

FIFTH AMENDMENT TO LEASE

This Fifth Amendment to Lease is entered into as of this day of September, 2017, by and between **Sierra Vista Apts, II, LLP and MSK Ventures, LLC, as successor in interest to S.W.O.T. II**, ("Landlord") and **Family Resource and Referral Center, a non-profit corporation**, ("Tenant") for the property located at **509 West Weber Avenue, Suites 101,103,104, and a portion of 102 Stockton, CA 95203**.

Recitals:

- A. Landlord, as successor in interest to S.W.O.T. II, and Tenant entered into that certain Lease and Addendum to Lease dated August 1, 2002, a First Amendment to Lease dated April 2, 2004, and a Second Amendment to Lease dated February 20, 2006, Third Amendment to Lease dated April 12, 2008, and a Fourth Amendment to Lease dated January 28, 2013 herein after referred to as the "Lease".
- B. Landlord and Tenant do hereby wish to extend the term of the Lease as well as make some other modification as follows;

1. EXTENDED TERM:

The term of the existing Lease shall be extended from its current expiration date of July 31, 2018 until September 30, 2022.

2. BASE RENT:

The Base Rent for the Premises during the extended term shall be paid according to the following schedule:

<u>PERIOD</u>	<u>RENT PER MONTH</u>	<u>RENT PER SQ.FT. PER MONTH</u>
8/1/18 to 7/31/20	\$7,876.25	\$ 1.25
8/1/20 to 9/30/22	\$8,191.30	\$ 1.30

3. OPTION TO RENEW:

The option to renew language in the Fourth Amendment to Lease is hereby deleted and Tenant shall have no further rights to renew the lease.

4. IMPROVEMENTS TO THE PREMISES:

Landlord shall complete the following improvements at Landlord's sole cost and expense using building standard materials. Landlord and Tenant shall work together to find a convenient time to complete the work. The goal will be to complete all work by 12/31/18.

Suite 102A

1. Remove existing upper and lower cabinets and appliances and replace with new upper and lower cabinets without appliances and re-set sink.
2. Re-carpet Premises with carpet tile in a color selected by Tenant.
3. Replace VCT in kitchen
4. Move furniture. Tenant shall move all personal items and computer equipment

Suite 104

1. Re-carpet Premises with carpet tile in a color selected by Tenant. May need to carpet around or in front of the record storage cabinets.
2. Move furniture. Tenant shall move all personal items and computer equipment.

All other terms and conditions of the Lease are in full force and effect.

Executed by Landlord and Tenant through its duly authorized representative, in duplicate, each of which shall be an original, as of the date first hereinabove mentioned.

Signed on 10/3/17
at Stockton, CA

LANDLORD:

Sierra Vista Apts, II, LLP and MSK Ventures, LLC

By: 
Michael D. Keely

Its: Managing Partner

Signed on 9/29/17
at Stockton, CA

TENANT:

Family Resource And Referral Center

a non-profit corporation

By: Kayla Rubstall, CEO

CONSULT YOUR ADVISORS - This document (including its exhibits and addenda, if any) has been prepared for review and approval by your attorney. Broker makes no representation or recommendation as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. Consult your attorney and tax accountant.

FOURTH AMENDMENT TO LEASE

This Fourth Amendment to Lease is entered into as of this 28 th day of January, 2013, by and between Sierra Vista Apts, II, LLP and MSK Ventures, LLC, as successor in interest to S.W.O.T. II, ("Landlord") and Family Resource and Referral Center, a non-profit corporation, ("Tenant") for the property located at 509 West Weber Avenue, Suites 101,103,104, and a portion of 102 Stockton, CA 95203.

Recitals:

- A. Landlord, as successor in interest to S.W.O.T. II, and Tenant entered into that certain Lease and Addendum to Lease dated August 1, 2002, a First Amendment to Lease dated April 2, 2004, and a Second Amendment to Lease dated February 20, 2006, and a Third Amendment to Lease dated April 12, 2008 herein after referred to as the "Lease".
- B. Landlord and Tenant do hereby wish to extend the term of the Lease as well as make some other modification as follows;

1. EXTENDED TERM:

The term of the existing Lease shall be extended from its current expiration date of July 31, 2013 until July 31, 2018.

2. BASE RENT:

The Base Rent for the Premises during the extended term shall be paid according to the following schedule:

<u>PERIOD</u>	<u>RENT PER MONTH</u>	<u>RENT PER SQ.FT. PER MONTH</u>
8/1/13 to 7/31/14	\$7,561.20	\$ 1.20
8/1/14 to 7/31/15	\$7,561.20	\$ 1.20
8/1/15 to 7/31/16	\$7,561.20	\$ 1.20
8/1/16 to 7/31/17	\$7,876.25	\$ 1.25
8/1/17 to 7/31/18	\$7,876.25	\$ 1.25

3. OPTION TO RENEW:

The option to renew language in the Third Amendment to Lease is hereby deleted and replaced with the following option language:

Tenant shall have one (1) consecutive five (5) year term to extend the Lease. Tenant shall pay 100% of the then Fair Market Rent but in no event less than the previous year's rental rate. Tenant shall give Landlord a (180) day prior written notice of its intent to exercise such Option to Renew. Landlord and Tenant shall agree to a market rent no later than 30 days after such written notice from Tenant, otherwise the option becomes null and void.

4. EARLY TERMINATION PROVISION:

Tenant shall have a one-time right to cancel this Lease solely due to Tenant's lack of sufficient funding to pay rent in accordance with the terms of the Lease as a result of cancellation of Tenant's various grants and contracts. Tenant shall provide Landlord with four (4) months prior written notice of its intent to cancel the Lease, along with reasonable financial information supporting cancellation of Tenant's various grants and contracts. Tenant may provide such notice to Landlord at any time between July 1 and September 30 of the then current lease year. Upon receipt of notice, Landlord shall provide Tenant with written notice outlining Landlord's acceptance of the notice, and Landlord's calculation of the actual date of early termination. The early termination date shall be the end of the fourth (4th) full calendar month following delivery and acceptance of Tenant's

notice. Failure to provide notice in a timely manner, or to provide sufficient proof of cancellation of funding shall render this cancellation provision null and void.

5. PARTIAL TERMINATION

Tenant shall have the right to terminate certain portions of the ground floor Premises known as suites 101, 103, and 104 on a once a year basis. By providing the Landlord six (6) month's prior written notice, Tenant may elect to terminate one of the above suites. Upon termination, the monthly rent and parking will be adjusted accordingly and Landlord and Tenant shall execute a lease amendment reflecting the termination of the suite. Tenant may only eliminate a maximum of one suite in any year of the lease term. For purposes of this provision, the suites will be deemed to contain the following areas;

Suite 101 1,491 square feet
Suite 103 1,942 square feet
Suite 104 1,847 square feet

All other terms and conditions of the Lease are in full force and effect.

Executed by Landlord and Tenant through its duly authorized representative, in duplicate, each of which shall be an original, as of the date first hereinabove mentioned.

Signed on 1/28/13

at _____

LANDLORD:

Sierra Vista Apts, II, LLP and MSK Ventures, LLC

By: 

Michael D. Keely

Its: Managing Partner

TENANT:

Signed on January 23, 2013

at _____

Family Resource And Referral Center

a non-profit corporation

By: 

CONSULT YOUR ADVISORS - This document (including its exhibits and addenda, if any) has been prepared for review and approval by your attorney. Broker makes no representation or recommendation as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. Consult your attorney and tax accountant.



THIRD AMENDMENT TO LEASE

April

This Third Amendment to Lease is entered into as of this 12th day of March, 2008, by and between Sierra Vista Apts, II, LLP and MSK Ventures, LLC, as successor in interest to S.W.O.T. II, ("Landlord") and Family Resource and Referral Center, a non-profit corporation, ("Tenant") for the property located at 509 West Weber Avenue, Suites 101,103,104, and a portion of 102 Stockton, CA 95203.

Recitals:

- A. Landlord, as successor in interest to S.W.O.T. II, and Tenant entered into that certain Lease and Addendum to Lease dated August 1, 2002, a First Amendment to Lease dated April 2, 2004, and a Second Amendment to Lease dated February 20, 2006 herein after referred to as the "Lease".
- B. Landlord and Tenant do hereby wish to extend the term of the Lease as well as make some other modification as follows;

1. EXTENDED TERM:

The term of the existing Lease shall be extended from its current expiration date of July 31, 2008 until July 31, 2013.

2. BASE RENT:

The Base Rent for the Premises during the extended term shall be paid according to the following schedule:

<u>PERIOD</u>	<u>RENT PER MONTH</u>	<u>RENT PER SQ.FT. PER MONTH</u>
8/1/08 to 7/31/09	\$8,821.40	\$ 1.40
8/1/09 to 7/31/10	\$9,010.43	\$ 1.43
8/1/10 to 7/31/11	\$9,136.45	\$ 1.45
8/1/11 to 7/31/12	\$9,325.48	\$ 1.48
8/1/12 to 7/31/13	\$9,451.50	\$ 1.50

3. OPTION TO RENEW:

The option to renew language in the Second Amendment to Lease is hereby deleted and replaced with the following option language:

Tenant shall have one (1) consecutive five (5) year term to extend the Lease. Tenant shall pay 100% of the then Fair Market Rent but in no event less than the previous year's rental rate. Tenant shall give Landlord a (180) day prior written notice of its intent to exercise such Option to Renew. Landlord and Tenant shall agree to a market rent no later than 30 days after such written notice from Tenant, otherwise the option becomes null and void.

LANDLORD:

Signed on

4/12/08

at

Stockton

Sierra Vista Apts, II, LLP and MSK Ventures, LLC

By:



Michael D. Keely

Its:

Managing Partner

TENANT:

Signed on

4/8/08

at

STOCKTON, CALIFORNIA

Family Resource And Referral Centera non-profit corporation

By:


Executive Director

CONSULT YOUR ADVISORS - This document (including its exhibits and addenda, if any) has been prepared for review and approval by your attorney. Broker makes no representation or recommendation as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. Consult your attorney and tax accountant.

SECOND AMENDMENT TO LEASE

This Second Amendment to Lease is entered into as of this 20th day of February, 2006, by and between Sierra Vista Apts, II, LLP and MSK Ventures, LLC, as successor in interest to S.W.O.T. II, ("Landlord") and Family Resource and Referral Center, a non-profit corporation, ("Tenant") for the property located at 509 West Weber Avenue, Suites 101,103,104, and a portion of 102 Stockton, CA 95203.

Recitals:

A. Landlord, as successor in interest to S.W.O.T. II, and Tenant entered into that certain Lease and Addendum to Lease dated August 1, 2002, and a First Amendment to Lease dated April 2, 2004, herein after referred to as the "Lease".

B. Landlord and Tenant do hereby wish to extend the term of the Lease as well as make some other modification as follows;

1. EXTENDED TERM:

The term of the existing Lease shall be extended from its current expiration date of July 31, 2006 until July 31, 2008.

2. BASE RENT:

The Base Rent for the Premises during the extended term shall be paid according to the following schedule:

<u>PERIOD</u>	<u>RENT PER MONTH</u>	<u>RENT PER SQ.FT. PER MONTH</u>
8/1/06 to 7/31/07	\$8,506.35	\$ 1.35
8/1/07 to 7/31/08	\$8,821.40	\$ 1.40

3. OPTION TO RENEW:

The option to renew language in the First Amendment to Lease is hereby deleted and replaced with the following option language:

Tenant shall have one (1) consecutive one (1) year term to extend the Lease. Tenant shall pay 100% of the then Fair Market Rent but in no event less than the previous year's rental rate. Tenant shall give Landlord a (180) day prior written notice of its intent to exercise such Option to Renew. Landlord and Tenant shall agree to a market rent no later than 30 days after such written notice from Tenant, otherwise the option becomes null and void.

4. EARLY TERMINATION PROVISION:

The Early Termination provision in Section 5 of the First Amendment to Lease is hereby deleted in its entirety, and shall be of no further force and effect.

All other terms and conditions of the Lease are in full force and effect.

Executed by Landlord and Tenant through its duly authorized representative, in duplicate, each of which shall be an original, as of the date first hereinabove mentioned.

LANDLORD:

Signed on 2/26/2006

at _____

Sierra Vista Apts, II, LLP and MSK Ventures,
LLCBy: 

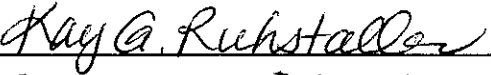
Michael D. Keely

Its: Managing Partner

TENANT:

Signed on February 22, 2006

at _____

Family Resource And Referral Centera non-profit corporationBy: 
Executive Director

CONSULT YOUR ADVISORS - This document (including its exhibits and addenda, if any) has been prepared for review and approval by your attorney. Broker makes no representation or recommendation as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. Consult your attorney and tax accountant.

FIRST AMENDMENT TO LEASE

This First Amendment to Lease is entered into as of this 2nd day of April, 2004, by and between Sierra Vista Apts. II, LLP and MSK Ventures, LLC, as successor in interest to S.W.O.T. II, ("Landlord") and Family Resource and Referral Center, a non-profit corporation, ("Tenant") for the property located at 509 West Weber Avenue, Suites 101,103,104, and a portion of 102 Stockton, CA 95203.

Recitals:

- A. Landlord, as successor in interest to S.W.O.T. II, and Tenant entered into that certain Lease and Addendum to Lease dated August 1, 2002.
- B. Landlord and Tenant do hereby wish to extend the term of the Lease as well as make some other modification as follows;

1. EXTENDED TERM:

The term of the existing Lease shall be extended from its current expiration date of July 31, 2004 until July 31, 2006.

2. BASE RENT:

The Base Rent for the Premises during the extended term shall be paid according to the following schedule:

<u>PERIOD</u>	<u>RENT PER MONTH</u>	<u>RENT PER SQ.FT. PER MONTH</u>
1. 8/1/04 to 7/31/05	\$7,876.25	\$ 1.25
2. 8/1/05 to 7/31/06	\$8,191.30	\$ 1.30

2. UTILITIES:

As of August 1, 2004, Tenant shall pay directly to the provider for all separately metered electrical service to the Premises.

3. OPTION TO RENEW:

Tenant shall have one (1) consecutive one (1) year term to extend the Lease. Tenant shall pay 100% of the then Fair Market Rent but in no event less than the previous year's rental rate. Tenant shall give Landlord a (180) day prior written notice of its intent to exercise such Option to Renew. Landlord and Tenant shall agree to a market rent no later than 30 days after such written notice from Tenant, otherwise the option becomes null and void. Exercise of this renewal option by Tenant will void any termination options contained in the lease or this amendment.

4. ENERGY CONSERVATION:

Landlord will work cooperatively with Tenant in an effort to install energy efficient T8 fluorescent lighting and/or motion sensors throughout the Premises. In the event that Tenant desires to implement these energy conservation measures, the costs of such measures shall be shared as follows; Tenant will pay for the cost of all materials while the Landlord will pay for the cost of installation. Tenant will notify Landlord in writing of Tenant's desire to install these items at which time Landlord and Tenant shall mutually agree on a budget and scope of work prior to commencement of any work.

Upon execution of this amendment, Landlord, at Landlord's sole cost and expense, shall retrofit the overhead fluorescent lights in Suite 101 to T8 lights. The resulting savings in PGE costs for this suite shall be monitored over a 3-4 month period to evaluate the energy costs savings. This cost study will provide the basis for Tenant to elect to implement such energy efficiency on other floors as outlined above.

5. EARLY TERMINATION PROVISION:

Tenant shall have a one-time right to cancel this Lease solely due to Tenant's lack of sufficient funding to pay rent in accordance with the terms of the Lease as a result of cancellation of Tenant's various grants and contracts. Tenant shall provide Landlord with four (4) months prior written notice of its intent to cancel the Lease, along with reasonable financial information supporting cancellation of Tenant's various grants and contracts. Tenant may provide such notice to Landlord at any time between July 1, 2005 and September 30, 2005. Upon receipt of notice, Landlord shall provide Tenant with written notice outlining Landlord's acceptance of the notice, and Landlord's calculation of the actual date of early termination. The early termination date shall be the end of the fourth (4th) full-calendar month following delivery and acceptance of Tenant's notice. Failure to provide notice in a timely manner, or to provide sufficient proof of cancellation of funding shall render this cancellation provision null and void. The early termination provision in Section 2 of the Addendum to Lease is hereby deleted.

6. RULES AND REGULATION:

The attached Rules and Regulations shall be a part of this Lease.

7. HOLDING OVER:

Section 17 of the Lease shall be modified to provide for a holdover rate of 150%.

8. TENANT IMPROVEMENTS:

Prior to the commencement of the extended lease term, Landlord, at Landlord's sole cost and expense, will re-carpet Suite 103 using building standard carpet in a color selected by Tenant. Tenant shall be responsible for the removal of Tenant's furniture, fixtures and equipment, as necessary, to allow for re-carpeting of the Premises.

All other terms and conditions of the Lease dated August 1, 2002 are in full force and effect.

Executed by Landlord and Tenant through its duly authorized representative, in duplicate, each of which shall be an original, as of the date first hereinabove mentioned.

LANDLORD:

Signed on 4/9/04

at _____

Sierra Vista Apts, II, LLP and MSK Ventures, LLC

By: Michael D. Keely
Michael D. Keely

Its: Managing Partner

TENANT:

Signed on 4/5/04

at _____

Family Resource And Referral Center
a non-profit corporation

By: Kay G. Rumballe

CONSULT YOUR ADVISORS - This document (including its exhibits and addenda, if any) has been prepared for review and approval by your attorney. Broker makes no representation or recommendation as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. Consult your attorney and tax accountant.

EXHIBIT D
509 WEST WEBER AVENUE
RULES AND REGULATIONS
WHICH CONSTITUTE A PART OF THE LEASE

Except as provided to the contrary in the Lease, including amendments, addendum's, and exhibits:

1. The sidewalks, entrances, passages, courts, elevators, vestibules, stairways, corridors or walkways shall not be obstructed by the Lessee or used for any purpose by Lessee other than ingress and egress.
2. No awning or other projection shall be displayed or attached to the outside walls of the building of which the Premises are a part without the prior written consent of Lessor. No curtains, blinds, shades or screens shall be attached to or hung in connection with, any window or door of the Premises, without the prior written consent of Lessor. Such awnings, projections, curtains, blinds, shades, screens or other fixtures must be of a quality, type, design and color, and attached in the manner approved by Lessor.
3. Electric wiring of every kind and telephone outlets shall be installed in a manner as will be prescribed by Lessor. The location of convenience outlets, electric light outlets, power outlets and telephone outlets shall be approved by Lessor, prior to installation, but the cost paid by the Lessee. No electrical wall or ceiling fixture shall be installed unless first approved by lessor. All electric work must be done by electricians so licensed by the State of California pursuant to proper governmental permits. The ceiling is a return air plenum for the heating ventilation and cooling system and all materials in the ceiling shall be fire rated.
4. The sashes, sash doors, windows, and doors that reflect or admit light and air into any public places in the building of which the Premises is a part shall not be covered or obstructed by lessee, nor shall any bottles, parcels or other articles be placed on the window sills, except Lessor shall have the right to require lessee to keep the window coverings closed at all times or some of the time.
5. The water and wash closets and other plumbing fixtures shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags or other substances shall be borne by the Lessee who, or whose servants, employees, agents, visitors or licensees shall have caused the same.
6. No Lessee shall mark, paint, drill into, or in any way deface any part of the Premises of 509 West Weber Avenue. No boring, cutting or stringing of wires or laying of carpeting, linoleum or other similar floor coverings shall be permitted, except with the prior written consent of the Lessor and as Lessor may direct, except for general decorating.
7. No bicycles, vehicles or animals of any kind shall be brought into or kept in or about the premises. ~~No cooking (including popcorn) shall be done or permitted by any Lessee on the Premises, except the preparation of coffee, tea, hot chocolate and similar items for Lessees and their employees shall be permitted.~~ No Lessee shall cause or permit any unusual or objectionable odors to be produced upon the building or any other tenant's space. KBR
WDK
8. The Premises shall not be used for manufacturing or for the storage of merchandise except as such storage may incidental to the use of the premises for general office purposes. No Lessee shall occupy or permit any portion of the premises to be occupied as an office for a public stenographer or typist, or for the manufacture or sale of liquor, narcotics, or tobacco in any form, or as a medical office, or as a barber or manicure shop, or an employment bureau. No lessee shall engage or pay any employees on the premises except those actually working for such lessee on the

Premises. The premises shall not be used for lodging or sleeping or for any immoral or illegal purposes:

9. No Lessee shall use, keep or permit to be used or kept any foul or noxious gas or substances in the premises of 509 West Weber Avenue or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to lessor or other Lessees of 509 West Weber Avenue or neighboring buildings by reason of noise, odors and/or vibrations, including, without limitation, by the use of any musical instrument, radio, phonograph, sound-producing instrument or device that can be heard outside the Premises.
10. No Lessee shall place any radio or television antenna on the roof or on any part of the inside or outside of 509 West Weber Avenue other than inside the Premises. No Lessee shall operate any electrical device from which may emanate electrical waves which may interfere with or impair radio or television broadcasting or reception from or in 509 West Weber Avenue.
11. No Lessee, nor any of Lessee's servants, employees, agents, visitors or licensees, shall at any time keep or permit to be kept upon the Premises any inflammable, combustible or explosive fluid, chemical or substance.
12. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by any Lessee, nor shall any changes be made in existing locks or the mechanism thereof. All keys to the premises, and any other part of 509 West Weber Avenue, shall be obtained by the lessee only from Lessor. Lessor shall furnish Lessee, without charge, five (5) keys to each entrance door to the Premises. The Lessee shall obtain any additional keys only from Lessor and shall not make or otherwise procure any additional sets of keys. Each Lessee must, upon termination of his tenancy, return to the Lessor all such keys and in the event of the loss of any keys so furnished, such Lessee shall pay to the Lessor the cost of replacing the same or of changing the lock or locks opened by such lost key if Lessor shall deem it necessary to make such change.
13. The weight, size and position of all safes and other unusually heavy objects used or placed in the premises shall be prescribed by Lessor. The repair of any damage done to 509 West Weber Avenue or property therein by putting or taking out or maintaining such safes or other unusually heavy objects shall be made and paid for by Lessee. All removals, or the carrying in or out of 509 West Weber Avenue or moving within 509 West Weber Avenue of any safes, furniture or other fixtures or bulky matter of any kind must be made upon previous notice to the superintendent of 509 West Weber Avenue and under his supervision, and the persons employed by any Lessee for such work must be acceptable to Lessor. Lessor reserves the right to inspect all safes, furniture, fixtures, freight or other bulky articles to be brought into 509 West Weber Avenue and to exclude from 509 West Weber Avenue all safes, freight or other bulky articles which violate any of these Rules and Regulations of the lease of which these Rules and Regulations are a part. Lessor reserves the right to prescribe the weight and position of all safes, which must be placed upon supports, approved by Lessor to distribute the weight.
14. No Lessee shall purchase spring water, ice, towel, janitorial or maintenance or other like service, from any company or persons unless the written consent of lessor is first obtained.
15. Lessor shall have the right to prohibit any advertising by any Lessee which, in Lessor's opinion, tends to impair the reputation of 509 West Weber Avenue or its desirability as an office building park and upon written notice from Lessor any Lessee shall refrain from or discontinue such advertising. In no event shall Lessee use the name of 509 West Weber Avenue or Lessor in its advertising.
16. Any persons who are agents, employees, contractors or invitees of any Lessee shall, while in 509 West Weber Avenue, and outside of the premises, be subject to and

under the control and direction of the superintendent or manager of 509 West Weber Avenue (but not as an agent or servant of said superintendent or of Lessor, and the Lessee shall be responsible for all acts of such persons).

17. The requirements of Lessee will be attended to only upon application to the Lessor.
18. Canvassing, soliciting, and peddling in 509 West Weber are prohibited and each Lessee shall operate to prevent the same.
19. All office equipment of any electrical or mechanical nature shall be placed by Lessee in the premises in settings approved by Lessor, to absorb or prevent any vibration, noise or annoyance.
20. No air conditioning unit or other similar apparatus shall be installed or used by any Lessee without the written consent of Lessor.
21. There shall not be used in any space, or in the public halls of 509 West Weber Avenue either by any Lessee or others, any hand trucks except those equipped with rubber tires and side guards. Lessees shall insure that movers place hardboard over common area tile and carpets to prevent the carpet or its backing from being damaged. Lessee will have the movers install pads in elevators prior to using the elevator to move furniture or equipment.
22. The expense of repairing any damage resulting from violation of any Rule or Regulation herein shall be borne by the Lessee by whom, or whose contractors, employees or invitees, the damage shall have been caused.
23. No Lessee shall throw anything out of the doors, windows or onto the walkways or down the stairways.
24. Lessor reserves the right to exclude or expel from 509 West Weber Avenue any person who, in the judgment of Lessor, is intoxicated or under the influence of liquor or drugs or who shall in any manner do any act in violation of these Rules and Regulations
25. Smoking is prohibited in the entire building.
26. Subject to Paragraph 9 of the Lease, Landlord shall provide services and utilities to the building twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) days per year.

BUILDING STANDARD OPERATING HOURS are:

7:00. a.m.-6:00 p.m. Mon – Fri, excluding nationally recognized holidays.

27. Tenant shall abide by the CC& R's for the Waterfront Office Towers, as well as the parking and other common area rules as adopted by the Waterfront Office Towers Owners Association.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Farmers & Merchants Bank of Central California
P.O. Box 3000
Lodi, CA 95241
Attn: Loan Center
Loan #: 65-103203-30

INSTRUMENT NO.
RECORDED BY
First American Title Co. of Stockton
RECORDED 7 NOV 2003
INST 03-258287
OFFICIAL RECORDS OF
SAN JOAQUIN COUNTY
JAMES JOHNSTONE COUNTY RECORDER
WE HEREBY CERTIFY THIS TO BE A FULL, TRUE
AND CORRECT COPY OF THE ORIGINAL
First American Title Co. of Stockton
By Shannon

**SUBORDINATION OF LEASE,
NONDISTURBANCE AND ATTORNMENT AGREEMENT**

**NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN THE
LEASEHOLD ESTATE IN THE PROPERTY BECOMING SUBJECT TO
AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR
LATER SECURITY INSTRUMENT.**

THIS SUBORDINATION OF LEASE, NONDISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is entered into as of OCTOBER 17, 2003, by and among SIERRA VISTA APTS. II, A CALIFORNIA LIMITED PARTNERSHIP AS TENANTS IN COMMON WITH MSK VENTURES, LLC. ("Lessor", as successor to S.W.O.T. II, A CALIFORNIA LIMITED PARTNERSHIP), FAMILY RESOURCE AND REFERRAL, AN AGENCY OF STOCKTON METROPOLITAN MINISTRY ("Lessee"), and FARMERS & MERCHANTS BANK OF CENTRAL CALIFORNIA, a California banking corporation ("Bank"), with reference to the following facts:

A. Pursuant to a lease dated as of AUGUST 01, 2002 between Lessor and Lessee (collectively, the "Lease"), Lessee has obtained or will obtain possession, use and enjoyment of that certain property, or a portion thereof, located at 509 W. WEBER AVENUE, SUITES 101, A PORTION OF 102, 103, AND 104 City of STOCKTON, County of SAN JOAQUIN, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (the "Property").

