the acts, omissions or negligence of any Recapture Subtenant (or any person or entity acting by, through or under Recapture Subtenant) or any breach by any Recapture Subtenant (or any person or entity acting by, through or under Recapture Subtenant) under the Recapture Sublease of the provisions of this Lease.

(c) If a Recapture Subtenant or any occupant claiming by, through or under a Recapture Subtenant shall fail to give Tenant possession of the Recapture Space at the expiration of the term of the Recapture Sublease, then (w) until the date upon which Recapture Subtenant gives Tenant possession of such Recapture Space free of occupancies, Recapture Subtenant shall continue to pay all charges previously payable, and comply with all other obligations under the Recapture Sublease and the provisions of Section 13.3(b) shall continue to apply, (x) neither the Expiration Date nor the validity of this Lease shall be affected, (y) Tenant waives any rights under Section 223-a of the Real Property Law of New York, or any successor statute of similar import, to rescind this Lease and further waives the right to recover any damages from Landlord or Recapture Subtenant that may result from the failure of Landlord to deliver possession of the Recapture Space at the end of the term of the Recapture Sublease (provided that Tenant shall not be liable for any such holdover by a Recapture Subtenant or any occupant claiming by, through or under a Recapture Subtenant), and (z) Landlord, at Recapture Subtenant's expense, shall use its reasonable efforts to deliver possession of such Recapture Space to Tenant and in connection therewith, if necessary, shall institute and diligently and in

good faith prosecute holdover and any other appropriate proceeding against the occupant of such Recapture Space. Notwithstanding anything to the contrary contained herein, Tenant shall have no liability under this Lease for holding over in the Premises beyond the expiration of this Lease due to any such holdover by a Recapture Subtenant or any occupant claiming by, through or under a Recapture Subtenant.

Section 13.4 **Conditions to Assignment/Subletting**. (a) If Landlord does not exercise Landlord's option provided under Sections 13.2 and 13.3 (or if Landlord shall not have the right to do so), and provided no Event of Default then exists, Landlord's consent to the proposed assignment or subletting shall not be unreasonably withheld, conditioned or delayed. Such consent shall be granted or denied (and, if denied, the reason for such disapproval) within thirty (30) days after delivery to Landlord of (i) the documentation and information required under Section 13.2, (ii) a true and complete statement reasonably detailing the identity of the proposed assignee or subtenant ("**Transferee**"), the nature of its business and its proposed use of the Premises, (iii) most recent financial information with respect to the Transferee, including its most recent financial statements, and (iv) any other information Landlord may reasonably request, provided that:

(A) in Landlord's reasonable judgment, the Transferee is engaged in a business or activity, and the Premises will be used in a manner, which (1) is in keeping with the then standards of the Building, (2) is consistent with the Permitted Use, and (3) does not violate any restrictions set forth in this Lease, any Mortgage or Superior Lease or any negative covenant as to use of the Premises required by any other lease in the Building;

(B) the Transferee is reputable with sufficient financial means to perform all of its obligations under this Lease or the sublease, as the case may be;

(C) neither the Transferee nor any person or entity which, directly or indirectly, controls, is controlled by, or is under common control with, the Transferee is then an occupant of the Building, unless Landlord does not have reasonably comparably-sized space available for leasing in the Building for a comparable lease term;

(D) the Transferee is not a person or entity (or affiliate of a person or entity) with whom Landlord is then or has been within the prior six (6) months negotiating in connection with the rental of space in the Building, provided Landlord has reasonably comparably-sized space available for leasing in the Building for a comparable lease term;

(E) there shall be not more than (i) four (4) occupants with separately demised premises (including Tenant) on any full floor of the Premises and (ii) two (2) occupants with separately demised premises (including Tenant) on any partial floor of the Premises;

(F) in no event shall Tenant be permitted to sublet the Terrace (except to a subtenant of either the entire Premises or the entire 10th Floor Premises);

(G) Tenant shall, upon demand, reimburse Landlord for all reasonable expenses incurred by Landlord in connection with such assignment or sublease, including any investigations as to the acceptability of the Transferee and all legal costs reasonably incurred in connection with the granting of any requested consent;

(H) Tenant shall not publicly list the Premises to be sublet or assigned with a broker, agent or other entity or otherwise offer the Premises for subletting at a rental rate less than 90% of the fixed rent at which Landlord is then offering to lease comparable space in the Building for a comparable term (provided that the foregoing shall not be deemed to prohibit Tenant from listing with brokers the availability of the Premises for sublet or assignment or restrict Tenant from entering into a sublease at a lesser rental rate); and

(I) the Transferee shall not be entitled, directly or indirectly, to diplomatic or sovereign immunity, regardless of whether the Transferee agrees to waive such diplomatic or sovereign immunity, and shall be subject to the service of process in, and the jurisdiction of the courts of, the City and State of New York.

(b) With respect to each and every subletting and/or assignment approved by Landlord under the provisions of this Lease:

(i) the form of the proposed assignment or sublease shall be reasonably satisfactory to Landlord;

(ii) no sublease shall be for a term ending later than one day prior to the Expiration Date;

(iii) no Transferee shall take possession of any part of the Premises, until an executed counterpart of such sublease or assignment has been delivered to Landlord and approved by Landlord as provided in this Section 13.4(b);

(iv) if an Event of Default occurs and is continuing as of the effective date of such assignment or subletting, then Landlord's consent thereto, if previously granted, shall be immediately deemed revoked without further notice to Tenant, and if such assignment or subletting would have been permitted without Landlord's consent pursuant to Section 13.8, such permission shall be void and without force and effect; and

(v) each sublease shall be subject and subordinate to this Lease and to the matters to which this Lease is or shall be subordinate; and Tenant and each Transferee shall be deemed to have agreed that effective upon the occurrence and during the continuation of an Event of Default hereunder, Tenant has hereby assigned to Landlord, and Landlord may, at its option, accept such assignment of, all right, title and interest of Tenant as sublandlord under such sublease, together with all modifications, extensions and renewals thereof then in effect and such Transferee shall, at Landlord's option, attorn to Landlord pursuant to the then executory provisions of such sublease, except that Landlord shall not be (A) liable for any previous act or omission of Tenant under such sublease, (B) subject to any counterclaim, offset or defense not expressly provided in such sublease, which theretofore accrued to such Transferee against Tenant, (C) bound by any previous modification of such sublease not consented to by Landlord or by any prepayment of more than one month's rent, (D) bound to return such Transferee's security deposit, if any, except to the extent Landlord shall receive actual possession of such deposit and such Transferee shall be entitled to the return of all or any portion of such deposit under the terms of its sublease, or (E) obligated to make any payment to or on behalf of such Transferee, or to perform any work in the subleased space or the Building, or in any way to prepare the subleased space for occupancy, beyond Landlord's obligations under this Lease. The provisions of this Section 13.4(b)(v) shall be self-operative, and no further instrument shall be required to give effect to this provision, provided that the Transferee shall execute and deliver to Landlord any instruments Landlord may reasonably request to evidence and confirm such subordination and attornment.

Section 13.5 **Binding on Tenant; Indemnification of Landlord**. Notwithstanding any assignment or subletting or any acceptance of rent by Landlord from any Transferee, Tenant shall remain fully liable for the payment of all Rent due and for the performance of all the covenants, terms and conditions contained in this Lease on Tenant's part to be observed and performed, and any default under any term, covenant or condition of this Lease by any Transferee or anyone claiming under or through any Transferee shall be deemed to be a default under this Lease by Tenant; provided, however, if any such subsequent amendment to this Lease is made to a person or entity that is not an Related Entity of the predecessor Tenant without any such predecessor Tenant's consent and such subsequent amendment shall (i) increase the rentable area of the Premises, (ii) increase the Rent payable hereunder or (iii) renew the Term hereof, in each case other than pursuant to the exercise of any option of Tenant expressly set forth herein, then such predecessor Tenant shall not be liable with respect only to such incremental increases and/or such renewal term. Tenant shall indemnify, defend, protect and hold harmless Landlord from and against any and all Losses resulting from any claims that may be made against Landlord by the Transferee or anyone claiming under or through any Transferee or by any brokers or other persons or entities claiming a commission or similar compensation in connection with the proposed assignment or sublease, irrespective of whether Landlord shall give or decline to give its consent to any proposed assignment or sublease, or if Landlord shall exercise any of its options under this Article 13.

Section 13.6 **Tenant's Failure to Complete**. If Landlord consents to a proposed assignment or sublease and Tenant fails to execute and deliver to Landlord such assignment or sublease within one hundred eighty (180) days after the giving of such consent or the economic terms of such assignment or sublease are less than 95% of the terms contained in the A/S Statement or the amount of space subject to such sublease varies by more than 5% from that specified in the A/S Statement or the terms of such assignment or sublease are otherwise different from the terms contained in the A/S Statement other than to an insignificant extent, then Tenant shall again comply with all of the provisions and conditions of Sections 13.2 and 13.4 before assigning this Lease or subletting all or part of the Premises.

Section 13.7 **Profits**. If Tenant enters into any assignment or sublease permitted hereunder or consented to by Landlord, Tenant shall, within thirty (30) days of Landlord's consent to such assignment or sublease (or if such assignment or sublease is permitted hereunder without Landlord's prior consent, within thirty (30) days of the effective date of such assignment or sublease), deliver to Landlord a list of Tenant's reasonable third-party brokerage fees, marketing, legal fees and, in the case of any sublease, any free rent provided to such subtenant, any subtenant improvement allowances and any actual costs incurred by Tenant in separately demising the sublet space (collectively, "**Transaction Costs**"), together with a list of all of Tenant's Property to be transferred to such Transferee. The Transaction Costs shall be amortized, on a straight-line basis, in equal monthly installments, over the period that the Transferee is obligated to make payments to Tenant in respect of the applicable assignment or sublease. In consideration of such assignment or subletting, Tenant shall pay to Landlord:

(a) In the case of an assignment, an amount equal to 50% of all sums and other consideration paid to or for the benefit of Tenant by the Transferee for or by reason of such assignment (including, but not limited to, sums paid for the sale of any of Tenant's Property, fixtures or leasehold improvements). For purposes of the foregoing, sums paid for the sale of any of Tenant's Property shall be reduced by the net unamortized or undepreciated cost thereof determined on the basis of Tenant's federal income tax returns, after first deducting the applicable amortized amount of Transaction Costs. The sums payable under this clause shall be paid by Tenant to Landlord as and when paid by the assignee to Tenant.

(b) In the case of a sublease, 50% of the excess, if any, of (i) any rents, additional charges or other consideration payable under the sublease or any agreement relating thereto to or for the benefit of Tenant by the subtenant (including, but not limited to, sums paid for the sale of any of Tenant's Property, fixtures or leasehold improvements) over (ii) the rents accruing during the term of the sublease in respect of and allocable to the subleased space pursuant to the terms of this Lease. For purposes of the foregoing, sums paid for the sale of any of Tenant's Property shall be reduced by the net unamortized or undepreciated cost thereof determined on the basis of Tenant's federal income tax returns after first deducting the monthly amortized amount of Transaction Costs. The sums payable under this clause shall be paid by Tenant to Landlord monthly as and when paid by the subtenant to Tenant.

(c) The amount payable under this Section 13.7 with respect to any particular Transfer is sometimes referred to herein as the "**Transfer Premium**." Landlord or its authorized representatives shall have the right at all reasonable times, upon reasonable prior notice, to audit the books and records of Tenant relating to the calculation of any Transfer Premium, and shall have the right to make copies thereof. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency, and if understated by more than 5%, Landlord's reasonable costs of such audit. Tenant shall have the right to submit to arbitration in accordance with Article 33 hereof any dispute in respect of the amount of the Transfer Premium. In making such examination, Landlord agrees to keep confidential any and all information contained in the books and records, except that Landlord shall have the right to disclose any of such information (x) to partners, affiliates, accountants, attorneys, employees, agents and representatives and lenders who will be directed to treat such information confidentially, (y) as required by law and (z) in connection with any legal action hereunder. Notwithstanding the foregoing, Tenant hereby agrees that the costs incurred by Tenant in the performance of Tenant's Initial Installations in any portion(s) of the Premises that Tenant sublets (to the extent paid or reimbursed out of Landlord's Contribution (which for purposes of this Section 13.7 shall be deemed to be $102.00 per rentable square foot of any such sublet portion of the Premises initially demised hereunder)) shall not in any case be deemed a component of Transaction Costs.

Section 13.8 **Transfers**.

(a) **Related Entities**. If Tenant is a legal entity, the transfer (by one or more transfers), directly or indirectly, by operation of law or otherwise, of a majority of the stock or other beneficial ownership interest in Tenant or of all or substantially all of the assets of Tenant (collectively **"Ownership Interests"**) shall be deemed a voluntary assignment of this Lease; provided, however, that the provisions of this Article 13 shall not apply to the transfer of Ownership Interests in Tenant if and so long as Tenant is publicly traded on a nationally recognized stock exchange. For purposes of this Article, the term "transfers" shall be deemed to include (x) the issuance of new Ownership Interests which results in a majority of the Ownership Interests in Tenant being held by a person or entity which does not hold a majority of the Ownership Interests in Tenant on the Effective Date, (y) the sale or mortgage of more than 50% of Tenant's net assets, and (z) except as provided below, the sale or transfer of all or substantially all of the assets of Tenant or the assets of an operating division group or department of Tenant in one or more transactions, the merger or consolidation or conversion of Tenant into or with another business entity and the purchase of the majority of Tenant's business as conducted in the Premises. The

provisions of Section 13.1 shall not apply to transactions with a business entity into or with which Tenant is merged or consolidated or converted, to which all or substantially all of Tenant's assets or the assets of an operating division group or department of Tenant are transferred or who purchases the majority of Tenant's business as conducted in the Premises so long as (i) such transfer was made for a legitimate independent business purpose and not primarily for the purpose of transferring this Lease, (ii) the successor to Tenant has a tangible net worth computed in accordance with generally accepted accounting principles consistently applied that is at least equal to $100,000,000 and a net revenue that is at least equal to $10,000,000 (collectively, the "**Net Worth Test**"), (iii) proof reasonably satisfactory to Landlord of such satisfaction of the Net Worth Test is delivered to Landlord at least ten (10) days prior to the effective date of any such transaction, (iv) any such transfer shall be subject and subordinate to all of the terms and provisions of this Lease, and the Transferee shall assume, in a written document reasonably satisfactory to Landlord and delivered to Landlord upon or prior to the effective date of such transfer, all the obligations of Tenant under this Lease, (v) Tenant shall remain fully liable for all obligations to be performed by Tenant under this Lease, and (vi) such transfer does not cause Landlord to be in default under any then existing lease at the Real Property. Tenant may also, upon prior notice to Landlord, permit any business entity which controls, is controlled by, or is under common control with Tenant (a "**Related Entity**") to sublet all or part of the Premises for the Permitted Use, for so long as such entity remains a Related Entity. Such sublease shall not be deemed to vest in any such Related Entity any right or interest in this Lease nor shall it relieve, release, impair or discharge any of Tenant's obligations hereunder. For the purposes hereof, "control" shall be deemed to mean ownership of not less than 50% of all of the Ownership Interests of such corporation or other business entity. Notwithstanding the foregoing, Tenant shall have no right to assign this Lease or sublease all or any portion of the Premises without Landlord's consent pursuant to this Section 13.8 if an Event of Default then exists under this Lease. Notwithstanding anything to the contrary contained herein, any transfer permitted under this Section 13.8 shall not afford Landlord the right to terminate this Lease pursuant to Section 13.2 or the right to any profits pursuant to Section 13.7.

(b) **Applicability**. The limitations set forth in this Section 13.8 shall apply to Transferee(s), if any, and any transfer by any such entity in violation of this Section 13.8 shall be a transfer in violation of Section 13.1.

(c) **Modifications, Takeover Agreements**. Any modification, amendment or extension of a sublease and/or any other agreement by which a landlord of a building other than the Building (or its affiliate) agrees to assume the obligations of Tenant under this Lease shall be deemed a sublease for the purposes of Section 13.1 hereof.

Section 13.9 **Assumption of Obligations**. No assignment or transfer shall be effective unless and until the Transferee executes, acknowledges and delivers to Landlord an agreement in form and substance reasonably satisfactory to Landlord whereby the assignee (a) assumes Tenant's obligations under this Lease from and after the effective date of the assumption and (b) agrees that, notwithstanding such assignment or transfer, the provisions of Section 13.1 hereof shall be binding upon it in respect of all future assignments and transfers.

Section 13.10 **Tenant's Liability**. The joint and several liability of Tenant and any successors-in-interest of Tenant and the due performance of Tenant's obligations under this Lease shall not be discharged, released or impaired by any agreement or stipulation made by Landlord, or any grantee or assignee of Landlord, extending the time, or modifying any of the terms and provisions of this Lease (except as otherwise expressly provided in Section 13.5 hereof), or by any waiver or failure of Landlord, or any grantee or assignee of Landlord, to enforce any of the terms and provisions of this Lease.

