

**THIRD AMENDMENT TO STANDARD OFFICE LEASE
(400 East Main Street)**

This Third Amendment to Standard Office Lease (400 East Main Street) (this "**Third Amendment**"), dated as of 6/9/2025, 2025 (the "**Third Amendment Effective Date**") is by and between CHRIS NEILSON, duly appointed Receiver ("**Landlord**"), and THE CITY OF STOCKTON, a municipal corporation ("**Tenant**"), with reference to the following:

RECITALS

A. Pursuant to that certain (i) Standard Office Lease, dated February 25, 2015, by and between Landlord and Tenant, (ii) First Amendment to Standard Office Lease, dated October 18, 2018, by and between Landlord and Tenant and (iii) Second Amendment to Standard Office Lease, dated February 21, 2023, by and between Landlord and Tenant (the "**Second Amendment**", and (i)-(iii), collectively, the "**Original Lease**"), Landlord leases the Premises (as more specifically defined in the Original Lease, which shall hereinafter be referred to herein as the "**Original Premises**") to Tenant. Each initially capitalized term not otherwise defined herein shall have the meaning set forth for such term in the Original Lease.

B. Landlord and Tenant desire to decrease the size of the Original Premises leased to Tenant pursuant to the Original Lease and to amend and modify certain other provisions and conditions of the Original Lease, all as more specifically set forth herein. Except as expressly amended or modified by the provisions and conditions of this Third Amendment, it is intended by Landlord and Tenant that the Original Lease shall remain unchanged and otherwise in full force and effect. The Original Lease, as modified by the terms of this Third Amendment, shall hereinafter be referred to as the "**Lease**".

AGREEMENT

NOW, THEREFORE, Landlord and Tenant hereby agree as follows:

1. **Defined Terms**. The meaning of certain defined terms in the Original Lease shall be modified as follows:

(a) **Lease Expiration Date**.

(i) **Fourth (4th) Floor Premises Expiration Date**. Pursuant to the terms of Section 2 of the Second Amendment and consistent with that certain notice letter from Tenant to Landlord dated December 18, 2024, Landlord and Tenant agree that the expiration date of the Lease for that portion of the Premises comprised of the entire fourth (4th) floor of the Building, consisting of approximately 25,730 rentable square feet, commonly known as Suite 400, shall be June 30, 2025 (the "**Fourth Floor Premises Expiration Date**"); provided, however, notwithstanding the foregoing, Tenant shall have access to those portion of the fourth (4th) floor known as the "Bldg IDF", the "COS IDF" and the "IT Fiber Rack" each of which is depicted on Schedule 1 attached hereto and made a part hereof (such space the "**Fourth Floor IT Space**"). From and after the Fourth Floor Premises Expiration Date, the term "Premises" shall mean a portion of the third (3rd) floor of the Building consisting of approximately 25,755 rentable square feet, commonly known as Suite 310 and the Fourth Floor IT Space (collectively, the "**Third Floor Premises**").

(ii) Third (3rd) Floor Premises Expiration Date. The expiration date of the Lease for the Third Floor Premises shall be July 31, 2025 (the "**Third Floor Premises Expiration Date**"). From and after the Third Floor Premises Expiration Date the term "Premises" shall mean solely those portions of the roof upon which Tenant's HVAC Chillers are located (the "**Roof Premises**"), such that from and after the Third Floor Premises Expiration Date, the term Premises shall only include the Roof Premises.

(iii) Lease Expiration Date; Term. The "**Lease Expiration Date**" for the remaining Premises (which, after the Third Floor Premises Expiration Date, shall be comprised solely of the Roof Premises) shall be the earlier of (1) December 31, 2025, or (2) the date Landlord's fee interest in the Premises is sold, which is unknown as of this Third Amendment. The period beginning on February 25, 2015 and ending on the Lease Expiration Date (shall hereinafter be referred to as the "**Term**"). Landlord shall provide Tenant with notice of the anticipated sale date once such date is set and shall keep Tenant reasonably apprised of the status of such sale thereafter until such sale is complete.

(b) Basic Monthly Rent.

(i) Retained Premises (Fourth Floor Premises, Third Floor Premises, Roof Premises) Basic Monthly Rent. Basic Monthly Rent for the Retained Premises shall be as follows:

<u>Period</u>	<u>Basic Monthly Rent</u>	<u>Gross Annual Rent</u>
April 1, 2023-June 30, 2025	\$80,081.23	\$960,974.76

(ii) Third Floor and Roof Premises Basic Monthly Rent. Basic Monthly Rent for the Third Floor and Roof Premises Shall be as follows:

<u>Period</u>	<u>Basic Monthly Rent</u>	<u>Gross Annual Rent</u>
July 1, 2025-July 31, 2025	\$40,060.06	N/A

(iii) Roof Premises Basic Monthly Rent. Basic Monthly Rent for the Roof Premises shall be as follows:

<u>Period</u>	<u>Basic Monthly Rent</u>	<u>Gross Annual Rent</u>
August 1, 2025-Lease Expiration Date	\$1,000	N/A

2. Signage and Alterations. From and after the Fourth Floor Premises Expiration Date, Tenant will no longer have any right to any signage (including directory signage) or the right to make any alterations, improvements or additions to all or any portion of the Premises; provided that, for the avoidance of doubt, Tenant's maintenance and repair obligations contained in Section 6.3 of the Original Lease shall remain unchanged and in full force and effect.