B. The obligations of Lessor to Bank under the Loan will be secured by that certain Deed of Trust, Security Agreement, Fixture Filing and Assignment of Leases and Rents of even date herewith by Lessor, as trustor, in favor of Bank, as beneficiary, (the "Deed of Trust") which, among other collateral, encumbers the Property and the Lease, the leasehold created by the Lease (the "Leasehold") and all rents and other sums due under the Lease (the "Rents").

C. To induce Bank to make the Loan to Lessor, Lessee is willing to acknowledge Bank's lien against the Property, the Lease, the Leasehold and the Rents under the Deed of

Trust and subordinate the Lease and the Leasehold to the lien of the Deed of Trust and to attorn to Bank, subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the foregoing facts and the mutual covenants contained herein, and for other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Assignment of Lease. Lessee acknowledges and agrees that it has notice that the Bank has obtained a lien pursuant to the Deed of Trust on the Lease, the Leasehold and the Rents. In the event Bank notifies Lessee of the occurrence of an Event of Default under the Deed of Trust and demands that Lessee pay Rents due under the Lease directly to Bank, Lessee shall honor such demand and pay such sums due under the Lease directly to Bank or as otherwise directed pursuant to such notice. In complying with these provisions, Lessee shall be entitled to rely solely upon the notices given by Bank, and Lessor agrees to indemnify and hold Lessee harmless from and against any and all loss, claim, damage or liability arising out of Lessee's compliance with such notice. Lessee shall be entitled to full credit under the Lease for any Rents paid to Bank in accordance with the provisions of this paragraph to the same extent as if such Rents were paid directly to Lessor. Any dispute between Bank and Lessor as to the extent, nature, existence or continuance of such an Event of Default, or with respect to foreclosure of the Deed of Trust by Bank, shall be dealt with and adjusted solely between Bank and Lessor, and Lessee shall not be made a party thereto except to the extent required by law.

2. Priority of Deed of Trust. Lessee agrees that the Deed of Trust and any modifications, amendments and supplements thereto shall unconditionally be and remain at all times a lien on the Property, prior and superior to the Lease, the Leasehold and all of Lessee's other rights thereunder, including any existing or future purchase option or right of first refusal in favor of Lessee in respect of the Property or any interest in or portion of the Property.

3. Attornment. If the interests of Lessor in the Property and under the Lease shall be acquired by Bank or a third person by reason of foreclosure of the Deed of Trust or any other act or proceeding made or brought to enforce the rights of the Bank, including by deed in lieu of foreclosure, the Lease and all terms therein, and the obligations of Lessee thereunder, shall continue in full force and effect and shall not be altered, terminated or disturbed, except in accordance with the terms of the Lease, and Lessee agrees to attorn to Bank or such third person and to be bound to Bank or such third person under all of the terms, covenants and conditions of the Lease for the balance of the term and any renewals thereof with the same force and effect as if the Bank or such third person were the original landlord under the Lease. The within attornment shall be effective and self-operative without the execution of any other instruments on the part of any party hereto, immediately upon Bank or such third person succeeding to the interests of Lessor under the Lease. Upon receipt by Lessee of notice from Bank or such third person that Bank or such third person has succeeded to the interests of Lessor under the Lease, Lessee will make all payments of monetary obligations due by Lessee under the Lease, after receipt of such notice, to Bank or such third person at the address provided by Bank or such third person.

4. Nondisturbance. If Bank or a third person shall succeed to the interests of Lessor under the Lease, Bank or such third person shall be bound to Lessee under all of the terms, covenants and conditions of the Lease, provided that Lessee is not in default (beyond any period given Lessee in the Lease to cure such default) in the payment of any Rents or in the performance of any other term, covenant or condition of the Lease to be performed by Lessee. In such an event Lessor shall remain liable to Lessee for any obligations or claims which arise from Lessor's breach of the Lease or from other acts or omissions of Lessor which occur prior to Bank or such third party acquiring title to the premises, provided that Bank or such third person shall not be:

- (a) liable for any acts or omissions of Lessor or any prior landlord under the Lease; or
- (b) liable for any consequential damages attributable to any acts or omissions of Lessor; or
- (c) liable for the repayment of any monies paid by Lessee under the Lease, including security deposits, unless Bank actually received possession of such monies; or
- (d) liable for any costs or expenses related to any indemnification or representation provided by Lessor or any prior landlord under the Lease.

5. Liability. Anything herein or in the Lease to the contrary notwithstanding, in the event that Bank shall acquire title to the Property, Bank shall have no obligation, nor incur any liability beyond the then-existing interests, if any, of Bank in the Property, and Lessee shall look exclusively to such interest of Bank in the Property for the payment and discharge of any obligations imposed upon Bank hereunder or under the Lease, and Bank is hereby released and relieved of any other liability hereunder and under the Lease. As regards Bank, Lessee shall look solely to the estate or interest owned by Bank in the Property and Lessee will not collect or attempt to collect any judgment out of any other assets of Bank. By executing this Agreement, Lessor specifically acknowledges and agrees that nothing contained in this Section 5 shall impair, limit, affect, diminish, abrogate or otherwise modify the obligations of Lessor to Lessee under the Lease.

6. Termination; Notice. Lessee agrees that, without the prior written consent of Bank, Lessee will not cancel, terminate or surrender, except at the normal expiration of the term of the Lease, the Lease or modify, amend or supplement the Lease. Lessee agrees with Bank that Lessee will not seek to terminate the Lease by reason of any act or omission of Lessor or for any other reason until Lessee has given written notice to Bank of said act or omission and Lessee's intent to terminate the Lease, and until a period of 30 days shall have elapsed following Bank's receipt of such notice, during which period Bank shall have the right, but not the obligation, to remedy such act, omission or other matter and avoid such termination. Any notice of default under the Lease sent by Lessee to Lessor shall be sent by Lessee to Bank at the same time such notice is sent to Lessor. Bank may, but shall not be obligated to, cure any default by Lessor.

7. Further Assurances. So long as the Deed of Trust shall remain a lien upon the Property or any part thereof, Lessee, its successors or assigns or any other holder of the leasehold estate created by the Lease shall execute, acknowledge and deliver, upon Bank's demand, at any time or times, any and all further subordinations, agreements, estoppel certificates or other instruments in recordable form reasonably sufficient for that purpose or that Bank, its successors or assigns may hereafter reasonably require for carrying out the purpose and intent of the foregoing covenants.

8. Notices. All notices of any kind which any party hereto may be required or may desire to serve on the other shall be deemed served upon personal delivery, or, if mailed, upon the first to occur of receipt or the expiration of 72 hours after deposit in United States Postal Service, certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to Bank: Farmers & Merchants Bank of Central California
121 West Pine Street
P.O. Box 3000
Lodi, CA 95241
Attn: Loan Center Manager

If to Lessee: FAMILY RESOURCE AND REFERRAL, AN AGENCY
OF STOCKTON METROPOLITAN MINISTRY
509 W. Webber Avenue, Suite 101
Stockton, CA 95203

9. Modification and Release. Lessee acknowledges and agrees that the Bank may, without waiving, reducing, altering, releasing or discharging any of Lessee's obligations or agreements under this Agreement, including the subordination of the Lease: (i) release or compromise any obligation of any nature with respect to the Deed of Trust or the promissory note or any other document, certificate, instrument or agreement evidencing the Loan (the "Loan Documents"); (ii) release its security interest in, or surrender, release or permit any substitution or exchange of all or any part of any properties securing repayment of the Loan; (iii) retain or obtain a security interest in any property to secure payment of the Loan; or (iv) modify, amend or supplement any of the original or subsequent Loan Documents.

10. No Notice. Except where required by law, Bank shall not be obligated to give Lessee notices of any kind, including those in connection with the following circumstances: (i) for any default, whether of money or of any other term or condition in the Loan Documents; or (ii) for any modification, amendment, deferral, extension, consolidation or supplement to the original or any subsequent Loan Documents.

11. Captions and Interpretation. The captions and headings of various sections of this Agreement are for convenience only and are not to be considered as defining or limiting in any way the scope or intent of the provisions of this Agreement. The words "approval" and "notice," when used in this Agreement, shall be deemed to be preceded by the word "written."

The word "including," when used in this Agreement, shall be deemed to be followed by the words "without limitation" or "but not limited to."

12. Miscellaneous. This Agreement shall be governed by and construed in accordance with the laws of the State of California. This Agreement may not be modified, amended or supplemented except in writing signed by all parties hereto. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. This Agreement constitutes the entire and integrated agreement among the parties in respect of the matters addressed herein and supersedes all prior negotiations, communications, understandings, commitments and agreements of the parties, whether written or oral. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same agreement.

13. Binding Effect. This Agreement inures to the benefit of and binds Lessor, Lessee and Bank and their respective successors and assigns. All rights of Bank under this Agreement shall inure to the benefit of any person or entity that acquires the Property or other property encumbered by the Deed of Trust in a foreclosure sale, trustee's sale or other proceedings brought to enforce the rights of the holder of the Note, or by deed in lieu of such foreclosure or otherwise.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH MAY ALLOW THE PARTIES AGAINST WHOM YOU CLAIM AN EQUITABLE INTEREST IN REAL PROPERTY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE PROPERTY.

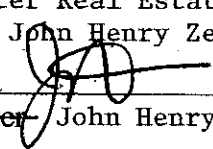
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

LESSOR:

SIERRA VISTA APTS. II, A CALIFORNIA LIMITED PARTNERSHIP

By: Zeiter Real Estate Ltd., L.P., a California Limited Partnership, General Partner

By: John Henry Zeiter, as Trustee of the John Henry Zeiter Separate Property Trust dated 7/27/92, General Partner

85 
John Zeiter John Henry Zeiter, Trustee

MSK VENTURES, LLC, a California limited liability company


Michael D. Keely, Member


Shelly Cannon-Keely, Member

Signatures continue on next page

LESSEE:

FAMILY RESOURCE AND REFERRAL, AN AGENCY OF STOCKTON
METROPOLITAN MINISTRY

By: Kay G. Ruhstaller

Name: Kay G. Ruhstaller

Its: Executive Director

BANK:

Farmers & Merchants Bank of Central California,
a California banking corporation

By: Christa L. Steele
Christa L. Steele
VICE PRESIDENT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

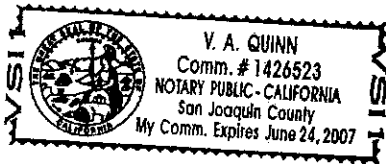
SAN JOAQUIN

} ss.

On OCTOBER 29 2002 before me, V. A. Quinn, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
 personally appeared CHRISTA L. STEELE
Name(s) of Signer(s)

☐ personally known to me☒ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____

Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by SignerSigner's Name: CHRISTA L. Steele☐ Individual☒ Corporate Officer — Title(s): Vice President☐ Partner — ☐ Limited ☐ General☐ Attorney in Fact☐ Trustee☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

San Joaquin

} ss.

On 29 Oct 2003, before me, Stephanie Bonannon, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
 personally appeared Kay G. Ruhstaller
Name(s) of Signer(s)

☐ personally known to me☒ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are
 subscribed to the within instrument and
 acknowledged to me that he/she/they executed
 the same in his/her/their authorized
 capacity(ies), and that by his/her/their
 signature(s) on the instrument the person(s), or
 the entity upon behalf of which the person(s)
 acted, executed the instrument.

WITNESS my hand and official seal.

Stephanie Bonannon
 Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document
 and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached DocumentTitle or Type of Document: Subordination of LeaseDocument Date: 17 October 2003 Number of Pages: 9 plus leaseSigner(s) Other Than Named Above: John Zeiter, Michael D & Snelly Cannon Keely**Capacity(ies) Claimed by Signer**Signer's Name: Kay G. Ruhstaller☐ Individual☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Attorney in Fact☐ Trustee☐ Guardian or Conservator☒ Other: Executive DirectorSigner Is Representing: Family Resource & Referral

RIGHT THUMBPRINT
 OF SIGNER
 Top of thumb here

ESCROW NO.: 207237VQ TITLE ORDER NO.: 207237

ALL PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

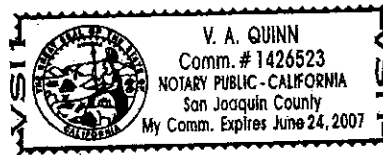
COUNTY OF San JoaquinOn November 4, 2003before me, V. A. Quinn

a Notary Public in and for said State, personally appeared

John Henry Zeiter

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature 

(This area for official notarial seal)

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to another document.

THIS CERTIFICATE **MUST** BE ATTACHED TO
THE DOCUMENT DESCRIBED AT RIGHT.

Title of Document Type _____

Number of Pages _____

Date of Document _____

Signer(s) Other Than Named Above _____

ALL PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

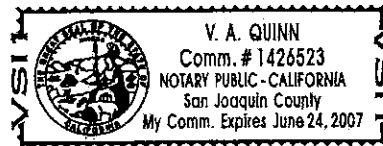
COUNTY OF San JoaquinOn November 5, 2003before me, V.A. Quinn

a Notary Public in and for said State, personally appeared

Michael D. Keely and Shelly Cannon Keely

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature V.A. Quinn

(This area for official notarial seal)

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to another document.

THIS CERTIFICATE **MUST** BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT.

Title of Document Type

Subordination of Lease

Number of Pages _____

Date of Document _____

Signer(s) Other Than Named Above _____

EXHIBIT A

LEGAL DESCRIPTION

THAT CERTAIN REAL PROPERTY SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN JOAQUIN, CITY OF STOCKTON, DESCRIBED AS FOLLOWS:

PARCEL ONE:

UNIT NOS. 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215 AND 216, AS SHOWN ON THAT CERTAIN CONDOMINIUM PLAN (PLAN), ATTACHED AS EXHIBIT "B-2" TO THE WATERFRONT OFFICE TOWERS DECLARATION OF RESTRICTIONS, RECORDED JULY 21, 1983 AS RECORDER'S INSTRUMENT NO. 83052758, SAN JOAQUIN COUNTY RECORDS, (DECLARATION); TOGETHER WITH THE EXCLUSIVE USE OF THE BASEMENT UNIT(S), AS SHOWN ON THE CONDOMINIUM PLAN ENTITLED, THE WATERFRONT OFFICE TOWER II, ATTACHED AS EXHIBIT "B-2" TO THE DECLARATION, AND THE EXCLUSIVE USE OF THE OTHER PROJECT RESTRICTED COMMON AREA, APPURTENANT TO SUCH UNIT(S) AS SET FORTH IN EXHIBIT "E" TO THE DECLARATION.

PARCEL TWO:

AN UNDIVIDED OWNERSHIP INTEREST AS TENANT IN COMMON, IN THE PROJECT COMMON AREA, AS SHOWN ON THE PLAN. SUCH OWNERSHIP INTEREST IS MORE FULLY SET FORTH IN EXHIBIT "C" TO THE DECLARATION.

PARCEL THREE:

A NON-EXCLUSIVE EASEMENT OF USE, ENJOYMENT, INGRESS, EGRESS AND SUPPORT IN, OVER AND THROUGH ALL SUBDIVISION GENERAL COMMON AREA, AND PROJECT COMMON AREA AS DEFINED IN THE DECLARATION.

PARCEL FOUR:

THE RIGHT TO USE PARKING SPACES ASSIGNED BY THE WATERFRONT OFFICE TOWERS OWNERS' ASSOCIATION, SUBJECT TO THE DECLARATION.



This Lease between S.W.O.T. II
a CALIFORNIA LIMITED PARTNERSHIP
("Landlord"), and FAMILY RESOURCE AND REFERRAL, AN AGENCY OF STOCKTON METROPOLITAN MINISTRY
a NON-PROFIT CORPORATION, ("Tenant"), is
dated AUGUST 1, 2002

1. LEASE OF PREMISES.

In consideration of the Rent (as defined at Section 5.4) and the provisions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises ~~shown by diagonal lines on the floor plan attached hereto as Exhibit "A," and further described at Section 2l.~~ The Premises are located within the Building and Project described in Section 2m. Tenant shall have the non-exclusive right (unless otherwise provided herein) in common with Landlord, other tenants, subtenants and invitees, to use of the Common Areas (as defined at Section 2e).

2. DEFINITIONS

As used in this Lease, the following terms shall have the following meanings:

- a. *Base Rent (initial):* \$ 83,173.20 per year.
- b. *Base Year:* The calendar year of N/A
- c. *Broker(s)*
Landlord's: NONE
Tenant's: NONE
- d. *Commencement Date:* AUGUST 1, 2002
- e. *Common Areas:* the building lobbies, common corridors and hallways, restrooms, garage and parking areas, stairways, elevators and other generally understood public or common areas. Landlord shall have the right to regulate or restrict the use of the Common Areas.
- f. *Expense Stop:* (fill in if applicable): \$ N/A
- g. *Expiration Date:* JULY 31, 2004, unless otherwise sooner terminated in accordance with the provisions of this Lease.
- h. ~~*Index (Section 5.2):* United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for All Urban Consumers, Average, Subgroup "All Items" (1967 = 100)~~
- i. *Landlord's Mailing Address:* P.O. BOX 871
MANTECA, CA 95336
- Tenant's Mailing Address:* 509 W. WEBER AVENUE, SUITE 101
STOCKTON, CA 95203
- j. *Monthly Installments of Base Rent (initial):* \$ 6,931.10 per month.
- k. *Parking:* Tenant shall be permitted, ~~upon payment of the then prevailing monthly rate (as set by Landlord from time to time) to park~~ 29 cars on a ~~non-exclusive~~ an basis in the area(s) designated by Landlord for parking. Tenant shall abide by any and all parking regulations and rules established from time to time by Landlord or Landlord's parking operator. Landlord reserves the right to separately charge Tenant's guests and visitors for parking.
- l. *Premises:* that portion of the Building containing approximately 6,301 square feet of Rentable Area, ~~shown by diagonal lines on Exhibit "A,"~~ located on the first floor of the Building and known as ~~Suite 101 (northwest), 103 (southeast, 104 (southwest) and a portion of 102 (northeast)~~
- m. *Project:* the building of which the Premises are a part (the "Building") and any other buildings or improvements on the real property (the "Property") located at 509 W. WEBER AVENUE, STOCKTON, CA 95203 ~~and further described at Exhibit "B."~~ The Project is known as WATERFRONT OFFICE TOWER II
- n. *Rentable Area:* as to both the Premises and the Project, the respective measurements of floor area as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.

- o. Security Deposit (Article 7): \$ NONE
- p. State: the State of CALIFORNIA
- q. ~~Tenant's First Adjustment Date (Section 5.2): the first day of the calendar month following the Commencement Date plus _____ months.~~
- r. Tenant's Proportionate Share: N/A %. Such share is a fraction, the numerator of which is the Rentable Area of the Premises, and the denominator of which is the Rentable Area of the Project, as determined by Landlord from time to time. The Project consists of _____ building(s) containing a total Rentable Area of 50,642 square feet.
- s. Tenant's Use Clause (Article 8): GENERAL OFFICE USE
- t. Term: the period commencing on the Commencement Date and expiring at midnight on the Expiration Date.

3. EXHIBITS AND ADDENDA.

The exhibits and addenda listed below (unless lined out) are incorporated by reference in this Lease:

- a. ~~Exhibit "A" Floor Plan showing the Premises.~~
- b. ~~Exhibit "B" Site Plan of the Project.~~
- c. ~~Exhibit "C" Building Standard Work Letter.~~
- d. ~~Exhibit "D" Rules and Regulations.~~
- e. ~~Exhibit "E" Guarantee.~~
- f. Addenda:

PARKING PLAN

4. DELIVERY OF POSSESSION.

If for any reason Landlord does not deliver possession of the Premises to Tenant on the Commencement Date, Landlord shall not be subject to any liability for such failure, the Expiration Date shall not change and the validity of this Lease shall not be impaired, but Rent shall be abated until delivery of possession. ~~"Delivery of possession" shall be deemed to occur on the date Landlord completes Landlord's Work as defined in Exhibit "C." If Landlord permits Tenant to enter into possession of the Premises before the Commencement Date, such possession shall be subject to the provisions of this Lease, including, without limitation, the payment of Rent.~~

5. RENT.

5.1. ~~Payment of Base Rent.~~ Tenant agrees to pay the ~~Base~~ Rent for the Premises. Monthly Installments of ~~Base~~ Rent shall be payable in advance on the first day of each calendar month of the Term. If the Term begins (or ends) on other than the first (or last) day of a calendar month, the ~~Base~~ Rent for the partial month shall be prorated on a per diem basis. Tenant shall pay Landlord the first Monthly Installment of ~~Base~~ Rent when Tenant executes the Lease.

~~5.2 Adjusted Base Rent.~~

~~a. The Base Rent (and the corresponding Monthly Installments of Base Rent) set forth at Section 2a shall be adjusted annually (the "Adjustment Date"), commencing on Tenant's First Adjustment Date. Adjustments, if any, shall be based upon increases (if any) in the Index. The Index in publication three (3) months before the Commencement Date shall be the "Base Index." The Index in publication three (3) months before each Adjustment Date shall be the "Comparison Index." As of each Adjustment Date, the Base Rent payable during the ensuing twelve-month period shall be determined by increasing the initial Base Rent by a percentage equal to the percentage increase, if any, in the Comparison Index over the Base Index. If the Comparison Index for any Adjustment Date is equal to or less than the Comparison Index for the preceding Adjustment Date (or the Base Index, in the case of First Adjustment Date), the Base Rent for the ensuing twelve-month period shall remain the amount of Base Rent payable during the preceding twelve-month period. When the Base Rent payable as of each Adjustment Date is determined, Landlord shall promptly give Tenant written notice of such adjusted Base Rent and the manner in which it was computed. The Base Rent as so adjusted from time to time shall be the "Base Rent" for all purposes under this Lease.~~

~~b. If at any Adjustment Date the Index no longer exists in the form described in this Lease, Landlord may substitute any substantially equivalent official index published by the Bureau of Labor Statistics or its successor. Landlord shall use any appropriate conversion factors to accomplish such substitution. The substitute index shall then become the "Index" hereunder.~~

5.3 Project Operating Costs.

a. In order that the Rent payable during the Term reflect any increase in Project Operating Costs, Tenant agrees to pay to Landlord as Rent, Tenant's Proportionate Share of all increases in costs, expenses and obligations attributable to the Project and its operation, all as provided below.

b. If, during any calendar year during the Term, Project Operating Costs exceed the Project Operating Costs for the Base Year, Tenant shall pay to Landlord, in addition to the Base Rent and all other payments due under this Lease, an amount equal to Tenant's Proportionate Share of such excess Project Operating Costs in accordance with the provisions of this Section 5.3b.

~~(1) The term "Project Operating Costs" shall include all those items described in the following subparagraphs (a) and (b).~~

~~(a) All taxes, assessments, water and sewer charges and other similar governmental charges levied on or attributable to the Building or Project or their operation, including without limitation, (i) real property taxes or assessments levied or assessed against the Building or Project, (ii) assessments or charges levied or assessed against the Building or Project by any redevelopment agency, (iii) any tax measured by gross rentals received from the leasing of the Premises, Building or Project, excluding any net income, franchise, capital stock, estate or inheritance taxes imposed by the State or federal government or their agencies, branches or departments; provided that if at any time during the Term any governmental entity levies, assesses or imposes on Landlord any (1) general or special, ad valorem or specific, excise, capital levy or other tax, assessment, levy or charge directly on the Rent received under this Lease or on the rent received under any other leases of space in the Building or Project, or (2) any license fee, excise or franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rent, or (3) any transfer, transaction, or similar tax, assessment, levy or charge based directly or indirectly upon the transaction represented by this Lease or such other leases, or (4) any occupancy, use, per capita or other tax, assessment, levy or charge based directly or indirectly upon the use or occupancy of the Premises or other premises within the Building or Project, then any such taxes, assessments, levies and charges shall be deemed to be included in the term Project Operating Costs. If at any time during the Term the assessed valuation of, or taxes on, the Project are not based on a completed Project having at least eighty-five percent (85%) of the Rentable Area occupied, then the "taxes" component of Project Operating Costs shall be adjusted by Landlord to reasonably approximate the taxes which would have been payable if the Project were completed and at least eighty-five percent (85%) occupied.~~

~~(b) Operating costs incurred by Landlord in maintaining and operating the Building and Project, including without limitation the following: costs of (1) utilities; (2) supplies; (3) insurance (including public liability, property damage, earthquake, and fire and extended coverage insurance for the full replacement cost of the Building and Project as required by Landlord or its lenders for the Project; (4) services of independent contractors; (5) compensation (including employment taxes and fringe benefits) of all persons who perform duties connected with the operation, maintenance, repair or overhaul of the Building or Project, and equipment, improvements and facilities located within the Project, including without limitation engineers, janitors, painters, floor waxers, window washers, security and parking personnel and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Building or Project tenants); (6) operation and maintenance of a room for delivery and distribution of mail to tenants of the Building or Project as required by the U.S. Postal Service (including, without limitation, an amount equal to the fair market rental value of the mail room premises); (7) management of the Building or Project, whether managed by Landlord or an independent contractor (including, without limitation, an amount equal to the fair market value of any on-site manager's office); (8) rental expenses for (or a reasonable depreciation allowance on) personal property used in the maintenance, operation or repair of the Building or Project; (9) costs, expenditures or charges (whether capitalized or not) required by any governmental or quasi-governmental authority; (10) amortization of capital expenses (including financing costs) (i) required by a governmental entity for energy conservation or life safety purposes, or (ii) made by Landlord to reduce Project Operating Costs; and (11) any other costs or expenses incurred by Landlord under this Lease and not otherwise reimbursed by tenants of the Project. If at any time during the Term, less than eighty-five percent (85%) of the Rentable Area of the Project is occupied, the "operating costs" component of Project Operating Costs shall be adjusted by Landlord to reasonably approximate the operating costs which would have been incurred if the Project had been at least eighty-five percent (85%) occupied.~~

~~(2) Tenant's Proportionate Share of Project Operating Costs shall be payable by Tenant to Landlord as follows:~~

~~(a) Beginning with the calendar year following the Base Year and for each calendar year thereafter ("Comparison Year"), Tenant shall pay Landlord an amount equal to Tenant's Proportionate Share of the Project Operating Costs incurred by Landlord in the Comparison Year which exceeds the total amount of Project Operating Costs payable by Landlord for the Base Year. This excess is referred to as the "Excess Expenses."~~

~~(b) To provide for current payments of Excess Expenses, Tenant shall, at Landlord's request, pay as additional rent during each Comparison Year, an amount equal to Tenant's Proportionate Share of the Excess Expenses payable during such Comparison Year, as estimated by Landlord from time to time. Such payments shall be made in monthly installments, commencing on the first day of the month following the month in which Landlord notifies Tenant of the amount it is to pay hereunder and continuing until the first day of the month following the month in which Landlord gives Tenant a new notice of estimated Excess Expenses. It is the intention hereunder to estimate from time to time the amount of the Excess Expenses for each Comparison Year and Tenant's Proportionate Share thereof, and then to make an adjustment in the following year based on the actual Excess Expenses incurred for that Comparison Year.~~

~~(c) On or before April 1 of each Comparison Year after the first Comparison Year (or as soon thereafter as is practical), Landlord shall deliver to Tenant a statement setting forth Tenant's Proportionate Share of the Excess Expenses for the preceding Comparison Year. If Tenant's Proportionate Share of the actual Excess Expenses for the previous Comparison Year exceeds the total of the estimated monthly payments made by Tenant for such year, Tenant shall pay Landlord the amount of the deficiency within ten (10) days of the receipt of the statement. If such total exceeds Tenant's Proportionate Share of the actual Excess Expenses for such Comparison Year, then Landlord shall credit against Tenant's next ensuing monthly installment(s) of additional rent an amount equal to the difference until the credit is exhausted. If a credit is due from Landlord on the Expiration Date, Landlord shall pay Tenant the amount of the credit. The obligations of Tenant and Landlord to make payments required under this Section 5.3 shall survive the Expiration Date.~~

~~(d) Tenant's Proportionate Share of Excess Expenses in any Comparison Year having less than 365 days shall be appropriately prorated.~~

~~(e) If any dispute arises as to the amount of any additional rent due hereunder, Tenant shall have the right after reasonable notice and at reasonable times to inspect Landlord's accounting records at Landlord's accounting office and, if after such inspection Tenant still disputes the amount of additional rent owed, a certification as to the proper amount shall be made by Landlord's certified public accountant, which certification shall be final and conclusive. Tenant agrees to pay the cost of such certification unless it is determined that Landlord's original statement overstated Project Operating Costs by more than five percent (5%).~~

~~(f) If this Lease sets forth an Expense Stop at Section 2f, then during the Term Tenant shall be liable for Tenant's Proportionate Share of any actual Project Operating Costs which exceed the amount of the Expense Stop. Tenant shall make current payments of such excess costs during the term in the same manner as is provided for payment of Excess Expenses under the applicable provisions of Section 5.3b(2)(b) and (c) above.~~

5.4 Definition of Rent. All costs and expenses which Tenant assumes or agrees to pay to Landlord under this Lease shall be deemed additional rent (which, together with the Base Rent is sometimes referred to as the "Rent"). The Rent shall be paid to the Building manager (or other person) and at such place, as Landlord may from time to time designate in writing, without any prior demand therefor and without deduction or offset, in lawful money of the United States of America.