Section 13.11 **Listings in Building Directory**. The listing of any name other than that of Tenant on the doors of the Premises, the Building directory or elsewhere shall not vest any right or interest in this Lease or in the Premises, nor be deemed to constitute Landlord's consent to any assignment or transfer of this Lease or to any sublease of the Premises or to the use or occupancy thereof by others. Any such listing shall constitute a privilege revocable in Landlord's discretion by notice to Tenant.

Section 13.12 **Lease Disaffirmance or Rejection**. If at any time after an assignment by Tenant named herein, this Lease is not affirmed or is rejected in any bankruptcy proceeding or any similar proceeding, or upon a termination of this Lease due to any such proceeding, Tenant named herein, upon request of Landlord given after such disaffirmance, rejection or termination (and actual notice thereof to Landlord in the event of a disaffirmance or rejection or in the event of termination other than by act of Landlord), shall (a) pay to Landlord all Rent and other charges due and owing by the assignee to Landlord under this Lease to and including the date of such disaffirmance, rejection or termination, and (b) as "tenant," enter into a new lease of the Premises with Landlord for a term commencing on the effective date of such disaffirmance, rejection or termination and ending on the Expiration Date, at the same Rent and upon the then executory terms, covenants and conditions contained in this Lease, except that (i) the rights of Tenant named herein under the new lease shall be subject to the possessory rights of the assignee under this Lease and the possessory rights of any persons or entities claiming through or under such assignee or by virtue of any statute or of any order of any court, (ii) such new lease shall require all defaults existing under this Lease to be cured by Tenant named herein with due diligence, and (iii) such new lease shall require Tenant named herein to pay all Rent which, had this Lease not been so disaffirmed, rejected or terminated, would have become due under the provisions of this Lease after the date of such disaffirmance, rejection or termination with respect to any period prior thereto. If Tenant named herein defaults in its obligations to enter into such new lease for a period of thirty (30) days after Landlord's request, then, in addition to all other rights and remedies by reason of default, either at law or in equity, Landlord shall have the same rights and remedies against Tenant named herein as if it had entered into such new lease and such new lease had thereafter been terminated as of the commencement date thereof by reason of Tenant's default thereunder.

Section 13.13 **Permitted Occupants**. Notwithstanding anything to the contrary contained in this Article 13, up to twenty percent (20%) of the RSF of the Premises, may be used or occupied by other individuals or entities not employed by Tenant, so long as and to the extent that such individuals or entities have an ongoing business relationship with Tenant (collectively, "**Permitted Occupants**"), for use only as executive, general and administrative offices, without the consent of Landlord, provided that (A) Tenant shall have given prior notice to Landlord of such intended use and occupancy along with the name of each such Permitted Occupant, (B) no demising walls are installed in the Premises in connection with such occupancy (and there is no separate reception area so that the Premises shall at all times give the appearance of being solely occupied by Tenant), (C) Tenant is not entitled to and does not receive any rent from any Permitted Occupant in excess of the Rent accruing during the term of such occupancy in respect of the space occupied by such Permitted Occupant (at the rate per RSF payable by Tenant under this Lease), pursuant to the terms of this Lease, (D) no Permitted Occupant may assign its rights to license any portion of the Premises or sublet or sublicense its licensed space (or any portion thereof), (E) no Permitted Occupant's use and occupancy of any portion of the Premises shall be deemed to create a tenancy or any other interest in the Premises except a revocable license

granted by Tenant which shall cease and expire automatically without notice upon the expiration or earlier termination of this Lease, and (F) no Permitted Occupants shall perform any Alterations to any portion of the Premises. The Permitted Occupants shall have no rights against Landlord under this Lease, and all acts and omissions of the Permitted Occupants shall be deemed acts and omissions of Tenant hereunder. Tenant shall indemnify, defend and hold harmless Landlord from and against any and all loss, liability, damages, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) resulting from any claims that may be made against Landlord by any Permitted Occupant or by any brokers or other persons claiming a commission or similar compensation in connection with any Permitted Occupant's license agreement. Such occupancy shall not be subject to Landlord's rights under Sections 13.4, 13.7 or 13.8 of this Lease, but all other provisions of this Lease shall apply to such occupancy.

Section 13.14 **Deemed Approval**. If (w) Tenant requests Landlord's approval of a proposed Transfer as provided in Section 13.4 hereof, (x) such request states in bold, capital letters as follows: "**LANDLORD'S FAILURE TO RESPOND TO THIS REQUEST FOR CONSENT TO THIS TRANSFER WITHIN THIRTY (30) DAYS MAY RESULT IN LANDLORD BEING DEEMED TO HAVE CONSENTED TO THE TRANSFER SET FORTH HEREIN**", (y) provided that Landlord has not then responded, Tenant gives Landlord a second (2nd) request for approval of a proposed Transfer following the expiration of such thirty (30) day period that states in bold, capital letters as follows: "**LANDLORD'S FAILURE TO RESPOND TO THIS SECOND REQUEST FOR CONSENT TO THIS TRANSFER WITHIN FIVE (5) BUSINESS DAYS SHALL RESULT IN LANDLORD BEING DEEMED TO HAVE CONSENTED TO THE TRANSFER SET FORTH HEREIN**", and (z) Landlord fails to respond to Tenant's request within five (5) Business Days after the date that Landlord receives such second (2nd) notice, then Landlord shall be deemed to have approved Tenant's aforesaid request for purposes of Section 13.4 hereof, provided that in no event shall Landlord be deemed to have consented to any Transfer that is otherwise expressly prohibited by the terms of this Article 13.

Section 13.15 **Qualifying Sublease Subtenant Recognition**. (a) If Tenant subleases one or more full floors of the Premises (provided that the 9th Floor Premises and the 10th Floor Premises must be subleased together for such sublease to constitute a Qualifying Sublease) with Landlord's consent in accordance with this Article 13, and such sublease constitutes a Qualifying Sublease (as hereinafter defined) and an Event of Default shall not be continuing hereunder at the time of a request for a recognition agreement, then Landlord shall execute and deliver to the subtenant under the applicable Qualifying Sublease, at Tenant's option and request, a recognition agreement, substantially in the form annexed to this Lease as **Exhibit M**, which shall not be recorded. Landlord shall execute and deliver such a recognition agreement contemporaneously with the giving of Landlord's consent to such Qualifying Sublease; provided, however, that in no event shall Landlord be deemed to have recognized the subtenant of a Qualifying Sublease unless and until such recognition agreement has been executed and delivered by Landlord (provided that Landlord agrees to execute such agreement, subject to the terms and conditions of this Section 13.15).

(b) Upon the attornment and recognition of a subtenant pursuant to the recognition agreement described in Section 13.15(a), (i) the Qualifying Sublease shall continue in full force and effect as, or as if it were, a direct lease between Landlord and such subtenant upon all of the then executory terms, conditions and covenants as are set forth in such Qualifying Sublease, except that the fixed annual rent or base rent payable thereunder shall be the greater of (x) the Fixed Rent payable under this Lease (as the same may be adjusted from time to time under this Lease) in respect of the subleased premises (prorated on a per RSF basis) and (y) the actual fixed annual rent or base rent payable under the then executory terms of the Qualifying Sublease, and except as otherwise specifically set forth in the recognition agreement annexed to this Lease as **Exhibit M**, and (ii) Tenant shall promptly transfer to Landlord the entire security deposit then held by Tenant, if any, deposited by the subtenant with respect to such sublease.

(c) Tenant shall reimburse Landlord, or cause Landlord to be reimbursed, within thirty (30) days after demand for all of Landlord's reasonable, out-of-pocket costs and expenses in connection with the granting of a recognition agreement under this Section 13.15, including the costs of making investigations as to whether or not the particular sublease is a Qualifying Sublease and all reasonable attorneys' fees and disbursements incurred in connection with any requested recognition agreement.

(d) A "**Qualifying Sublease**" is a sublease in form and substance reasonably satisfactory to Landlord (in accordance with the provisions of this Article 13) entered into with Landlord's prior written consent (in accordance with the provisions of this Article 13), to a subtenant of the Tenant named herein which is a bona fide third party, that is not an affiliate of Tenant and that meets the Non-disturbance Financial Test (as hereinafter defined), of at least one (1) full floor of the Premises (provided that the 9th Floor Premises and the 10th Floor Premises must be subleased together in order for such sublease to constitute a Qualifying Sublease).

(e) The "**Nondisturbance Financial Test**" shall mean that the subtenant (or a guarantor of all of the subtenant's obligations under the Qualifying Sublease, which guarantor is an entity that (i) is qualified to do business and in good standing in any of the states of the United States of America, (ii) has substantial assets (in Landlord's reasonable determination) in the United States of America and (iii) has submitted itself in writing to the jurisdiction of the courts of the State of New York) shall have either (i) a net worth in excess of a sum equal to fifteen (15) times the greater of (A) the annual Fixed Rent payable under this Lease during the year in which the sublease in question is executed and delivered for such portion of the Premises covered by such sublease (prorated on a per RSF basis), and (B) the annual base or fixed rent payable under the sublease during the year in which the sublease in question is executed and delivered, or (ii) if the subtenant is a firm engaged in the practice of law, an accounting firm or other professional services firm, gross income in excess of fifteen (15) times the greater of (x) the sum of all annual rent in effect during the year in which the sublease in question is executed and delivered for all facilities leased by such subtenant, including the annual Fixed Rent payable under this Lease during the year in which the sublease in question is executed and delivered for such portion of the Premises covered by such sublease (prorated on a per RSF basis), and (y) the sum of all annual rent in effect during the year in which the sublease in question is executed and delivered for all facilities leased by such subtenant including the annual base or fixed rent payable under the sublease during the year in which the sublease in question is executed and delivered. Satisfaction of either of such tests shall be evidenced by the subtenant's (or such guarantor's) separate audited financial statements for the subtenant's (or such guarantor's) two (2) immediately preceding fiscal years, which shall be delivered to Landlord as a condition precedent to Landlord entering into a recognition agreement in respect of a Qualifying Sublease, or if the subtenant or such guarantor shall not have its financial statements audited, such financial statements may be certified as true, complete and accurate by a reputable, independent accounting firm.

Article 14

ACCESS TO PREMISES

Section 14.1 **Landlord's Access.** (a) Landlord and utility service providers servicing the Building may erect, use and maintain concealed ducts, pipes and conduits in and through the Premises provided such use does not cause the usable area or ceiling heights of the Premises to be reduced beyond a de minimis amount. Landlord shall promptly repair any damage to the Premises caused by any work performed pursuant to this Article 14. Landlord shall use reasonable efforts to minimize interference with Tenant's use and occupancy of the Premises during the performance of and work pursuant to this Article 14.

(b) Landlord, any Lessor or Mortgagee and their respective agents shall have the right to enter the Premises at all reasonable times and upon reasonable notice (which notice may be given verbally to the person employed by Tenant with whom Landlord's representative ordinarily discusses matters relating to the Premises), except in the case of an emergency, accompanied by a Tenant representative, provided that if Tenant shall fail to make a Tenant representative available to Landlord after Landlord has requested such representative's presence to enter the Premises two (2) or more consecutive times over no less than two (2) days (which request may be made orally), or in the case of emergency, in each case, Landlord shall be permitted to enter the Premises without a Tenant representative, upon reasonable notice (which notice may be oral) except in the case of emergency, to (i) examine the Premises, (ii) show the Premises to prospective tenants during the last twelve (12) months of the Term, (iii) show the Premises to prospective purchasers of Landlord's interest in the Real Property, (iv) show the Premises to Mortgagees or Lessors (or prospective Mortgagees or Lessors), (v) make repairs, alterations, improvements, additions or restorations that (I) Landlord is required to make pursuant to the terms of this Lease or (II) are reasonably necessary in connection with the maintenance, repair, or operation of the Real Property, provided that Landlord shall use reasonable efforts to minimize any interference with Tenant's business operations in connection therewith (it being agreed, however, that Landlord shall not be required to perform any such repairs, alterations, improvements, additions or restorations on an overtime or premium-pay basis, unless (x) Tenant shall request the same, in which event Tenant shall pay the incremental increased costs thereof, or (y) the performance of such work during Ordinary Business Hours on Business Days would materially interfere with the conduct of Tenant's business in the Premises, such that Tenant would be unable to use at least 5,000 RSF of the Premises for the ordinary conduct of its business for more than two (2) consecutive Business Days).

(c) All parts (except surfaces facing the interior of the Premises) of all walls, windows and doors bounding the Premises, all balconies, terraces and roofs adjacent to the Premises, all space in or adjacent to the Premises used for shafts, stacks, stairways, mail chutes, conduits and other mechanical facilities, Building Systems, Building facilities and Common Areas are not part of the Premises, and Landlord shall have the use thereof (except that Tenant shall have exclusive use of the Terrace to the extent permitted pursuant to Article 34 hereof) and access thereto through the Premises for the purposes of Building operation, maintenance, alteration and repair, provided that Landlord shall use reasonable efforts to minimize any interference with Tenant's business operations in connection therewith (it being agreed, however, that Landlord shall not be required to perform any such work in the Premises on an overtime or premium-pay basis, unless (x) Tenant shall request the same, in which event Tenant shall pay the incremental increased costs thereof (provided that the same shall be commercially reasonable), or (y) the performance of such work during Ordinary Business Hours on Business Days would materially interfere with the conduct of Tenant's business in the Premises, such that Tenant would be unable to use at least 5,000 RSF of the Premises for the ordinary conduct of its business for more than two (2) consecutive Business Days).

(d) Without limiting Landlord's rights under Article 14, upon reasonable prior notice to Tenant (except in an emergency), which notice shall be subject to acceleration or postponement of up to one (1) week, Landlord shall have the right from time to time during the Term, subject to reasonable coordination with Tenant, to access any portion of the Premises in order to install and use the Window Washing Davits to clean the exterior of the windows of the Building ("**Window Washing Work**"), it being agreed that Landlord shall perform such work two (2) times per calendar year, generally during the months of March and September, and such work shall not take longer than two (2) consecutive weeks in any instance, unless caused by Unavoidable Delays or by the actions or omissions (where there is a duty to act) of Tenant. In the event Landlord requires such access in order to perform Window Washing Work, Tenant shall, within two (2) Business Days after notice thereof (which notice may be oral), remove any of Tenant's Property from the Terrace reasonably required to be removed by Landlord in connection therewith. Landlord shall use commercially reasonable efforts to minimize any interference with the conduct of Tenant's business at the Premises while performing and setting up for the Window Washing Work; provided, however, that in no event shall Landlord be obligated to perform Window Washing Work on an overtime or premium basis (it being agreed, however, that Landlord shall bring any required equipment into the Premises prior to Ordinary Business Hours on Business Days, and shall remove the same from the Premises after Ordinary Business Hours on Business Days). Landlord's performance of Window Washing Work shall not be deemed a constructive eviction of Tenant, or entitle Tenant to any diminution or abatement of Rent or to any other compensation.

Section 14.2 **Building Name**. Landlord has the right at any time to change the name, number or designation by which the Building is commonly known. Landlord shall endeavor to give Tenant reasonable notice of any such change. Notwithstanding the foregoing, provided that the Tenant named herein or any transferee pursuant to Section 13.8 shall then be in occupancy of at least three (3) full floors of the Premises (the "**Competitor Restriction Condition**"), Landlord shall not, at any time during the Term, name the Building for any entity that is then a Tenant Competitor (as hereinafter defined). The "**Tenant Competitors**" shall mean the following companies, provided that such companies shall then be in the business of the design, manufacture, sale and/or rental of clothing: Armarium, Armoire, Asos, Banana Republic, Everlane, Forever21, Gwynnie Bee, H&M, J.Crew, JustFab, Le Tote, MM. LaFleur, Neiman Marcus, Nordstrom, Poshmark, Saks Fifth Avenue, Shopbop, Stitch Fix, StyleLend, TheRealReal, Topshop, Trunk Club, YCloset, Yeechoo, Zappos and Zara. Notwithstanding the foregoing, provided that the Competitor Restriction Condition shall then be satisfied, (x) upon notice to Landlord, Tenant may add up to five (5) entities to the list of Tenant Competitors, provided further that the same meet the definition set forth herein, and (y) substitute up to (but not in excess of) five (5) names on the list of Tenant Competitors not more frequently than one (1) time per calendar year, provided further that (i) all such entities shall then be in the business of the design, manufacture, sale and/or rental of clothing and (ii) in no event shall there be more than thirty-one (31) entities on the list of Tenant Competitors.

Section 14.3 **Light and Air**. If at any time any windows of the Premises are temporarily darkened or covered over by reason of any Restorative Work (provided that Landlord shall use commercially reasonable efforts to remedy such condition as promptly as possible), any of such windows are permanently darkened or covered over due to any Requirement or there is otherwise a diminution of light, air or view by another structure which may hereafter be erected (whether or not by Landlord), Landlord shall not be liable for any damages and Tenant shall not be entitled to any compensation or abatement of any Rent, nor shall the same release Tenant from its obligations hereunder or constitute an actual or constructive eviction.