5.5 Rent Control. If the amount of Rent or any other payment due under this Lease violates the terms of any governmental restrictions on such Rent or payment, then the Rent or payment due during the period of such restrictions shall be the maximum amount allowable under those restrictions. Upon termination of the restrictions, Landlord shall, to the extent it is legally permitted, recover from Tenant the difference between the amounts received during the period of the restrictions and the amounts Landlord would have received had there been no restrictions.

5.6 Taxes Payable by Tenant. In addition to the Rent and any other charges to be paid by Tenant hereunder, Tenant shall reimburse Landlord upon demand for any and all taxes payable by Landlord (other than net income taxes) which are not otherwise reimbursable under this Lease, whether or not now customary or within the contemplation of the parties, where such taxes are upon, measured by or reasonably attributable to (a) the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or the cost or value of any leasehold improvements made in or to the Premises by or for Tenant, other than Building Standard Work made by Landlord, regardless of whether title to such improvements is held by Tenant or Landlord; (b) the gross or net Rent payable under this Lease, including, without limitation, any rental or gross receipts tax levied by any taxing authority with respect to the receipt of the Rent hereunder; (c) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or (d) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. If it becomes unlawful for Tenant to reimburse Landlord for any costs as required under this Lease, the Base Rent shall be revised to net Landlord the same net Rent after imposition of any tax or other charge upon Landlord as would have been payable to Landlord but for the reimbursement being unlawful.

6. INTEREST AND LATE CHARGES.

If Tenant fails to pay when due any Rent or other amounts or charges which Tenant is obligated to pay under the terms of this Lease, the unpaid amounts shall bear interest at the maximum rate then allowed by law. Tenant acknowledges that the late payment of any Monthly Installment of Base Rent will cause Landlord to lose the use of that money and incur costs and expenses not contemplated under this Lease, including without limitation, administrative and collection costs and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if any such installment is not received by Landlord within ten (10) days from the date it is due, Tenant shall pay Landlord a late charge equal to ten percent (10%) of such installment. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such nonpayment by Tenant. Acceptance of any interest or late charge shall not constitute a waiver of Tenant's default with respect to such nonpayment by Tenant nor prevent Landlord from exercising any other rights or remedies available to Landlord under this Lease.

7. SECURITY DEPOSIT.

~~Tenant agrees to deposit with Landlord the Security Deposit set forth at Section 2.0 upon execution of this Lease, as security for Tenant's faithful performance of its obligations under this Lease. Landlord and Tenant agree that the Security Deposit may be commingled with funds of Landlord and Landlord shall have no obligation or liability for payment of interest on such deposit. Tenant shall not mortgage, assign, transfer or encumber the Security Deposit without the prior written consent of Landlord and any attempt by Tenant to do so shall be void, without force or effect and shall not be binding upon Landlord.~~

~~If Tenant fails to pay any Rent or other amount when due and payable under this Lease, or fails to perform any of the terms hereof, Landlord may appropriate and apply or use all or any portion of the Security Deposit for Rent payments or any other amount then due and unpaid, for payment of any amount for which Landlord has become obligated as a result of Tenant's default or breach, and for any loss or damage sustained by Landlord as a result of Tenant's default or breach, and Landlord may so apply or use this deposit without prejudice to any other remedy Landlord may have by reason of Tenant's default or breach. If Landlord so uses any of the Security Deposit, Tenant shall, within ten (10) days after written demand therefor, restore the Security Deposit to the full amount originally deposited; Tenant's failure to do so shall constitute an act of default hereunder and Landlord shall have the right to exercise any remedy provided for at Article 27 hereof. Within fifteen (15) days after the Term (or any extension thereof) has expired or Tenant has vacated the Premises, whichever shall last occur, and provided Tenant is not then in default on any of its obligations hereunder, Landlord shall return the Security Deposit to Tenant, or, if Tenant has assigned its interest under this Lease, to the last assignee of Tenant. If Landlord sells its interest in the Premises, Landlord may deliver this deposit to the purchaser of Landlord's interest and thereupon be relieved of any further liability or obligation with respect to the Security Deposit.~~

8. TENANT'S USE OF THE PREMISES.

Tenant shall use the Premises solely for the purposes set forth in Tenant's Use Clause. Tenant shall not use or occupy the Premises in violation of law or any covenant, condition or restriction affecting the Building or Project or the certificate of occupancy issued for the Building or Project, and shall, upon notice from Landlord, immediately discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of law or the certificate of occupancy. Tenant, at Tenant's own cost and expense, shall comply with all laws, ordinances, regulations, rules and/or any directions of any governmental agencies or authorities having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or its use or occupation. A judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant that Tenant has violated any such laws, ordinances, regulations, rules and/or directions in the use of the Premises shall be deemed to be a conclusive determination of that fact as between Landlord and Tenant. Tenant shall not do or permit to be done anything which will invalidate or increase the cost of any fire, extended coverage or other insurance policy covering the Building or Project and/or property located therein, and shall comply with all rules, orders, regulations, requirements and recommendations of the Insurance Services Office or any other organization performing a similar function. Tenant shall

promptly upon demand reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Article. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or Project, or injure or annoy them, or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

9. SERVICES AND UTILITIES.

Provided that Tenant is not in default hereunder, Landlord agrees to furnish to the Premises during generally recognized business days, and during hours determined by Landlord in its sole discretion, and subject to the Rules and Regulations of the Building or Project, electricity for normal desk top office equipment and normal copying equipment, and heating, ventilation and air conditioning ("HVAC") as required in Landlord's judgment for the comfortable use and occupancy of the Premises. If Tenant desires HVAC at any other time, Landlord shall use reasonable efforts to furnish such service upon reasonable notice from Tenant and Tenant shall pay Landlord's charges therefor on demand. Landlord shall also maintain and keep lighted the common stairs, common entries and restrooms in the Building. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the Rent be abated by reason of (i) the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services, (ii) failure to furnish or delay in furnishing any such services where such failure or delay is caused by accident or any condition or event beyond the reasonable control of Landlord, or by the making of necessary repairs or improvements to the Premises, Building or Project, or (iii) the limitation, curtailment or rationing of, or restrictions on, use of water, electricity, gas or any other form of energy serving the Premises, Building or Project. Landlord shall not be liable under any circumstances for a loss of or injury to property or business, however occurring, through or in connection with or incidental to failure to furnish any such services. If Tenant uses heat generating machines or equipment in the Premises which affect the temperature otherwise maintained by the HVAC system, Landlord reserves the right to install supplementary air conditioning units in the Premises and the cost thereof, including the cost of installation, operation and maintenance thereof, shall be paid by Tenant to Landlord upon demand by Landlord.

Tenant shall be allowed to use a copy machine which requires 220 volts.

Tenant shall not, without the written consent of Landlord, use any apparatus or device in the Premises, including without limitation, electronic data processing machines, punch card machines or machines using in excess of 120 volts, which consumes more electricity than is usually furnished or supplied for the use of premises as general office space, as determined by Landlord. Tenant shall not connect any apparatus with electric current except through existing electrical outlets in the Premises. Tenant shall not consume water or electric current in excess of that usually furnished or supplied for the use of premises as general office space (as determined by Landlord), without first procuring the written consent of Landlord, which Landlord may refuse, and in the event of consent, Landlord may have installed a water meter or electrical current meter in the Premises to measure the amount of water or electric current consumed. ~~The cost of any such meter and of its installation, maintenance and repair shall be paid for by the Tenant and Tenant agrees to pay to Landlord promptly upon demand for all such water and electric current consumed as shown by said meters, at the rates charged for such services by the local public utility plus any additional expense incurred in keeping account of the water and electric current so consumed. If a separate meter is not installed, the excess cost for such water and electric current shall be established by an estimate made by a utility company or electrical engineer hired by Landlord at Tenant's expense.~~

~~Nothing contained in this Article shall restrict Landlord's right to require at any time separate metering of utilities furnished to the Premises. In the event utilities are separately metered, Tenant shall pay promptly upon demand for all utilities consumed at utility rates charged by the local public utility plus any additional expense incurred by Landlord in keeping account of the utilities so consumed. Tenant shall be responsible for the maintenance and repair of any such meters at its sole cost.~~

Landlord shall furnish elevator service, lighting replacement for building standard lights, restroom supplies, window washing and janitor services in a manner that such services are customarily furnished to comparable office buildings in the area.

10. CONDITION OF THE PREMISES.

Tenant's taking possession of the Premises shall be deemed conclusive evidence that as of the date of taking possession the Premises are in good order and satisfactory condition, except for such matters as to which Tenant gave Landlord notice on or before the Commencement Date. No promise of Landlord to alter, remodel, repair or improve the Premises, the Building or the Project and no representation, express or implied, respecting any matter or thing relating to the Premises, Building, Project or this Lease (including, without limitation, the condition of the Premises, the Building or the Project) have been made to Tenant by Landlord or its Broker or Sales Agent, other than as may be contained herein or in a separate exhibit or addendum signed by Landlord and Tenant.

11. CONSTRUCTION, REPAIRS AND MAINTENANCE.

a. ~~Landlord's Obligations. Landlord shall perform Landlord's Work to the Premises as described in Exhibit "C."~~ Landlord shall maintain in good order, condition and repair the Building and all other portions of the Premises not the obligation of Tenant or of any other tenant in the Building.

b. *Tenant's Obligations.*

~~(1) Tenant shall perform Tenant's Work to the Premises as described in Exhibit "C."~~

(2) Tenant at Tenant's sole expense shall, except for services furnished by Landlord pursuant to Article 9 hereof, maintain the Premises in good order, condition and repair, including the interior surfaces of the ceilings, walls and floors, all doors, all interior windows, all plumbing, pipes and fixtures, electrical wiring, switches and fixtures, Building Standard furnishings and special items and equipment installed by or at the expense of Tenant.

(3) Tenant shall be responsible for all repairs and alterations in and to the Premises, Building and Project and the facilities and systems thereof, the need for which arises out of (i) Tenant's use or occupancy of the Premises, (ii) the installation, removal, use or operation of Tenant's Property (as defined in Article 13) in the Premises, (iii) the moving of Tenant's Property into or out of the Building, or (iv) the act, omission, misuse or negligence of Tenant, its agents, contractors, employees or invitees.

(4) If Tenant fails to maintain the Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. If Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant promptly after demand with interest at the prime commercial rate then being charged by Bank of America NT & SA plus two percent (2%) per annum, from the date of such work, but not to exceed the maximum rate then allowed by law. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performing any such work.

c. **Compliance with Law.** Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein.

d. **Waiver by Tenant.** Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Premises in good order, condition and repair.

e. **Load and Equipment Limits.** Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry, as determined by Landlord or Landlord's structural engineer. The cost of any such determination made by Landlord's structural engineer shall be paid for by Tenant upon demand. Tenant shall not install business machines or mechanical equipment which cause noise or vibration to such a degree as to be objectionable to Landlord or other Building tenants.

f. Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's 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 making any repairs or changes which Landlord is required or permitted by this Lease or by any other tenant's lease or required by law to make in or to any portion of the Project, Building or the Premises. Landlord shall nevertheless use reasonable efforts to minimize any interference with Tenant's business in the Premises. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Building's mechanical, electrical, plumbing, HVAC or other systems serving, located in, or passing through the Premises.

g. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Building's mechanical, electrical, plumbing, HVAC or other systems serving, located in, or passing through the Premises.

h. Upon the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord clean and in the same condition as on the date Tenant took possession, except for normal wear and tear. Any damage to the Premises, including any structural damage, resulting from Tenant's use or from the removal of Tenant's fixtures, furnishings and equipment pursuant to Section 13b shall be repaired by Tenant at Tenant's expense.

12. ALTERATIONS AND ADDITIONS.

a. Tenant shall not make any additions, alterations or improvements to the Premises without obtaining the prior written consent of Landlord. Landlord's consent may be conditioned on Tenant's removing any such additions, alterations or improvements upon the expiration of the Term and restoring the Premises to the same condition as on the date Tenant took possession. All work with respect to any addition, alteration or improvement shall be done in a good and workmanlike manner by properly qualified and licensed personnel approved by Landlord, and such work shall be diligently prosecuted to completion. Landlord may, at Landlord's option, require that any such work be performed by Landlord's contractor, in which case the cost of such work shall be paid for before commencement of the work. ~~Tenant shall pay to Landlord upon completion of any such work by Landlord's contractor, an administrative fee of fifteen percent (15%) of the cost of the work.~~

b. Tenant shall pay the costs of any work done on the Premises pursuant to Section 12a, and shall keep the Premises, Building and Project free and clear of liens of any kind. Tenant shall indemnify, defend against and keep Landlord free and harmless from all liability, loss, damage, costs, attorneys' fees and any other expense incurred on account of claims by any person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant.

Tenant shall keep Tenant's leasehold interest, and any additions or improvements which are or become the property of Landlord under this Lease, free and clear of all attachment or judgment liens. Before the actual commencement of any work for which a claim or lien may be filed, Tenant shall give Landlord notice of the intended commencement date a sufficient time before that date to enable Landlord to post notices of non-responsibility or any other notices which Landlord deems necessary for the proper protection of Landlord's interest in the Premises, Building or the Project, and Landlord shall have the right to enter the Premises and post such notices at any reasonable time.

c. Landlord may require, at Landlord's sole option, that Tenant provide to Landlord, at Tenant's expense, a lien and completion bond in an amount equal to at least one and one-half (1½) times the total estimated cost of any additions, alterations or improvements to be made in or to the Premises; to protect Landlord against any liability for mechanic's and materialmen's liens and to insure timely completion of the work. Nothing contained in this Section 12c shall relieve Tenant of its obligation under Section 12b to keep the Premises, Building and Project free of all liens.

d. Unless their removal is required by Landlord as provided in Section 12a, all additions, alterations and improvements made to the Premises shall become the property of Landlord and be surrendered with the Premises upon the expiration of the Term; provided, however, Tenant's equipment, machinery and trade fixtures which can be removed without damage to the Premises shall remain the property of Tenant and may be removed, subject to the provisions of Section 13b.

13. LEASEHOLD IMPROVEMENTS; TENANT'S PROPERTY.

a. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant ("Leasehold Improvements"), shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 13b. Should Tenant affix bookcases, shelving or other fixtures or furniture to the walls, ceiling or floor during the term of this lease or the predecessor lease, Tenant shall be allowed to remove such improvements at the expiration of the term, provided however that Tenant shall repair all damages and return the Premises to Landlord in its original condition.

b. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to Landlord, which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the 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 Tenant's Property is removed, Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

~~14. RULES AND REGULATIONS.~~

Tenant agrees to comply with (and cause its agents, contractors, employees and invitees to comply with) the rules and regulations attached hereto as Exhibit "D" and with such reasonable modifications thereof and additions thereto as Landlord may from time to time make. Landlord shall not be responsible for any violation of said rules and regulations by other tenants or occupants of the Building or Project.

15. CERTAIN RIGHTS RESERVED BY LANDLORD.

Landlord reserves the following rights, exercisable without liability to Tenant for (a) damage or injury to property, person or business, (b) causing an actual or constructive eviction from the Premises, or (c) disturbing Tenant's use or possession of the Premises:

- a. To name the Building and Project and to change the name or street address of the Building or Project;
- b. To install and maintain all signs on the exterior and interior of the Building and Project;
- c. To have pass keys to the Premises and all doors within the Premises, excluding Tenant's vaults and safes;
- d. At any time during the Term, and on reasonable prior notice to Tenant, to inspect the Premises, and to show the Premises to any prospective purchaser or mortgagee of the Project, or to any assignee of any mortgage on the Project, or to others having an interest in the Project or Landlord, and during the last six months of the Term, to show the Premises to prospective tenants thereof; and
- e. To enter the Premises for the purpose of making inspections, repairs, alterations, additions or improvements to the Premises or the Building (including, without limitation, checking, calibrating, adjusting or balancing controls and other parts of the HVAC system), and to take all steps as may be necessary or desirable for the safety, protection, maintenance or preservation of the Premises or the Building or Landlord's interest therein, or as may be necessary or desirable for the operation or improvement of the Building or in order to comply with laws, orders or requirements of governmental or other authority. Landlord agrees to use its best efforts (except in an emergency) to minimize interference with Tenant's business in the Premises in the course of any such entry.

16. ASSIGNMENT AND SUBLETTING.

No assignment of this Lease or sublease of all or any part of the Premises shall be permitted, except as provided in this Article 16.

a. Tenant shall not, without the prior written consent of Landlord, assign or hypothecate this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. Any of the foregoing acts without such consent shall be void and shall, at the option of Landlord, terminate this Lease. This Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law without the written consent of Landlord.

b. If at any time or from time to time during the Term Tenant desires to assign this Lease or sublet all or any part of the Premises, Tenant shall give notice to Landlord setting forth the terms and provisions of the proposed assignment or sublease, and the identity of the proposed assignee or subtenant. Tenant shall promptly supply Landlord with such information concerning the business background and financial condition of such proposed assignee or subtenant as Landlord may reasonably request. Landlord shall have the option, exercisable by notice given to Tenant within twenty (20) days after Tenant's notice is given, either to sublet such space from Tenant at the rental and on the other terms set forth in this Lease for the term set forth in Tenant's notice, or, in the case of an assignment, to terminate this Lease. If Landlord does not exercise such option, Tenant may assign the Lease or sublet such space to such proposed assignee or subtenant on the following further conditions:

- (1) Landlord shall have the right to approve such proposed assignee or subtenant, which approval shall not be unreasonably withheld;
- (2) The assignment or sublease shall be on the same terms set forth in the notice given to Landlord;
- (3) No assignment or sublease shall be valid and no assignee or sublessee shall take possession of the Premises until an executed counterpart of such assignment or sublease has been delivered to Landlord;
- (4) No assignee or sublessee shall have a further right to assign or sublet except on the terms herein contained; and
- (5) Any sums or other economic consideration received by Tenant as a result of such assignment or subletting, however denominated under the assignment or sublease, which exceed, in the aggregate, (i) the total sums which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased), plus (ii) any real estate brokerage commissions or fees payable in connection with such assignment or subletting, shall be paid to Landlord as additional rent under this Lease without affecting or reducing any other obligations of Tenant hereunder.

c. Notwithstanding the provisions of paragraphs a and b above, Tenant may assign this Lease or sublet the Premises or any portion thereof, without Landlord's consent and without extending any recapture or termination option to Landlord, to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all the assets of Tenant's business as a going concern, provided that (i) the assignee or sublessee assumes, in full, the obligations of Tenant under this Lease, (ii) Tenant remains fully liable under this Lease, and (iii) the use of the Premises under Article 8 remains unchanged.

d. No subletting or assignment shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of Rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by an assignee or subtenant of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, subtenant or successor. Landlord may consent to subsequent assignments of the Lease or sublettings or amendments or modifications to the Lease with assignees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto and any such actions shall not relieve Tenant of liability under this Lease.

e. If Tenant assigns the Lease or sublets the Premises or requests the consent of Landlord to any assignment or subletting or if Tenant requests the consent of Landlord for any act that Tenant proposes to do, then Tenant shall, upon demand, pay Landlord an administrative fee of One Hundred Fifty and No/100ths Dollars (\$150.00) plus any attorneys' fees reasonably incurred by Landlord in connection with such act or request.

17. HOLDING OVER.

If after expiration of the Term, Tenant remains in possession of the Premises with Landlord's permission (express or implied), Tenant shall become a tenant from month to month only, upon all the provisions of this Lease (except as to term and Base Rent), but the "Monthly Installments of Base Rent" payable by Tenant shall be increased to one hundred ~~fifty~~ percent ^{ten} (110%) of the Monthly Installments of Base Rent payable by Tenant at the expiration of the Term. Such monthly rent shall be payable in advance on or before the first day of each month. If either party desires to terminate such month to month tenancy, it shall give the other party not less than thirty (30) days advance written notice of the date of termination.

18. SURRENDER OF PREMISES.

a. Tenant shall peaceably surrender the Premises to Landlord on the Expiration Date, in broom-clean condition and in as good condition as when Tenant took possession, except for (i) reasonable wear and tear, (ii) loss by fire or other casualty, and (iii) loss by condemnation. Tenant shall, on Landlord's request, remove Tenant's Property on or before the Expiration Date and promptly repair all damage to the Premises or Building caused by such removal.

b. If Tenant abandons or surrenders the Premises, or is dispossessed by process of law or otherwise, any of Tenant's Property left on the Premises shall be deemed to be abandoned, and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. If Landlord elects to remove all or any part of such Tenant's Property, the cost of removal, including repairing any damage to the Premises or Building caused by such removal, shall be paid by Tenant. On the Expiration Date Tenant shall surrender all keys to the Premises.

19. DESTRUCTION OR DAMAGE.

a. If the Premises or the portion of the Building necessary for Tenant's occupancy is damaged by fire, earthquake, act of God, the elements or other casualty, Landlord shall, subject to the provisions of this Article, promptly repair the damage, if such repairs can, in Landlord's opinion, be completed within (90) ninety days. If Landlord determines that repairs can be completed within ninety (90) days, this Lease shall remain in full force and effect, except that if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees or invitees, the Base Rent shall be abated to the extent Tenant's use of the Premises is impaired, commencing with the date of damage and continuing until completion of the repairs required of Landlord under Section 19d.

b. If in Landlord's opinion, such repairs to the Premises or portion of the Building necessary for Tenant's occupancy cannot be completed within ninety (90) days, Landlord may elect, upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.

c. If any other portion of the Building or Project is totally destroyed or damaged to the extent that in Landlord's opinion repair thereof cannot be completed within ninety (90) days, Landlord may elect upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.

d. If the Premises are to be repaired under this Article, Landlord shall repair at its cost any injury or damage to the Building and Building Standard Work in the Premises. Tenant shall be responsible at its sole cost and expense for the repair, restoration and replacement of any other Leasehold Improvements and Tenant's Property. Landlord shall not be liable for any loss of business, inconvenience or annoyance arising from any repair or restoration of any portion of the Premises, Building or Project as a result of any damage from fire or other casualty.

e. This Lease shall be considered an express agreement governing any case of damage to or destruction of the Premises, Building or Project by fire or other casualty, and any present or future law which purports to govern the rights of Landlord and Tenant in such circumstances in the absence of express agreement, shall have no application.

20. EMINENT DOMAIN.

a. If the whole of the Building or Premises is lawfully taken by condemnation or in any other manner for any public or quasi-public purpose, this Lease shall terminate as of the date of such taking, and Rent shall be prorated to such date. If less than the whole of the Building or Premises is so taken, this Lease shall be unaffected by such taking, provided that (i) Tenant shall have the right to terminate this Lease by notice to Landlord given within ninety (90) days after the date of such taking if twenty percent (20%) or more of the Premises is taken and the remaining area of the Premises is not reasonably sufficient for Tenant to continue operation of its business, and (ii) Landlord shall have the right to terminate this Lease by notice to Tenant given within ninety (90) days after the date of such taking. If either Landlord or Tenant so elects to terminate this Lease, the Lease shall terminate on the thirtieth (30th) day after either such notice. The Rent shall be prorated to the date of termination. If this Lease continues in force upon such partial taking, the Base Rent and Tenant's Proportionate Share shall be equitably adjusted according to the remaining Rentable Area of the Premises and Project.

b. In the event of any taking, partial or whole, all of the proceeds of any award, judgment or settlement payable by the condemning authority shall be the exclusive property of Landlord, and Tenant hereby assigns to Landlord all of its right, title and interest in any award, judgment or settlement from the condemning authority. Tenant, however, shall have the right, to the extent that Landlord's award is not reduced or prejudiced, to claim from the condemning authority (but not from Landlord) such compensation as may be recoverable by Tenant in its own right for relocation expenses and damage to Tenant's personal property.

c. In the event of a partial taking of the Premises which does not result in a termination of this Lease, Landlord shall restore the remaining portion of the Premises as nearly as practicable to its condition prior to the condemnation or taking, but only to the extent of Building Standard Work. Tenant shall be responsible at its sole cost and expense for the repair, restoration and replacement of any other Leasehold Improvements and Tenant's Property.

21. INDEMNIFICATION.

a. Tenant shall indemnify and hold Landlord harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of: (1) Tenant's use and occupancy of the Premises, or any work, activity or other things allowed or suffered by Tenant to be done in, on or about the Premises; (2) any breach or default by Tenant of any of Tenant's obligations under this Lease; or (3) any negligent or otherwise tortious act or omission of Tenant, its agents, employees, invitees or contractors. Tenant shall at Tenant's expense, and by counsel satisfactory to Landlord, defend Landlord in any action or proceeding arising from any such claim and shall indemnify Landlord against all costs, attorneys' fees, expert witness fees and any other expenses incurred in such action or proceeding. As a material part of the consideration for Landlord's execution of this Lease, Tenant hereby assumes all risk of damage or injury to any person or property in, on or about the Premises from any cause.

b. Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, its employees, invitees or customers, or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Building or Project or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of the Building or Project.

22. TENANT'S INSURANCE.

a. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord and Landlord's lender and qualified to do business in the State. Each policy shall name Landlord, and at Landlord's request any mortgagee of Landlord, as an additional insured, as their respective interests may appear. Each policy shall contain (i) a cross-liability endorsement, (ii) a provision that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Landlord and that any coverage carried by Landlord shall be excess insurance, and (iii) a waiver by the insurer of any right of subrogation against Landlord, its agents, employees and representatives, which arises or might arise by reason of any payment under such policy or by reason of any act or omission of Landlord, its agents, employees or representatives. A copy of each paid up policy (authenticated by the insurer) or certificate of the insurer evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord before the date Tenant is first given the right of possession of the Premises, and thereafter within thirty (30) days after any demand by Landlord therefor. Landlord may, at any time and from time to time, inspect and/or copy any insurance policies required to be maintained by Tenant hereunder. No such policy shall be cancellable except after twenty (20) days written notice to Landlord and Landlord's lender. Tenant shall furnish Landlord with renewals or "binders" of any such policy at least ten (10) days prior to the expiration thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant, provided such blanket policies expressly afford coverage to the Premises, Landlord, Landlord's mortgagee and Tenant as required by this Lease.

b. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for and maintain in effect policies of casualty insurance covering (i) all Leasehold Improvements (including any alterations, additions or improvements as may be made by Tenant pursuant to the provisions of Article 12 hereof), and (ii) trade fixtures, merchandise and other personal property from time to time in, on or about the Premises, in an amount not less than one hundred percent (100%) of their actual replacement cost from time to time, providing protection against any peril included within the classification "Fire and Extended Coverage" together with insurance against sprinkler damage, vandalism and malicious mischief. The proceeds of such insurance shall be used for the repair or replacement of the property so insured. Upon termination of this Lease following a casualty as set forth herein, the proceeds under (i) shall be paid to Landlord, and the proceeds under (ii) above shall be paid to Tenant.

c. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for and maintain in effect workers' compensation insurance as required by law and comprehensive public liability and property damage insurance with respect to the construction of improvements on the Premises, the use, operation or condition of the Premises and the operations of Tenant in, on or about the Premises, providing personal injury and broad form property damage coverage for not less than One Million Dollars (\$1,000,000.00) combined single limit for bodily injury, death and property damage liability.

d. Not less than every three (3) years during the Term, Landlord and Tenant shall mutually agree to increases in all of Tenant's insurance policy limits for all insurance to be carried by Tenant as set forth in this Article. In the event Landlord and Tenant cannot mutually agree upon the amounts of said increases, then Tenant agrees that all insurance policy limits as set forth in this Article shall be adjusted for increases in the cost of living in the same manner as is set forth in Section 5.2 hereof for the adjustment of the Base Rent.

23. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive all rights of recovery against the other and against the officers, employees, agents and representatives of the other, on account of loss by or damage to the waiving party of its property or the property of others under its control, to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of the loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to its insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

24. SUBORDINATION AND ATTORNMENT.

Upon written request of Landlord, or any first mortgagee or first deed of trust beneficiary of Landlord, or ground lessor of Landlord, Tenant shall, in writing, subordinate its rights under this Lease to the lien of any first mortgage or first deed of trust, or to the interest of any lease in which Landlord is lessee, and to all advances made or hereafter to be made thereunder. However, before signing any subordination agreement, Tenant shall have the right to obtain from any lender or lessor or Landlord requesting such subordination, an agreement in writing providing that, as long as Tenant is not in default hereunder, this Lease shall remain in effect for the full Term. The holder of any security interest may, upon written notice to Tenant, elect to have this Lease prior to its security interest regardless of the time of the granting or recording of such security interest.

In the event of any foreclosure sale, transfer in lieu of foreclosure or termination of the lease in which Landlord is lessee, Tenant shall attorn to the purchaser, transferee or lessor as the case may be, and recognize that party as Landlord under this Lease, provided such party acquires and accepts the Premises subject to this Lease.

25. TENANT ESTOPPEL CERTIFICATES.

Within ten (10) days after written request from Landlord, Tenant shall execute and deliver to Landlord or Landlord's designee, a written statement certifying (a) that this Lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications; (b) the amount of Base Rent and the date to which Base Rent and additional rent have been paid in advance; (c) the amount of any security deposited with Landlord; and (d) that Landlord is not in default hereunder or, if Landlord is claimed to be in default, stating the nature of any claimed default. Any such statement may be relied upon by a purchaser, assignee or lender. Tenant's failure to execute and deliver such statement within the time required shall at Landlord's election be a default under this Lease and shall also be conclusive upon Tenant that: (1) this Lease is in full force and effect and has not been modified except as represented by Landlord; (2) there are no uncured defaults in Landlord's performance and that Tenant has no right of offset, counter-claim or deduction against Rent; and (3) not more than one month's Rent has been paid in advance.

26. TRANSFER OF LANDLORD'S INTEREST.

In the event of any sale or transfer by Landlord of the Premises, Building or Project, and assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of any and all liability and obligations contained in or derived from this Lease arising out of any act, occurrence or omission relating to the Premises, Building, Project or Lease occurring after the consummation of such sale or transfer, providing the purchaser shall expressly assume all of the covenants and obligations of Landlord under this Lease. If any security deposit or prepaid Rent has been paid by Tenant, Landlord may transfer the security deposit or prepaid Rent to Landlord's successor and upon such transfer, Landlord shall be relieved of any and all further liability with respect thereto.

27. DEFAULT.

27.1. Tenant's Default. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- a. If Tenant abandons or vacates the Premises; or
- b. If Tenant fails to pay any Rent or any other charges required to be paid by Tenant under this Lease and such failure continues for five (5) ~~days~~ ^{ten (10)} after such payment is due and payable; or
- c. If Tenant fails to promptly and fully perform any other covenant, condition or agreement contained in this Lease and such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; or
- d. If a writ of attachment or execution is levied on this Lease or on any of Tenant's Property; or
- e. If Tenant makes a general assignment for the benefit of creditors, or provides for an arrangement, composition, extension or adjustment with its creditors; or
- f. If Tenant files a voluntary petition for relief or if a petition against Tenant in a proceeding under the federal bankruptcy laws or other insolvency laws is filed and not withdrawn or dismissed within forty-five (45) days thereafter, or if under the provisions of any law providing for reorganization or winding up of corporations, any court of competent jurisdiction assumes jurisdiction, custody or control of Tenant or any substantial part of its property and such jurisdiction, custody or control remains in force unrelinquished, unstayed or unterminated for a period of forty-five (45) days; or
- g. If in any proceeding or action in which Tenant is a party, a trustee, receiver, agent or custodian is appointed to take charge of the Premises or Tenant's Property (or has the authority to do so) for the purpose of enforcing a lien against the Premises or Tenant's Property; or
- h. If Tenant is a partnership or consists of more than one (1) person or entity, if any partner of the partnership or other person or entity is involved in any of the acts or events described in subparagraphs d through g above.

27.2. Remedies. In the event of Tenant's default hereunder, then in addition to any other rights or remedies Landlord may have under any law, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to do the following:

- a. Terminate this Lease and Tenant's right to possession of the Premises and reenter the Premises and take possession thereof, and Tenant shall have no further claim to the Premises or under this Lease; or
- b. Continue this Lease in effect, reenter and occupy the Premises for the account of Tenant, and collect any unpaid Rent or other charges which have or thereafter become due and payable; or
- c. Reenter the Premises under the provisions of subparagraph b, and thereafter elect to terminate this Lease and Tenant's right to possession of the Premises.

If Landlord reenters the Premises under the provisions of subparagraphs b or c above, Landlord shall not be deemed to have terminated this Lease or the obligation of Tenant to pay any Rent or other charges thereafter accruing, unless Landlord notifies Tenant in writing of Landlord's election to terminate this Lease. In the event of any reentry or retaking of possession by Landlord, Landlord shall have the right, but not the obligation, to remove all or any part of Tenant's Property in the Premises and to place such property in storage at a public warehouse at the expense and risk of Tenant. If Landlord elects to relet the Premises for the account of Tenant, the rent received by Landlord from such reletting shall be applied as follows: first, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs of such reletting; third, to the payment of the cost of any alterations or repairs to the Premises; fourth to the payment of Rent due and unpaid hereunder; and the balance, if any, shall be held by Landlord and applied in payment of future Rent as it becomes due. If that portion of rent received from the reletting which is applied against the Rent due hereunder is less than the amount of the Rent due, Tenant shall pay the deficiency to Landlord promptly upon demand by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as determined, any costs and expenses incurred by Landlord in connection with such reletting or in making alterations and repairs to the Premises, which are not covered by the rent received from the reletting.

Should Landlord elect to terminate this Lease under the provisions of subparagraph a or c above, Landlord may recover as damages from Tenant the following:

1. *Past Rent.* The worth at the time of the award of any unpaid Rent which had been earned at the time of termination; plus
2. *Rent Prior to Award:* The worth at the time of the award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
3. *Rent After Award.* The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the rental loss that Tenant proves could be reasonably avoided; plus
4. *Proximately Caused Damages.* Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, any costs or expenses (including attorneys' fees), incurred by Landlord in (a) retaking possession of the Premises, (b) maintaining the Premises after Tenant's default, (c) preparing the Premises for reletting to a new tenant, including any repairs or alterations, and (d) reletting the Premises, including broker's commissions.

"The worth at the time of the award" as used in subparagraphs 1 and 2 above, is to be computed by allowing interest at the rate of ten percent (10%) per annum. "The worth at the time of the award" as used in subparagraph 3 above, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank situated nearest to the Premises at the time of the award plus one percent (1%).

The waiver by Landlord of any breach of any term, covenant or condition of this Lease shall not be deemed a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition. Acceptance of Rent by Landlord subsequent to any breach hereof shall not be deemed a waiver of any preceding breach other than the failure to pay the particular Rent so accepted, regardless of Landlord's knowledge of any breach at the time of such acceptance of Rent. Landlord shall not be deemed to have waived any term, covenant or condition unless Landlord gives Tenant written notice of such waiver.

27.3 Landlord's Default. If Landlord fails to perform any covenant, condition or agreement contained in this Lease within thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default cannot reasonably be cured within thirty (30) days, if Landlord fails to commence to cure within that thirty (30) day period, then Landlord shall be liable to Tenant for any damages sustained by Tenant as a result of Landlord's breach; provided, however, it is expressly understood and agreed that if Tenant obtains a money judgment against Landlord resulting from any default or other claim arising under this Lease, that judgment shall be satisfied only out of the rents, issues, profits, and other income actually received on account of Landlord's right, title and interest in the Premises, Building or Project, and no other real, personal or mixed property of Landlord (or of any of the partners which comprise Landlord, if any) wherever situated, shall be subject to levy to satisfy such judgment. If, after notice to Landlord of default, Landlord (or any first mortgagee or first deed of trust beneficiary of Landlord) fails to cure the default as provided herein, then Tenant shall have the right to cure that default at Landlord's expense. Tenant shall not have the right to terminate this Lease or to withhold, reduce or offset any amount against any payments of Rent or any other charges due and payable under this Lease except as otherwise specifically provided herein.

28. BROKERAGE FEES.

Tenant warrants and represents that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation except Broker and Sales Agent. Tenant shall indemnify and hold Landlord harmless from any cost, expense or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission or fees claimed by any other real estate broker or agent in connection with this Lease or its negotiation by reason of any act of Tenant.

29. NOTICES.

All notices, approvals and demands permitted or required to be given under this Lease shall be in writing and deemed duly served or given if personally delivered or sent by certified or registered U.S. mail, postage prepaid, and addressed as follows: (a) if to Landlord, to Landlord's Mailing Address and to the Building manager, and (b) if to Tenant, to Tenant's Mailing Address; provided, however, notices to Tenant shall be deemed duly served or given if delivered or mailed to Tenant at the Premises. Landlord and Tenant may from time to time by notice to the other designate another place for receipt of future notices.

30. GOVERNMENT ENERGY OR UTILITY CONTROLS.

In the event of imposition of federal, state or local government controls, rules, regulations, or restrictions on the use or consumption of energy or other utilities during the Term, both Landlord and Tenant shall be bound thereby. In the event of a difference in interpretation by Landlord and Tenant of any such controls, the interpretation of Landlord shall prevail, and Landlord shall have the right to enforce compliance therewith, including the right of entry into the Premises to effect compliance.

31. RELOCATION OF PREMISES.

~~Landlord shall have the right to relocate the Premises to another part of the Building in accordance with the following.~~

- a. The new premises shall be substantially the same in size, dimensions, configuration, decor and nature as the Premises described in this Lease, and if the relocation occurs after the Commencement Date, shall be placed in that condition by Landlord at its cost.
- b. Landlord shall give Tenant at least thirty (30) days written notice of Landlord's intention to relocate the Premises.
- c. As nearly as practicable, the physical relocation of the Premises shall take place on a weekend and shall be completed before the following Monday. If the physical relocation has not been completed in that time, Base Rent shall abate in full from the time the physical relocation commences to the time it is completed. Upon completion of such relocation, the new premises shall become the "Premises" under this Lease.
- d. All reasonable costs incurred by Tenant as a result of the relocation shall be paid by Landlord.
- e. If the new premises are smaller than the Premises as it existed before the relocation, Base Rent shall be reduced proportionately.
- f. The parties hereto shall immediately execute an amendment to this Lease setting forth the relocation of the Premises and the reduction of Base Rent, if any.

32. QUIET ENJOYMENT.

Tenant, upon paying the Rent and performing all of its obligations under this Lease, shall peaceably and quietly enjoy the Premises, subject to the terms of this Lease and to any mortgage, lease, or other agreement to which this Lease may be subordinate.

33. OBSERVANCE OF LAW.

Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any law, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant.

34. FORCE MAJEURE.

Any prevention, delay or stoppage of work to be performed by Landlord or Tenant which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefor, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay or stoppage. Nothing in this Article 34 shall excuse or delay Tenant's obligation to pay Rent or other charges under this Lease.

35. CURING TENANT'S DEFAULTS.

If Tenant defaults in the performance of any of its obligations under this Lease, Landlord may (but shall not be obligated to) without waiving such default, perform the same for the account at the expense of Tenant. Tenant shall pay Landlord all costs of such performance promptly upon receipt of a bill therefor.

36. SIGN CONTROL.

Tenant shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Premises, Building or Project, including without limitation, the inside or outside of windows or doors, without the written consent of Landlord. Landlord shall have the right to remove any signs or other matter, installed without Landlord's permission, without being liable to Tenant by reason of such removal, and to charge the cost of removal to Tenant as additional rent hereunder, payable within ten (10) days of written demand by Landlord.

37. MISCELLANEOUS.

- a. *Accord and Satisfaction; Allocation of Payments.* No payment by Tenant or receipt by Landlord of a lesser amount than the Rent provided for in this Lease shall be deemed to be other than on account of the earliest due Rent, nor shall any endorsement or statement on any check or 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 the Rent or pursue any other remedy provided for in this Lease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any account or other payment of Tenant then not current and due or delinquent.
- b. *Addenda.* If any provision contained in an addendum to this Lease is inconsistent with any other provision herein, the provision contained in the addendum shall control, unless otherwise provided in the addendum.
- c. *Attorneys' Fees.* If any action or proceeding is brought by either party against the other pertaining to or arising out of this Lease, the finally prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred on account of such action or proceeding.
- d. *Captions, Articles and Section Numbers.* The captions appearing within the body of this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Lease. All references to Article and Section numbers refer to Articles and Sections in this Lease.
- e. *Changes Requested by Lender.* Neither Landlord or Tenant shall unreasonably withhold its consent to changes or amendments to this Lease requested by the lender on Landlord's interest, so long as these changes do not alter the basic business terms of this Lease or otherwise materially diminish any rights or materially increase any obligations of the party from whom consent to such charge or amendment is requested.

f. *Choice of Law.* This Lease shall be construed and enforced in accordance with the laws of the State.

g. *Consent.* Notwithstanding anything contained in this Lease to the contrary, Tenant shall have no claim, and hereby waives the right to any claim against Landlord for money damages by reason of any refusal, withholding or delaying by Landlord of any consent, approval or statement of satisfaction, and in such event, Tenant's only remedies therefor shall be an action for specific performance, injunction or declaratory judgment to enforce any right to such consent, etc.

h. *Corporate Authority.* If Tenant is a corporation, each individual signing this Lease on behalf of Tenant represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of the corporation, and that this Lease is binding on Tenant in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of a resolution of its board of directors authorizing such execution.

i. *Counterparts.* This Lease may be executed in multiple counterparts, all of which shall constitute one and the same Lease.

j. *Execution of Lease; No Option.* The submission of this Lease to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or option for Tenant to lease, or otherwise create any interest of Tenant in the Premises or any other premises within the Building or Project. Execution of this Lease by Tenant and its return to Landlord shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this Lease to Tenant.

k. *Furnishing of Financial Statements; Tenant's Representations.* In order to induce Landlord to enter into this Lease Tenant agrees that it shall promptly furnish Landlord, from time to time, upon Landlord's written request, with financial statements reflecting Tenant's current financial condition. Tenant represents and warrants that all financial statements, records and information furnished by Tenant to Landlord in connection with this Lease are true, correct and complete in all respects.

l. *Further Assurances.* The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Lease.

m. *Mortgagee Protection.* Tenant agrees to send by certified or registered mail to any first mortgagee or first deed of trust beneficiary of Landlord whose address has been furnished to Tenant, a copy of any notice of default served by Tenant on Landlord. If Landlord fails to cure such default within the time provided for in this Lease, such mortgagee or beneficiary shall have an additional thirty (30) days to cure such default; provided that if such default cannot reasonably be cured within that thirty (30) day period, then such mortgagee or beneficiary shall have such additional time to cure the default as is reasonably necessary under the circumstances.

n. *Prior Agreements; Amendments.* This Lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.

o. *Recording.* Tenant shall not record this Lease without the prior written consent of Landlord. Tenant, upon the request of Landlord, shall execute and acknowledge a "short form" memorandum of this Lease for recording purposes.

p. *Severability.* A final determination by a court of competent jurisdiction that any provision of this Lease is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its intended effect.

q. *Successors and Assigns.* This Lease shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.

r. *Time of the Essence.* Time is of the essence of this Lease.

s. *Waiver.* No delay or omission in the exercise of any right or remedy of Landlord upon any default by Tenant shall impair such right or remedy or be construed as a waiver of such default.

The receipt and acceptance by Landlord of delinquent Rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular Rent payment involved.

No act or conduct of Landlord, including, without limitation, the acceptance of keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

The parties hereto have executed this Lease as of the dates set forth below.

Date: JANUARY 6, 2003

Landlord: S.W.O.T. II

By: BOYCE RESOURCE DEVELOPMENT COMPANY

Title: ITS GENERAL PARTNER

By: [Signature]

Title: CONTROLLER

Date: _____

Tenant: FAMILY RESOURCE AND REFERRAL CENTER

By: [Signature]

Title: MARION WILLIAMS
EXECUTIVE DIRECTOR

By: [Signature]

Title: _____

CONSULT YOUR ADVISORS— This document has been prepared for approval by your attorney. No representation or recommendation is made by Coldwell Banker as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. These are questions for your attorney.

In any real estate transaction, it is recommended that you consult with a professional, such as a civil engineer, industrial hygienist or other person, with experience in evaluating the condition of the property, including the possible presence of asbestos, hazardous materials and underground storage tanks.

ADDENDUM TO LEASE

This is an Addendum to that certain Lease dated August 1, 2002 by and between S.W.O.T. II, a California limited partnership ("Landlord"), and Family Resource and Referral Center, an agency of Stockton Metropolitan Ministry, a non-profit Corporation ("Tenant"). Should there be any Discrepancy between the lease and this Addendum, the addendum shall prevail.

1. Parking

Landlord (through the Waterfront Office Towers Owner's Association) shall assign 29 parking stalls for tenant's exclusive use in the fenced and gated parking lot as per the attached parking plan. Landlord shall provide Tenant with parking access cards. In the event that a card is lost or stolen and needs to be replaced, a fee of \$10.00 per card shall be assessed to the Tenant or to Tenant's employee. Tenant agrees to abide by the parking lot rules which may be promulgated by The Waterfront Office Towers Owner's Association.

2. Early Termination

In the event that Tenant's various grants and contracts are terminated or materially reduced, this Lease may expire or the terms with respect to the amount of space rented and the monthly rent may be renegotiated as of the date of such termination or material reduction.

The parties hereto have executed this addendum as of the date set forth below.

LANDLORD

TENANT

S.W.O.T. II

FAMILY RESOURCE AND
REFERRAL CENTER

By: Boyce Resource Development
Company, General Partner

By: Gary H. Rose
Gary H. Rose

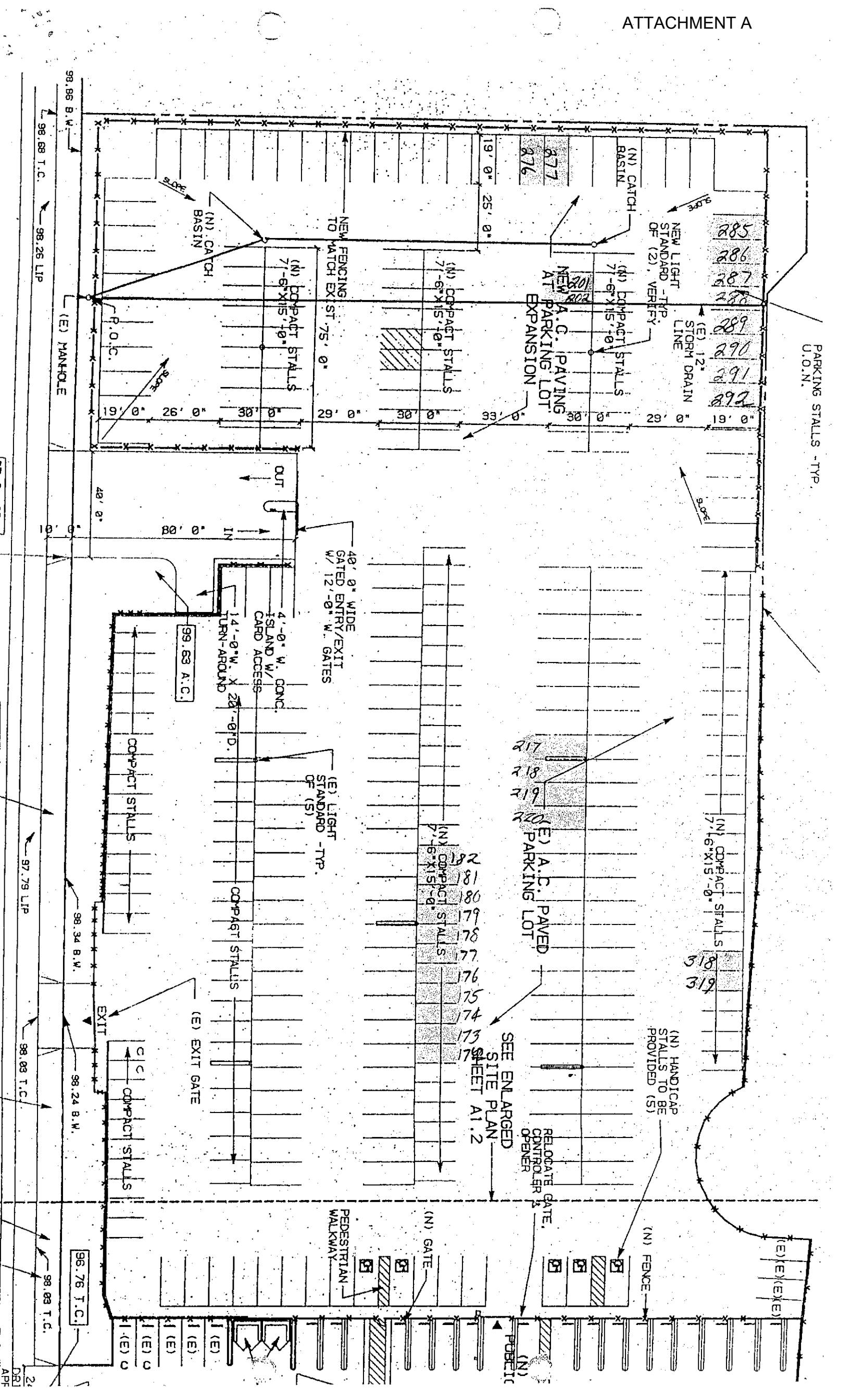
Title: Controller

Date: 1/6/2003

By: Marion Williams
Marion Williams

Title: Executive Director

Date: 1/9/2003



Lease Amendment

This Lease Amendment ("Amendment") is made and effective as of the 27 day of May, 2020, by and between the City of Stockton, a municipal corporation ("City"), as successor to Sierra Vista Apts. II, LLP and MSK Ventures, LLC, and **Family Resource and Referral Center, a non-profit corporation** ("FRRRC").

Recitals

- A. City is the owner of the land and improvements commonly known as 509 West Weber Avenue, Stockton, San Joaquin County (the "Building").
- B. FRRRC is currently a tenant in the Building according to the terms and conditions of that Lease Agreement dated October 4, 2017, with Sierra Vista Apts. II, LLP, and MSK Ventures, LLC attached hereto as Exhibit A (the "Lease").
- C. FRRRC and City desire to modify the Lease for FRRRC to occupy additional space within the Building until December 31, 2020 with a one-year renewal option.

Agreement

NOW THEREFORE, in consideration of the mutual promises herein, City and FRRRC agree as follows:

1. Amendments

- 1.1. The term "Leased Premises" in the Lease shall refer to Suite 410 in the Building as shown in the floor plan attached hereto as Exhibit B.
- 1.2. FRRRC shall pay rent of Two hundred eighty Dollars (\$) per month for the Leased Premises beginning March 25, 2020 to December 31, 2020.
- 1.3. Rent will increase 3% with each one-year option:

PERIODMONTHLY RENT

January 1, 2021 to December 31, 2021

\$288.40

- 2. Except as otherwise provided in this Agreement, all terms and conditions of the Lease shall remain in full force and effect.

//
//
//

2019-12-10-1103 NP
Amendment 2

//

[Signatures on Following Page]
Signature Page to Lease Amendment

FRRC:

Family Resource and Referral Center, a non-profit corporation

By: Kay G. Ruhstaller CEO By: _____
KAY RUHSTALLER


CITY:

CITY OF STOCKTON

By: W. Bode
CITY MANAGER

ATTEST:

for Eliza R. Garza
ELIZA R. GARZA, CMC
CITY CLERK CITY OF STOCKTON



APPROVED AS TO FORM AND CONTENT:
OFFICE OF THE CITY ATTORNEY

By: See Master Approval History 20-6659
CITY ATTORNEY

Lease Amendment

This Lease Amendment ("Amendment") is made and effective as of the 17th day of September, 2020, by and between the City of Stockton, a municipal corporation ("City"), as successor to Sierra Vista Apts. II, LLP and MSK Ventures, LLC, and Family Resource and Referral Center, a non-profit corporation ("FRRRC").

Recitals

- A. City is the owner of the land and improvements commonly known as 509 West Weber Avenue, Stockton, San Joaquin County (the "Building").
- B. FRRRC is currently a tenant in the Building according to the terms and conditions of that Lease Agreement dated October 4, 2017, with Sierra Vista Apts. II, LLP, and MSK Ventures, LLC attached hereto as Exhibit A (the "Lease").
- C. FRRRC and City desire to modify the Lease for FRRRC to occupy a different space within the Building with one-year initial term and two one-year renewal options.

Agreement

NOW THEREFORE, in consideration of the mutual promises herein, City and FRRRC agree as follows:

1. Amendments

- 1.1. The term "Leased Premises" in the Lease shall refer to Suite 404 in the Building as shown in the floor plan attached hereto as Exhibit B.
- 1.2. FRRRC shall pay rent of One thousand eight hundred Dollars (\$1,820.00) per month for the Leased Premises beginning January 1, 2020 to December 31, 2020.
- 1.3. Rent will increase 3% with each one-year option:

<u>PERIOD</u>	<u>MONTHLY RENT</u>
January 1, 2021 to December 31, 2021	\$1,874.60
January 1, 2022 to December 31, 2022	\$1,930.84

- 2. Except as otherwise provided in this Agreement, all terms and conditions of the Lease shall remain in full force and effect.