Article 15

DEFAULT

Section 15.1 **Tenant's Defaults**. Each of the following events shall be an "**Event of Default**" hereunder:

(a) Tenant fails to pay when due any installment of Rent and such default shall continue for ten (10) Business Days after notice of such default is given to Tenant, except that if Landlord shall have given three (3) such notices of default in the payment of any Rent in any twelve (12) month period, Tenant shall not be entitled to any further notice of its delinquency in the payment of any Rent or an extended period in which to make payment until such time as twelve (12) consecutive months shall have elapsed without Tenant having failed to make any such payment when due, and the occurrence of any default in the payment of any Rent within such twelve (12) month period after the giving of three (3) such notices shall constitute an Event of Default; or

(b) Tenant fails to observe or perform any other term, covenant or condition of this Lease and such failure continues for more than thirty (30) days (ten (10) Business Days with respect to a default under Article 3) after notice by Landlord to Tenant of such default, or if such default (other than a default under Article 3) is of a nature that it cannot be completely remedied within thirty (30) days, failure by Tenant to commence to remedy such failure within said thirty (30) days, and thereafter diligently prosecute to completion all steps necessary to remedy such default; or

(c) Intentionally omitted; or

(d) if Tenant shall assign or sublease or otherwise transfer its interest in this Lease (or any portion thereof) in contravention of Article 13 hereof; or

(e) if Tenant files a voluntary petition in bankruptcy or insolvency, or is adjudicated a bankrupt or insolvent, or files any petition or answer seeking any reorganization, liquidation, dissolution or similar relief under any present or future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, or makes an assignment for the benefit of creditors or seeks or consents to or acquiesces in the appointment of any trustee, receiver, liquidator or other similar official for all or any part of its property; or

(f) a court of competent jurisdiction shall enter an order, judgment or decree adjudicating Tenant bankrupt, or appointing a trustee, receiver or liquidator of Tenant, or of the whole or any substantial part of its property, without the consent of Tenant, or approving a petition filed against Tenant seeking reorganization or arrangement of Tenant under the bankruptcy laws of the United States, as now in effect or hereafter amended, or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within one hundred twenty (120) days from the date of entry thereof.

Upon the occurrence of any one or more of such Events of Default, Landlord may, at its sole option, give to Tenant five (5) Business Days' notice of cancellation of this Lease (or of Tenant's possession of the Premises), in which event this Lease and the Term (or Tenant's possession of the Premises) shall terminate (whether or not the Term shall have commenced) with the same force and effect as if the date set forth in the notice was the Expiration Date stated herein; and Tenant shall then quit and surrender the Premises to Landlord, but Tenant shall remain liable for damages as provided in this Article 15.

Section 15.2 **Landlord's Remedies.**

(a) **Possession/Reletting**. If any Event of Default occurs and this Lease and the Term, or Tenant's right to possession of the Premises, terminate as provided in Section 15.1:

(i) **Surrender of Possession**. Tenant shall quit and surrender the Premises to Landlord, and Landlord and its agents may immediately, or at any time after such termination, re-enter the Premises or any part thereof, without notice, either by summary proceedings, or by any other applicable action or proceeding, or by force (to the extent permitted by law), or otherwise in accordance with applicable legal proceedings (without being liable to indictment, prosecution or damages therefor), and may repossess the Premises and dispossess Tenant and any other persons or entities from the Premises and remove any and all of their property and effects from the Premises.

(ii) **Landlord's Reletting**. Landlord, at Landlord's option, may relet all or any part of the Premises from time to time, either in the name of Landlord or otherwise, to such tenant or tenants, for any term ending before, on or after the Expiration Date, at such rental and upon such other conditions (which may include concessions and free rent periods) as Landlord, in its sole discretion, may determine. Landlord shall have no obligation to accept any tenant offered by Tenant and shall not be liable for failure to relet or, in the event of any such reletting, for failure to collect any rent due upon any such reletting; and no such failure shall relieve Tenant of, or otherwise affect, any liability under this Lease. Landlord, at Landlord's option, may make such alterations, decorations and other physical changes in and to the Premises as Landlord, in its sole discretion, considers advisable or necessary in connection with such reletting or proposed reletting, without relieving Tenant of any liability under this Lease or otherwise affecting any such liability.

(b) **Tenant's Waiver**. Tenant, on its own behalf and on behalf of all persons or entities claiming through or under Tenant, including all creditors, hereby waives all rights which Tenant and all such persons or entities might otherwise have under any Requirement (i) to the service of any notice of intention to re-enter or to institute legal proceedings, (ii) to redeem, or to re-enter or repossess the Premises, or (iii) to restore the operation of this Lease, after (A) Tenant shall have been dispossessed by judgment or by warrant of any court or judge, (B) any re-entry by Landlord, or (C) any expiration or early termination of the term of this Lease, whether such dispossess, re-entry, expiration or termination shall be by operation of law or pursuant to the provisions of this Lease. The words "re-enter," "re-entry" and "re-entered" as used in this Lease shall not be deemed to be restricted to their technical legal meanings.

(c) **Tenant's Breach**. Upon the breach by Tenant, or any persons or entities claiming through or under Tenant, of any term, covenant or condition of this Lease, Landlord shall have the right to enjoin such breach and to invoke any other remedy allowed by law or in equity as if re-entry, summary proceedings and other special remedies were not provided in this Lease for such breach. The rights to invoke the remedies set forth above are cumulative and shall not preclude Landlord from invoking any other remedy allowed at law or in equity.

Section 15.3 **Landlord's Damages.**

(a) **Amount of Damages**. If this Lease and the Term, or Tenant's right to possession of the Premises, terminate as provided in Section 15.1, then:

(i) Tenant shall pay to Landlord all items of Rent payable under this Lease by Tenant to Landlord prior to the date of termination;

(ii) Landlord may retain all monies, if any, paid by Tenant to Landlord, whether as prepaid Rent, a security deposit or otherwise, which monies, to the extent not otherwise applied to amounts due and owing to Landlord, shall be credited by Landlord against any damages payable by Tenant to Landlord;

(iii) Tenant shall pay to Landlord, in monthly installments, on the days specified in this Lease for payment of installments of Fixed Rent, any Deficiency; it being understood that Landlord shall be entitled to recover the Deficiency from Tenant each month as the same shall arise, and no suit to collect the amount of the Deficiency for any month, shall prejudice Landlord's right to collect the Deficiency for any subsequent month by a similar proceeding; and

(iv) whether or not Landlord shall have collected any monthly Deficiency, Tenant shall pay to Landlord, on demand, in lieu of any further Deficiency and as liquidated and agreed final damages, a sum equal to the amount by which the Rent for the period which otherwise would have constituted the unexpired portion of the Term (assuming the Additional Rent during such period to be the same as was payable for the year immediately preceding such termination or re-entry) exceeds the then fair and reasonable rental value of the Premises, for the same period (with both amounts being discounted to present value at a rate of interest equal to 2% below the then Base Rate) less the aggregate amount of Deficiencies theretofore collected by Landlord pursuant to the provisions of Section 15.3(a)(iii) for the same period. If, before presentation of proof of such liquidated damages to any court, commission or tribunal, the Premises, or any part thereof, shall have been relet by Landlord to a bona fide third party for the period which otherwise would have constituted the unexpired portion of the Term, or any part thereof, the amount of rent reserved upon such reletting shall be deemed *prima facie*, to be the fair and reasonable rental value for the part or the whole of the Premises so relet during the term of the reletting.

(b) **Reletting**. If the Premises, or any part thereof, shall be relet together with other space in the Building, the rents collected or reserved under any such reletting and the expenses of any such reletting shall be equitably apportioned for the purposes of this Section 15.3. Tenant shall not be entitled to any rents collected or payable under any reletting, whether or not such rents exceeds the Fixed Rent reserved in this Lease. Nothing contained in Article 15 shall be deemed to limit or preclude the recovery by Landlord from Tenant of the maximum amount allowed to be obtained as damages by any Requirement, or of any sums or damages to which Landlord may be entitled in addition to the damages set forth in this Section 15.3.

Section 15.4 **Interest**. If any payment of Rent is not paid within five (5) Business Days of the date due, interest shall accrue on such payment, from the date such payment became due until paid at the Interest Rate, except that no such interest shall accrue in respect of the first (1st) installment or payment that is past due in any consecutive twelve (12) month period provided that neither such installment nor payment is past due for more than ten (10) Business Days and, if

such installment or payment is past due for more than ten (10) Business Days, interest shall accrue thereon from the first day such installment or payment became past due. Tenant acknowledges that late payment by Tenant of Rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges, and late charges that may be imposed on Landlord by the terms of any note secured by a Mortgage covering the Premises. Therefore, in addition to interest, if any amount is not paid within 15 days after the same is due (or 30 days after the same is due with respect to any non-recurring Additional Rent), a late charge equal to 5% of such amount shall be assessed, except that no such late charge shall be due in respect of the first installment or payment of Fixed Rent that is past due in any consecutive twelve (12) month period, provided that such installment or payment is promptly made to Landlord within ten (10) Business Days after notice to Tenant that the same is past due. Such interest and late charges are separate and cumulative and are in addition to and shall not diminish or represent a substitute for any of Landlord's rights or remedies under any other provision of this Lease.

Section 15.5 **Other Rights of Landlord**. If Tenant fails to pay any Additional Rent when due, Landlord, in addition to any other right or remedy, shall have the same rights and remedies as in the case of a default by Tenant in the payment of Fixed Rent. If Tenant is in arrears in the payment of Rent, Tenant waives Tenant's right, if any, to designate the items against which any payments made by Tenant are to be credited, and Landlord may apply any payments made by Tenant to any items Landlord sees fit, regardless of any request by Tenant. Landlord reserves the right, without liability to Tenant and without constituting any claim of constructive eviction, to suspend furnishing or rendering to Tenant any property, material, labor, utility or other service, whenever Landlord is obligated to furnish or render the same at the expense of Tenant, in the event that (but only for so long as) Tenant is in arrears in paying Landlord for such items for more than ten (10) Business Days after notice from Landlord to Tenant demanding the payment of such arrears.

Article 16

LANDLORD'S RIGHT TO CURE; FEES AND EXPENSES

If Tenant defaults in the performance of its obligations under this Lease, Landlord, without waiving such default, may perform such obligations at Tenant's expense: (a) immediately, and without notice, in the case of emergency or if the default (i) materially interferes with the use by any other tenant of the Building, (ii) materially interferes with the efficient operation of the Building, (iii) results in a violation of any Requirement, or (iv) results or will result in a cancellation of any insurance policy maintained by Landlord, and (b) in any other case if such default continues after ten (10) Business Days from the date Landlord gives notice of Landlord's intention to perform the defaulted obligation (unless Tenant has commenced curing such defaulted obligation and is then diligently prosecuting the cure of such default). All out-of-pocket costs and expenses incurred by Landlord in connection with any such performance by it and all costs and expenses, including reasonable counsel fees and disbursements, incurred by Landlord as a result of any default by Tenant under this Lease (beyond any applicable grace, notice and cure periods) or in any action or proceeding (including any unlawful detainer proceeding) brought by Landlord or in which Landlord is a party to enforce any obligation of Tenant under this Lease and/or right of Landlord in or to the Premises, shall be paid by Tenant to Landlord within 10 Business Days of demand therefor, with interest thereon at the Interest Rate from the date incurred by Landlord. Except as expressly provided to the contrary in this Lease, all out-of-pocket costs and expenses which, pursuant to this Lease are incurred by Landlord and payable to Landlord by Tenant, and all

charges, amounts and sums payable to Landlord by Tenant for any property, material, labor, utility or other services which, pursuant to this Lease or at the request and for the account of Tenant, are provided, furnished or rendered by Landlord, shall become due and payable by Tenant to Landlord within thirty (30) days after receipt of Landlord's invoice for such amount (together with reasonably detailed supporting documentation).

Article 17

NO REPRESENTATIONS BY LANDLORD; LANDLORD'S APPROVAL

Section 17.1 **No Representations**. Except as expressly set forth herein, Landlord and Landlord's agents have made no warranties, representations, statements or promises with respect to the Building, the Real Property or the Premises and no rights, easements or licenses are acquired by Tenant by implication or otherwise. Tenant is entering into this Lease after full investigation and is not relying upon any statement or representation made by Landlord not embodied in this Lease.

Section 17.2 **No Money Damages**. Wherever in this Lease Landlord's consent or approval is required, if Landlord refuses to grant such consent or approval, whether or not Landlord expressly agreed that such consent or approval would not be unreasonably withheld, Tenant shall not make or exercise, and Tenant hereby waives, any claim for money damages (including any claim by way of set-off, counterclaim or defense) and/or any right to terminate this Lease based upon Tenant's claim or assertion that Landlord unreasonably withheld or delayed its consent or approval. Tenant's sole remedy shall be an action or proceeding to enforce such provision, by specific performance, injunction or declaratory judgment. In no event shall either party be liable for (except, in the case of Tenant, as provided in Article 18 hereof), and Tenant and Landlord hereby waives any claim for, any indirect, consequential or punitive damages, including loss of profits or business opportunity, arising under or in connection with this Lease. Notwithstanding anything contained in this Section 17.2 to the contrary, Tenant shall have the right to submit to arbitration in accordance with Article 33 hereof any dispute in respect of whether Landlord has unreasonably withheld, conditioned or delayed any consent or approval to any Alteration pursuant to Section 5.1 or any assignment or subletting pursuant to Section 13.4 requested by Tenant hereunder which Landlord agreed not to unreasonably withhold, condition or delay hereunder, and Tenant's sole remedy in all such circumstances shall be that, upon the decision of the arbitrator that consent was unreasonably withheld, conditioned or delayed, the requested consent or approval shall be deemed to have been granted as provided above without any further proceedings or any action being required.

Section 17.3 **Reasonable Efforts**. For purposes of this Lease, "reasonable efforts" by Landlord shall not include an obligation to employ contractors or labor at overtime or other premium pay rates or to incur any other overtime costs or additional expenses whatsoever.

Article 18

END OF TERM

Section 18.1 **Expiration**. Upon the expiration or other termination of this Lease, Tenant shall quit and surrender the Premises to Landlord vacant, broom clean and in good order and condition, ordinary wear and tear and damage for which Tenant is not responsible under the terms of this Lease excepted, and Tenant shall remove all of Tenant's Property and Tenant's Specialty Alterations as may be required pursuant to Article 5.

Section 18.2 **Holdover Rent**. Landlord and Tenant recognize that Landlord's damages resulting from Tenant's failure to timely surrender possession of the Premises may be substantial, may exceed the amount of the Rent payable hereunder, and will be impossible to accurately measure. Accordingly, if possession of the Premises is not surrendered to Landlord on the Expiration Date or sooner termination of this Lease, in addition to any other rights or remedies Landlord may have hereunder or at law, Tenant shall (a) pay to Landlord for each month (or any portion thereof, without proration) during which Tenant holds over in the Premises after the Expiration Date or sooner termination of the Term, a sum equal to 150% of the Fixed Rent plus 100% of Additional Rent payable by Tenant under this Lease for the last full calendar month of the Term in the case of the first month (or any portion thereof) of any holdover, and thereafter 200% of the Fixed Rent plus 100% of Additional Rent payable by Tenant under this Lease for the last full calendar month of the Term in the case of any month (or any portion thereof, without proration) thereafter, (b) if Tenant holds over for more than ninety (90) days, be liable to Landlord for (i) any payment or rent concession which Landlord may be required to make to any tenant obtained by Landlord for all or any part of the Premises (a "**New Tenant**") in order to induce such New Tenant not to terminate its lease by reason of the holding-over by Tenant, and (ii) the loss of the benefit of the bargain if any New Tenant shall terminate its lease by reason of the holding-over by Tenant, and (c), if Tenant holds over for more than ninety (90) days, indemnify Landlord against all claims for damages by any New Tenant. No holding-over by Tenant, nor the payment to Landlord of the amounts specified above, shall operate to extend the Term hereof. Nothing herein contained shall be deemed to permit Tenant to retain possession of the Premises after the Expiration Date or sooner termination of this Lease, and no acceptance by Landlord of payments from Tenant after the Expiration Date or sooner termination of this Lease shall be deemed to be other than on account of the amount to be paid by Tenant in accordance with the provisions of this Section 18.2.

Section 18.3 **Waiver of Stay**. Tenant expressly waives, for itself and for any person or entity claiming through or under Tenant, any rights which Tenant or any such person or entity may have under the provisions of Section 2201 of the New York Civil Practice Law and Rules and of any successor Requirement of like import then in force, in connection with any holdover summary proceedings which Landlord may institute to enforce the foregoing provisions of this Article 18.

Article 19

QUIET ENJOYMENT

Provided this Lease is in full force and effect and no Event of Default then exists, Tenant may peaceably and quietly enjoy the Premises without hindrance by Landlord or any person lawfully claiming through or under Landlord, subject to the terms and conditions of this Lease and to all Superior Leases and Mortgages.

Article 20

NO SURRENDER; NO WAIVER

Section 20.1 **No Surrender or Release**. No act or thing done by Landlord or Landlord's agents or employees during the Term shall be deemed an acceptance of a surrender of the Premises, and no provision of this Lease shall be deemed to have been waived by Landlord, unless such waiver is in writing and is signed by Landlord.