//

[Signatures on Following Page]

2019-12-10-1103 NP

Signature Page to Lease Amendment

FRRC:

Family Resource and Referral Center, a non-profit corporation

By: Kay A. Ruchstaller
KAY RUCHSTALLER

By: _____

CITY:

CITY OF STOCKTON

By: Laurie Montes
LAURIE MONTES
INTERIM CITY MANAGER

ATTEST:

Eliza R. Garza
ELIZA R. GARZA, CMC
CITY CLERK CITY OF STOCKTON



**APPROVED AS TO FORM AND CONTENT:
OFFICE OF THE CITY ATTORNEY**

By: Ryan Meyerhoff
Ryan Meyerhoff
Deputy City Attorney

FIFTH AMENDMENT TO LEASE

This Fifth Amendment to Lease is entered into as of this day of September, 2017, by and between Sierra Vista Apts, II, LLP and MSK Ventures, LLC, as successor in interest to S.W.O.T. II, ("Landlord") and Family Resource and Referral Center, a non-profit corporation, ("Tenant") for the property located at 509 West Weber Avenue, Suite 300, Stockton, CA 95203.

Recitals:

- A. Landlord, as successor in interest to S.W.O.T. II, and Tenant entered into that certain Lease and Addendum to Lease dated August 1, 2002, a First Amendment to Lease dated April 2, 2004, and a Second Amendment to Lease dated February 20, 2006, Third Amendment to lease dated April 12, 2008, and a Fourth Amendment to Lease dated January 28, 2013 herein after referred to as the "Lease"..
- B. Landlord and Tenant do hereby wish to extend the term of the Lease as well as make some other modification as follows:

1. EXTENDED TERM:

The term of the existing Lease shall be extended from its current expiration date of July 31, 2018 until September 30, 2022.

2. ADDITIONAL PREMISES:

Commencing on October 1, 2017, Suite 201 consisting of 2,645 rentable square feet shall be added to the Premises.

3. ADDITIONAL PARKING:

Commencing on October 1, 2017, Tenant shall be granted the use of parking stalls 212, 213, 214, 215, 235, 321, 322, and 323 associated with the additional Premises in Suite 201.

4. BASE RENT:

The Base Rent for the Premises shall be paid according to the following schedule:

Suite 201

<u>PERIOD</u>	<u>RENT PER MONTH</u>	<u>RENT PER SQ.FT. PER MONTH</u>
10/1/17 to 9/30/19	\$3,570.75	\$ 1.35
10/1/19 to 9/30/22	\$3,703.00	\$ 1.40

Suite 300

<u>PERIOD</u>	<u>RENT PER MONTH</u>	<u>RENT PER SQ.FT. PER MONTH</u>
8/1/18 to 7/31/20	\$14,320.50	\$ 1.35
8/1/20 to 9/30/22	\$15,162.00	\$ 1.40

5. OPTION TO RENEW:

The option to renew language in the Third Amendment to Lease is hereby deleted and Tenant shall have no further rights to renew the lease.

6. IMPROVEMENTS TO THE PREMISES:

Landlord shall complete the following improvements at Landlord's sole cost and expense using building standard materials. Landlord and Tenant shall work together to find a convenient time to complete the work. The goal will be to complete all work by 12/31/18.

Suite 201

1. Repair entry door
2. Clean Carpets
3. Replace damaged ceiling tile

Suite 300

1. Re-carpet Premises with carpet tile in a color selected by Tenant.
2. Move furniture. Tenant shall move all personal items and computer equipment.
3. Refurbish kitchen to include new cabinets, sink, new vct flooring, repaint walls, replace ceiling tile, and replace all outlet covers
4. Restrooms will be refurbished to include new ceiling tiles, new paint, new laminate counter tops, new mirror, and replace broken cove tiles near doorway. Tiles color may not be an identical match with existing.

5. BASEMENT STORAGE:

Tenant is currently in possession of approximately 480 square feet of basement storage space. For the period from 8/1/018-9/30/22, Tenant shall pay rent for such space at a rate of \$.65 per square foot per month.

All other terms and conditions of the Lease are in full force and effect.

Executed by Landlord and Tenant through its duly authorized representative, in duplicate, each of which shall be an original, as of the date first hereinabove mentioned.

Signed on 10/3/17
at Stockton, CA

LANDLORD:

Sierra Vista Apts, II, LLP and MSK Ventures, LLC

By: 

Michael D. Keely

Its: Managing Partner

Signed on 10/4/17
at Stockton, CA

TENANT:

Family Resource And Referral Center

a non-profit corporation

By: 

CONSULT YOUR ADVISORS - This document (including its exhibits and addenda, if any) has been prepared for review and approval by your attorney. Broker makes no representation or recommendation as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. Consult your attorney and tax accountant.

FOURTH AMENDMENT TO LEASE

This Fourth Amendment to Lease is entered into as of this 18 day of January, 2013, by and between Sierra Vista Apts, II, LLP and MSK Ventures, LLC, as successor in interest to S.W.O.T. II, ("Landlord") and Family Resource and Referral Center, a non-profit corporation,("Tenant") for the property located at 509 West Weber Avenue, Suite 300, Stockton, CA 95203.

Recitals:

- A. Landlord, as successor in interest to S.W.O.T. II, and Tenant entered into that certain Lease and Addendum to Lease dated August 1, 2002 , a First Amendment to Lease dated April 2, 2004, and a Second Amendment to Lease dated February 20, 2006, and a Third Amendment to lease dated April 12, 2008 herein after referred to as the "Lease"..
- B. Landlord and Tenant do hereby wish to extend the term of the Lease as well as make some other modification as follows:

1. EXTENDED TERM:

The term of the existing Lease shall be extended from its current expiration date of July 31, 2013 until July 31, 2018.

2. BASE RENT:

The Base Rent for the Premises during the extended term shall be paid according to the following schedule:

<u>PERIOD</u>	<u>RENT PER MONTH</u>	<u>RENT PER SQ.FT. PER MONTH</u>
8/1/13 to 7/31/14	\$14,079.00	\$ 1.30
8/1/14 to 7/31/15	\$14,079.00	\$ 1.30
8/1/15 to 7/31/16	\$14,079.00	\$ 1.30
8/1/16 to 7/31/17	\$14,620.50	\$ 1.35
8/1/17 to 7/31/18	\$14,620.50	\$ 1.35

3. OPTION TO RENEW:

The option to renew language in the Third Amendment to Lease is hereby deleted and replaced with the following option language:

Tenant shall have one (1) consecutive five (5) year term to extend the Lease. Tenant shall pay 100% of the then Fair Market Rent but in no event less than the previous year's rental rate. Tenant shall give Landlord a (180) day prior written notice of its intent to exercise such Option to Renew. Landlord and Tenant shall agree to a market rent no later than 30 days after such written notice from Tenant, otherwise the option becomes null and void.

4. EARLY TERMINATION PROVISION:

Tenant shall have a one-time right to cancel this Lease solely due to Tenant's lack of sufficient funding to pay rent in accordance with the terms of the Lease as a result of cancellation of Tenant's various grants and contracts. Tenant shall provide Landlord with four (4) months prior written notice of its intent to cancel the Lease, along with reasonable financial information supporting cancellation of Tenant's various grants and contracts. Tenant may provide such notice to Landlord at any time between July 1 and September 30 of the then current lease year. Upon receipt of notice, Landlord shall provide Tenant

with written notice outlining Landlord's acceptance of the notice, and Landlord's calculation of the actual date of early termination. The early termination date shall be the end of the fourth (4th) full calendar month following delivery and acceptance of Tenant's notice. Failure to provide notice in a timely manner, or to provide sufficient proof of cancellation of funding shall render this cancellation provision null and void.

5. BASEMENT STORAGE:

Tenant is currently in possession of approximately 480 square feet of basement storage space. For the period from 8/1/013-7/31/18, Tenant shall pay rent for such space at a rate of \$.65 per square foot per month.

All other terms and conditions of the Lease are in full force and effect.

Executed by Landlord and Tenant through its duly authorized representative, in duplicate, each of which shall be an original, as of the date first hereinabove mentioned.

Signed on 1/28/13

at _____

LANDLORD:

Sierra Vista Apts, II, LLP and MSK Ventures, LLC

By: _____

Michael D. Keely

Its: _____

Managing Partner

TENANT:

Signed on January 23, 2013

at _____

Family Resource And Referral Center

a non-profit corporation

By: _____

Kay A. Rubstaller

CONSULT YOUR ADVISORS - This document (including its exhibits and addenda, if any) has been prepared for review and approval by your attorney. Broker makes no representation or recommendation as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. Consult your attorney and tax accountant.



THIRD AMENDMENT TO LEASE

This Third Amendment to Lease is entered into as of this ^{April} ~~12th~~ day of ~~March~~, 2008, by and between Sierra Vista Apts, II, LLP and MSK Ventures, LLC, as successor in interest to S.W.O.T. II, ("Landlord") and Family Resource and Referral Center, a non-profit corporation, ("Tenant") for the property located at 509 West Weber Avenue, Suite 300, Stockton, CA 95203.

Recitals:

A. Landlord, as successor in interest to S.W.O.T. II, and Tenant entered into that certain Lease and Addendum to Lease dated August 1, 2002, a First Amendment to Lease dated April 2, 2004, and a Second Amendment to Lease dated February 20, 2006 herein after referred to as the "Lease"..

B. Landlord and Tenant do hereby wish to extend the term of the Lease as well as make some other modification as follows:

1. EXTENDED TERM:

The term of the existing Lease shall be extended from its current expiration date of July 31, 2008 until July 31, 2013.

2. BASE RENT:

The Base Rent for the Premises during the extended term shall be paid according to the following schedule:

<u>PERIOD</u>	<u>RENT PER MONTH</u>	<u>RENT PER SQ.FT. PER MONTH</u>
8/1/08 to 7/31/09	\$15,703.50	\$ 1.45
8/1/09 to 7/31/10	\$16,028.40	\$ 1.48
8/1/10 to 7/31/11	\$16,245.00	\$ 1.50
8/1/11 to 7/31/12	\$16,569.99	\$ 1.53
8/1/12 to 7/31/13	\$16,786.50	\$ 1.55

3. OPTION TO RENEW:

The option to renew language in the First Amendment to Lease is hereby deleted and replaced with the following option language:

Tenant shall have one (1) consecutive five (5) year term to extend the Lease. Tenant shall pay 100% of the then Fair Market Rent but in no event less than the previous year's rental rate. Tenant shall give Landlord a (180) day prior written

notice of its intent to Exercise such Option to Renew. Landlord and Tenant shall agree to a market rent no later than 30 days after such written notice from Tenant, otherwise the option becomes null and void.

4. TENANT IMPROVEMENTS

Landlord, at Landlord's sole cost and expense, shall provide for the following improvements to the Premises. The improvements shall be completed per a mutually agreeable schedule between Landlord and Tenant. However, Landlord will complete the work on or before September 1, 2008, unless otherwise agreed to by Tenant

1. Landlord shall re-carpet the Premises using building standard broadloom carpet in a color selected by Tenant, excluding the recently re-carpeted "FCS" area. Tenant shall be responsible for moving all furniture.
2. Landlord shall remove wallpaper, re-texture, and re-paint the third floor restrooms.
3. Landlord shall remove wallpaper, re-texture, and re-paint the third floor lobby and common area hallway between the north and south exit stairs, as well as re-paint the open areas as shown on the attached Exhibit A.
4. Landlord shall refinish the lobby hardwood flooring.

5. BASEMENT STORAGE:

Tenant is currently in possession of approximately 480 square feet of basement storage space. For the period from 8/1/08-7/31/13, Tenant shall pay rent for such space at a rate of \$.65 per square foot per month

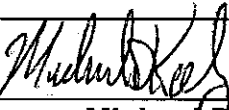
All other terms and conditions of the Lease are in full force and effect.

Executed by Landlord and Tenant through its duly authorized representative, in duplicate, each of which shall be an original, as of the date first hereinabove mentioned.

LANDLORD:

Signed on 4/12/08
at Stockton

Sierra Vista Apts, II, LLP and MSK Ventures, LLC

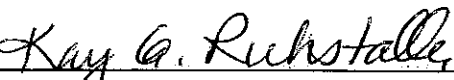
By: 
Michael D. Keely

Its: Managing Partner

TENANT:

Signed on 4/8/08
at STOCKTON, CALIFORNIA

Family Resource And Referral Center
a non-profit corporation

By: 
Executive Director

CONSULT YOUR ADVISORS - This document (including its exhibits and addenda, if any) has been prepared for review and approval by your attorney. Broker makes no representation or recommendation as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. Consult your attorney and tax accountant.

SECOND AMENDMENT TO LEASE

This Second Amendment to Lease is entered into as of this 20th day of February, 2006, by and between Sierra Vista Apts, II, LLP and MSK Ventures, LLC, as successor in interest to S.W.O.T. II, ("Landlord") and Family Resource and Referral Center, a non-profit corporation, ("Tenant") for the property located at 509 West Weber Avenue, Suite 300, Stockton, CA 95203.

Recitals:

- A. Landlord, as successor in interest to S.W.O.T. II, and Tenant entered into that certain Lease and Addendum to Lease dated August 1, 2002 and a First Amendment to Lease dated April 2, 2004, herein after referred to as the "Lease"..
- B. Landlord and Tenant do hereby wish to extend the term of the Lease as well as make some other modification as follows:

1. EXTENDED TERM:

The term of the existing Lease shall be extended from its current expiration date of July 31, 2006 until July 31, 2008.

2. BASE RENT:

The Base Rent for the Premises during the extended term shall be paid according to the following schedule:

<u>PERIOD</u>	<u>RENT PER MONTH</u>	<u>RENT PER SQ.FT. PER MONTH</u>
8/1/06 to 7/31/07	\$15,162.00	\$ 1.40
8/1/07 to 7/31/08	\$15,703.50	\$ 1.45

3. OPTION TO RENEW:

The option to renew language in the First Amendment to Lease is hereby deleted and replaced with the following option language:

Tenant shall have one (1) consecutive one (1) year term to extend the Lease. Tenant shall pay 100% of the then Fair Market Rent but in no event less than the previous year's rental rate. Tenant shall give Landlord a (180) day prior written notice of its intent to exercise such Option to Renew. Landlord and Tenant shall agree to a market rent no later than 30 days after such written notice from Tenant, otherwise the option becomes null and void.

4. EARLY TERMINATION PROVISION:

The Early Termination provision in Section 5 of the First Amendment to Lease is hereby deleted in its entirety, and shall be of no further force and effect

5. BASEMENT STORAGE:

Tenant is currently leases approximately 480 square feet of basement storage space. For the period from 8/1/06-7/31/07, Tenant shall pay rent for such space at a rate of \$.50 per square foot per month. For the period from 8/1/07-7/31/08, Tenant shall pay rent for such space at a rate of \$.65 per square foot per month

All other terms and conditions of the Lease are in full force and effect.

Executed by Landlord and Tenant through its duly authorized representative, in duplicate, each of which shall be an original, as of the date first hereinabove mentioned.

Signed on 2/26/2006

at _____

LANDLORD:Sierra Vista Apts, II, LLP and MSK Ventures,
LLCBy: Michael D. KeelyIts: Managing PartnerSigned on February 22, 2006

at _____

TENANT:Family Resource And Referral Centera non-profit corporationBy: Executive Director

CONSULT YOUR ADVISORS - This document (including its exhibits and addenda, if any) has been prepared for review and approval by your attorney. Broker makes no representation or recommendation as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. Consult your attorney and tax accountant.

FIRST AMENDMENT TO LEASE

This First Amendment to Lease is entered into as of this 2nd day of April, 2004, by and between Sierra Vista Apts, II, LLP and MSK Ventures, LLC, as successor in interest to S.W.O.T. II, ("Landlord") and Family Resource and Referral Center, a non-profit corporation, ("Tenant") for the property located at 509 West Weber Avenue, Suite 300, Stockton, CA 95203.

Recitals:

- A. Landlord, as successor in interest to S.W.O.T. II, and Tenant entered into that certain Lease and Addendum to Lease dated August 1, 2002.
- B. Landlord and Tenant do hereby wish to extend the term of the Lease as well as make some other modification as follows:

1. EXTENDED TERM:

The term of the existing Lease shall be extended from its current expiration date of July 31, 2004 until July 31, 2006.

2. BASE RENT:

The Base Rent for the Premises during the extended term shall be paid according to the following schedule:

<u>PERIOD</u>	<u>RENT PER MONTH</u>	<u>RENT PER SQ.FT. PER MONTH</u>
1. 8/1/04 to 7/31/05	\$14,079.00	\$ 1.30
2. 8/1/05 to 7/31/06	\$14,020.50	\$ 1.35

2. UTILITIES:

Tenant shall continue to pay directly to the provider for all separately metered electrical service to the Premises. Landlord shall provide for the cost of HVAC service to the Premises during building hours, which are Monday through Friday from 7:00 am to 5:30 pm excluding holidays. In the event that Tenant requires HVAC service to the Premises during non-building hours, Tenant shall pay for the cost of such HVAC service on a monthly basis, as reasonably determined by the Landlord.

3. OPTION TO RENEW:

Tenant shall have one (1) consecutive one (1) year term to extend the Lease. Tenant shall pay 100% of the then Fair Market Rent but in no event less than the previous year's rental rate. Tenant shall give Landlord a (180) day prior written notice of its intent to exercise such Option to Renew. Landlord and Tenant shall agree to a market rent no later than 30 days after such written notice from Tenant, otherwise the option becomes null and void. Exercise of this renewal option by Tenant will void any termination options contained in the Lease or this amendment.

4. ENERGY CONSERVATION:

Landlord will work cooperatively with Tenant in an effort to install energy efficient T8 fluorescent lighting and/or motion sensors throughout the Premises. In the event that Tenant desires to implement these energy conservation measures, the costs of such measures shall be shared as follows; Tenant will pay for the cost of all materials while the Landlord will pay for the cost of installation. Tenant will notify Landlord in writing of Tenant's desire to install these items at which time Landlord and Tenant shall mutually agree on a budget and scope of work prior to commencement of any work.

5. EARLY TERMINATION PROVISION:

Tenant shall have a one-time right to cancel this Lease solely due to Tenant's lack of sufficient funding to pay rent in accordance with the terms of the Lease as a result of cancellation of Tenant's various grants and contracts. Tenant shall provide Landlord with four (4) months prior written notice of its intent to cancel the Lease, along with reasonable financial information supporting cancellation of Tenant's various grants and contracts. Tenant may provide such notice to Landlord at any time between July 1, 2005 and September 30, 2005. Upon receipt of notice, Landlord shall provide Tenant with written notice outlining Landlord's acceptance of the notice, and Landlord's calculation of the actual date of early termination. The early termination date shall be the end of the fourth (4th) full calendar month following delivery and acceptance of Tenant's notice. Failure to provide notice in a timely manner, or to provide sufficient proof of cancellation of funding shall render this cancellation provision null and void. The early termination provision in Section 2 of the Addendum to Lease is hereby deleted.

6. RULES AND REGULATION:

The attached Rules and Regulations shall be a part of this Lease.

7. HOLDING OVER:

Section 17 of the Lease shall be modified to provide for a holdover rate of 150%.

8. BASEMENT STORAGE:

Tenant is currently in possession of approximately 480 square feet of basement storage space. Tenant shall be granted the use of this storage space "free of charge" until December 31, 2004. Should Tenant elect to retain all or a portion of said storage space beyond December 31, 2004, Tenant shall pay rent for such space at a rate of \$.50 per square foot per month.

All other terms and conditions of the Lease dated August 1, 2002 are in full force and effect.

Executed by Landlord and Tenant through its duly authorized representative, in duplicate, each of which shall be an original, as of the date first hereinabove mentioned.

LANDLORD:

Signed on 4/9/04

at _____

Sierra Vista Apts, II, LLP and MSK Ventures, LLC

By: Michael D. Keely
Michael D. Keely

Its: Managing Partner

TENANT:

Signed on 4/5/04

at _____

Family Resource And Referral Center
a non-profit corporation

By: Kay G. Ruhstaller

CONSULT YOUR ADVISORS - This document (including its exhibits and addenda, if any) has been prepared for review and approval by your attorney. Broker makes no representation or recommendation as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. Consult your attorney and tax accountant.

EXHIBIT D
509 WEST WEBER AVENUE
RULES AND REGULATIONS
WHICH CONSTITUTE A PART OF THE LEASE

Except as provided to the contrary in the Lease, including amendments, addendum's, and exhibits:

1. The sidewalks, entrances, passages, courts, elevators, vestibules, stairways, corridors or walkways shall not be obstructed by the Lessee or used for any purpose by Lessee other than ingress and egress.
2. No awning or other projection shall be displayed or attached to the outside walls of the building of which the Premises are a part without the prior written consent of Lessor. No curtains, blinds, shades or screens shall be attached to or hung in connection with, any window or door of the Premises, without the prior written consent of Lessor. Such awnings, projections, curtains, blinds, shades, screens or other fixtures must be of a quality, type, design and color, and attached in the manner approved by Lessor.
3. Electric wiring of every kind and telephone outlets shall be installed in a manner as will be prescribed by Lessor. The location of convenience outlets, electric light outlets, power outlets and telephone outlets shall be approved by Lessor, prior to installation, but the cost paid by the Lessee. No electrical wall or ceiling fixture shall be installed unless first approved by lessor. All electric work must be done by electricians so licensed by the State of California pursuant to proper governmental permits. The ceiling is a return air plenum for the heating ventilation and cooling system and all materials in the ceiling shall be fire rated.
4. The sashes, sash doors, windows, and doors that reflect or admit light and air into any public places in the building of which the Premises is a part shall not be covered or obstructed by lessee, nor shall any bottles, parcels or other articles be placed on the window sills, except Lessor shall have the right to require lessee to keep the window coverings closed at all times or some of the time.
5. The water and wash closets and other plumbing fixtures shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags or other substances shall be borne by the Lessee who, or whose servants, employees, agents, visitors or licensees shall have caused the same.
6. No Lessee shall mark, paint, drill into, or in any way deface any part of the Premises of 509 West Weber Avenue. No boring, cutting or stringing of wires or laying of carpeting, linoleum or other similar floor coverings shall be permitted, except with the prior written consent of the Lessor and as Lessor may direct, except for general decorating.
7. No bicycles, vehicles or animals of any kind shall be brought into or kept in or about the premises. ~~No cooking (including popcorn) shall be done or permitted by any Lessee on the Premises, except the preparation of coffee, tea, hot chocolate and similar items for Lessees and their employees shall be permitted.~~ No Lessee shall cause or permit any unusual or objectionable odors to be produced upon the building or any other tenant's space. KGR
NDK
8. The Premises shall not be used for manufacturing or for the storage of merchandise except as such storage may incidental to the use of the premises for general office purposes. No Lessee shall occupy or permit any portion of the premises to be occupied as an office for a public stenographer or typist, or for the manufacture or sale of liquor, narcotics, or tobacco in any form, or as a medical office, or as a barber or manicure shop, or an employment bureau. No lessee shall engage or pay any employees on the premises except those actually working for such lessee on the

Premises. The premises shall not be used for lodging or sleeping or for any immoral or illegal purposes.

9. No Lessee shall use, keep or permit to be used or kept any foul or noxious gas or substances in the premises of 509 West Weber Avenue or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to lessor or other Lessees of 509 West Weber Avenue or neighboring buildings by reason of noise, odors and/or vibrations, including, without limitation, by the use of any musical instrument, radio, phonograph, sound-producing instrument or device that can be heard outside the Premises.
10. No Lessee shall place any radio or television antenna on the roof or on any part of the inside or outside of 509 West Weber Avenue other than inside the Premises. No Lessee shall operate any electrical device from which may emanate electrical waves which may interfere with or impair radio or television broadcasting or reception from or in 509 West Weber Avenue.
11. No Lessee, nor any of Lessee's servants, employees, agents, visitors or licensees, shall at any time keep or permit to be kept upon the Premises any inflammable, combustible or explosive fluid, chemical or substance.
12. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by any Lessee, nor shall any changes be made in existing locks or the mechanism thereof. All keys to the premises, and any other part of 509 West Weber Avenue, shall be obtained by the lessee only from Lessor. Lessor shall furnish Lessee, without charge, five (5) keys to each entrance door to the Premises. The Lessee shall obtain any additional keys only from Lessor and shall not make or otherwise procure any additional sets of keys. Each Lessee must, upon termination of his tenancy, return to the Lessor all such keys and in the event of the loss of any keys so furnished, such Lessee shall pay to the Lessor the cost of replacing the same or of changing the lock or locks opened by such lost key if Lessor shall deem it necessary to make such change.
13. The weight, size and position of all safes and other unusually heavy objects used or placed in the premises shall be prescribed by Lessor. The repair of any damage done to 509 West Weber Avenue or property therein by putting or taking out or maintaining such safes or other unusually heavy objects shall be made and paid for by Lessee. All removals, or the carrying in or out of 509 West Weber Avenue or moving within 509 West Weber Avenue of any safes, furniture or other fixtures or bulky matter of any kind must be made upon previous notice to the superintendent of 509 West Weber Avenue and under his supervision, and the persons employed by any Lessee for such work must be acceptable to Lessor. Lessor reserves the right to inspect all safes, furniture, fixtures, freight or other bulky articles to be brought into 509 West Weber Avenue and to exclude from 509 West Weber Avenue all safes, freight or other bulky articles which violate any of these Rules and Regulations of the lease of which these Rules and Regulations are a part. Lessor reserves the right to prescribe the weight and position of all safes, which must be placed upon supports, approved by Lessor to distribute the weight.
14. No Lessee shall purchase spring water, ice, towel, janitorial or maintenance or other like service, from any company or persons unless the written consent of lessor is first obtained.
15. Lessor shall have the right to prohibit any advertising by any Lessee which, in Lessor's opinion, tends to impair the reputation of 509 West Weber Avenue or its desirability as an office building park and upon written notice from Lessor any Lessee shall refrain from or discontinue such advertising. In no event shall Lessee use the name of 509 West Weber Avenue or Lessor in its advertising.
16. Any persons who are agents, employees, contractors or invitees of any Lessee shall, while in 509 West Weber Avenue, and outside of the premises, be subject to and

under the control and direction of the superintendent or manager of 509 West Weber Avenue (but not as an agent or servant of said superintendent or of Lessor, and the Lessee shall be responsible for all acts of such persons).

17. The requirements of Lessee will be attended to only upon application to the Lessor.
18. Canvassing, soliciting, and peddling in 509 West Weber are prohibited and each Lessee shall operate to prevent the same.
19. All office equipment of any electrical or mechanical nature shall be placed by Lessee in the premises in settings approved by Lessor, to absorb or prevent any vibration, noise or annoyance.
20. No air conditioning unit or other similar apparatus shall be installed or used by any Lessee without the written consent of Lessor.
21. There shall not be used in any space, or in the public halls of 509 West Weber Avenue either by any Lessee or others, any hand trucks except those equipped with rubber tires and side guards. Lessees shall insure that movers place hardboard over common area tile and carpets to prevent the carpet or its backing from being damaged. Lessee will have the movers install pads in elevators prior to using the elevator to move furniture or equipment.
22. The expense of repairing any damage resulting from violation of any Rule or Regulation herein shall be borne by the Lessee by whom, or whose contractors, employees or invitees, the damage shall have been caused.
23. No Lessee shall throw anything out of the doors, windows or onto the walkways or down the stairways.
24. Lessor reserves the right to exclude or expel from 509 West Weber Avenue any person who, in the judgment of Lessor, is intoxicated or under the influence of liquor or drugs or who shall in any manner do any act in violation of these Rules and Regulations
25. Smoking is prohibited in the entire building.
26. Subject to Paragraph 9 of the Lease, Landlord shall provide services and utilities to the building twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) days per year.