Section 20.2 **No Waiver**. The failure of either party to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this Lease, or any of the Rules and Regulations, shall not be construed as a waiver or relinquishment for the future performance of such obligations of this Lease or the Rules and Regulations, or of the right to exercise such election but the same shall continue and remain in full force and effect with respect to any subsequent breach, act or omission. The receipt by Landlord of any Rent payable pursuant to this Lease or any other sums with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly Rent herein stipulated shall be deemed to be other than a payment on account of the earliest stipulated Rent, or as Landlord may elect to apply such payment, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease.

Article 21

WAIVER OF TRIAL BY JURY; COUNTERCLAIM

Section 21.1 Jury Trial Waiver. LANDLORD AND TENANT HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTERS IN ANY WAY ARISING OUT OF OR CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY STATUTE, EMERGENCY OR OTHERWISE.

Section 21.2 **Waiver of Counterclaim**. If Landlord commences any summary proceeding against Tenant, Tenant will not interpose any counterclaim of any nature or description in any such proceeding (unless failure to interpose such counterclaim would preclude Tenant from asserting in a separate action the claim which is the subject of such counterclaim), and will not seek to consolidate such proceeding with any other action which may have been or will be brought in any other court by Tenant.

Article 22

NOTICES

Except as otherwise expressly provided in this Lease, all consents, notices, demands, requests, approvals or other communications given under this Lease shall be in writing and shall be deemed sufficiently given or rendered if delivered by hand (provided a signed receipt is obtained) or if sent by United States registered or certified mail (return receipt requested) or by a nationally recognized overnight delivery service (for next Business Day delivery) making receipted deliveries, addressed to Landlord and Tenant as set forth in Article 1, and to any Mortgagee or Lessor who shall require copies of notices and whose address is provided to Tenant in writing, or to such other address(es) as Landlord, Tenant or any Mortgagee or Lessor may designate as its new address(es) for such purpose by notice given to the other in accordance with the provisions of this Article 22. Any such approval, consent, notice, demand, request or other communication shall be deemed to have been given on the date of receipted delivery, refusal to accept delivery or when delivery is first attempted but cannot be made due to a change of address for which no notice is given or three (3) Business Days after it shall have been mailed as provided in this Article 22 or one (1) Business Day after delivery to a nationally recognized overnight delivery service (for next Business Day delivery), whichever is earlier. Attorneys for the parties may send any notice under this Lease.

Article 23

RULES AND REGULATIONS

Subject to the terms of this Article 23, all Tenant Parties shall observe and comply with the Rules and Regulations, as reasonably supplemented or amended from time to time. Landlord reserves the right, from time to time, to adopt reasonable additional Rules and Regulations and to amend the Rules and Regulations then in effect, provided such additional Rules and Regulations do not (i) increase Tenant's monetary obligations under this Lease, (ii) increase Tenant's non-monetary obligations under this Lease, or (iii) adversely affect or reduce Tenant's rights under this Lease, except, in each case, to a *de minimis* extent. Nothing contained in this Lease shall impose upon Landlord any obligation to enforce the Rules and Regulations or terms, covenants or conditions in any other lease against any other Building tenant, and Landlord shall not be liable to Tenant for violation of the same by any other tenant, its employees, agents, visitors or licensees, provided that Landlord shall enforce any of the Rules and Regulations against Tenant in a non-discriminatory fashion. In the event of any conflict between the terms of this Lease and the Rules and Regulations, the terms of this Lease shall control.

Article 24

BROKER

Each of Landlord and Tenant represents and warrants to the other that neither it nor its agents have dealt with any broker in connection with this Lease other than Broker(s). Landlord shall indemnify, defend, protect and hold Tenant harmless from and against any and all Losses which Tenant may incur by reason of any claim of or liability to any broker, finder or like agent (including Broker(s)) arising out of any dealings claimed to have occurred between Landlord and the claimant in connection with this Lease, and/or the above representation being false. Tenant shall indemnify, defend, protect and hold Landlord harmless from and against any and all Losses which Landlord may incur by reason of any claim of or liability to any broker, finder or like agent (other than Broker(s)) arising out of any dealings claimed to have occurred between Tenant and the claimant in connection with this Lease, and/or the above representation being false. Landlord agrees to pay a commission to Broker(s) pursuant to one or more separate agreements.

Article 25

INDEMNITY

Section 25.1 **Tenant's Indemnity**. Tenant shall not do or permit to be done any act or thing upon the Premises or the Building which may subject Landlord to any liability or responsibility for injury, damages to persons or property or to any liability by reason of any violation of any Requirement, and shall exercise such control over the Premises as to fully protect Landlord against any such liability. Tenant shall indemnify, defend, protect and hold harmless each of the Landlord Indemnitees from and against any and all Losses, resulting from any claims (i) against the Landlord Indemnitees arising from any act, omission or negligence of any Tenant Parties, except to the extent caused by the negligence or willful misconduct of the Landlord Indemnitees, (ii) against the Landlord Indemnitees arising from any accident, injury or damage whatsoever caused to any person or to the property of any person and occurring in or about the Premises, and (iii) against the Landlord Indemnitees resulting from any breach, violation or nonperformance of any covenant, condition or agreement of this Lease on the part of Tenant to be fulfilled, kept, observed or performed.

Section 25.2 **Landlord's Indemnity**. Landlord shall indemnify, defend, protect and hold harmless each of the Tenant Indemnitees from and against any and all Losses, resulting from any claims against the Tenant Indemnitees arising from any act, omission or negligence of any Landlord Parties, except to the extent caused by the negligence or willful misconduct of the Tenant Indemnitees.

Section 25.3 **Defense and Settlement**. If any claim, action or proceeding is made or brought against any party is entitled to indemnification under this Lease (the "**Indemnitee**"), then upon demand by an Indemnitee, the other party (the "**Indemnitor**"), at its sole cost and expense (or at the expense of its insurer), shall resist or defend such claim, action or proceeding in the Indemnitee's name (if necessary), by attorneys approved by the Indemnitee, which approval shall not be unreasonably withheld, conditioned or delayed (attorneys for the Indemnitor's insurer shall be deemed approved for purposes of this Section 25.3). Notwithstanding the foregoing, an Indemnitee may, at its own expense, retain its own attorneys to participate or assist in defending any claim, action or proceeding involving potential liability in excess of the amount available under Indemnitor's liability insurance. If the Indemnitor or its insurer fails to diligently defend, then the Indemnitee may retain separate counsel at Tenant's reasonable expense. The Indemnitor may compromise or settle any such claim, action or proceeding; provided, however, that if the compromise or settlement of any such claim, action or proceeding does not result in the complete and unconditional release of the indemnified party, such compromise or settlement will require the Indemnitee's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

Article 26

MISCELLANEOUS

Section 26.1 **Delivery**. This Lease shall not be binding upon Landlord or Tenant unless and until Landlord shall have executed and delivered a fully executed copy of this Lease to Tenant.

Section 26.2 **Transfer of Real Property**. Landlord's obligations under this Lease shall not be binding upon the Landlord named herein after the sale, conveyance, assignment or transfer (collectively, a "**Transfer**") by such Landlord (or upon any subsequent landlord after the Transfer by such subsequent landlord) of its interest in the Building or the Real Property, as the case may be, and in the event of any such Transfer, Landlord (and any such subsequent Landlord) shall be entirely freed and relieved of all covenants and obligations of Landlord hereunder arising from and after the date of Transfer, and the transferee of Landlord's interest (or that of such subsequent Landlord) in the Building or the Real Property, as the case may be, shall be deemed, without any further written agreement, to have assumed all obligations under this Lease arising from and after the date of Transfer.

Section 26.3 **Limitation on Liability**. (a) The liability of Landlord for Landlord's obligations under this Lease shall be limited to Landlord's interest in the Real Property (and the undistributed proceeds therefrom) and Tenant shall not look to any other property or assets of Landlord or the property or assets of any direct or indirect partner, member, manager, shareholder, director, officer, principal, employee or agent of Landlord (collectively, the "**Landlord Parties**") in seeking either to enforce Landlord's obligations under this Lease or to satisfy a judgment for Landlord's failure to perform such obligations; and none of the Landlord Parties shall be personally liable for the performance of Landlord's obligations under this Lease.

(b) Landlord shall not look to the property or assets of any direct or indirect partner, member, manager, shareholder, director, officer, principal, employee or agent of Tenant (collectively, the "**Tenant Parties**") in seeking either to enforce Tenant's obligations under this Lease or to satisfy a judgment for Tenant's failure to perform such obligations; and none of the Tenant Parties shall be personally liable for the performance of Tenant's obligations under this Lease.

Section 26.4 **Rent**. All amounts payable by Tenant to or on behalf of Landlord under this Lease, whether or not expressly denominated Fixed Rent, Tenant's BID Payment, Annual Interim Payment, Tenant's Tax Payment, Tenant's Operating Payment, Additional Rent or Rent, shall constitute rent for the purposes of Section 502(b)(6) of the United States Bankruptcy Code.

Section 26.5 **Entire Document**. This Lease (including any Schedules and Exhibits referred to herein and all supplementary agreements provided for herein) contains the entire agreement between the parties and all prior negotiations and agreements are merged into this Lease. All of the Schedules and Exhibits attached hereto are incorporated in and made a part of this Lease, provided that in the event of any inconsistency between the terms and provisions of this Lease and the terms and provisions of the Schedules and Exhibits hereto, the terms and provisions of this Lease shall control.

Section 26.6 **Governing Law**. This Lease shall be governed in all respects by the laws of the State of New York, without giving effect to conflicts of laws principles.

Section 26.7 **Unenforceability**. If any provision of this Lease, or its application to any person or entity or circumstance, shall ever be held to be invalid or unenforceable, then in each such event the remainder of this Lease or the application of such provision to any other person or entity or any other circumstance (other than those as to which it shall be invalid or unenforceable) shall not be thereby affected, and each provision hereof shall remain valid and enforceable to the fullest extent permitted by law.

Section 26.8 **Lease Disputes**. (a) Landlord and Tenant agree that all disputes arising, directly or indirectly, out of or relating to this Lease, and all actions to enforce this Lease, shall be dealt with and adjudicated in the state courts of the State of New York or the federal courts for the Southern District of New York and for that purpose hereby expressly and each party hereto irrevocably submits itself to the jurisdiction of such courts. Landlord and Tenant agree that so far as is permitted under applicable law, this consent to personal jurisdiction shall be self-operative and no further instrument or action, other than service of process in one of the manners specified in this Lease, or as otherwise permitted by law, shall be necessary in order to confer jurisdiction upon it in any such court.

(b) To the extent that Tenant has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, Tenant irrevocably waives such immunity in respect of its obligations under this Lease.

Section 26.9 **Representations**. Tenant represents and warrants that this Lease has been duly authorized, executed and delivered by Tenant. Landlord represents and warrants that this Lease has been duly authorized, executed and delivered by Landlord.

Section 26.10 **Estoppel**. (a) Within ten (10) Business Days following request from Landlord, any Mortgagee or any Lessor, Tenant shall deliver to Landlord a statement executed and acknowledged by Tenant, in form reasonably satisfactory to Landlord and Tenant, (i) stating the Commencement Date, the Rent Commencement Date and the Expiration Date, and that this Lease is then in full force and effect and has not been modified (or if modified, setting forth all modifications), (ii) setting forth the date to which the Fixed Rent and any Additional Rent have been paid, together with the amount of monthly Fixed Rent and Additional, Rent then payable, (iii) stating whether or not, to Tenant's knowledge, Landlord is in default under this Lease, and, if Landlord is in default, setting forth the specific nature of all such defaults, (iv) stating the amount of the security, if any, under this Lease, (v) stating whether there are any subleases or assignments affecting the Premises, (vi) stating the address of Tenant to which all notices and communications under the Lease shall be sent, and (vii) responding to any other matters reasonably requested by Landlord, such Mortgagee or such Lessor. Tenant acknowledges that any statement delivered pursuant to this Section 26.10 may be relied upon by any purchaser or owner of the Real Property or the Building, or all or any portion of Landlord's interest in the Real Property or the Building or any Superior Lease, or by any Mortgagee, or assignee thereof or by any Lessor, or assignee thereof.

(b) From time to time, within ten (10) Business Days following a request by Tenant, Landlord shall deliver to Tenant a written statement executed and acknowledged by Landlord, in form reasonably acceptable to Tenant and Landlord, (i) stating the Commencement Date, the Rent Commencement Date and the Expiration Date, and that this Lease is then in full force and effect and has not been modified (or, if modified, setting forth all modifications), (ii) setting forth the date to which the Fixed Rent and all Additional Rent have been paid, (iii) stating whether or not, to Landlord's knowledge, Tenant is in default under this Lease, and, if Landlord asserts that Tenant is in default, setting forth the specific nature of all such defaults, (iv) stating the amount of the security, if any, under this Lease, and (v) responding to any other matters reasonably requested by Tenant. Landlord acknowledges that any statement delivered pursuant to this Section 26.10(b) may be relied upon by any prospective or actual sublessee of the Premises or assignee of this Lease, permitted transferee of or successor to Tenant, or by any lender of Tenant.

Section 26.11 **Certain Interpretational Rules**. For purposes of this Lease, whenever the words "include", "includes", or "including" are used, they shall be deemed to be followed by the words "without limitation" and, whenever the circumstances or the context requires, the singular shall be construed as the plural, the masculine shall be construed as the feminine and/or the neuter and *vice versa*. This Lease shall be interpreted and enforced without the aid of any canon, custom or rule of law requiring or suggesting construction against the party drafting or causing the drafting of the provision in question. The captions in this Lease are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Lease or the intent of any provision hereof.

Section 26.12 **Parties Bound**. The terms, covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and, except as otherwise provided in this Lease, to their respective legal representatives, successors, and assigns.

Section 26.13 **Memorandum of Lease**. This Lease shall not be recorded; however, concurrently with the execution and delivery of this Lease, Landlord and Tenant shall execute, acknowledge and deliver a memorandum with respect to this Lease sufficient for recording in the form annexed as **Exhibit N-1** hereto (the "**MOL**"), and either Landlord or Tenant may record such MOL. Within ten (10) days after the end of the Term, Tenant shall enter into a discharge of such MOL in the form annexed hereto as **Exhibit N-2** (the "**Discharge**") and execute (and have acknowledged) any required forms for the filing of such Discharge as shall be required to discharge the MOL from the land records.

Section 26.14 **Counterparts**. This Lease may be executed in two (2) or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one instrument.

Section 26.15 **Survival**. All obligations and liabilities of Landlord or Tenant to the other which accrued before the expiration or other termination of this Lease and all such obligations and liabilities which by their nature or under the circumstances can only be, or by the provisions of this Lease may be, performed after such expiration or other termination, shall survive the expiration or other termination of this Lease. Without limiting the generality of the foregoing, the rights and obligations of the parties with respect to any indemnity under this Lease, and with respect to any Rent and any other amounts payable under this Lease, shall survive the expiration or other termination of this Lease.

Section 26.16 **Inability to Perform**. This Lease and the obligation of Tenant to pay Rent and to perform all of the other covenants and agreements of Tenant hereunder shall not be affected, impaired or excused by any Unavoidable Delays. Landlord shall use reasonable efforts to promptly notify Tenant of any Unavoidable Delay which prevents Landlord from fulfilling any of its obligations under this Lease.

Section 26.17 **Vault Space**. Notwithstanding anything contained in this Lease or indicated on any sketch, blueprint or plan, no vaults, vault space or other space outside the boundaries of the Real Property are included in the Premises. Landlord makes no representation as to the location of the boundaries of the Real Property. All vaults and vault space and all other space outside the boundaries of the Real Property which Tenant may be permitted to use or occupy are to be used or occupied under a revocable license. If any such license shall be revoked, or if the amount of such space shall be diminished as required by any Governmental Authority or by any public utility company, such revocation, diminution or requisition shall not (a) constitute an actual or constructive eviction, in whole or in part, (b) entitle Tenant to any abatement or diminution of Rent, (c) relieve Tenant from any of its obligations under this Lease, or (d) impose any liability upon Landlord. Any fee, tax or charge imposed by any Governmental Authority for any such vaults, vault space or other space occupied by Tenant shall be paid by Tenant.

Section 26.18 **Adjacent Excavation; Shoring**. If an excavation shall be made, or shall be authorized to be made, upon land adjacent to the Real Property, Tenant shall, upon reasonable notice, afford to the person or entity causing or authorized to cause such excavation license to enter upon the Premises for the purpose of doing such work as such person or entity shall deem necessary to preserve the wall of the Building from injury or damage and to support the same by proper foundations. In connection with such license, Tenant shall have no right to claim any damages or indemnity against Landlord, or diminution or abatement of Rent, provided that Tenant shall continue to have access to the Premises.

Section 26.19 **No Development Rights**. Tenant acknowledges that it has no rights to any development rights, air rights or comparable rights appurtenant to the Real Property and Tenant consents, without further consideration, to any utilization of such rights by Landlord. Tenant shall promptly execute and deliver any instruments which may be requested by Landlord, including instruments merging zoning lots, evidencing such acknowledgment and consent. The provisions of this Section 26.19 shall be construed as an express waiver by Tenant of any interest Tenant may have as a "party in interest" (as such term is defined in Section 12-10 of Zoning Lot of the Zoning Resolution of the City of New York) in the Real Property.