BUILDING STANDARD OPERATING HOURS are:

7:00. a.m.-6:00 p.m. Mon – Fri, excluding nationally recognized holidays.

27. Tenant shall abide by the CC& R's for the Waterfront Office Towers, as well as the parking and other common area rules as adopted by the Waterfront Office Towers Owners Association.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Farmers & Merchants Bank of Central California
P.O. Box 3000
Lodi, CA 95241
Attn: Loan Center
Loan #: 65-103203-30

INSTRUMENT NO.
RECORDED BY
First American Title Co. of Stockton
RECORDED 7 NOV 2003
INST 03-258285
OFFICIAL RECORDS OF
SAN JOAQUIN COUNTY
JAMES JOHNSTONE COUNTY RECORDER
WE HEREBY CERTIFY THIS TO BE A FULL, TRUE
AND CORRECT COPY OF THE ORIGINAL
First American Title Co. of Stockton
By S. Shannon

**SUBORDINATION OF LEASE,
NONDISTURBANCE AND ATTORNMENMENT AGREEMENT**

**NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN THE
LEASEHOLD ESTATE IN THE PROPERTY BECOMING SUBJECT TO
AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR
LATER SECURITY INSTRUMENT.**

THIS SUBORDINATION OF LEASE, NONDISTURBANCE AND ATTORNMENMENT AGREEMENT (this "Agreement") is entered into as of OCTOBER 17, 2003, by and among SIERRA VISTA APTS. II, A CALIFORNIA LIMITED PARTNERSHIP AS TENANTS IN COMMON WITH MSK VENTURES, LLC. ("Lessor", as successor to S.W.O.T. II, A CALIFORNIA LIMITED PARTNERSHIP), FAMILY RESOURCE AND REFERRAL, AN AGENCY OF STOCKTON METROPOLITAN MINISTRY ("Lessee"), and FARMERS & MERCHANTS BANK OF CENTRAL CALIFORNIA, a California banking corporation ("Bank"), with reference to the following facts:

A. Pursuant to a lease dated as of AUGUST 01, 2002 between Lessor and Lessee (collectively, the "Lease"), Lessee has obtained or will obtain possession, use and enjoyment of that certain property, or a portion thereof, located at 509 W. WEBER AVENUE, SUITES 300, City of STOCKTON, County of SAN JOAQUIN, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (the "Property").

B. The obligations of Lessor to Bank under the Loan will be secured by that certain Deed of Trust, Security Agreement, Fixture Filing and Assignment of Leases and Rents of even date herewith by Lessor, as trustor, in favor of Bank, as beneficiary, (the "Deed of Trust") which, among other collateral, encumbers the Property and the Lease, the leasehold created by the Lease (the "Leasehold") and all rents and other sums due under the Lease (the "Rents").

C. To induce Bank to make the Loan to Lessor, Lessee is willing to acknowledge Bank's lien against the Property, the Lease, the Leasehold and the Rents under the Deed of

Trust and subordinate the Lease and the Leasehold to the lien of the Deed of Trust and to attorn to Bank, subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the foregoing facts and the mutual covenants contained herein, and for other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Assignment of Lease. Lessee acknowledges and agrees that it has notice that the Bank has obtained a lien pursuant to the Deed of Trust on the Lease, the Leasehold and the Rents. In the event Bank notifies Lessee of the occurrence of an Event of Default under the Deed of Trust and demands that Lessee pay Rents due under the Lease directly to Bank, Lessee shall honor such demand and pay such sums due under the Lease directly to Bank or as otherwise directed pursuant to such notice. In complying with these provisions, Lessee shall be entitled to rely solely upon the notices given by Bank, and Lessor agrees to indemnify and hold Lessee harmless from and against any and all loss, claim, damage or liability arising out of Lessee's compliance with such notice. Lessee shall be entitled to full credit under the Lease for any Rents paid to Bank in accordance with the provisions of this paragraph to the same extent as if such Rents were paid directly to Lessor. Any dispute between Bank and Lessor as to the extent, nature, existence or continuance of such an Event of Default, or with respect to foreclosure of the Deed of Trust by Bank, shall be dealt with and adjusted solely between Bank and Lessor, and Lessee shall not be made a party thereto except to the extent required by law.

2. Priority of Deed of Trust. Lessee agrees that the Deed of Trust and any modifications, amendments and supplements thereto shall unconditionally be and remain at all times a lien on the Property, prior and superior to the Lease, the Leasehold and all of Lessee's other rights thereunder, including any existing or future purchase option or right of first refusal in favor of Lessee in respect of the Property or any interest in or portion of the Property.

3. Attornment. If the interests of Lessor in the Property and under the Lease shall be acquired by Bank or a third person by reason of foreclosure of the Deed of Trust or any other act or proceeding made or brought to enforce the rights of the Bank, including by deed in lieu of foreclosure, the Lease and all terms therein, and the obligations of Lessee thereunder, shall continue in full force and effect and shall not be altered, terminated or disturbed, except in accordance with the terms of the Lease, and Lessee agrees to attorn to Bank or such third person and to be bound to Bank or such third person under all of the terms, covenants and conditions of the Lease for the balance of the term and any renewals thereof with the same force and effect as if the Bank or such third person were the original landlord under the Lease. The within attornment shall be effective and self-operative without the execution of any other instruments on the part of any party hereto, immediately upon Bank or such third person succeeding to the interests of Lessor under the Lease. Upon receipt by Lessee of notice from Bank or such third person that Bank or such third person has succeeded to the interests of Lessor under the Lease, Lessee will make all payments of monetary obligations due by Lessee under the Lease, after receipt of such notice, to Bank or such third person at the address provided by Bank or such third person.

4. Nondisturbance. If Bank or a third person shall succeed to the interests of Lessor under the Lease, Bank or such third person shall be bound to Lessee under all of the terms, covenants and conditions of the Lease, provided that Lessee is not in default (beyond any period given Lessee in the Lease to cure such default) in the payment of any Rents or in the performance of any other term, covenant or condition of the Lease to be performed by Lessee. In such an event Lessor shall remain liable to Lessee for any obligations or claims which arise from Lessor's breach of the Lease or from other acts or omissions of Lessor which occur prior to Bank or such third party acquiring title to the premises, provided that Bank or such third person shall not be:

- (a) liable for any acts or omissions of Lessor or any prior landlord under the Lease; or
- (b) liable for any consequential damages attributable to any acts or omissions of Lessor; or
- (c) liable for the repayment of any monies paid by Lessee under the Lease, including security deposits, unless Bank actually received possession of such monies; or
- (d) liable for any costs or expenses related to any indemnification or representation provided by Lessor or any prior landlord under the Lease.

5. Liability. Anything herein or in the Lease to the contrary notwithstanding, in the event that Bank shall acquire title to the Property, Bank shall have no obligation, nor incur any liability beyond the then-existing interests, if any, of Bank in the Property, and Lessee shall look exclusively to such interest of Bank in the Property for the payment and discharge of any obligations imposed upon Bank hereunder or under the Lease, and Bank is hereby released and relieved of any other liability hereunder and under the Lease. As regards Bank, Lessee shall look solely to the estate or interest owned by Bank in the Property and Lessee will not collect or attempt to collect any judgment out of any other assets of Bank. By executing this Agreement, Lessor specifically acknowledges and agrees that nothing contained in this Section 5 shall impair, limit, affect, diminish, abrogate or otherwise modify the obligations of Lessor to Lessee under the Lease.

6. Termination; Notice. Lessee agrees that, without the prior written consent of Bank, Lessee will not cancel, terminate or surrender, except at the normal expiration of the term of the Lease, the Lease or modify, amend or supplement the Lease. Lessee agrees with Bank that Lessee will not seek to terminate the Lease by reason of any act or omission of Lessor or for any other reason until Lessee has given written notice to Bank of said act or omission and Lessee's intent to terminate the Lease, and until a period of 30 days shall have elapsed following Bank's receipt of such notice, during which period Bank shall have the right, but not the obligation, to remedy such act, omission or other matter and avoid such termination. Any notice of default under the Lease sent by Lessee to Lessor shall be sent by Lessee to Bank at the same time such notice is sent to Lessor. Bank may, but shall not be obligated to, cure any default by Lessor.

7. Further Assurances. So long as the Deed of Trust shall remain a lien upon the Property or any part thereof, Lessee, its successors or assigns or any other holder of the leasehold estate created by the Lease shall execute, acknowledge and deliver, upon Bank's demand, at any time or times, any and all further subordinations, agreements, estoppel certificates or other instruments in recordable form reasonably sufficient for that purpose or that Bank, its successors or assigns may hereafter reasonably require for carrying out the purpose and intent of the foregoing covenants.

8. Notices. All notices of any kind which any party hereto may be required or may desire to serve on the other shall be deemed served upon personal delivery, or, if mailed, upon the first to occur of receipt or the expiration of 72 hours after deposit in United States Postal Service, certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to Bank: Farmers & Merchants Bank of Central California
121 West Pine Street
P.O. Box 3000
Lodi, CA 95241
Attn: Loan Center Manager

If to Lessee: FAMILY RESOURCE AND REFERRAL, AN AGENCY
OF STOCKTON METROPOLITAN MINISTRY
509 W. Webber Avenue, Suite 101
Stockton, CA 95203

9. Modification and Release. Lessee acknowledges and agrees that the Bank may, without waiving, reducing, altering, releasing or discharging any of Lessee's obligations or agreements under this Agreement, including the subordination of the Lease: (i) release or compromise any obligation of any nature with respect to the Deed of Trust or the promissory note or any other document, certificate, instrument or agreement evidencing the Loan (the "Loan Documents"); (ii) release its security interest in, or surrender, release or permit any substitution or exchange of all or any part of any properties securing repayment of the Loan; (iii) retain or obtain a security interest in any property to secure payment of the Loan; or (iv) modify, amend or supplement any of the original or subsequent Loan Documents.

10. No Notice. Except where required by law, Bank shall not be obligated to give Lessee notices of any kind, including those in connection with the following circumstances: (i) for any default, whether of money or of any other term or condition in the Loan Documents; or (ii) for any modification, amendment, deferral, extension, consolidation or supplement to the original or any subsequent Loan Documents.

11. Captions and Interpretation. The captions and headings of various sections of this Agreement are for convenience only and are not to be considered as defining or limiting in any way the scope or intent of the provisions of this Agreement. The words "approval" and "notice," when used in this Agreement, shall be deemed to be preceded by the word "written."

The word "including," when used in this Agreement, shall be deemed to be followed by the words "without limitation" or "but not limited to."

12. Miscellaneous. This Agreement shall be governed by and construed in accordance with the laws of the State of California. This Agreement may not be modified, amended or supplemented except in writing signed by all parties hereto. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. This Agreement constitutes the entire and integrated agreement among the parties in respect of the matters addressed herein and supersedes all prior negotiations, communications, understandings, commitments and agreements of the parties, whether written or oral. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same agreement.

13. Binding Effect. This Agreement inures to the benefit of and binds Lessor, Lessee and Bank and their respective successors and assigns. All rights of Bank under this Agreement shall inure to the benefit of any person or entity that acquires the Property or other property encumbered by the Deed of Trust in a foreclosure sale, trustee's sale or other proceedings brought to enforce the rights of the holder of the Note, or by deed in lieu of such foreclosure or otherwise.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH MAY ALLOW THE PARTIES AGAINST WHOM YOU CLAIM AN EQUITABLE INTEREST IN REAL PROPERTY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE PROPERTY.

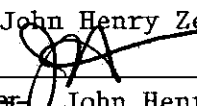
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

LESSOR:

SIERRA VISTA APTS. II, A CALIFORNIA LIMITED PARTNERSHIP

By: Zeiter Real Estate Ltd., L.P., a California Limited Partnership, General Partner

By: John Henry Zeiter, as Trustee of the John Henry Zeiter Separate Property Trust dated 7/27/92, General Partner


John Zeiter John Henry Zeiter, Trustee

MSK VENTURES, LLC. a California limited liability company


Michael D. Keely, Member


Shelly Cannon-Keely, Member

Signatures continue on next page

LESSEE:

FAMILY RESOURCE AND REFERRAL, AN AGENCY OF STOCKTON
METROPOLITAN MINISTRY

By: Kay G. Ruhstaller

Name: Kay G. Ruhstaller

Its: Executive Director

BANK:

Farmers & Merchants Bank of Central California,
a California banking corporation

By: Christa L. Steele
Christa L. Steele
VICE PRESIDENT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

San Joaquin

} ss.

On 29 Oct 2003, before me, Stephanie Bohannon Notary Public

Date

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared

Kay G. Ruhstaller

Name(s) of Signer(s)

☐ personally known to me☒ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Stephanie Bohannon
 Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document:

Subordination of Lease

Document Date:

17 Oct 2003

Number of Pages:

7

Signer(s) Other Than Named Above:

John Zeiter, Michael D. Keely
Shelly Cannon-Keely, Christa L. Steele**Capacity(ies) Claimed by Signer**

Signer's Name:

Kay G. Ruhstaller☐ Individual☐ Corporate Officer — Title(s):☐ Partner — ☐ Limited ☐ General☐ Attorney in Fact☐ Trustee☐ Guardian or Conservator☒ Other: Executive Director

Signer Is Representing:

Family Resource + ReferralRIGHT THUMBPRINT
OF SIGNER

Top of thumb here

ESCROW NO.: 207237VQ TIT ORDER NO.: 207237

ALL PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

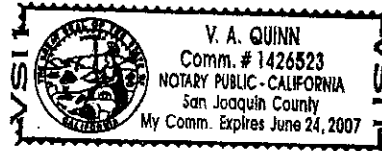
COUNTY OF San JoaquinOn November 4, 2003before me, V. A. Quinn

a Notary Public in and for said State, personally appeared

John Henry Zeiter

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature V. A. Quinn

(This area for official notarial seal)

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to another document.

THIS CERTIFICATE **MUST** BE ATTACHED TO
THE DOCUMENT DESCRIBED AT RIGHT.

Title of Document Type _____

Number of Pages _____

Date of Document _____

Signer(s) Other Than Named Above _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

SAN JOAQUIN

} ss.

On OCTOBER 29 2002 before me, V. A. Quinn, Notary Public

Date

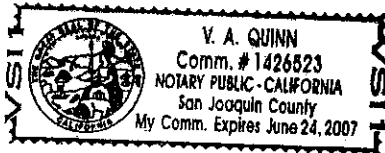
Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared CHRISTA L. STEELE

Name(s) of Signer(s)

☐ personally known to me☒ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____

Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by SignerSigner's Name: CHRISTA L. Steele☐ Individual☒ Corporate Officer — Title(s): Vice President☐ Partner — ☐ Limited ☐ General☐ Attorney in Fact☐ Trustee☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

ALL PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

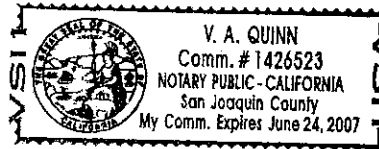
COUNTY OF San JoaquinOn November 5, 2003before me, V.A. Quinn

a Notary Public in and for said State, personally appeared

Michael D. Keely and Shelly Cannon Keely

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature V.A. Quinn

(This area for official notarial seal)

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to another document.

THIS CERTIFICATE **MUST** BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT.

Title of Document Type Subordination of Lease

Number of Pages _____

Date of Document _____

Signer(s) Other Than Named Above _____

EXHIBIT A

LEGAL DESCRIPTION

THAT CERTAIN REAL PROPERTY SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN JOAQUIN, CITY OF STOCKTON, DESCRIBED AS FOLLOWS:

PARCEL ONE:

UNIT NOS. 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215 AND 216, AS SHOWN ON THAT CERTAIN CONDOMINIUM PLAN (PLAN), ATTACHED AS EXHIBIT "B-2" TO THE WATERFRONT OFFICE TOWERS DECLARATION OF RESTRICTIONS, RECORDED JULY 21, 1983 AS RECORDER'S INSTRUMENT NO. 83052758, SAN JOAQUIN COUNTY RECORDS, (DECLARATION); TOGETHER WITH THE EXCLUSIVE USE OF THE BASEMENT UNIT(S), AS SHOWN ON THE CONDOMINIUM PLAN ENTITLED, THE WATERFRONT OFFICE TOWER II, ATTACHED AS EXHIBIT "B-2" TO THE DECLARATION, AND THE EXCLUSIVE USE OF THE OTHER PROJECT RESTRICTED COMMON AREA, APPURTENANT TO SUCH UNIT(S) AS SET FORTH IN EXHIBIT "E" TO THE DECLARATION.

PARCEL TWO:

AN UNDIVIDED OWNERSHIP INTEREST AS TENANT IN COMMON, IN THE PROJECT COMMON AREA, AS SHOWN ON THE PLAN. SUCH OWNERSHIP INTEREST IS MORE FULLY SET FORTH IN EXHIBIT "C" TO THE DECLARATION.

PARCEL THREE:

A NON-EXCLUSIVE EASEMENT OF USE, ENJOYMENT, INGRESS, EGRESS AND SUPPORT IN, OVER AND THROUGH ALL SUBDIVISION GENERAL COMMON AREA, AND PROJECT COMMON AREA AS DEFINED IN THE DECLARATION.

PARCEL FOUR:

THE RIGHT TO USE PARKING SPACES ASSIGNED BY THE WATERFRONT OFFICE TOWERS OWNERS' ASSOCIATION, SUBJECT TO THE DECLARATION.



OFFICE BUILDING LEASE

Coldwell Banker Commercial
Real Estate Services
BROKERAGE AND MANAGEMENT
Division of Coldwell Banker Commercial Group, Inc. Licensed Real Estate Broker

ATTACHMENT A

This Lease between S.W.O.T. II
a CALIFORNIA LIMITED PARTNERSHIP
("Landlord"), and FAMILY RESOURCE AND REFERRAL, AN AGENCY OF STOCKTON METROPOLITAN MINISTRY
a NON-PROFIT CORPORATION, ("Tenant"), is
dated AUGUST 1, 2002.

1. LEASE OF PREMISES.

In consideration of the Rent (as defined at Section 5.4) and the provisions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises ~~shown by diagonal lines on the floor plan attached hereto as Exhibit "A," and further described at Section 2i.~~ The Premises are located within the Building and Project described in Section 2m. Tenant shall have the non-exclusive right (unless otherwise provided herein) in common with Landlord, other tenants, subtenants and invitees, to use of the Common Areas (as defined at Section 2e).

2. DEFINITIONS

As used in this Lease, the following terms shall have the following meanings:

- a. Base Rent (initial): \$ 168,948.00 per year.
- b. Base Year: The calendar year of N/A
- c. Broker(s)
Landlord's: NONE
Tenant's: NONE
- d. Commencement Date: AUGUST 1, 2002
- e. Common Areas: the building lobbies, common corridors and hallways, restrooms, garage and parking areas, stairways, elevators and other generally understood public or common areas. Landlord shall have the right to regulate or restrict the use of the Common Areas.
- f. Expense Stop: (fill in if applicable): \$ N/A
- g. Expiration Date: JULY 31, 2004, unless otherwise sooner terminated in accordance with the provisions of this Lease.
- ~~h. Index (Section 5.2): United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for All Urban Consumers, Average, Subgroup "All Items" (1967 = 100).~~
- i. Landlord's Mailing Address: P.O. BOX 871
MANTECA, CA 95336
Tenant's Mailing Address: 509 W. WEBER AVENUE, SUITE 101
STOCKTON, CA 95203
- j. Monthly Installments of Base Rent (initial): \$ 14,079.00 per month.
- k. Parking: Tenant shall be permitted; ~~upon payment of the then prevailing monthly rate (as set by Landlord from time to time) to park~~ ^{an} 33 cars on a ~~non-exclusive~~ basis in the area(s) designated by Landlord for parking. Tenant shall abide by any and all parking regulations and rules established from time to time by Landlord or Landlord's parking operator. Landlord reserves the right to separately charge Tenant's guests and visitors for parking.
- l. Premises: that portion of the Building containing approximately 10,830 square feet of Rentable Area, ~~shown by diagonal lines on Exhibit "A,"~~ located on the THIRD floor of the Building and known as Suite 300.
- m. Project: the building of which the Premises are a part (the "Building") and any other buildings or improvements on the real property (the "Property") located at 509 W. WEBER AVENUE, STOCKTON, CA 95203 and further described at Exhibit "B." The Project is known as WATERFRONT OFFICE TOWER II
- n. Rentable Area: as to both the Premises and the Project, the respective measurements of floor area as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.

- o. Security Deposit (Article 7): \$ N/A
- p. State: the State of CALIFORNIA
- q. ~~Tenant's First Adjustment Date (Section 5.2): the first day of the calendar month following the Commencement Date plus _____ months.~~
- r. Tenant's Proportionate Share: N/A %. Such share is a fraction, the numerator of which is the Rentable Area of the Premises, and the denominator of which is the Rentable Area of the Project, as determined by Landlord from time to time. The Project consists of _____ building(s) containing a total Rentable Area of 50,642 square feet.
- s. Tenant's Use Clause (Article 8): GENERAL OFFICE USE

t. Term: the period commencing on the Commencement Date and expiring at midnight on the Expiration Date.

3. EXHIBITS AND ADDENDA.

The exhibits and addenda listed below (unless lined out) are incorporated by reference in this Lease:

- ~~a. Exhibit "A" Floor Plan showing the Premises.~~
~~b. Exhibit "B" Site Plan of the Project.~~
~~c. Exhibit "C" Building Standard Work Letter.~~
~~d. Exhibit "D" Rules and Regulations.~~
~~e. Exhibit "E" Guarantee.~~
 f. Addenda:

PARKING PLAN

4. DELIVERY OF POSSESSION.

If for any reason Landlord does not deliver possession of the Premises to Tenant on the Commencement Date, Landlord shall not be subject to any liability for such failure, the Expiration Date shall not change and the validity of this Lease shall not be impaired, but Rent shall be abated until delivery of possession. ~~"Delivery of possession" shall be deemed to occur on the date Landlord completes Landlord's Work as defined in Exhibit "C." If Landlord permits Tenant to enter into possession of the Premises before the Commencement Date, such possession shall be subject to the provisions of this Lease, including, without limitation, the payment of Rent.~~

5. RENT.

5.1. ~~Payment of Base Rent.~~ Tenant agrees to pay the ~~Base~~ Rent for the Premises. Monthly Installments of ~~Base~~ Rent shall be payable in advance on the first day of each calendar month of the Term. If the Term begins (or ends) on other than the first (or last) day of a calendar month, the ~~Base~~ Rent for the partial month shall be prorated on a per diem basis. Tenant shall pay Landlord the first Monthly Installment of ~~Base~~ Rent when Tenant executes the Lease.

~~5.2 Adjusted Base Rent.~~

~~a. The Base Rent (and the corresponding Monthly Installments of Base Rent) set forth at Section 2a shall be adjusted annually (the "Adjustment Date"), commencing on Tenant's First Adjustment Date. Adjustments, if any, shall be based upon increases (if any) in the Index. The Index in publication three (3) months before the Commencement Date shall be the "Base Index." The Index in publication three (3) months before each Adjustment Date shall be the "Comparison Index." As of each Adjustment Date, the Base Rent payable during the ensuing twelve-month period shall be determined by increasing the initial Base Rent by a percentage equal to the percentage increase, if any, in the Comparison Index over the Base Index. If the Comparison Index for any Adjustment Date is equal to or less than the Comparison Index for the preceding Adjustment Date (or the Base Index, in the case of First Adjustment Date), the Base Rent for the ensuing twelve-month period shall remain the amount of Base Rent payable during the preceding twelve-month period. When the Base Rent payable as of each Adjustment Date is determined, Landlord shall promptly give Tenant written notice of such adjusted Base Rent and the manner in which it was computed. The Base Rent as so adjusted from time to time shall be the "Base Rent" for all purposes under this Lease.~~

~~b. If at any Adjustment Date the Index no longer exists in the form described in this Lease, Landlord may substitute any substantially equivalent official index published by the Bureau of Labor Statistics or its successor. Landlord shall use any appropriate conversion factors to accomplish such substitution. The substitute index shall then become the "Index" hereunder.~~

5.3 Project Operating Costs.

a. In order that the Rent payable during the Term reflect any increase in Project Operating Costs, Tenant agrees to pay to Landlord as Rent, Tenant's Proportionate Share of all increases in costs, expenses and obligations attributable to the Project and its operation, all as provided below.

b. If, during any calendar year during the Term, Project Operating Costs exceed the Project Operating Costs for the Base Year, Tenant shall pay to Landlord, in addition to the Base Rent and all other payments due under this Lease, an amount ~~equal to Tenant's Proportionate Share of such excess Project Operating Costs in accordance with the provisions of this Section 5.3b.~~

~~(1) The term "Project Operating Costs" shall include all those items described in the following subparagraphs (a) and (b).~~

~~(a) All taxes, assessments, water and sewer charges and other similar governmental charges levied on or attributable to the Building or Project or their operation, including without limitation, (i) real property taxes or assessments levied or assessed against the Building or Project, (ii) assessments or charges levied or assessed against the Building or Project by any redevelopment agency, (iii) any tax measured by gross rentals received from the leasing of the Premises, Building or Project, excluding any net income, franchise, capital stock, estate or inheritance taxes imposed by the State or federal government or their agencies, branches or departments; provided that if at any time during the Term any governmental entity levies, assesses or imposes on Landlord any (1) general or special, ad valorem or specific, excise, capital levy or other tax, assessment, levy or charge directly on the Rent received under this Lease or on the rent received under any other leases of space in the Building or Project, or (2) any license fee, excise or franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rent, or (3) any transfer, transaction, or similar tax, assessment, levy or charge based directly or indirectly upon the transaction represented by this Lease or such other leases, or (4) any occupancy, use, per capita or other tax, assessment, levy or charge based directly or indirectly upon the use or occupancy of the Premises or other premises within the Building or Project, then any such taxes, assessments, levies and charges shall be deemed to be included in the term Project Operating Costs. If at any time during the Term the assessed valuation of, or taxes on, the Project are not based on a completed Project having at least eighty-five percent (85%) of the Rentable Area occupied, then the "taxes" component of Project Operating Costs shall be adjusted by Landlord to reasonably approximate the taxes which would have been payable if the Project were completed and at least eighty-five percent (85%) occupied.~~

~~(b) Operating costs incurred by Landlord in maintaining and operating the Building and Project, including without limitation the following: costs of (1) utilities; (2) supplies; (3) insurance (including public liability, property damage, earthquake, and fire and extended coverage insurance for the full replacement cost of the Building and Project as required by Landlord or its lenders for the Project; (4) services of independent contractors; (5) compensation (including employment taxes and fringe benefits) of all persons who perform duties connected with the operation, maintenance, repair or overhaul of the Building or Project, and equipment, improvements and facilities located within the Project, including without limitation engineers, janitors, painters, floor waxers, window washers, security and parking personnel and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Building or Project tenants); (6) operation and maintenance of a room for delivery and distribution of mail to tenants of the Building or Project as required by the U.S. Postal Service (including, without limitation, an amount equal to the fair market rental value of the mail room premises); (7) management of the Building or Project, whether managed by Landlord or an independent contractor (including, without limitation, an amount equal to the fair market value of any on-site manager's office); (8) rental expenses for (or a reasonable depreciation allowance on) personal property used in the maintenance, operation or repair of the Building or Project; (9) costs, expenditures or charges (whether capitalized or not) required by any governmental or quasi-governmental authority; (10) amortization of capital expenses (including financing costs) (i) required by a governmental entity for energy conservation or life safety purposes, or (ii) made by Landlord to reduce Project Operating Costs; and (11) any other costs or expenses incurred by Landlord under this Lease and not otherwise reimbursed by tenants of the Project. If at any time during the Term, less than eighty-five percent (85%) of the Rentable Area of the Project is occupied, the "operating costs" component of Project Operating Costs shall be adjusted by Landlord to reasonably approximate the operating costs which would have been incurred if the Project had been at least eighty-five percent (85%) occupied.~~