Section 26.20 **Financial Statements**. Tenant shall, from time to time, but not more frequently than once per twelve (12) month period upon Landlord's written request (made in connection with the request of any Lessor or Mortgagee or prospective Lessor, Mortgagee or purchaser of the Building), in each case within ten (10) Business Days after such request is made, deliver to Landlord financial statements (including balance sheets and income/expense statements) for Tenant's then most recent full and partial fiscal years immediately preceding such request, certified by an independent certified public accountant or an authorized financial officer of Tenant and in form reasonably satisfactory to Landlord. Landlord and its agents and employees shall treat all financial information regarding Tenant (including any such information transmitted pursuant to Sections 27.6, 27.7 and 27.8 hereof) as confidential (unless the same shall be public information), and, upon request by Tenant, shall confirm such confidentiality obligation in writing in a commercially reasonable form reasonably acceptable to Landlord and its agents.

Section 26.21 **Signage.** (a) Tenant shall have the right to place a sign on the main entrance to the Premises and in the elevator lobby on any whole floor of the Building that it occupies, subject to the approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed, and Tenant shall have the right to have its name listed in the directory in the elevator lobby of any partial floor of the Building that it occupies in accordance with Landlord's standard signage program.

(b) So long as (a) this Lease remains in full force and effect, (b) the Tenant named herein is leasing at least three (3) full floors from Landlord at the Building, and (c) Tenant named herein is in occupancy of 75% or more of the Premises (*i.e.*, such that Tenant shall not have subleased the same), subject to the terms of this Section 26.21(b), Tenant shall have the right to have erected, replaced, removed and maintained one (1) sign that identifies the Tenant named herein and displays such Tenant's name and logo on a plaque on the exterior of the Building adjacent to the main entrance to the Building on John Street meeting the criteria set forth on **Exhibit I** (such sign being referred to herein as "**Tenant's Exterior Sign**"), provided that the same shall be in compliance with all applicable Requirements and shall have been approved by all applicable Governmental Authorities, including, without limitation, the Landmarks, Historic Preservation and NPS, at Tenant's cost and expense. The location, size, and specifications of Tenant's Exterior Sign shall be subject to compliance with applicable Requirements, Landlord's consent and to Landmarks' approval. The installation and removal of Tenant's Exterior Sign shall be performed by Landlord at Tenant's cost. Landlord shall maintain and repair Tenant's Exterior Sign and Tenant shall pay to Landlord, as Additional Rent, an amount equal to the reasonable costs incurred by Landlord for such maintenance and repair, on or prior to the thirtieth (30th) day after the date that Landlord gives to Tenant an invoice therefor, together with reasonable supporting documentation for the charges set forth therein.

(c) All Tenant's signage installed pursuant to this Section 26.21 shall constitute Specialty Alterations that must be removed, whether or not Landlord reserves the right so to require Tenant pursuant to Section 5.3, and Tenant shall remove the same and restore any damage caused thereby to the Premises and/or the Building at Tenant's sole cost and expense.

Section 26.22 **Self-Help**. (a) Provided that no Event of Default under this Lease is then continuing, in the event Tenant advises Landlord in writing as set forth in this Section (except in the event of an emergency, in which case oral notice shall suffice, provided that the same shall be followed by written notice as soon as reasonably practicable) of a claim by Tenant that Landlord has failed to perform its repair and/or maintenance obligations within the Premises expressly set forth in this Lease, Tenant shall have the right to remedy such Landlord failure, provided that such failure by Landlord to perform such repair and/or maintenance obligations within the Premises (x) materially and adversely affects Tenant's ability to conduct its normal business operations therein or (y) threatens the preservation of property or the safety of Tenant or Persons Within Tenant's Control (*i.e.*, an emergency). Nothing contained in this Section 26.22 shall be deemed to permit Tenant to exercise its self-help rights with respect to any Building systems or any portion of the Building outside the Premises.

(b) Tenant's right to remedy Landlord's failure to make required repairs or perform required maintenance in the Premises as set forth in Section 26.22(a) shall arise only after Tenant shall have first delivered to Landlord written notice of such failure as set forth below. If Landlord fails to commence to remedy a failure to perform its repair and/or maintenance obligations in the Premises within thirty (30) days after delivery of Tenant's notice or fails to diligently pursue the same, Tenant may deliver a second written notice of such failure to Landlord stating in bold capital letters the following: **"LANDLORD HAS FAILED TO PERFORM ITS REPAIR/MAINTENANCE OBLIGATIONS IN THE PREMISES UNDER THE LEASE. IF LANDLORD FAILS TO COMMENCE TO REMEDY LANDLORD'S FAILURE TO PERFORM SUCH OBLIGATIONS WITHIN FIVE (5) BUSINESS DAYS AFTER TENANT'S DELIVERY OF THIS NOTICE, TENANT INTENDS TO EXERCISE ITS RIGHT OF SELF-HELP UNDER SECTION 26.22 OF THE LEASE,"** and if Tenant delivers such second notice and Landlord fails to commence such remedy or diligently pursue the same within such five (5) Business Day period, then Tenant shall immediately have the right to remedy such failure as provided above. Notwithstanding the time periods described above, Landlord shall use good faith efforts to commence performance of its outstanding repair and/or maintenance obligations in the Premises as soon as commercially practicable. Notwithstanding anything to the contrary contained in this Section 26.22(b), in the event that Landlord's failure to perform its repair and/or maintenance obligations in the Premises results in an emergency that threatens the preservation of property or the safety of Tenant or any Persons Within Tenant's Control, the provisions of this Section 26.22(b) shall not apply.

(c) If Tenant performs any of Landlord's repair and/or maintenance obligations in the Premises under this Lease in accordance with the terms and conditions of this Section 26.22, Landlord shall pay to Tenant its reasonable out-of-pocket costs of such performance within thirty (30) days after a statement is given to Landlord of the amount of such costs and the parties to which such payments have been made, together with supporting documentation. If Landlord fails to pay to Tenant the amounts owed pursuant to the prior sentence within the time period provided, Tenant shall have the right upon notice given to Landlord to offset the amount owed to Tenant against the Fixed Rent thereafter payable under this Lease, unless Landlord notifies Tenant that Landlord disputes either (x) the propriety of Tenant's self-help action and/or (y) that the costs incurred by Tenant in connection therewith were excessive, in either of which event(s), Tenant shall not offset such amounts unless it prevails in the arbitration referred to in Section 26.22(d). Nothing contained in this Section 26.22 shall be interpreted to impose any obligation on Tenant to perform any of Landlord's obligations or to absolve Landlord from performing the same.

(d) In the event Landlord contends that Tenant improperly exercised its self-help rights set forth in this Section 26.22 and/or that the costs incurred by Tenant in exercising such rights were excessive, such dispute shall be settled by expedited arbitration in accordance with Article 33 of this Lease. In the event Tenant is the prevailing party in the foregoing arbitration, Landlord shall pay to Tenant the costs incurred by Tenant in exercising such rights. If Landlord is the prevailing party in the foregoing arbitration, in that the arbitrator finds that Tenant improperly exercised its self-help rights under this Section 26.22, then Landlord shall not be obligated to reimburse Tenant for its costs. If the arbitrator finds Tenant properly exercised its rights under this Section 26.22, but that its costs were excessive, Landlord shall only be obligated to reimburse Tenant for the portion of such costs which were not found to be excessive.

(e) The terms of this Section 26.22 and the self-help right granted to Tenant herein shall be personal to the Tenant named in this Lease (or any permitted transferee pursuant to Section 13.8), and may not be assigned to any other Tenant.

Article 27

SECURITY

Section 27.1 Tenant has deposited with Landlord on the signing of this Lease $[******] (the "**Security Deposit**") by Letter of Credit (as defined and further described in Section 27.2), as security for the faithful performance and observance by Tenant of the terms, provisions and conditions of this Lease. Tenant agrees that in the event (i) of the occurrence of an Event of Default that is then continuing or (ii) Tenant has defaulted in the performance of any of its obligations under this Lease, including the payment of any item of Rent, and the transmittal of a Notice of default by Landlord is barred by applicable law, Landlord may draw upon the Letter of Credit in whole or in part (from time to time in the case of partial draws) and use, apply or retain the whole or any part of such proceeds, to the extent required for the payment of any Fixed Rent, Tenant's BID Payment, Annual Interim Payment, Tenant's Tax Payment or Tenant's Operating Payment, or any other sum as to which Tenant is in default, or for any sum that Landlord may expend or may be required to expend by reason of the default (including any damages or deficiency accrued before or after summary proceedings or other re-entry by Landlord). If Landlord applies or retains any portion or all of the proceeds of the Letter of Credit, Tenant shall forthwith restore the amount so applied or retained by delivering an additional or new Letter of Credit. Tenant's failure to restore the amount so applied or retained within ten (10) Business Days after Landlord has drawn upon the Letter of Credit shall constitute an Event of Default under this Lease. Provided there is no uncured default, any balance of the proceeds of the Letter of Credit held by Landlord and not used, applied or retained by Landlord as above provided, and any remaining Letter of Credit, shall be returned to Tenant within sixty (60) days after (x) the Expiration Date or the effective date of the earlier termination of this Lease and (y) delivery of possession of the entire Premises to Landlord in accordance with the terms of this Lease.

Section 27.2 Tenant shall deliver to Landlord a clean, irrevocable and unconditional letter of credit (such letter of credit, and any replacement thereof as provided herein, is called a "**Letter of Credit**") issued and drawn upon any commercial bank approved by Landlord with offices for banking purposes in the City of New York ("**Issuing Bank**"), which Letter of Credit shall have a term of not less than one (1) year, be substantially in the form annexed hereto as **Exhibit K** and otherwise in form and content reasonably satisfactory to Landlord, be for the account of Landlord and be in the then applicable amount of the Security Deposit set forth on the Reference Page, as such amount shall be reduced pursuant to the terms of this Article 27 below. The Letter of Credit shall provide that:

(1) The Issuing Bank shall pay to Landlord or its duly authorized representative an amount up to the face amount of the Letter of Credit upon presentation of the Letter of Credit and a sight draft in the amount to be drawn;

(2) The Letter of Credit shall be deemed to be automatically renewed, without amendment, for consecutive periods of one year each during the Term, unless the Issuing Bank sends written notice (the "**Non-Renewal Notice**") to Landlord by certified or registered mail, return receipt requested, at least sixty (60) days prior to the expiration date of the Letter of Credit, to the effect that it elects not to have such Letter of Credit renewed;

(3) The Letter of Credit delivered in respect of the last year of the Term shall have an expiration date of not earlier than sixty (60) days after the Expiration Date; and

(4) The Letter of Credit shall be transferable by Landlord as provided in Section 27.4.

The Issuing Bank shall have combined capital, surplus and undivided profits of at least $500 million, a financial strength rating of at least "B", and a long-term bank deposit rating of at least "Aa", as published by Moody's Investors Services, Inc., or its successor (collectively, the "**Issuing Bank Criteria**"). If at any time during the Term, the Issuing Bank does not maintain the Issuing Bank Criteria, then Landlord may so notify Tenant and, unless Tenant delivers a replacement Letter of Credit from another commercial bank approved by Landlord meeting the Issuing Bank Criteria within thirty (30) days after receipt of such notice, Landlord may draw the full amount of the Letter of Credit and hold the proceeds in a cash security deposit in accordance with this Article 27. Landlord hereby agrees that, as of the date of this Lease, Comerica Bank is approved as Tenant's Issuing Bank.

Section 27.3 Landlord, after receipt of the Non-Renewal Notice, shall have the right to draw the entire amount of the Letter of Credit and to hold the proceeds as a cash Security Deposit. Landlord shall release such proceeds to Tenant upon delivery to Landlord of a replacement Letter of Credit complying with the terms hereof.

Section 27.4 In the event of the sale or lease of the Building or the Real Property, Landlord shall have the right to transfer the Security Deposit, without charge to Landlord or its transferee for such transfer, to the purchaser or lessee, and upon the delivery of the Security Deposit to such purchaser or lessee, Landlord shall be released by Tenant from all liability for the return of such Security Deposit. In such event, Tenant agrees to look solely to the new Landlord for the return of said Security Deposit. It is agreed that the provisions hereof shall apply to every transfer or assignment made of the Security Deposit to a new Landlord. Tenant shall execute such documents as may be reasonably necessary to accomplish such transfer or assignment of the Letter of Credit.

Section 27.5 Tenant covenants that it will not assign or encumber, or attempt to assign or encumber, the Security Deposit held hereunder, and that neither Landlord nor its successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment, or attempted encumbrance. In the event that any bankruptcy, insolvency, reorganization or other debtor-creditor proceedings shall be instituted by or against Tenant, its successors or assigns, or any guarantor of Tenant hereunder, the security shall be deemed to be applied to the payment of the Fixed Rent and Additional Rent due Landlord for periods prior to the institution of such proceedings and the balance, if any, may be retained by Landlord in partial satisfaction of Landlord's damages.

Section 27.6 Provided that an Event of Default shall not then exist and Tenant shall have delivered to Landlord, subject to the last grammatical sentence of Section 26.20, proof in the form of Tenant's most recent audited financial statement (and Tenant's then-current unaudited financial statement, certified by an officer of Tenant) that Tenant's revenue is equal to or greater than the revenue indicated in Tenant's audited financial statement for Tenant's fiscal year ending February 3, 2018 that was previously provided to Landlord (the "**Revenue Test**"), Tenant may reduce the Security Deposit by the sum of $[******] (to $[******]) following the payment of the forty-eighth (48th) monthly installment of Fixed Rent due hereunder, by delivering to Landlord an amendment to the Letter of Credit evidencing the reduction (which Landlord shall promptly countersign) or by exchanging a Letter of Credit in the reduced amount with the original Letter of Credit.

Section 27.7 Provided that an Event of Default shall not then exist and Tenant satisfies the Revenue Test, Tenant may reduce the Security Deposit by the sum of $[******] (to $[******]) following the payment of the sixtieth (60th) monthly installment of Fixed Rent due hereunder, by delivering to Landlord an amendment to the Letter of Credit evidencing the reduction (which Landlord shall promptly countersign) or by exchanging a Letter of Credit in the reduced amount with the original Letter of Credit.

Section 27.8 Provided that an Event of Default shall not then exist and Tenant satisfies the Revenue Test, Tenant may reduce the Security Deposit by the sum of $[******] (to $[******]) following the payment of the seventy-second (72nd) monthly installment of Fixed Rent due hereunder, by delivering to Landlord an amendment to the Letter of Credit evidencing the reduction (which Landlord shall promptly countersign) or by exchanging a Letter of Credit in the reduced amount with the original Letter of Credit.

Section 27.9 If Tenant is entitled to any reduction of the Security Deposit in accordance with the terms of this Article 27, then Landlord shall reasonably cooperate with Tenant to amend or replace the Letter of Credit to reflect such reduction. Tenant shall have the right to submit to arbitration in accordance with Article 33 hereof any dispute in respect of whether Tenant satisfies the Revenue Test.

Article 28

CERTAIN AMENITIES

Section 28.1 **Bicycle Storage Room**. Landlord shall furnish and provide for use by all tenants of the Building (including Tenant), on a non-exclusive, unreserved basis, throughout the Term (with the exception of temporary closures for such periodic cleaning, repairs, maintenance and upgrades as Landlord reasonably deems necessary or desirable), a bicycle storage room.

Section 28.2 **Rooftop Terrace**. (a) From and after the Commencement, Tenant shall have non-exclusive access to and use of the terrace located on the rooftop of the Building (the "**Rooftop Terrace**") during the Term together with the other tenants and occupants of the Building, subject to the terms and conditions of this Section. In addition, Tenant shall have the right, upon prior notice and subject to scheduling with Landlord, to reserve exclusive access to

and use of the Rooftop Terrace up to four (4) times per calendar year, at times other than during Ordinary Business Hours (or on Business Days starting at or after 4:00 p.m.), for private events with Tenant's employees and invitees. Tenant shall not pay any rental or licensing fees to Landlord for such limited exclusive use of the Rooftop Terrace; however, Tenant shall obtain any licenses and permits required in connection with any such exclusive use at its sole cost and expense, and Tenant shall pay to Landlord, as Additional Rent, any reasonable and actual out-of-pocket costs incurred by Landlord for engineering or security personnel dedicated to such private events (as determined by Landlord in its reasonable discretion) and for rubbish removal necessitated thereby. If Tenant desires to reserve the Rooftop Terrace for its exclusive use at times other than during Ordinary Business Hours (or on Business Days starting at or after 4:00 p.m.) in excess of the allotted four (4) times per calendar year, Tenant shall pay Landlord's then-standard rental or licensing fee therefor as Additional Rent.

(b) Tenant's exclusive reservation and use of the Rooftop Terrace in accordance with the terms and conditions of this Section 28.2 shall be subject to all of the terms and conditions of this Lease, including, without limitation, Article 11 and Article 25 hereof, as if the Rooftop Terrace were part of the Premises for the duration of any such exclusive use.

(c) For the avoidance of doubt, Landlord shall not be required to procure any public assembly permit in connection with Tenant's use of the Rooftop Terrace. The current maximum permitted occupants for the Rooftop Terrace is seventy-four (74) persons and is subject to change. Tenant's use of the Rooftop Terrace shall not violate such occupancy limitation.