~~(2) Tenant's Proportionate Share of Project Operating Costs shall be payable by Tenant to Landlord as follows:~~

~~(a) Beginning with the calendar year following the Base Year and for each calendar year thereafter ("Comparison Year"), Tenant shall pay Landlord an amount equal to Tenant's Proportionate Share of the Project Operating Costs incurred by Landlord in the Comparison Year which exceeds the total amount of Project Operating Costs payable by Landlord for the Base Year. This excess is referred to as the "Excess Expenses."~~

~~(b) To provide for current payments of Excess Expenses, Tenant shall, at Landlord's request, pay as additional rent during each Comparison Year, an amount equal to Tenant's Proportionate Share of the Excess Expenses payable during such Comparison Year, as estimated by Landlord from time to time. Such payments shall be made in monthly installments, commencing on the first day of the month following the month in which Landlord notifies Tenant of the amount it is to pay hereunder and continuing until the first day of the month following the month in which Landlord gives Tenant a new notice of estimated Excess Expenses. It is the intention hereunder to estimate from time to time the amount of the Excess Expenses for each Comparison Year and Tenant's Proportionate Share thereof, and then to make an adjustment in the following year based on the actual Excess Expenses incurred for that Comparison Year.~~

~~(c) On or before April 1 of each Comparison Year after the first Comparison Year (or as soon thereafter as is practical), Landlord shall deliver to Tenant a statement setting forth Tenant's Proportionate Share of the Excess Expenses for the preceding Comparison Year. If Tenant's Proportionate Share of the actual Excess Expenses for the previous Comparison Year exceeds the total of the estimated monthly payments made by Tenant for such year, Tenant shall pay Landlord the amount of the deficiency within ten (10) days of the receipt of the statement. If such total exceeds Tenant's Proportionate Share of the actual Excess Expenses for such Comparison Year, then Landlord shall credit against Tenant's next ensuing monthly installment(s) of additional rent an amount equal to the difference until the credit is exhausted. If a credit is due from Landlord on the Expiration Date, Landlord shall pay Tenant the amount of the credit. The obligations of Tenant and Landlord to make payments required under this Section 5.3 shall survive the Expiration Date.~~

~~(d) Tenant's Proportionate Share of Excess Expenses in any Comparison Year having less than 365 days shall be appropriately prorated.~~

~~(e) If any dispute arises as to the amount of any additional rent due hereunder, Tenant shall have the right after reasonable notice and at reasonable times to inspect Landlord's accounting records at Landlord's accounting office and, if after such inspection Tenant still disputes the amount of additional rent owed, a certification as to the proper amount shall be made by Landlord's certified public accountant, which certification shall be final and conclusive. Tenant agrees to pay the cost of such certification unless it is determined that Landlord's original statement overstated Project Operating Costs by more than five percent (5%).~~

~~(f) If this Lease sets forth an Expense Stop at Section 2f, then during the Term Tenant shall be liable for Tenant's Proportionate Share of any actual Project Operating Costs which exceed the amount of the Expense Stop. Tenant shall make current payments of such excess costs during the Term in the same manner as is provided for payment of Excess Expenses under the applicable provisions of Section 5.3b(2)(b) and (c) above.~~

5.4 Definition of Rent. All costs and expenses which Tenant assumes or agrees to pay to Landlord under this Lease shall be deemed additional rent (which, together with the Base Rent is sometimes referred to as the "Rent"). The Rent shall be paid to the Building manager (or other person) and at such place, as Landlord may from time to time designate in writing, without any prior demand therefor and without deduction or offset, in lawful money of the United States of America.

5.5 Rent Control. If the amount of Rent or any other payment due under this Lease violates the terms of any governmental restrictions on such Rent or payment, then the Rent or payment due during the period of such restrictions shall be the maximum amount allowable under those restrictions. Upon termination of the restrictions, Landlord shall, to the extent it is legally permitted, recover from Tenant the difference between the amounts received during the period of the restrictions and the amounts Landlord would have received had there been no restrictions.

5.6 Taxes Payable by Tenant. In addition to the Rent and any other charges to be paid by Tenant hereunder, Tenant shall reimburse Landlord upon demand for any and all taxes payable by Landlord (other than net income taxes) which are not otherwise reimbursable under this Lease, whether or not now customary or within the contemplation of the parties, where such taxes are upon, measured by or reasonably attributable to (a) the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or the cost or value of any leasehold improvements made in or to the Premises by or for Tenant, other than Building Standard Work made by Landlord, regardless of whether title to such improvements is held by Tenant or Landlord; (b) the gross or net Rent payable under this Lease, including, without limitation, any rental or gross receipts tax levied by any taxing authority with respect to the receipt of the Rent hereunder; (c) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or (d) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. If it becomes unlawful for Tenant to reimburse Landlord for any costs as required under this Lease, the Base Rent shall be revised to net Landlord the same net Rent after imposition of any tax or other charge upon Landlord as would have been payable to Landlord but for the reimbursement being unlawful.

6. INTEREST AND LATE CHARGES.

If Tenant fails to pay when due any Rent or other amounts or charges which Tenant is obligated to pay under the terms of this Lease, the unpaid amounts shall bear interest at the maximum rate then allowed by law. Tenant acknowledges that the late payment of any Monthly Installment of Base Rent will cause Landlord to lose the use of that money and incur costs and expenses not contemplated under this Lease, including without limitation, administrative and collection costs and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if any such installment is not received by Landlord within ten (10) days from the date it is due, Tenant shall pay Landlord a late charge equal to ten percent (10%) of such installment. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such nonpayment by Tenant. Acceptance of any interest or late charge shall not constitute a waiver of Tenant's default with respect to such nonpayment by Tenant nor prevent Landlord from exercising any other rights or remedies available to Landlord under this Lease.

7. SECURITY DEPOSIT.

~~Tenant agrees to deposit with Landlord the Security Deposit set forth at Section 2.0 upon execution of this Lease, as security for Tenant's faithful performance of its obligations under this Lease. Landlord and Tenant agree that the Security Deposit may be commingled with funds of Landlord and Landlord shall have no obligation or liability for payment of interest on such deposit. Tenant shall not mortgage, assign, transfer or encumber the Security Deposit without the prior written consent of Landlord and any attempt by Tenant to do so shall be void, without force or effect and shall not be binding upon Landlord.~~

~~If Tenant fails to pay any Rent or other amount when due and payable under this Lease, or fails to perform any of the terms hereof, Landlord may appropriate and apply or use all or any portion of the Security Deposit for Rent payments or any other amount then due and unpaid, for payment of any amount for which Landlord has become obligated as a result of Tenant's default or breach, and for any loss or damage sustained by Landlord as a result of Tenant's default or breach, and Landlord may so apply or use this deposit without prejudice to any other remedy Landlord may have by reason of Tenant's default or breach. If Landlord so uses any of the Security Deposit, Tenant shall, within ten (10) days after written demand therefor, restore the Security Deposit to the full amount originally deposited; Tenant's failure to do so shall constitute an act of default hereunder and Landlord shall have the right to exercise any remedy provided for at Article 27 hereof. Within fifteen (15) days after the Term (or any extension thereof) has expired or Tenant has vacated the Premises, whichever shall last occur, and provided Tenant is not then in default on any of its obligations hereunder, Landlord shall return the Security Deposit to Tenant, or, if Tenant has assigned its interest under this Lease, to the last assignee of Tenant. If Landlord sells its interest in the Premises, Landlord may deliver this deposit to the purchaser of Landlord's interest and thereupon be relieved of any further liability or obligation with respect to the Security Deposit.~~

8. TENANT'S USE OF THE PREMISES.

Tenant shall use the Premises solely for the purposes set forth in Tenant's Use Clause. Tenant shall not use or occupy the Premises in violation of law or any covenant, condition or restriction affecting the Building or Project or the certificate of occupancy issued for the Building or Project, and shall, upon notice from Landlord, immediately discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of law or the certificate of occupancy. Tenant, at Tenant's own cost and expense, shall comply with all laws, ordinances, regulations, rules and/or any directions of any governmental agencies or authorities having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or its use or occupation. A judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant that Tenant has violated any such laws, ordinances, regulations, rules and/or directions in the use of the Premises shall be deemed to be a conclusive determination of that fact as between Landlord and Tenant. Tenant shall not do or permit to be done anything which will invalidate or increase the cost of any fire, extended coverage or other insurance policy covering the Building or Project and/or property located therein, and shall comply with all rules, orders, regulations, requirements and recommendations of the Insurance Services Office or any other organization performing a similar function. Tenant shall

promptly upon demand reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Article. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or Project, or injure or annoy them, or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

9. SERVICES AND UTILITIES.

Provided that Tenant is not in default hereunder, Landlord agrees to furnish to the Premises during generally recognized business days, and during hours determined by Landlord in its sole discretion, and subject to the Rules and Regulations of the Building or Project, electricity for normal desk top office equipment and normal copying equipment, and heating, ventilation and air conditioning ("HVAC") as required in Landlord's judgment for the comfortable use and occupancy of the Premises. If Tenant desires HVAC at any other time, Landlord shall use reasonable efforts to furnish such service upon reasonable notice from Tenant and Tenant shall pay Landlord's charges therefor on demand. Landlord shall also maintain and keep lighted the common stairs, common entries and restrooms in the Building. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the Rent be abated by reason of (i) the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services; (ii) failure to furnish or delay in furnishing any such services where such failure or delay is caused by accident or any condition or event beyond the reasonable control of Landlord, or by the making of necessary repairs or improvements to the Premises, Building or Project; or (iii) the limitation, curtailment or rationing of, or restrictions on, use of water, electricity, gas or any other form of energy serving the Premises, Building or Project. Landlord shall not be liable under any circumstances for a loss of or injury to property or business, however occurring, through or in connection with or incidental to failure to furnish any such services. If Tenant uses heat generating machines or equipment in the Premises which affect the temperature otherwise maintained by the HVAC system, Landlord reserves the right to install supplementary air conditioning units in the Premises and the cost thereof, including the cost of installation, operation and maintenance thereof, shall be paid by Tenant to Landlord upon demand by Landlord. ~~Tenant shall be responsible for direct payment to the utility for electricity usage related to tenant's separately metered lighting and outlets.~~

Tenant shall not, without the written consent of Landlord, use any apparatus or device in the Premises, including without limitation, electronic data processing machines, punch card machines or machines using in excess of 120 volts, which consumes more electricity than is usually furnished or supplied for the use of premises as general office space, as determined by Landlord. Tenant shall not connect any apparatus with electric current except through existing electrical outlets in the Premises. Tenant shall not consume water or electric current in excess of that usually furnished or supplied for the use of premises as general office space (as determined by Landlord), without first procuring the written consent of Landlord, which Landlord may refuse, and in the event of consent, Landlord may have installed a water meter or electrical current meter in the Premises to measure the amount of water or electric current consumed. ~~The cost of any such meter and of its installation, maintenance and repair shall be paid for by the Tenant and Tenant agrees to pay to Landlord promptly upon demand for all such water and electric current consumed as shown by said meters, at the rates charged for such services by the local public utility plus any additional expense incurred in keeping account of the water and electric current so consumed. If a separate meter is not installed, the excess cost for such water and electric current shall be established by an estimate made by a utility company or electrical engineer hired by Landlord at Tenant's expense.~~

Nothing contained in this Article shall restrict Landlord's right to require at any time separate metering of utilities furnished to the Premises. In the event utilities are separately metered, Tenant shall pay promptly upon demand for all utilities consumed at utility rates charged by the local public utility ~~plus any additional expense incurred by Landlord in keeping account of the utilities so consumed. Tenant shall be responsible for the maintenance and repair of any such meters at its sole cost.~~

Landlord shall furnish elevator service, lighting replacement for building standard lights, restroom supplies, window washing and janitor services in a manner that such services are customarily furnished to comparable office buildings in the area.

10. CONDITION OF THE PREMISES.

Tenant's taking possession of the Premises shall be deemed conclusive evidence that as of the date of taking possession the Premises are in good order and satisfactory condition, except for such matters as to which Tenant gave Landlord notice on or before the Commencement Date. No promise of Landlord to alter, remodel, repair or improve the Premises, the Building or the Project and no representation, express or implied, respecting any matter or thing relating to the Premises, Building, Project or this Lease (including, without limitation, the condition of the Premises, the Building or the Project) have been made to Tenant by Landlord or its Broker or Sales Agent, other than as may be contained herein or in a separate exhibit or addendum signed by Landlord and Tenant.

11. CONSTRUCTION, REPAIRS AND MAINTENANCE.

a. *Landlord's Obligations.* ~~Landlord shall perform Landlord's Work to the Premises as described in Exhibit "C."~~ Landlord shall maintain in good order, condition and repair the Building and all other portions of the Premises not the obligation of Tenant or of any other tenant in the Building.

b. *Tenant's Obligations.*

(1) ~~Tenant shall perform Tenant's Work to the Premises as described in Exhibit "C."~~

(2) Tenant at Tenant's sole expense shall, except for services furnished by Landlord pursuant to Article 9 hereof, maintain the Premises in good order, condition and repair, including the interior surfaces of the ceilings, walls and floors, all doors, all interior windows, all plumbing, pipes and fixtures, electrical wiring, switches and fixtures, Building Standard furnishings and special items and equipment installed by or at the expense of Tenant.

(3) Tenant shall be responsible for all repairs and alterations in and to the Premises, Building and Project and the facilities and systems thereof, the need for which arises out of (i) Tenant's use or occupancy of the Premises, (ii) the installation, removal, use or operation of Tenant's Property (as defined in Article 13) in the Premises, (iii) the moving of Tenant's Property into or out of the Building, or (iv) the act, omission, misuse or negligence of Tenant, its agents, contractors, employees or invitees.

(4) If Tenant fails to maintain the Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. If Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant promptly after demand with interest at the prime commercial rate then being charged by Bank of America NT & SA plus two percent (2%) per annum, from the date of such work, but not to exceed the maximum rate then allowed by law. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performing any such work.

c. *Compliance with Law.* Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein.

d. *Waiver by Tenant.* Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Premises in good order, condition and repair.

e. *Load and Equipment Limits.* Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry, as determined by Landlord or Landlord's structural engineer. The cost of any such determination made by Landlord's structural engineer shall be paid for by Tenant upon demand. Tenant shall not install business machines or mechanical equipment which cause noise or vibration to such a degree as to be objectionable to Landlord or other Building tenants.

f. Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's 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 making any repairs or changes which Landlord is required or permitted by this Lease or by any other tenant's lease or required by law to make in or to any portion of the Project, Building or the Premises. Landlord shall nevertheless use reasonable efforts to minimize any interference with Tenant's business in the Premises. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Building's mechanical, electrical, plumbing, HVAC or other systems serving, located in, or passing through the Premises.

g. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Building's mechanical, electrical, plumbing, HVAC or other systems serving, located in, or passing through the Premises.

h. Upon the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord clean and in the same condition as on the date Tenant took possession, except for normal wear and tear. Any damage to the Premises, including any structural damage, resulting from Tenant's use or from the removal of Tenant's fixtures, furnishings and equipment pursuant to Section 13b shall be repaired by Tenant at Tenant's expense.

12. ALTERATIONS AND ADDITIONS.

a. Tenant shall not make any additions, alterations or improvements to the Premises without obtaining the prior written consent of Landlord. Landlord's consent may be conditioned on Tenant's removing any such additions, alterations or improvements upon the expiration of the Term and restoring the Premises to the same condition as on the date Tenant took possession. All work with respect to any addition, alteration or improvement shall be done in a good and workmanlike manner by properly qualified and licensed personnel approved by Landlord, and such work shall be diligently prosecuted to completion. Landlord may, at Landlord's option, require that any such work be performed by Landlord's contractor, in which case the cost of such work shall be paid for before commencement of the work. ~~Tenant shall pay to Landlord upon completion of any such work by Landlord's contractor, an administrative fee of fifteen percent (15%) of the cost of the work.~~

b. Tenant shall pay the costs of any work done on the Premises pursuant to Section 12a, and shall keep the Premises, Building and Project free and clear of liens of any kind. Tenant shall indemnify, defend against and keep Landlord free and harmless from all liability, loss, damage, costs, attorneys' fees and any other expense incurred on account of claims by any person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant.

Tenant shall keep Tenant's leasehold interest, and any additions or improvements which are or become the property of Landlord under this Lease, free and clear of all attachment or judgment liens. Before the actual commencement of any work for which a claim or lien may be filed, Tenant shall give Landlord notice of the intended commencement date a sufficient time before that date to enable Landlord to post notices of non-responsibility or any other notices which Landlord deems necessary for the proper protection of Landlord's interest in the Premises, Building or the Project, and Landlord shall have the right to enter the Premises and post such notices at any reasonable time.

c. Landlord may require, at Landlord's sole option, that Tenant provide to Landlord, at Tenant's expense, a lien and completion bond in an amount equal to at least one and one-half (1 1/2) times the total estimated cost of any additions, alterations or improvements to be made in or to the Premises, to protect Landlord against any liability for mechanic's and materialmen's liens and to insure timely completion of the work. Nothing contained in this Section 12c shall relieve Tenant of its obligation under Section 12b to keep the Premises, Building and Project free of all liens.

d. Unless their removal is required by Landlord as provided in Section 12a, all additions, alterations and improvements made to the Premises shall become the property of Landlord and be surrendered with the Premises upon the expiration of the Term; provided, however, Tenant's equipment, machinery and trade fixtures which can be removed without damage to the Premises shall remain the property of Tenant and may be removed, subject to the provisions of Section 13b.

13. LEASEHOLD IMPROVEMENTS; TENANT'S PROPERTY.

a. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant ("Leasehold Improvements"), shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 13b. Should Tenant affix bookcases, shelving or other fixtures or furniture to the walls, ceiling or floor during the term of this lease, Tenant shall be allowed to remove such improvements at the expiration of the term, provided however that Tenant shall repair all damages and return the Premises to Landlord in its original condition.

b. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to Landlord, which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the 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 Tenant's Property is removed, Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

14. RULES AND REGULATIONS.

~~Tenant agrees to comply with (and cause its agents, contractors, employees and invitees to comply with) the rules and regulations attached hereto as Exhibit "D" and with such reasonable modifications thereof and additions thereto as Landlord may from time to time make. Landlord shall not be responsible for any violation of said rules and regulations by other tenants or occupants of the Building or Project~~

15. CERTAIN RIGHTS RESERVED BY LANDLORD.

Landlord reserves the following rights, exercisable without liability to Tenant for (a) damage or injury to property, person or business, (b) causing an actual or constructive eviction from the Premises, or (c) disturbing Tenant's use or possession of the Premises:

- a. To name the Building and Project and to change the name or street address of the Building or Project;
- b. To install and maintain all signs on the exterior and interior of the Building and Project;
- c. To have pass keys to the Premises and all doors within the Premises, excluding Tenant's vaults and safes;
- d. At any time during the Term, and on reasonable prior notice to Tenant, to inspect the Premises, and to show the Premises to any prospective purchaser or mortgagee of the Project, or to any assignee of any mortgage on the Project, or to others having an interest in the Project or Landlord, and during the last six months of the Term, to show the Premises to prospective tenants thereof; and
- e. To enter the Premises for the purpose of making inspections, repairs, alterations, additions or improvements to the Premises or the Building (including, without limitation, checking, calibrating, adjusting or balancing controls and other parts of the HVAC system), and to take all steps as may be necessary or desirable for the safety, protection, maintenance or preservation of the Premises or the Building or Landlord's interest therein, or as may be necessary or desirable for the operation or improvement of the Building or in order to comply with laws, orders or requirements of governmental or other authority. Landlord agrees to use its best efforts (except in an emergency) to minimize interference with Tenant's business in the Premises in the course of any such entry.

16. ASSIGNMENT AND SUBLETTING.

No assignment of this Lease or sublease of all or any part of the Premises shall be permitted, except as provided in this Article 16.

- a. Tenant shall not, without the prior written consent of Landlord, assign or hypothecate this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. Any of the foregoing acts without such consent shall be void and shall, at the option of Landlord, terminate this Lease. This Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law without the written consent of Landlord.
- b. If at any time or from time to time during the Term Tenant desires to assign this Lease or sublet all or any part of the Premises, Tenant shall give notice to Landlord setting forth the terms and provisions of the proposed assignment or sublease, and the identity of the proposed assignee or subtenant. Tenant shall promptly supply Landlord with such information concerning the business background and financial condition of such proposed assignee or subtenant as Landlord may reasonably request. Landlord shall have the option, exercisable by notice given to Tenant within twenty (20) days after Tenant's notice is given, either to sublet such space from Tenant at the rental and on the other terms set forth in this Lease for the term set forth in Tenant's notice, or, in the case of an assignment, to terminate this Lease. If Landlord does not exercise such option, Tenant may assign the Lease or sublet such space to such proposed assignee or subtenant on the following further conditions:
 - (1) Landlord shall have the right to approve such proposed assignee or subtenant, which approval shall not be unreasonably withheld;
 - (2) The assignment or sublease shall be on the same terms set forth in the notice given to Landlord;
 - (3) No assignment or sublease shall be valid and no assignee or sublessee shall take possession of the Premises until an executed counterpart of such assignment or sublease has been delivered to Landlord;
 - (4) No assignee or sublessee shall have a further right to assign or sublet except on the terms herein contained; and
 - (5) Any sums or other economic consideration received by Tenant as a result of such assignment or subletting, however denominated under the assignment or sublease, which exceed, in the aggregate, (i) the total sums which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased), plus (ii) any real estate brokerage commissions or fees payable in connection with such assignment or subletting, shall be paid to Landlord as additional rent under this Lease without affecting or reducing any other obligations of Tenant hereunder.
- c. Notwithstanding the provisions of paragraphs a and b above, Tenant may assign this Lease or sublet the Premises or any portion thereof, without Landlord's consent and without extending any recapture or termination option to Landlord, to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all the assets of Tenant's business as a going concern, provided that (i) the assignee or sublessee assumes, in full, the obligations of Tenant under this Lease, (ii) Tenant remains fully liable under this Lease, and (iii) the use of the Premises under Article 8 remains unchanged.

d. No subletting or assignment shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of Rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by an assignee or subtenant of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, subtenant or successor. Landlord may consent to subsequent assignments of the Lease or sublettings or amendments or modifications to the Lease with assignees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto and any such actions shall not relieve Tenant of liability under this Lease.

e. If Tenant assigns the Lease or sublets the Premises or requests the consent of Landlord to any assignment or subletting or if Tenant requests the consent of Landlord for any act that Tenant proposes to do, then Tenant shall, upon demand, pay Landlord an administrative fee of One Hundred Fifty and No/100ths Dollars (\$150.00) plus any attorneys' fees reasonably incurred by Landlord in connection with such act or request.

17. HOLDING OVER.

If after expiration of the Term, Tenant remains in possession of the Premises with Landlord's permission (express or implied), Tenant shall become a tenant from month to month only, upon all the provisions of this Lease (except as to term and Base Rent), but the "Monthly Installments of Base Rent" payable by Tenant shall be increased to one hundred ~~ten~~ percent (110%) of the Monthly Installments of Base Rent payable by Tenant at the expiration of the Term. Such monthly rent shall be payable in advance on or before the first day of each month. If either party desires to terminate such month to month tenancy, it shall give the other party not less than thirty (30) days advance written notice of the date of termination.

ten (110%)

18. SURRENDER OF PREMISES.

a. Tenant shall peaceably surrender the Premises to Landlord on the Expiration Date, in broom-clean condition and in as good condition as when Tenant took possession, except for (i) reasonable wear and tear, (ii) loss by fire or other casualty, and (iii) loss by condemnation. Tenant shall, on Landlord's request, remove Tenant's Property on or before the Expiration Date and promptly repair all damage to the Premises or Building caused by such removal.

b. If Tenant abandons or surrenders the Premises, or is dispossessed by process of law or otherwise, any of Tenant's Property left on the Premises shall be deemed to be abandoned, and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. If Landlord elects to remove all or any part of such Tenant's Property, the cost of removal, including repairing any damage to the Premises or Building caused by such removal, shall be paid by Tenant. On the Expiration Date Tenant shall surrender all keys to the Premises.

19. DESTRUCTION OR DAMAGE.

a. If the Premises or the portion of the Building necessary for Tenant's occupancy is damaged by fire, earthquake, act of God, the elements or other casualty, Landlord shall, subject to the provisions of this Article, promptly repair the damage, if such repairs can, in Landlord's opinion, be completed within (90) ninety days. If Landlord determines that repairs can be completed within ninety (90) days, this Lease shall remain in full force and effect, except that if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees or invitees, the Base Rent shall be abated to the extent Tenant's use of the Premises is impaired, commencing with the date of damage and continuing until completion of the repairs required of Landlord under Section 19d.

b. If in Landlord's opinion, such repairs to the Premises or portion of the Building necessary for Tenant's occupancy cannot be completed within ninety (90) days, Landlord may elect, upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.

c. If any other portion of the Building or Project is totally destroyed or damaged to the extent that in Landlord's opinion repair thereof cannot be completed within ninety (90) days, Landlord may elect upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 19a. If Landlord does not elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.

d. If the Premises are to be repaired under this Article, Landlord shall repair at its cost any injury or damage to the Building and Building Standard Work in the Premises. Tenant shall be responsible at its sole cost and expense for the repair, restoration and replacement of any other Leasehold Improvements and Tenant's Property. Landlord shall not be liable for any loss of business, inconvenience or annoyance arising from any repair or restoration of any portion of the Premises, Building or Project as a result of any damage from fire or other casualty.

e. This Lease shall be considered an express agreement governing any case of damage to or destruction of the Premises, Building or Project by fire or other casualty, and any present or future law which purports to govern the rights of Landlord and Tenant in such circumstances in the absence of express agreement, shall have no application.

20. EMINENT DOMAIN.

a. If the whole of the Building or Premises is lawfully taken by condemnation or in any other manner for any public or quasi-public purpose, this Lease shall terminate as of the date of such taking, and Rent shall be prorated to such date. If less than the whole of the Building or Premises is so taken, this Lease shall be unaffected by such taking, provided that (i) Tenant shall have the right to terminate this Lease by notice to Landlord given within ninety (90) days after the date of such taking if twenty percent (20%) or more of the Premises is taken and the remaining area of the Premises is not reasonably sufficient for Tenant to continue operation of its business, and (ii) Landlord shall have the right to terminate this Lease by notice to Tenant given within ninety (90) days after the date of such taking. If either Landlord or Tenant so elects to terminate this Lease, the Lease shall terminate on the thirtieth (30th) day after either such notice. The Rent shall be prorated to the date of termination. If this Lease continues in force upon such partial taking, the Base Rent and Tenant's Proportionate Share shall be equitably adjusted according to the remaining Rentable Area of the Premises and Project.

b. In the event of any taking, partial or whole, all of the proceeds of any award, judgment or settlement payable by the condemning authority shall be the exclusive property of Landlord, and Tenant hereby assigns to Landlord all of its right, title and interest in any award, judgment or settlement from the condemning authority. Tenant, however, shall have the right, to the extent that Landlord's award is not reduced or prejudiced, to claim from the condemning authority (but not from Landlord) such compensation as may be recoverable by Tenant in its own right for relocation expenses and damage to Tenant's personal property.

c. In the event of a partial taking of the Premises which does not result in a termination of this Lease, Landlord shall restore the remaining portion of the Premises as nearly as practicable to its condition prior to the condemnation or taking, but only to the extent of Building Standard Work. Tenant shall be responsible at its sole cost and expense for the repair, restoration and replacement of any other Leasehold Improvements and Tenant's Property.