(d) Notwithstanding the foregoing, Landlord hereby reserves the right, upon at least ninety (90) days prior written notice to Tenant, to discontinue offering the use of the Rooftop Terrace as a Building amenity if Landlord shall lease the same exclusively to a third party in Landlord's sole discretion; provided, however, that in such event, from and after the date on which the Rooftop Terrace shall no longer be offered as an amenity available for Tenant's use, Tenant shall receive, as Tenant's sole and exclusive remedy therefor, a reduction in the annual Fixed Rent payable in respect of each of the 7th Floor Premises and the 8th Floor Premises by $3.00 per RSF on each such floor of the Premises for so long as such Rooftop Terrace shall not be available for use by the tenants of the Building (including Tenant) as a common amenity.

Article 29

RENEWAL TERM

Section 29.1 **Renewal Term**. Tenant shall have the right to renew the Term for all or a portion of the Premises constituting not less than two (2) contiguous full floors, from the top-down or from the bottom-up as designated by Tenant in its Exercise Notice (the "**Renewal Premises**"), for up to two (2) renewal terms of five (5) years each (each, a "**Renewal Term,**" and collectively, the "**Renewal Terms**") commencing (x) with respect to the first Renewal Term on the day after the expiration of the initial Term, and (y) if this Lease shall have been extended for the first Renewal Term in accordance with the provisions of this Article, then with respect to the Second Renewal Term, on the day immediately following the last day of the first Renewal Term (each a "**Renewal Term Commencement Date**"). For the avoidance of doubt, in no event shall Tenant have the right to extend this Lease for the second Renewal Term unless Tenant shall have duly exercised its right to extend the Term of this Lease for the first Renewal Term in accordance with the provisions of this Article. Each Renewal Term shall commence only if (a) Tenant notifies Landlord (the "**Exercise Notice**") of Tenant's exercise of such renewal right not later than twelve

(12) months prior to the then Expiration Date, (b) at the time of the exercise of such right and immediately prior to the Renewal Term Commencement Date, no Event of Default shall have occurred and be continuing hereunder, and (c) the Tenant named herein (or any permitted transferee pursuant to Section 13.8), occupies not less than two (2) full floors of the Premises (the "**Occupancy Threshold**") at the time the Exercise Notice is given. If Tenant fails to designate the Renewal Premises in such Exercise Notice, then the Renewal Premises shall be the entire Premises. Time is of the essence with respect to the giving of the Exercise Notice. The Renewal Term shall be upon all of the agreements, terms, covenants and conditions of this Lease, except that (x) the Fixed Rent shall be determined as provided in Section 29.2, (y) during the Second Renewal Term, Tenant shall have no further right to renew the Term, and (z) the Base Tax Year shall be the Tax Year commencing on the July 1st of the calendar year in which the Renewal Term Commencement Date occurs and the Base Taxes shall be the Taxes payable for the Base Tax Year. Upon the commencement of each Renewal Term, (1) such Renewal Term shall be added to and become part of the Term, (2) any reference to "this Lease", to the "Term", the "term of this Lease" or any similar expression shall be deemed to include such Renewal Term, (3) the expiration of such Renewal Term shall become the then Expiration Date, and (4) if the Renewal Premises constitute less than the entire Premises at the time the Exercise Notice is given, Tenant's Tax Proportionate Share, Tenant's Operating Proportionate Share and the Security Deposit shall be equitably adjusted based on the rentable area of the Renewal Premises. Any termination, cancellation or surrender of the entire interest of Tenant under this Lease at any time during the Term shall terminate any right of renewal of Tenant hereunder. Notwithstanding anything to the contrary contained in this Section 29.1, if at any time during the Term prior to the giving of an Exercise Notice, Tenant shall not satisfy the Occupancy Threshold by virtue of a sublease or license of all or a portion of the Premises to one or more third parties for a term (or terms, as the case may be) expiring during the last twenty-four (24) months of the Term, then Tenant's right to renew the Term pursuant to this Article 29 shall immediately terminate and be of no further force and effect. After the giving of an Exercise Notice, Landlord shall have the right, in its sole discretion, to waive the requirement of continued compliance with the conditions set forth in clauses (b) and (c) above, and no breach of such conditions may be used by Tenant to nullify Tenant's giving of an Exercise Notice.

Section 29.2 **Renewal Term Rent**. The annual Fixed Rent payable during the Renewal Term shall be equal to 100% of the annual Fair Market Value (as hereinafter defined) as of the applicable Renewal Term Commencement Date. "**Fair Market Value**" shall mean the fair market annual rental value of the Renewal Premises that a willing tenant would pay and a willing landlord would accept (with neither under any compulsion to act) as of the applicable Renewal Term Commencement Date for a term equal to the Renewal Term, based on comparable space in the Building, and on comparable space in comparable buildings in the DUMBO neighborhood of Brooklyn, taking into account all relevant factors. By not later than nine (9) months prior to the applicable Renewal Term Commencement Date, Landlord shall advise Tenant by delivery of written notice (the "**Rent Notice**") of Landlord's determination of Fair Market Value prior to the applicable Renewal Term Commencement Date. If Tenant disputes Landlord's determination of Fair Market Value in accordance with Section 29.3 below, the dispute shall be resolved by arbitration as provided in Section 29.3. If the Fixed Rent payable during the applicable Renewal Term is not determined prior to the applicable Renewal Term Commencement Date, Tenant shall pay Fixed Rent in an amount equal to the Fair Market Value for the Premises set forth in the Rent Notice (the **"Interim Rent"**). Upon final determination of the Fixed Rent for the applicable Renewal Term, Tenant shall commence paying such Fixed Rent as so determined, and within thirty (30) days after such determination Tenant shall pay any deficiency in prior payments of Fixed Rent or, if the Fixed Rent as so determined shall be less than the Interim Rent, Tenant shall be entitled to a credit against the next succeeding installments of Fixed Rent in an amount equal to the difference between each installment of Interim Rent and the Fixed Rent as so determined which should have been paid for such installment until the total amount of the over payment has been recouped.

Section 29.3 **Arbitration**. If Tenant desires to dispute Landlord's determination of Fair Market Value set forth in a Rent Notice, Tenant shall give notice to Landlord of such dispute within thirty (30) days after delivery of the Rent Notice (with time being of the essence), and Tenant shall include in such notice Tenant's determination of Fair Market Value (a "**Rent Dispute Notice**"). In such event, if the parties shall not have agreed upon Fair Market Value for the Renewal Premises within thirty (30) days after Tenant's delivery of the Rent Dispute Notice (the "**Rent Negotiation Period**"), such dispute shall be determined by arbitration in accordance with the then prevailing Expedited Procedures of the Arbitration Rules for the Real Estate Industry of the American Arbitration Association or its successor for arbitration of commercial disputes, except that the rules shall be modified as follows:

(a) Each party shall appoint an arbitrator to act on its behalf, which arbitrator shall be a real estate broker or appraiser with at least ten (10) years full-time commercial experience who is familiar with the fair market value of first-class office space in the Borough of Brooklyn, City of New York, New York. Failure on the part of Tenant to so appoint an arbitrator within thirty (30) days after the expiration of the Rent Negotiation Period shall constitute a waiver of Tenant's right thereto (and in such event the arbitration shall be conducted solely by the arbitrator appointed by Landlord). Within ten (10) Business Days after receipt of notice identifying Tenant's arbitrator (or after Tenant shall have waived its right to appoint an arbitrator as set forth herein), Landlord shall give notice to Tenant specifying the name and address of the person designated by Landlord to act as arbitrator on its behalf.

(b) If each party shall appoint an arbitrator, the two (2) arbitrators chosen pursuant to Section 29.3(a) shall meet within ten (10) Business Days after the second arbitrator is appointed and shall seek to reach agreement on Fair Market Value. If within twenty (20) days after the second arbitrator is appointed the two (2) arbitrators are unable to reach agreement on Fair Market Value then the two (2) arbitrators shall appoint a third arbitrator, who shall be a competent and impartial person with qualifications similar to those required of the first two (2) arbitrators pursuant to Section 29.3(a). If they are unable to agree upon such appointment within five (5) Business Days after expiration of such twenty (20) day period, the third arbitrator shall be selected by the parties themselves. If the parties do not agree on the third arbitrator within five (5) Business Days after expiration of the foregoing five (5) Business Day period, then either party, on behalf of both, may request appointment of such a qualified person by the then president of the Real Estate Board of New York. The third arbitrator shall decide the dispute, if it has not been previously resolved, by following the procedures set forth in Section 29.3(c). Each party shall pay the fees and expenses of its respective arbitrator and both shall share the fees and expenses of the third arbitrator. Attorneys' fees and expenses of counsel and of witnesses for the respective parties shall be paid by the respective party engaging such counsel or calling such witnesses.

(c) Fair Market Value shall be fixed by the third arbitrator in accordance with the following procedures. Concurrently with the appointment of the third arbitrator, each of the arbitrators selected by the parties shall state, in writing, his or her determination of the Fair Market Value supported by the reasons therefor. The third arbitrator shall have the right to consult experts and competent authorities for factual information or evidence pertaining to a determination of Fair Market Value, but any such determination shall be made in the presence of both parties with full right on their part to cross-examine. The third arbitrator shall conduct such hearings and

investigations as he or she deem appropriate and shall, within thirty (30) days after being appointed, select which of the two (2) proposed determinations most closely approximates his or her determination of Fair Market Value. The third arbitrator shall have no right to propose a middle ground or any modification of either of the two (2) proposed determinations. The determination he or she chooses as that most closely approximating his or her determination of the Fair Market Value shall constitute the decision of the third arbitrator and shall be final and binding upon the parties. The third arbitrator shall render the decision in writing with counterpart copies to each party. The third arbitrator shall have no power to add to or modify the provisions of this Lease. Promptly following receipt of the third arbitrator's decision (or final determination of Fixed Rent for the applicable Renewal Term by acceptance or agreement in accordance with this Article), the parties shall enter into an amendment to this Lease evidencing the extension of the Term for the applicable Renewal Term and confirming the Fixed Rent for the applicable Renewal Term, but the failure of the parties to do so shall not affect the effectiveness of the third arbitrator's determination or such other acceptance or agreement as to Fixed Rent for the applicable Renewal Term as may have occurred in accordance with this Article.

(d) In the event of a failure, refusal or inability of any arbitrator to act, his or her successor shall be appointed by him or her, but in the case of the third arbitrator, his or her successor shall be appointed in the same manner as that set forth herein with respect to the appointment of the original third arbitrator.

(e) Landlord and Tenant hereby agree to, and hereby do, waive any and all rights they or either of them may at any time have to revoke their agreement hereunder to submit to arbitration and to abide by the decision rendered thereunder. Landlord and Tenant each: (x) consent to the entry of judgment in any court of the determination rendered in any arbitration held pursuant to this Article 29 or otherwise pursuant to this Lease; and (y) acknowledge that any determination rendered in any arbitration held pursuant to this Article 29 or otherwise pursuant to this Lease, whether or not such determination has been entered for judgment, shall be final and binding upon Landlord and Tenant.

Section 29.4 **Option Personal**. The right of Tenant to renew the Term of this Lease for the Renewal Terms granted to Tenant in this Article 29 shall be personal to the Tenant named in this Lease (or any permitted transferee pursuant to Section 13.8), and may not be assigned to any other Tenant.

Article 30

RIGHT OF FIRST OFFER

Section 30.1 **Exercise of Right**. If at any time prior to the last forty-eight (48) months of the Term (as the same may be extended) all or any portion of the rentable area of the Building that is not subject to this Lease (the "**Expansion Space**") is, or Landlord reasonably believes the same is to become, Available (as hereinafter defined) and Landlord proposes to lease such Expansion Space, Landlord shall deliver notice thereof to Tenant (an "**Expansion Notice**") setting forth a description of the Expansion Space in question, the RSF of such Expansion Space, Landlord's determination of the Expansion Space Fair Market Value (as hereinafter defined) for such Expansion Space and the date Landlord reasonably anticipates that such Expansion Space will become Available (the "**Anticipated Expansion Space Commencement Date**"), which Anticipated Expansion Space Commencement Date shall be no sooner than ninety (90) days following the date of delivery of such Expansion Notice and no later than sixteen (16) months following the date of delivery of such Expansion Notice. Provided that all of the conditions

precedent set forth in this Article 30 are satisfied by Tenant, Tenant shall have the option (an "**Expansion Option**"), exercisable by Tenant delivering irrevocable notice to Landlord (an "**Acceptance Notice**") within thirty (30) days of delivery by Landlord of the applicable Expansion Notice (with time being of the essence), to lease the Expansion Space described in the related Expansion Notice upon the terms and conditions set forth in this Article 30. An Expansion Option may be exercised only with respect to all of the Expansion Space that is the subject of an applicable Expansion Notice. If Tenant fails to timely give an Acceptance Notice with respect to any Expansion Space (with time being of the essence), Tenant shall be deemed to have rejected Landlord's offer to lease the applicable Expansion Space and Landlord shall have no further obligation and Tenant shall have no further rights with respect to that particular Expansion Space during the Term. Notwithstanding any of the foregoing to the contrary, if Tenant shall exercise an Expansion Option after the date that is forty-eight (48) months prior to the then expiration of the Term, the applicable Acceptance Notice shall also constitute an Exercise Notice pursuant to Article 29 and contain all the information required by, and be subject to the terms of, such Article.

Section 30.2 **Definitions.** (a) "**Available**" shall mean that at the time in question (i) no person or entity leases or occupies the Expansion Space that is the subject of an Expansion Notice, whether pursuant to a lease or other agreement, and (ii) no person or entity holds any option or right to lease or occupy such Expansion Space (it being agreed that, as of the Effective Date, the only such precedent option or right is the right of first offer held by Soho Works NY, LLC in respect of the sixth (6th) floor of the Building). In addition to the foregoing, so long as a tenant or other occupant leases or occupies a portion of the applicable Expansion Space, Landlord shall be free to extend any such tenancy or occupancy, whether or not pursuant to a lease or other agreement, and such space shall not be deemed to be Available. Notwithstanding anything herein to the contrary contained herein, Landlord shall have the absolute right to (x) execute initial leases with respect to all or any portion of the Expansion Space (any such leases, collectively, the "**Initial Leases**") without offering same to Tenant in accordance with the terms of this Article 30 and (y) lease all or any portion of any space demised by the Initial Leases (without offering same to Tenant in accordance with the terms of this Article 30) to the tenant or occupant thereof at the time of such renewal or extension, whether or not pursuant to a lease or other agreement. In no event shall Landlord be liable to Tenant for any failure by any then existing tenant or occupant to vacate any of the Expansion Space. Subject to the terms of this Section 30.2 with respect to Initial Leases, from and after the date hereof, Landlord shall not grant any rights to any tenant or other occupant of the Building with respect to any Expansion Space unless such rights are subordinate to the rights granted Tenant hereunder, except to tenants and other occupants leasing or occupying the applicable Expansion Space as of the date hereof or pursuant to Initial Leases or to new tenants or occupants of a portion of the Expansion Space after Landlord shall have duly offered such portion of the Expansion Space to Tenant pursuant to this Article 30.

(b) "**Expansion Space Fair Market Value**," with respect to each Expansion Space, shall mean 100% of the fair market annual rental value of such Expansion Space at the commencement of the leasing of such Expansion Space for a term commencing on the applicable Expansion Space Commencement Date (as hereinafter defined) and ending on the then Expiration Date that a willing tenant would pay and a willing landlord would accept (with neither under any compulsion to act), as determined based on comparable space in the Building and in comparable buildings in the vicinity of the Building, taking into account all relevant factors.

Section 30.3 **Conditions to Exercise**. Tenant shall have no right to exercise an Expansion Option unless all of the following conditions have been satisfied on the date the applicable Acceptance Notice is delivered to Landlord and on the Expansion Space Commencement Date:

(a) No Event of Default shall have occurred and be continuing;

(b) The Tenant named herein (or any permitted transferee pursuant to Section 13.8) then occupies at least 85% of the Premises (*i.e.*, such that Tenant shall not have subleased the same); and

(c) Tenant shall then satisfy the Revenue Test.

After the giving of an Acceptance Notice, Landlord shall have the right, in its sole discretion, to waive the requirement of continued compliance with the conditions set forth in clauses (a) through (c) above, and no breach of such conditions may be used by Tenant to nullify Tenant's giving of an Acceptance Notice.

Section 30.4 **Incorporation of Expansion Space**. Effective as of the date on which Landlord delivers vacant possession of an Expansion Space to Tenant (with respect to each such Expansion Space, the "**Expansion Space Commencement Date**"):

(a) Fixed Rent for such Expansion Space shall be the Expansion Space Fair Market Value as determined in accordance with this Article 30.

(b) Tenant shall pay Tenant's BID Payment, Tenant's Operating Payment, and the Annual Interim Payment or Tenant's Tax Payment, as applicable, with respect to such Expansion Space in accordance with the provisions of Article 7 the Agreed Area of Premises shall be increased by the RSF of such Expansion Space set forth in the applicable Expansion Notice;

(c) The RSF of the Expansion Space shall be as set forth in the applicable Expansion Notice (which the parties agree shall be the RSF of such Expansion Space for all purposes of this Lease) and Tenant's Tax Proportionate Share and Tenant's Operating Proportionate Share shall be appropriately adjusted;

(d) The applicable Expansion Space shall be delivered in its "as is" condition and broom clean, and Landlord shall not be obligated to perform any work with respect thereto or make any contribution to Tenant to prepare such Expansion Space for Tenant's occupancy, except that Landlord shall perform Landlord's Work therein prior to the Expansion Space Commencement Date;

(e) The applicable Expansion Space shall be added to and be deemed to be a part of the Premises for all purposes of this Lease (except as otherwise provided in this Section 30); and

(f) If Tenant shall not lease the entirety of a floor of the Building, then upon the exercise of an Expansion Option and if Tenant shall thereafter lease the remainder of such floor hereunder, the Premises shall, from and after Tenant's leasing of the remainder of such floor, include the common corridors and lavatories on such floor and such entire floor shall be measured using REBNY standards for full floor measurement and a 27% loss factor.

Section 30.5 **Possession**. In no event shall Landlord be obligated to incur any fee, cost, expense or obligation, nor to prosecute any legal action or proceeding, in connection with the delivery of any Expansion Space to Tenant nor shall Tenant's obligations under this Lease with respect to the Premises or such Expansion Space be affected thereby. Landlord shall not be subject to any liability and this Lease shall not be impaired if Landlord shall be unable to deliver possession of any Expansion Space to Tenant on any particular date. Tenant hereby waives any right to rescind this Lease or any Acceptance Notice under the provisions of Section 223-a of the Real Property Law of the State of New York, and agrees that the provisions of this Section 30.5 are intended to constitute "an express provision to the contrary" within the meaning of said Section 223-a. Landlord agrees that it shall not waive any rights it may have against any person or entity holding over in the Expansion Space, without any obligation to enforce any such rights. Notwithstanding anything to the contrary provided in this Lease, if Landlord fails to deliver vacant possession of any Expansion Space in accordance with the terms of this Lease prior to the date that is six (6) months after the Anticipated Expansion Space Commencement Date (an "**Expansion Space Outside Delivery Date**"), Tenant shall have the right within thirty (30) days after the Expansion Space Outside Delivery Date in question, as its sole and exclusive remedy therefor, to cancel this Lease solely in respect of such Expansion Space by giving notice of cancellation to Landlord. If Tenant timely delivers the aforesaid cancellation notice, this Lease in respect of such Expansion Space shall terminate thirty (30) days after the date of such notice (and any prepaid Rent with respect to such Expansion Space shall promptly be refunded by Landlord to Tenant), unless Landlord delivers vacant possession of such Expansion Space in the condition required by this Lease within thirty (30) days after Tenant gives such cancellation notice, in which case Tenant's cancellation notice shall be void and this Lease in respect of such Expansion Space shall continue in full force and effect. Failure by Tenant to exercise such right to cancel this Lease in respect of such Expansion Space within such 30-day period shall constitute a waiver of such right; time being of the essence with respect thereto.

Section 30.6 **Arbitration**. If Tenant disputes Landlord's determination of the Expansion Space Fair Market Value for any Expansion Space pursuant to Section 30.1, Tenant shall give notice to Landlord of such dispute within ten (10) Business Days after delivery of the Expansion Notice (with time being of the essence), and such dispute shall be determined by arbitration in accordance with the then prevailing Expedited Procedures of the Arbitration Rules for the Real Estate Industry of the American Arbitration Association or its successor for arbitration of commercial disputes, except that the rules shall be modified as follows:

(a) In its demand for arbitration Tenant shall specify the name and address of the person to act as the arbitrator on Tenant's behalf. The arbitrator shall be a real estate broker with at least ten (10) years full-time commercial brokerage experience who is familiar with the fair market value of first-class office space in the DUMBO neighborhood of Brooklyn. Failure on the part of Tenant to make the timely and proper demand for such arbitration (with time being of the essence) shall constitute a waiver of the right thereto and the Fixed Rent in respect of the Expansion Space in question shall be as set forth in the Expansion Notice applicable thereto. Within ten (10) Business Days after the service of the demand for arbitration, Landlord shall give notice to Tenant specifying the name and address of the person designated by Landlord to act as arbitrator on its behalf, which arbitrator shall be similarly qualified.

(b) The two (2) arbitrators chosen pursuant to Section 30.6(a) shall meet within ten (10) Business Days after the second arbitrator is appointed and shall seek to reach agreement on Expansion Space Fair Market Value. If within twenty (20) days after the second arbitrator is appointed the two (2) arbitrators are unable to reach agreement on Expansion Space Fair Market Value then the two (2) arbitrators shall appoint a third arbitrator, who shall be a competent and impartial person with qualifications similar to those required of the first two (2) arbitrators pursuant to Section 30.6(a). If they are unable to agree upon such appointment within five (5) Business Days after expiration of such twenty (20) day period, the third arbitrator shall be selected by the parties themselves. If the parties do not agree on the third arbitrator within five

(5) Business Days after expiration of the foregoing five (5) Business Day period, then either party, on behalf of both, may request appointment of such a qualified person by the then president of the Real Estate Board of New York. The third arbitrator shall decide the dispute, if it has not been previously resolved, by following the procedures set forth in Section 30.6(c). Each party shall pay the fees and expenses of its respective arbitrator and both shall share the fees and expenses of the third arbitrator. Attorneys' fees and expenses of counsel and of witnesses for the respective parties shall be paid by the respective party engaging such counsel or calling such witnesses.

(c) The Expansion Space Fair Market Value of the applicable Expansion Space shall be fixed by the third arbitrator in accordance with the following procedures. Concurrently with the appointment of the third arbitrator, each of the arbitrators selected by the parties shall state, in writing, his or her determination of the Expansion Space Fair Market Value in respect of the applicable Expansion Space supported by the reasons therefor. The third arbitrator shall have the right to consult experts and competent authorities for factual information or evidence pertaining to a determination of such Expansion Space Fair Market Value, but any such determination shall be made in the presence of both parties with full right on their part to cross-examine. The third arbitrator shall conduct such hearings and investigations as he or she deem appropriate and shall, within thirty (30) days after being appointed, select which of the two (2) proposed determinations most closely approximates his or her determination of such Expansion Space Fair Market Value. The third arbitrator shall have no right to propose a middle ground or any modification of either of the two (2) proposed determinations. The determination he or she chooses as that most closely approximating his or her determination of the Expansion Space Fair Market Value in respect of the applicable Expansion Space shall constitute the decision of the third arbitrator and shall be final and binding upon the parties. The third arbitrator shall render the decision in writing with counterpart copies to each party. The third arbitrator shall have no power to add to or modify the provisions of this Lease. Promptly following receipt of the third arbitrator's decision (or final determination of Fixed Rent for the applicable Expansion Space by acceptance or agreement in accordance with this Article), the parties shall enter into an amendment to this Lease evidencing the expansion of the Premises and confirming the Fixed Rent for the Expansion Space in question, but the failure of the parties to do so shall not affect the effectiveness of the third arbitrator's determination or such other acceptance or agreement as to Fixed Rent for the Expansion Space in question as may have occurred in accordance with this Article.

(d) In the event of a failure, refusal or inability of any arbitrator to act, his or her successor shall be appointed by him or her, but in the case of the third arbitrator, his or her successor shall be appointed in the same manner as that set forth herein with respect to the appointment of the original third arbitrator.

(e) Landlord and Tenant hereby agree to, and hereby do, waive any and all rights they or either of them may at any time have to revoke their agreement hereunder to submit to arbitration and to abide by the decision rendered thereunder. Landlord and Tenant each: (x) consent to the entry of judgment in any court of the determination rendered in any arbitration held pursuant to this Article 30 or otherwise pursuant to this Lease; and (y) acknowledge that any determination rendered in any arbitration held pursuant to this Article 30 or otherwise pursuant to this Lease, whether or not such determination has been entered for judgment, shall be final and binding upon Landlord and Tenant.

Section 30.7 **Agreement of Terms**. Landlord and Tenant, at either party's request, shall promptly execute and exchange an appropriate agreement evidencing the leasing of each Expansion Space and the terms thereof in a form reasonably satisfactory to both parties, but no such agreement shall be necessary in order to make the provisions hereof effective.

Section 30.8 **Option Personal**. The Expansion Option granted to Tenant in this Article 30 shall be personal to the Tenant named in this Lease (or any permitted transferee pursuant to Section 13.8), and may not be assigned to any other Tenant.

Article 31

INTENTIONALLY OMITTED

Article 32

TENANT'S CANCELLATION OPTION

Section 32.1 **Tenant's Cancellation Option.** Provided that (i) an Event of Default under this Lease shall not then be continuing, (ii) this Lease shall be in full force and effect at all times mentioned below, and (iii) Tenant shall not have assigned its interest in this Lease in a transaction requiring Landlord's consent, Tenant shall have the right to cancel this Lease as to either (x) the 7th Floor Premises only or (y) the entire Premises (the "**Cancellation Option**"), effective as of the seventh (7th) anniversary of the 8-10th Floor Premises Rent Commencement Date (the "**Cancellation Option Termination Date**"), provided that (A) Tenant shall have given Landlord, at least twenty-four (24) months prior to the Cancellation Option Termination Date, a written notice (the "**Cancellation Notice**") of Tenant's cancellation of this Lease as to either the 7th Floor Premises only or the entire Premises effective as of the Cancellation Option Termination Date (it being agreed that such notice must specify whether the Lease shall be terminated as to the entire Premises or only the 7th Floor Premises in order for such notice to be effective), and (B) Tenant shall pay to Landlord, on or prior to the Cancellation Payment Deadline (as hereinafter defined) as a condition to the effectiveness thereof, with time being of the essence, an amount equal to the sum of (a) the unamortized portion (amortized at the rate of 8%) of the brokerage commission, free rent and Landlord's Contribution as of the Cancellation Option Termination Date, plus (b) an amount equal to four (4) months' Fixed Rent as of the Cancellation Option Termination Date, plus (c) four (4) months' aggregate Tenant's BID Payment, Annual Interim Payment, Tenant's Tax Payment and Tenant's Operating Payment (at the rate payable as of the date that is twenty-four (24) months prior to the Cancellation Option Termination Date) (the sum of the amounts payable pursuant to clauses (a) through (c) hereof, collectively, the "**Cancellation Payment**"). Notwithstanding the foregoing, the Cancellation Payment shall be equitably prorated if Tenant elects to cancel this Lease as to the 7th Floor Premises only. Within sixty (60) days after the 8-10th Floor Premises Rent Commencement Date, Landlord shall deliver to Tenant Landlord's reasonably detailed calculation of clause (a) of the Cancellation Payment, and the "**Cancellation Payment Deadline**" shall mean the later to occur of (X) the date on which Tenant gives the Cancellation Notice to Landlord and (Y) five (5) Business Days after the date on which Landlord provides notice of the amount of Landlord's calculation of clause (a) of the Cancellation Payment calculation to Tenant. In the event that this Lease shall terminate pursuant to the terms of this Section 32.1, Landlord shall promptly return the Security Deposit to Tenant, and thereupon neither party shall have any liability to the other under this Lease, except for any obligations expressly stated to survive the Expiration Date or termination hereof. Any dispute between Landlord and Tenant as to the calculation of the Cancellation Payment shall be subject to determination by expedited arbitration (initiated by either party) in accordance with Article 33 of this Lease.

Section 32.2 Time is of the essence with respect to the giving of the Cancellation Notice by Tenant and the making of the Cancellation Payment by Tenant by the applicable date set forth above; provided, that if Tenant is not notified by Landlord of any adjustment to a Tenant's Tax Payment amount or a Tenant's Operating Payment amount prior to Tenant's timely rendering of the Cancellation Payment to Landlord, the amount rendered shall be promptly adjusted between Landlord and Tenant and either paid or refunded, as appropriate, but notwithstanding the need for such adjustment (which may not occur until after the deadline for Tenant to timely pay the Cancellation Payment), the Cancellation Payment shall be deemed to have been timely made. Upon the timely giving of the Cancellation Notice and the timely payment of the Cancellation Payment, the Term of this Lease as to the 7th Floor Premises only or the entire Premises, as the case may be, shall expire on the Cancellation Option Termination Date as if such date were the Expiration Date and neither party shall have any further rights or obligations under this Lease (or with respect to the 7th Floor Premises, as applicable) except for such rights and obligations which expressly survive the termination or expiration of the Term hereof.

Section 32.3 For the avoidance of doubt, if Tenant shall exercise its option to cancel this Lease as set forth in this Article 32 as to the entire Premises, then, except as otherwise agreed to in writing by Landlord, any sublease of any portion of the Premises shall terminate as of the Cancellation Option Termination Date, and Tenant shall cause any and all subtenants of any portion of the Premises to vacate and surrender the entire Premises to Landlord on or prior to the Cancellation Option Termination Date, in the condition required for surrender of the Premises upon the Expiration Date. For the avoidance of doubt, if Tenant shall exercise its option to cancel this Lease as set forth in this Article 32 as to the 7th Floor Premises only, then, except as otherwise agreed to in writing by Landlord, any sublease of any portion of the 7th Floor Premises shall terminate as of the Cancellation Option Termination Date, and Tenant shall cause any and all subtenants of any portion of the 7th Floor Premises to vacate and surrender the entire 7th Floor Premises to Landlord on or prior to the Cancellation Option Termination Date, in the condition required for surrender of the 7th Floor Premises upon the Expiration Date. Tenant shall indemnify and hold harmless Landlord from and against all costs, liabilities and expenses (including reasonable attorneys' fees and disbursements) incurred in causing any such subtenants of the relevant portion of the Premises to so vacate and surrender the same, and Tenant acknowledges that the terms and conditions of Article 18 of this Lease shall be expressly applicable to any such holdover. Tenant shall cause any and all sublease(s) for any portion of the Premises entered into prior to the deadline for the giving of the Cancellation Notice to contain a provision whereby the applicable subtenant shall acknowledge and agree that the sublease will automatically terminate upon the Cancellation Option Termination Date if Tenant shall exercise its right to cancel this Lease as set forth in this Article 32.

Section 32.4 The Cancellation Option granted to Tenant in this Article 32 shall be personal to the Tenant named in this Lease (or any permitted transferee pursuant to Section 13.8), and may not be assigned to any other Tenant.

Article 33

ARBITRATION

In any arbitration which, pursuant to the express provisions of this Lease, is governed by this Article 33, either party may submit the dispute for resolution by arbitration in the City of New York in accordance with the Arbitration Rules for the Real Estate Industry of the American Arbitration Association ("**AAA**"), except that the terms of this Article 33 shall supersede any conflicting or otherwise inconsistent rules. Provided the rules and regulations of the AAA so

permit, (i) the AAA shall, within 2 Business Days after such submission or application, select a single arbitrator having at least ten (10) years' experience in leasing and management of commercial properties similar to the Building, (ii) the arbitration shall commence two (2) Business Days thereafter and shall be limited to a total of seven (7) hours on the date of commencement until completion, with each party having no more than a total of two (2) hours to present its case and to cross-examine or interrogate persons supplying information or documentation on behalf of the other party, and (iii) the arbitrator shall make a determination within three (3) Business Days after the conclusion of the presentation of Landlord's and Tenant's cases, which determination shall be limited to a decision upon (A) whether Landlord acted reasonably in withholding its consent or approval, or (B) the specific dispute presented to the arbitrator, as applicable (and the arbitrator shall not be permitted to modify any of the terms of this Lease). The arbitrator's determination shall be final and binding upon the parties, whether or not a judgment shall be entered in any court. All actions necessary to implement such decision shall be undertaken as soon as possible, but in no event later than ten (10) Business Days after the rendering of such decision. The arbitrator's determination may be entered in any court having jurisdiction thereof. All fees payable to the AAA for services rendered in connection with the resolution of the dispute shall be paid by the unsuccessful party. The arbitrator shall not be entitled to award monetary damages or to alter any of the terms or conditions expressly set forth in this Lease.

Article 34

TERRACE

Section 34.1 So long as this Lease is in full force and effect, no Event of Default is then continuing hereunder, and Tenant (and/or its affiliates) shall then lease the entire 10th Floor Premises hereunder, Tenant shall have the right throughout the Term, subject further to compliance with all applicable Requirements and the Rules and Regulations, to the exclusive use of that portion of the setback on the tenth (10th) floor on the North and West sides of the Building within the area shown outlined (as opposed to hatched) on **Exhibit J** annexed hereto (the "**Terrace**"). The Terrace shall not be included in the RSF of the Premises, and Tenant shall not be required to pay Fixed Rent, Tenant's BID Payment, Annual Interim Payment, Tenant's Tax Payment or Tenant's Operating Payment for Tenant's use of the Terrace. Accordingly, Tenant shall not be entitled to any abatement of, or credit against, Fixed Rent, Tenant's BID Payment, Annual Interim Payment, Tenant's Tax Payment or Tenant's Operating Payment for any condition affecting the Terrace (such as, by way of an example, a casualty to the Terrace); provided, however, that in the event that (x) any damage shall be caused to the Terrace or the underling roof of the Building due to the gross negligence or willful misconduct of Landlord or its employees, agents or contractors, and the need for Landlord to repair such damage shall prevent Tenant from using and/or accessing the Terrace (except to a *de minimis* extent) for more than ten (10) consecutive Business Days, or Landlord shall otherwise take action to prevent Tenant from using all or a portion of the Terrace for more than ten (10) consecutive Business Days (except if due to Unavoidable Delays, a change in applicable Laws, actions required to facilitate cyclical compliance with applicable Laws (including Local Law 11) and/or an emergency), then in any such case, Tenant shall receive, as its sole and exclusive remedy therefor, a credit against Fixed Rent in the Terrace Adjustment Amount on a per diem basis for each day after such tenth (10th) consecutive Business Day until use and access to the Terrace (or the applicable portion thereof) shall have been restored. The "**Terrace Adjustment Amount**" shall mean the quotient obtained by (I) multiplying [******] by the number of square feet of Terrace so affected and (II) dividing such product by 365.