21. INDEMNIFICATION.

a. Tenant shall indemnify and hold Landlord harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of: (1) Tenant's use and occupancy of the Premises, or any work, activity or other things allowed or suffered by Tenant to be done in, on or about the Premises; (2) any breach or default by Tenant of any of Tenant's obligations under this Lease; or (3) any negligent or otherwise tortious act or omission of Tenant, its agents, employees, invitees or contractors. Tenant shall at Tenant's expense, and by counsel satisfactory to Landlord, defend Landlord in any action or proceeding arising from any such claim and shall indemnify Landlord against all costs, attorneys' fees, expert witness fees and any other expenses incurred in such action or proceeding. As a material part of the consideration for Landlord's execution of this Lease, Tenant hereby assumes all risk of damage or injury to any person or property in, on or about the Premises from any cause.

b. Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, its employees, invitees or customers, or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Building or Project or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of the Building or Project.

22. TENANT'S INSURANCE.

a. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord and Landlord's lender and qualified to do business in the State. Each policy shall name Landlord, and at Landlord's request any mortgagee of Landlord, as an additional insured, as their respective interests may appear. Each policy shall contain (i) a cross-liability endorsement, (ii) a provision that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Landlord and that any coverage carried by Landlord shall be excess insurance, and (iii) a waiver by the insurer of any right of subrogation against Landlord, its agents, employees and representatives, which arises or might arise by reason of any payment under such policy or by reason of any act or omission of Landlord, its agents, employees or representatives. A copy of each paid up policy (authenticated by the insurer) or certificate of the insurer evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord before the date Tenant is first given the right of possession of the Premises, and thereafter within thirty (30) days after any demand by Landlord therefor. Landlord may, at any time and from time to time, inspect and/or copy any insurance policies required to be maintained by Tenant hereunder. No such policy shall be cancellable except after twenty (20) days written notice to Landlord and Landlord's lender. Tenant shall furnish Landlord with renewals or "binders" of any such policy at least ten (10) days prior to the expiration thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant, provided such blanket policies expressly afford coverage to the Premises, Landlord, Landlord's mortgagee and Tenant as required by this Lease.

b. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for and maintain in effect policies of casualty insurance covering (i) all Leasehold Improvements (including any alterations, additions or improvements as may be made by Tenant pursuant to the provisions of Article 12 hereof), and (ii) trade fixtures, merchandise and other personal property from time to time in, on or about the Premises, in an amount not less than one hundred percent (100%) of their actual replacement cost from time to time, providing protection against any peril included within the classification "Fire and Extended Coverage" together with insurance against sprinkler damage, vandalism and malicious mischief. The proceeds of such insurance shall be used for the repair or replacement of the property so insured. Upon termination of this Lease following a casualty as set forth herein, the proceeds under (i) shall be paid to Landlord, and the proceeds under (ii) above shall be paid to Tenant.

c. Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for and maintain in effect workers' compensation insurance as required by law and comprehensive public liability and property damage insurance with respect to the construction of improvements on the Premises, the use, operation or condition of the Premises and the operations of Tenant in, on or about the Premises, providing personal injury and broad form property damage coverage for not less than One Million Dollars (\$1,000,000.00) combined single limit for bodily injury, death and property damage liability.

d. Not less than every three (3) years during the Term, Landlord and Tenant shall mutually agree to increases in all of Tenant's insurance policy limits for all insurance to be carried by Tenant as set forth in this Article. In the event Landlord and Tenant cannot mutually agree upon the amounts of said increases, then Tenant agrees that all insurance policy limits as set forth in this Article shall be adjusted for increases in the cost of living in the same manner as is set forth in Section 5.2 hereof for the adjustment of the Base Rent.

23. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive all rights of recovery against the other and against the officers, employees, agents and representatives of the other, on account of loss by or damage to the waiving party of its property or the property of others under its control, to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of the loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to its insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

24. SUBORDINATION AND ATTORNMENT.

Upon written request of Landlord, or any first mortgagee or first deed of trust beneficiary of Landlord, or ground lessor of Landlord, Tenant shall, in writing, subordinate its rights under this Lease to the lien of any first mortgage or first deed of trust, or to the interest of any lease in which Landlord is lessee, and to all advances made or hereafter to be made thereunder. However, before signing any subordination agreement, Tenant shall have the right to obtain from any lender or lessor or Landlord requesting such subordination, an agreement in writing providing that, as long as Tenant is not in default hereunder, this Lease shall remain in effect for the full Term. The holder of any security interest may, upon written notice to Tenant, elect to have this Lease prior to its security interest regardless of the time of the granting or recording of such security interest.

In the event of any foreclosure sale, transfer in lieu of foreclosure or termination of the lease in which Landlord is lessee, Tenant shall attorn to the purchaser, transferee or lessor as the case may be, and recognize that party as Landlord under this Lease, provided such party acquires and accepts the Premises subject to this Lease.

25. TENANT ESTOPPEL CERTIFICATES.

Within ten (10) days after written request from Landlord, Tenant shall execute and deliver to Landlord or Landlord's designee, a written statement certifying (a) that this Lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications; (b) the amount of Base Rent and the date to which Base Rent and additional rent have been paid in advance; (c) the amount of any security deposited with Landlord; and (d) that Landlord is not in default hereunder or, if Landlord is claimed to be in default, stating the nature of any claimed default. Any such statement may be relied upon by a purchaser, assignee or lender. Tenant's failure to execute and deliver such statement within the time required shall at Landlord's election be a default under this Lease and shall also be conclusive upon Tenant that: (1) this Lease is in full force and effect and has not been modified except as represented by Landlord; (2) there are no uncured defaults in Landlord's performance and that Tenant has no right of offset, counter-claim or deduction against Rent; and (3) not more than one month's Rent has been paid in advance.

26. TRANSFER OF LANDLORD'S INTEREST.

In the event of any sale or transfer by Landlord of the Premises, Building or Project, and assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of any and all liability and obligations contained in or derived from this Lease arising out of any act, occurrence or omission relating to the Premises, Building, Project or Lease occurring after the consummation of such sale or transfer, providing the purchaser shall expressly assume all of the covenants and obligations of Landlord under this Lease. If any security deposit or prepaid Rent has been paid by Tenant, Landlord may transfer the security deposit or prepaid Rent to Landlord's successor and upon such transfer, Landlord shall be relieved of any and all further liability with respect thereto.

27. DEFAULT.

27.1. Tenant's Default. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- a. If Tenant abandons or vacates the Premises; or
- b. If Tenant fails to pay any Rent or any other charges required to be paid by Tenant under this Lease and such failure continues for five (5) days after such payment is due and payable; or
- c. If Tenant fails to promptly and fully perform any other covenant, condition or agreement contained in this Lease and such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; or
- d. If a writ of attachment or execution is levied on this Lease or on any of Tenant's Property; or
- e. If Tenant makes a general assignment for the benefit of creditors, or provides for an arrangement, composition, extension or adjustment with its creditors; or
- f. If Tenant files a voluntary petition for relief or if a petition against Tenant in a proceeding under the federal bankruptcy laws or other insolvency laws is filed and not withdrawn or dismissed within forty-five (45) days thereafter, or if under the provisions of any law providing for reorganization or winding up of corporations, any court of competent jurisdiction assumes jurisdiction, custody or control of Tenant or any substantial part of its property and such jurisdiction, custody or control remains in force unrelinquished, unstayed or unterminated for a period of forty-five (45) days; or
- g. If in any proceeding or action in which Tenant is a party, a trustee, receiver, agent or custodian is appointed to take charge of the Premises or Tenant's Property (or has the authority to do so) for the purpose of enforcing a lien against the Premises or Tenant's Property; or
- h. If Tenant is a partnership or consists of more than one (1) person or entity, if any partner of the partnership or other person or entity is involved in any of the acts or events described in subparagraphs d through g above.

27.2. Remedies. In the event of Tenant's default hereunder, then in addition to any other rights or remedies Landlord may have under any law, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to do the following:

- a. Terminate this Lease and Tenant's right to possession of the Premises and reenter the Premises and take possession thereof, and Tenant shall have no further claim to the Premises or under this Lease; or
- b. Continue this Lease in effect, reenter and occupy the Premises for the account of Tenant, and collect any unpaid Rent or other charges which have or thereafter become due and payable; or
- c. Reenter the Premises under the provisions of subparagraph b, and thereafter elect to terminate this Lease and Tenant's right to possession of the Premises.

If Landlord reenters the Premises under the provisions of subparagraphs b or c above, Landlord shall not be deemed to have terminated this Lease or the obligation of Tenant to pay any Rent or other charges thereafter accruing, unless Landlord notifies Tenant in writing of Landlord's election to terminate this Lease. In the event of any reentry or retaking of possession by Landlord, Landlord shall have the right, but not the obligation, to remove all or any part of Tenant's Property in the Premises and to place such property in storage at a public warehouse at the expense and risk of Tenant. If Landlord elects to relet the Premises for the account of Tenant, the rent received by Landlord from such reletting shall be applied as follows: first, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs of such reletting; third, to the payment of the cost of any alterations or repairs to the Premises; fourth to the payment of Rent due and unpaid hereunder; and the balance, if any, shall be held by Landlord and applied in payment of future Rent as it becomes due. If that portion of rent received from the reletting which is applied against the Rent due hereunder is less than the amount of the Rent due, Tenant shall pay the deficiency to Landlord promptly upon demand by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as determined, any costs and expenses incurred by Landlord in connection with such reletting or in making alterations and repairs to the Premises, which are not covered by the rent received from the reletting.

Should Landlord elect to terminate this Lease under the provisions of subparagraph a or c above, Landlord may recover as damages from Tenant the following:

1. *Past Rent*. The worth at the time of the award of any unpaid Rent which had been earned at the time of termination; plus
2. *Rent Prior to Award*. The worth at the time of the award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
3. *Rent After Award*. The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the rental loss that Tenant proves could be reasonably avoided; plus
4. *Proximately Caused Damages*. Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, any costs or expenses (including attorneys' fees), incurred by Landlord in (a) retaking possession of the Premises, (b) maintaining the Premises after Tenant's default, (c) preparing the Premises for reletting to a new tenant, including any repairs or alterations, and (d) reletting the Premises, including broker's commissions.

"The worth at the time of the award" as used in subparagraphs 1 and 2 above, is to be computed by allowing interest at the rate of ten percent (10%) per annum. "The worth at the time of the award" as used in subparagraph 3 above, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank situated nearest to the Premises at the time of the award plus one percent (1%).

The waiver by Landlord of any breach of any term, covenant or condition of this Lease shall not be deemed a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition. Acceptance of Rent by Landlord subsequent to any breach hereof shall not be deemed a waiver of any preceding breach other than the failure to pay the particular Rent so accepted, regardless of Landlord's knowledge of any breach at the time of such acceptance of Rent. Landlord shall not be deemed to have waived any term, covenant or condition unless Landlord gives Tenant written notice of such waiver.

27.3 Landlord's Default. If Landlord fails to perform any covenant, condition or agreement contained in this Lease within thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default cannot reasonably be cured within thirty (30) days; if Landlord fails to commence to cure within that thirty (30) day period, then Landlord shall be liable to Tenant for any damages sustained by Tenant as a result of Landlord's breach; provided, however, it is expressly understood and agreed that if Tenant obtains a money judgment against Landlord resulting from any default or other claim arising under this Lease, that judgment shall be satisfied only out of the rents, issues, profits, and other income actually received on account of Landlord's right, title and interest in the Premises, Building or Project, and no other real, personal or mixed property of Landlord (or of any of the partners which comprise Landlord, if any) wherever situated, shall be subject to levy to satisfy such judgment. If, after notice to Landlord of default, Landlord (or any first mortgagee or first deed of trust beneficiary of Landlord) fails to cure the default as provided herein, then Tenant shall have the right to cure that default at Landlord's expense. Tenant shall not have the right to terminate this Lease or to withhold, reduce or offset any amount against any payments of Rent or any other charges due and payable under this Lease except as otherwise specifically provided herein.

28. BROKERAGE FEES.

Tenant warrants and represents that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation except Broker and Sales Agent. Tenant shall indemnify and hold Landlord harmless from any cost, expense or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission or fees claimed by any other real estate broker or agent in connection with this Lease or its negotiation by reason of any act of Tenant.

29. NOTICES.

All notices, approvals and demands permitted or required to be given under this Lease shall be in writing and deemed duly served or given if personally delivered or sent by certified or registered U.S. mail, postage prepaid, and addressed as follows: (a) if to Landlord, to Landlord's Mailing Address and to the Building manager, and (b) if to Tenant, to Tenant's Mailing Address; provided, however, notices to Tenant shall be deemed duly served or given if delivered or mailed to Tenant at the Premises. Landlord and Tenant may from time to time by notice to the other designate another place for receipt of future notices.

30. GOVERNMENT ENERGY OR UTILITY CONTROLS.

In the event of imposition of federal, state or local government controls, rules, regulations, or restrictions on the use or consumption of energy or other utilities during the Term, both Landlord and Tenant shall be bound thereby. In the event of a difference in interpretation by Landlord and Tenant of any such controls, the interpretation of Landlord shall prevail, and Landlord shall have the right to enforce compliance therewith, including the right of entry into the Premises to effect compliance.

31. RELOCATION OF PREMISES.

~~Landlord shall have the right to relocate the Premises to another part of the Building in accordance with the following:~~

- ~~a. The new premises shall be substantially the same in size, dimensions, configuration, decor and nature as the Premises described in this Lease, and if the relocation occurs after the Commencement Date, shall be placed in that condition by Landlord at its cost.~~
- b. Landlord shall give Tenant at least thirty (30) days written notice of Landlord's intention to relocate the Premises.
- ~~c. As nearly as practicable, the physical relocation of the Premises shall take place on a weekend and shall be completed before the following Monday. If the physical relocation has not been completed in that time, Base Rent shall abate in full from the time the physical relocation commences to the time it is completed. Upon completion of such relocation, the new premises shall become the "Premises" under this Lease.~~
- d. All reasonable costs incurred by Tenant as a result of the relocation shall be paid by Landlord.
- e. If the new premises are smaller than the Premises as it existed before the relocation, Base Rent shall be reduced proportionately.
- ~~f. The parties hereto shall immediately execute an amendment to this Lease setting forth the relocation of the Premises and the reduction of Base Rent, if any.~~

32. QUIET ENJOYMENT.

Tenant, upon paying the Rent and performing all of its obligations under this Lease, shall peaceably and quietly enjoy the Premises, subject to the terms of this Lease and to any mortgage, lease, or other agreement to which this Lease may be subordinate.

33. OBSERVANCE OF LAW.

Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any law, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant.

34. FORCE MAJEURE.

Any prevention, delay or stoppage of work to be performed by Landlord or Tenant which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefor, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay or stoppage. Nothing in this Article 34 shall excuse or delay Tenant's obligation to pay Rent or other charges under this Lease.

35. CURING TENANT'S DEFAULTS.

If Tenant defaults in the performance of any of its obligations under this Lease, Landlord may (but shall not be obligated to) without waiving such default, perform the same for the account at the expense of Tenant. Tenant shall pay Landlord all costs of such performance promptly upon receipt of a bill therefor.

36. SIGN CONTROL.

Tenant shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Premises, Building or Project, including without limitation, the inside or outside of windows or doors, without the written consent of Landlord. Landlord shall have the right to remove any signs or other matter, installed without Landlord's permission, without being liable to Tenant by reason of such removal, and to charge the cost of removal to Tenant as additional rent hereunder, payable within ten (10) days of written demand by Landlord.

37. MISCELLANEOUS.

- a. *Accord and Satisfaction; Allocation of Payments.* No payment by Tenant or receipt by Landlord of a lesser amount than the Rent provided for in this Lease shall be deemed to be other than on account of the earliest due Rent, nor shall any endorsement or statement on any check or 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 the Rent or pursue any other remedy provided for in this Lease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any account or other payment of Tenant then not current and due or delinquent.
- b. *Addenda.* If any provision contained in an addendum to this Lease is inconsistent with any other provision herein, the provision contained in the addendum shall control, unless otherwise provided in the addendum.
- c. *Attorneys' Fees.* If any action or proceeding is brought by either party against the other pertaining to or arising out of this Lease, the finally prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred on account of such action or proceeding.
- d. *Captions, Articles and Section Numbers.* The captions appearing within the body of this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Lease. All references to Article and Section numbers refer to Articles and Sections in this Lease.
- e. *Changes Requested by Lender.* Neither Landlord or Tenant shall unreasonably withhold its consent to changes or amendments to this Lease requested by the lender on Landlord's interest, so long as these changes do not alter the basic business terms of this Lease or otherwise materially diminish any rights or materially increase any obligations of the party from whom consent to such charge or amendment is requested.

f. *Choice of Law.* This Lease shall be construed and enforced in accordance with the laws of the State.

g. *Consent.* Notwithstanding anything contained in this Lease to the contrary, Tenant shall have no claim, and hereby waives the right to any claim against Landlord for money damages by reason of any refusal, withholding or delaying by Landlord of any consent, approval or statement of satisfaction, and in such event, Tenant's only remedies therefor shall be an action for specific performance, injunction or declaratory judgment to enforce any right to such consent, etc.

h. *Corporate Authority.* If Tenant is a corporation, each individual signing this Lease on behalf of Tenant represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of the corporation, and that this Lease is binding on Tenant in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of a resolution of its board of directors authorizing such execution.

i. *Counterparts.* This Lease may be executed in multiple counterparts, all of which shall constitute one and the same Lease.

j. *Execution of Lease; No Option.* The submission of this Lease to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or option for Tenant to lease, or otherwise create any interest of Tenant in the Premises or any other premises within the Building or Project. Execution of this Lease by Tenant and its return to Landlord shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this Lease to Tenant.

k. *Furnishing of Financial Statements; Tenant's Representations.* In order to induce Landlord to enter into this Lease Tenant agrees that it shall promptly furnish Landlord, from time to time, upon Landlord's written request, with financial statements reflecting Tenant's current financial condition. Tenant represents and warrants that all financial statements, records and information furnished by Tenant to Landlord in connection with this Lease are true, correct and complete in all respects.

l. *Further Assurances.* The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Lease.

m. *Mortgagee Protection.* Tenant agrees to send by certified or registered mail to any first mortgagee or first deed of trust beneficiary of Landlord whose address has been furnished to Tenant, a copy of any notice of default served by Tenant on Landlord. If Landlord fails to cure such default within the time provided for in this Lease, such mortgagee or beneficiary shall have an additional thirty (30) days to cure such default; provided that if such default cannot reasonably be cured within that thirty (30) day period, then such mortgagee or beneficiary shall have such additional time to cure the default as is reasonably necessary under the circumstances.

n. *Prior Agreements; Amendments.* This Lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.

o. *Recording.* Tenant shall not record this Lease without the prior written consent of Landlord. Tenant, upon the request of Landlord, shall execute and acknowledge a "short form" memorandum of this Lease for recording purposes.

p. *Severability.* A final determination by a court of competent jurisdiction that any provision of this Lease is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its intended effect.

q. *Successors and Assigns.* This Lease shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.

r. *Time of the Essence.* Time is of the essence of this Lease.

s. *Waiver.* No delay or omission in the exercise of any right or remedy of Landlord upon any default by Tenant shall impair such right or remedy or be construed as a waiver of such default.

The receipt and acceptance by Landlord of delinquent Rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular Rent payment involved.

No act or conduct of Landlord, including, without limitation, the acceptance of keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

The parties hereto have executed this Lease as of the dates set forth below.

Date: JANUARY 6, 2002

Date: _____

Landlord: S.W.O.T. II

Tenant: FAMILY RESOURCE AND REFERRAL CENTER

By: BOYCE RESOURCE DEVELOPMENT COMPANY

By: Marion Williams
MARION WILLIAMS

Title: ITS GENERAL PARTNER

Title: EXECUTIVE DIRECTOR

By: GARY H. ROSE

By: Marion Williams

Title: CONTROLLER

Title: _____

CONSULT YOUR ADVISORS— This document has been prepared for approval by your attorney. No representation or recommendation is made by Coldwell Banker as to the legal sufficiency or tax consequences of this document or the transaction to which it relates. These are questions for your attorney.

In any real estate transaction, it is recommended that you consult with a professional, such as a civil engineer, industrial hygienist or other person, with experience in evaluating the condition of the property, including the possible presence of asbestos, hazardous materials and underground storage tanks.

ADDENDUM TO LEASE

This is an Addendum to that certain Lease dated August 1, 2002 by and between S.W.O.T. II, a California limited partnership ("Landlord"), and Family Resource and Referral Center, an agency of Stockton Metropolitan Ministry, a non-profit Corporation ("Tenant"). Should there be any Discrepancy between the lease and this Addendum, the addendum shall prevail.

1. Parking

Landlord (through the Waterfront Office Towers Owner's Association) shall assign 33 parking stalls for tenant's exclusive use in the fenced and gated parking lot as per the attached parking plan. Landlord shall provide Tenant with parking access cards. In the event that a card is lost or stolen and needs to be replaced, a fee of \$10.00 per card shall be assessed to the Tenant or to Tenant's employee. Tenant agrees to abide by the parking lot rules which may be promulgated by The Waterfront Office Towers Owner's Association.

2. Early Termination

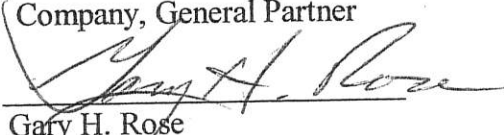
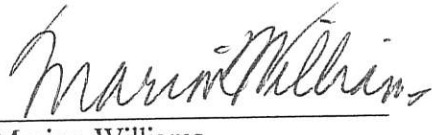
In the event that Tenant's various grants and contracts are terminated or materially reduced, this Lease may expire or the terms with respect to the amount of space rented and the monthly rent may be renegotiated as of the date of such termination or material reduction.

The parties hereto have executed this addendum as of the date set forth below.

LANDLORD

TENANT

S.W.O.T. II

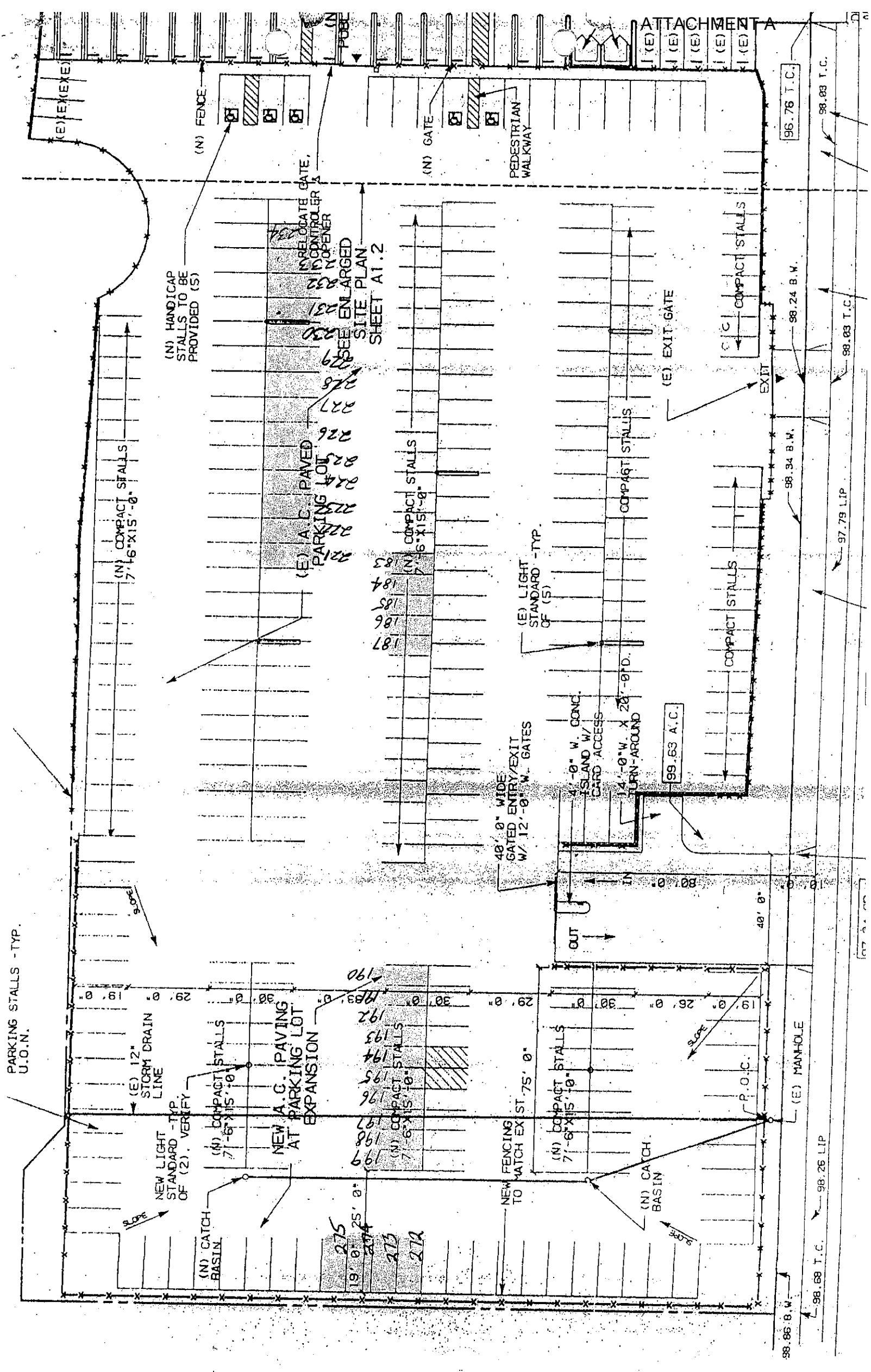
FAMILY RESOURCE AND
REFERRAL CENTERBy: Boyce Resource Development
Company, General PartnerBy: 
Gary H. RoseBy: 
Marion Williams

Title: Controller

Title: Executive Director

Date: 1/6/2003Date: 1/9/2003

PARKING STALLS - TYP.
U.O.N.



(N) HANDICAP
STALLS TO BE
PROVIDED (S)

(E) A.C. PAVED
PARKING LOT

RELOCATE GATE,
CONTROL &
OPENER
SEE ENLARGED
SITE PLAN
SHEET A1.2

(E) LIGHT
STANDARD - TYP.
OF (S)

40' 0" WIDE
GATED ENTRY/EXIT
W/ 12' 0" W. GATES

4' 0" W. CONC.
ISLAND W/
CARD ACCESS

14' 0" W. X 20' 0" D.
TURN-AROUND

99.63 A.C.

COMPACT STALLS

EXIT

98.24 B.W.

98.34 B.W.

98.03 T.C.

97.79 LIP

98.03 T.C.

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