Section 34.2 Landlord shall not be required to procure any public assembly permit for Tenant in connection with Tenant's use of the Terrace; however, Landlord shall cooperate with any efforts by Tenant to secure the same at Tenant's sole cost and expense. Landlord represents that the existing condition and configuration of the Terrace are suitable for non-public assembly use by up to (but not more than) 74 persons in accordance with applicable Requirements, and the existing means of access to the Terrace shall be in compliance with applicable Requirements on the Commencement Date.

Section 34.3 Landlord shall not be obligated to perform any work or to contribute to the cost of any Alterations to prepare the Terrace for Tenant's use. Tenant shall make no Alterations on or to the Terrace without Landlord's prior written consent, which consent shall be granted or withheld in accordance with the provisions of Article 5. At the end of the Term, Tenant shall remove all of such Alterations made by Tenant to the Terrace and shall repair any damage to the Terrace and the Building caused by such removal, and restore the surface of the Terrace to its condition immediately preceding the installation of such improvements (it being agreed that any such Alterations shall constitute Specialty Alterations hereunder), ordinary wear and tear and damage caused by casualty, condemnation and the negligence or willful misconduct of Landlord or its employees, agents or contractors excepted.

Section 34.4 At any time during the Term when Tenant shall have the exclusive right to use the Terrace as set forth herein, Tenant may place planters and other personal property on the Terrace, provided that (a) such property shall not require structural reinforcement and shall not be heavier than the roofing system or structural slab that the Terrace was designed to hold (unless Tenant, at its expense, installs such structural reinforcement after first having obtained Landlord's consent in accordance with Article 5) and (b) the weight and location of such planters and other personal property shall have been approved by Landlord, which approval shall not be unreasonably withheld. To the extent that Tenant's use of, or installations on the Terrace, results in any water damage to the roof, Tenant, at its expense, shall replace the waterproofing membrane on the tenth (10th) floor setback on the northern and western sides of the Building, including any ancillary work necessary to provide a comprehensive waterproofing system in the affected area of such roof, all in accordance with Article 5 of this Lease.

Section 34.5 At all times during the Term, Landlord shall have access to the Terrace in accordance with Article 14 of this Lease, subject to satisfaction of the Non-Interference Condition. As used herein, the "**Non-Interference Condition**" shall mean the obligation of Landlord to diligently use commercially reasonable efforts to minimize interference with and any adverse impact (to more than a de minimis extent) upon Tenant's use and occupancy of the Premises or any part thereof. In furtherance of the foregoing, solely in the event of an emergency or if required by Requirements, Landlord without liability to Tenant, except as otherwise expressly provided in Section 34.1 hereof, shall have the right to erect and maintain scaffolding on or about the Terrace. In connection therewith Landlord agrees to use commercially reasonable efforts (subject to Tenant's Delays and Unavoidable Delays) to minimize interference with Tenant's use of the Terrace and to complete in a timely manner any work performed by Landlord that involves the installation of such scaffolding on or about the Terrace.

Section 34.6 At any time during the Term when Tenant shall have the exclusive right to use the Terrace as set forth herein, Tenant shall comply, and shall cause any and all Persons Within Tenant's Control, to comply with all of the terms, covenants and obligations on the part of Tenant to be kept, observed and performed pursuant to this Lease with respect to the Terrace as if the same were the Premises hereunder (it being agreed that except as expressly set forth to the contrary in this Article 34 or elsewhere in this Lease, the provisions of this Lease shall apply

to the Terrace as if the same were the Premises hereunder). For the avoidance of doubt, (i) Tenant acknowledges and agrees that the terms and conditions of Articles 5, 11 and 25 of this Lease shall be applicable to the Terrace as if the same were the Premises hereunder; and (ii) notwithstanding anything to the contrary contained in Article 13 of this Lease, Tenant shall have no right to sublease the Terrace or allow the same to be used by others (other than Persons Within Tenant's Control) without the prior written consent of Landlord, which consent may be granted or withheld in Landlord's sole discretion (provided, however, that Tenant shall have the right to sublease the Terrace in connection with a sublease of the entire Premises in accordance with Article 13 hereof).

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD:

10 JAY MASTER TENANT LLC,
a Delaware limited liability company

By: /s/ Mark Weissman

Its: Authorized Signatory

TENANT:

RENT THE RUNWAY, INC.,
a Delaware corporation

By: /s/ Jennifer Hyman

Its: Jennifer Hyman, Chief Executive Officer

By: /s/ Scarlett O'Sullivan

Its: _Jennifer Hyman, Chief Executive Officer

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT A-1

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT A-2

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT A-3

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT A-4

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT B-1

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT B-2

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT C

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT D

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT E

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT F

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT G-1

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT G-2

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT H

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT I

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT J

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT K

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT L

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT M

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT N-1

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT N-2

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT O

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT P

[OMITTED]

CERTAIN IDENTIFIED SCHEDULES HAVE BEEN EXCLUDED FROM THE EXHIBIT PURSUANT TO REGULATION S-K, ITEM 601(A)(5) BECAUSE THEY DO NOT CONTAIN INFORMATION MATERIAL TO AN INVESTMENT OR VOTING DECISION AND THAT INFORMATION IS NOT OTHERWISE DISCLOSED IN THE EXHIBIT OR THE DISCLOSURE DOCUMENT.

EXHIBIT Q

[OMITTED]

CERTAIN IDENTIFIED INFORMATION IN THIS DOCUMENT HAS BEEN EXCLUDED PURSUANT TO REGULATION S-K, ITEM 601(B)(10) BECAUSE IT IS BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [******] INDICATES THAT INFORMATION HAS BEEN REDACTED.

FIRST AMENDMENT OF LEASE

THIS FIRST AMENDMENT OF LEASE (this "Agreement"), made as of December 10, 2020 with an effective date as of April 1, 2020 (the "Effective Date"), by and between 10 JAY MASTER TENANT LLC, a Delaware limited liability company, having an office c/o Glacier Global Partners LLC, 220 East 42nd Street, Suite 3002, New York, New York 10017 ("Landlord"), and RENT THE RUNWAY, INC., a Delaware corporation, having an office at 10 Jay Street, Brooklyn, New York 11201 ("Tenant").

W I T N E S S E T H:

WHEREAS, Landlord and Tenant are the current parties to that Lease, dated as of April 1, 2019 (the "Original Lease"), which Original Lease has been amended by that letter agreement dated November 14, 2019 (the "Letter Agreement"; the Original Lease as amended by the Letter Agreement, collectively, the "Lease"), whereby Landlord leases to Tenant certain premises in the building located at 10 Jay Street, Brooklyn, New York, for a term expiring on November 30, 2032; and

WHEREAS, Landlord and Tenant desire to amend the Lease upon and subject to the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and conditions hereinafter set forth, the parties agree as follows:

1. Capitalized Terms; Definitions. All capitalized terms used in this Agreement and not otherwise defined herein shall have the same meanings as are ascribed to such terms in the lease.

2. Deferred Rental; Deferred Rental Payments.

(a) Landlord and Tenant hereby agree to defer the Fixed Rent payable by Tenant under the Lease for the 8th Floor Premises, the 9th Floor Premises and the 10th Floor Premises for the period of April 1, 2020 through June 30, 2020 in the aggregate amount of $[******] (the "Deferred Rental").

(b) Tenant agrees to pay the Deferred Rental to Landlord, without demand and without interest or late fees no later than the earlier of (i) than June 1, 2021 or (ii) the closing date of a Liquidation Event (as such term if defined in the Company's Certificate of Incorporation) (such date, the "Deferred Rental Deadline"). Notwithstanding the foregoing, Tenant may elect to repay the Deferred Rental, in full or in part, at any time sooner than the Deferred Rental Deadline. If the Lease shall be terminated prior to payment in full of the Deferred Rental, then any such remaining outstanding amount of the Deferred Rental shall immediately become due and payable upon such termination of the Lease (as amended by this Agreement).

3. No Brokers. Landlord represents and warrants to Tenant that Landlord has not dealt with any broker, agent or finder in connection with this Agreement. Tenant represents and warrants to Landlord that Tenant has not dealt with any broker, agent or finder in connection with this agreement. The execution and delivery of this Agreement shall be conclusive evidence that the parties have relied upon the foregoing representations and warranties. Landlord and Tenant

shall indemnify and hold harmless the other party from and against any and all claims for commission, fee or other compensation by any broker, agent or finder who claims to have dealt with the indemnitor in connection with this Agreement and for any and all costs incurred by the indemnitee in connection with such claims, including, without limitation, reasonable attorneys' fees and disbursements. The terms and conditions of this section 3 shall survive the termination or expiration of the Lease.

4. No Default. As of the date of this Amendment, the parties hereto hereby agree and acknowledge that no event of default currently exists under the Lease and that Tenant is in not default under the Lease beyond any applicable cure period and to Landlord's knowledge, no event has occurred which, with the giving of notice or passage of time, or both, could result in such default by Tenant.

5. No Oral Modification. This Agreement may not be changed or terminated orally, but only by an agreement in writing signed by Landlord and Tenant.

6. Ratification; Conflicts. Except as and to the extent modified by this Agreement, all of the terms, covenants and conditions of the Lease are hereby ratified and confirmed and shall remain in full force and effect. In the event of any conflict between this Amendment and the Lease, this Amendment shall control.

7. Counterparts; Electronic Signatures, etc. This Agreement is offered for signature by Tenant and it is understood that this Agreement shall not be binding upon Landlord unless and until Landlord shall have executed and delivered a fully-executed copy of this Agreement to Tenant. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which when taken together will constitute one and the same instrument. An executed counterpart of this Agreement transmitted by facsimile, email or other electronic transmission shall be deemed an original counterpart and shall be as effective as an original counterpart of this Agreement and shall be legally binding upon the parties hereto to the same extent as delivery of an original counterpart.

8. Effectiveness. This Amendment shall be effective as of April 1, 2020 upon execution and delivery by Landlord, and shall be binding upon and inure to the benefit of Landlord and Tenant and their respective successors and permitted assigns.

* * *

[Remainder of Page Intentionally Left Blank; Signature Page Follows.]

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

10 JAY MASTER TENANT LLC, a Delaware limited liability company

By: Tigerjoy Manager LLC,
its Managing Member

By: Tigerjoy Capital LLC,
its sole Member

By: 140 Wendover Lane II, LLC,
its Co-Manager

By: /s/ Mark Weissman
Name: Mark Weissman
Title: Sole Member

By: Galileo Real Estate Corp.,
Its Co-Manager

By: /s/ Gil Geva
Name: Gil Geva
Title: President and Treasurer

RENT THE RUNWAY, INC., a Delaware corporation

By: /s/ Scarlett O'Sullivan
Name: Scarlett O'Sullivan
Title: CFO

Exhibit 16.1

October 4, 2021

Securities and Exchange Commission
Washington, D.C. 20549

Ladies and Gentlemen:

We were previously principal accountants for Rent the Runway, Inc. and, under the date of July 19, 2019, we reported on the consolidated financial statements of Rent the Runway, Inc. as of January 31, 2019 and February 3, 2018 and for the years then ended. On November 8, 2019, we were dismissed. We have read Rent the Runway, Inc.'s statements included in its Form S-1 dated October 4, 2021, and we agree with such statements, except that we are not in a position to agree or disagree with Rent the Runway, Inc.'s statement that PricewaterhouseCoopers LLP, or PwC, was appointed as the independent registered public accounting firm on February 20, 2020 or that the change in independent registered public accounting firm was approved by the board of directors. We are also not in a position to agree or disagree with Rent the Runway, Inc.'s statement that PwC was not engaged regarding the application of accounting principles to a specified transaction, either completed or proposed, the type of audit opinion that might be rendered on Rent the Runway, Inc.'s consolidated financial statements, or any other matters described in Item 304(a)(2)(i) or (ii) of Regulation S-K.

Very truly yours,

/s/ KPMG LLP

Exhibit 21.1

List of Subsidiaries of Rent the Runway, Inc.

Name of Subsidiary	Jurisdiction of Organization
Rent the Runway Limited	Ireland

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Rent the Runway, Inc. of our report dated July 16, 2021 relating to the financial statements, which appears in this Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
New York, New York
October 4, 2021

Exhibit 23.3

Consent of Green Story Inc.

Rent the Runway, Inc.
10 Jay Street
Brooklyn, NY 11201

July 12, 2021

Ladies and Gentlemen:

We hereby consent to the references to our name, and to the use of information, data and statements from our assessment prepared by us and SgT Group and provided to Rent the Runway, Inc. (the " Company"), including our "Life Cycle Assessment (LCA) of Linear and Rental Systems (Owning vs Rental of Apparel)", dated March 2021, and the addendum supplemented in July 2021 prepared by us, and extracts or extrapolations of any other information, data and statements prepared by us and provided to the Company in each of (i) the registration statement on Form S-1 (the "Registration Statement") in relation to the initial public offering of the Company filed with the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended, (ii) any drafts thereof or amendments thereto submitted or filed with the SEC, (iii) any written correspondence by the Company with the SEC and (iv) institutional and retail road shows and other activities in connection with any securities offerings and other marketing and fundraising activities by the Company. In granting such consent, we represent that, to our knowledge, the statements made in such research report are accurate statements of Green Story Inc.'s research results and independent estimates and opinion as of the date delivered to the Company, and fairly present the matters referred to therein.

We also hereby consent to the filing of this letter as an exhibit to the Registration Statement and any amendments thereto.

Sincerely,

GREEN STORY INC.

By: /s/ Akhil Sivanandan

Name: Akhil Sivanandan

Title: Co-founder

Exhibit 23.4

Consent of SgT Limited

Rent the Runway, Inc.
10 Jay Street
Brooklyn, NY 11201

July 20, 2021

Ladies and Gentlemen:

We hereby consent to the references to our name, and to the use of information, data and statements from our assessment prepared by us and Green Story Inc. and provided to Rent the Runway, Inc. (the " Company"), including our "Life Cycle Assessment (LCA) of Linear and Rental Systems (Owning vs Rental of Apparel)", dated March 2021, and extracts or extrapolations of any other information, data and statements prepared by us and provided to the Company in each of (i) the registration statement on Form S-1 (the "Registration Statement") in relation to the initial public offering of the Company filed with the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended, (ii) any drafts thereof or amendments thereto submitted or filed with the SEC, (iii) any written correspondence by the Company with the SEC and (iv) institutional and retail road shows and other activities in connection with any securities offerings and other marketing and fundraising activities by the Company. In granting such consent, we represent that, to our knowledge, the statements made in such research report are accurate statements of SgT Group's research results and independent estimates and opinion as of the date delivered to the Company, and fairly present the matters referred to therein.

We also hereby consent to the filing of this letter as an exhibit to the Registration Statement and any amendments thereto.

Sincerely,

SgT Limited

By: /s/ Marie-Annabell Mermaz

Name: Marie-Annabelle Mermaz

Title: CEO & Director

Exhibit 23.5

Consent of Lab42 Research, LLC

Rent the Runway, Inc.
10 Jay Street
Brooklyn, NY 11201

August 17, 2021

Ladies and Gentlemen:

We hereby consent to the references to our name, and to the use of information, data and statements from the survey research we conducted among women in the United States on the topic of apparel resale shopping and provided to Rent the Runway, Inc. (the " Company"), and extracts or extrapolations of any other information, data and statements prepared by us and provided to the Company in each of (i) the registration statement on Form S-1 (the "Registration Statement") in relation to the initial public offering of the Company filed with the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended, (ii) any drafts thereof or amendments thereto submitted or filed with the SEC, (iii) any written correspondence by the Company with the SEC and (iv) institutional and retail road shows and other activities in connection with any securities offerings and other marketing and fundraising activities by the Company. In granting such consent, we represent that, to our knowledge, the statements made in such research and surveys are accurate statements of Lab42 Research, LLC's research results and independent estimates and opinion as of the date delivered to the Company, and fairly present the matters referred to therein.

We also hereby consent to the filing of this letter as an exhibit to the Registration Statement and any amendments thereto.

Sincerely,

Lab42 Research, LLC

By: /s/ Jonathan Pirc

Name: Jonathan Pirc

Title: Managing Director & Founder