3. Parking.

(a) Effective as of the Fourth Floor Premises Expiration Date, Item 10 of the Basic Lease Provisions shall be deleted in its entirety and replaced with the following:

- "10. **PARKING:** As part of Tenant's consideration under this Lease, until the Third Floor Premises Expiration Date, Tenant shall be entitled to forty-seven (47) parking spaces located in the Parking Garage during the Term of this Lease (collectively, "Tenant's Spaces"), of which thirty-four (34) of Tenant's Spaces shall be unreserved parking spaces and thirteen (13) of Tenant's Spaces shall be reserved parking spaces (such Tenant's Spaces, the "Reserved Spaces"). The Reserved Spaces shall be located within that portion of the Parking Garage depicted on Exhibit "E" attached hereto and made a part hereof; provided, however, that Landlord shall have the right to temporarily relocate such Reserved Spaces for purposes of maintaining, repairing, restoring, altering or improving the Parking Garage and maintaining the safety of the Parking Garage and/or the Project. Landlord reserves the right to separately charge Tenant's guests and visitors for parking; provided, however, that Tenant's visitors shall be permitted to use, at no additional charge, any of Tenant's Spaces that are not being used by Tenant at the time such visitor wishes to park at the Building, as determined by Landlord (or any agent or employee thereof) in its reasonable discretion. From and after the Third Floor Premises Expiration Date, Tenant shall no longer be entitled to utilize any parking spaces (either reserved or unreserved) in the Parking Garage."

As of the Fourth Floor Premises Expiration Date, Exhibit "E" attached to the Original Lease shall be deleted in its entirety and replaced with Exhibit E attached hereto and made a part hereof.

(b) **Effect of Prior Parking Provisions.** Landlord and Tenant hereby acknowledge and agree that any provisions contained in the Original Lease, to the extent contrary to, or inconsistent with, the provisions of Section 5(a) above shall be deemed amended by the provisions of Section 5(a) above.

4. **Termination of Early Termination Option.** From and after the Third Amendment Effective Date, the Early Termination Option set forth in Section 3 of the Second Amendment shall be of no further force or effect.

5. **Permitted Transfer.** From and after the Third Amendment Effective Date, Tenant shall have no right to complete any Permitted Transfer. As a result, Section 8.3 of the Original Lease is hereby deleted in its entirety and replaced with "Intentionally Omitted", and any and all references to a or any "Permitted Transfer" contained in the Original Lease shall be of no further force or effect.

6. **Removal of Tenant's HVAC Chillers.** Notwithstanding Section 16.1 of the Original Lease, Landlord shall, at Landlord's sole cost and expense, remove Tenant's HVAC Chillers from the roof of the Building, and in no event shall Tenant be required to remove such HVAC Chillers in connection with the Fourth Floor Premises Expiration Date, the Third Floor Premises Expiration Date or the Lease Expiration Date.

7. **Option Agreement.**

(a) Landlord and Tenant acknowledge and agree that, per the terms of that certain Real Property Option Agreement and Joint Escrow Instructions (the "**Option Agreement**"), dated February 25, 2015, by and between Tenant, as Optionor, and Four Hundred Main Street LLC, an affiliate

of Assured Guaranty Corp. ("**Four Hundred Main**"), as Optionee (as amended, the "**Option Agreement**"), the extension of the Lease Term to the new Lease Expiration Date, per Section 1(a)(iii), above, will similarly extend the term of the Option Agreement to such new Lease Expiration Date.

(b) Concurrently with the execution of this Third Amendment, Four Hundred Main and Tenant shall enter into an amendment to that certain Memorandum of Option Agreement, dated February 25, 2015, between Tenant, as Optionor, and Four Hundred Main, as Optionee, recorded on April 21, 2015, in the real property records of San Joaquin County, California (the "**Real Property Records**"), as Instrument Number 2015-044221, which amendment shall be recorded in the Real Property Records (the "**Second Memo Amendment**"), in the form attached hereto as Exhibit A. Landlord and Tenant acknowledge and agree that upon execution and delivery by Four Hundred Main and Tenant of the Second Memo Amendment, Four Hundred Main shall cause the Second Memo Amendment to be recorded in the Real Property Records.

8. **Brokers.** Landlord has entered into an agreement with CBRE, Inc. ("**Landlord's Broker**"), pursuant to which Landlord has granted to Landlord's Broker the exclusive right to lease space in the Building. Landlord shall pay any commissions or fees that are payable to Landlord's Broker with respect to this Third Amendment in accordance with the provisions of a separate commission contract. Landlord shall have no further or separate obligation for the payment of commissions or fees to any other real estate broker, finder or intermediary. Tenant represents that it has not had any dealings with any real estate broker, finder or intermediary with respect to this Third Amendment, other than Landlord's Broker. Subject to the foregoing, each party hereto shall indemnify and hold harmless the other party hereto from and against any and all damages, liabilities, losses, costs and expenses (including, but not limited to, reasonable attorneys' fees and related costs) resulting from any claims that may be asserted against such other party by any real estate broker, finder or intermediary other than Landlord's Broker, arising from any act of the indemnifying party in connection with this Third Amendment.

9. **Release; Waiver.** Tenant, on behalf of itself, and its officials, officers, agents, employees and/or other representatives, as of the date hereof, hereby discharges and releases Landlord, and its members, officers, shareholders, divisions, subsidiaries, agents, managers, contractors, servants, employees and invitees, except to the extent of such party's recklessness or willful misconduct, from all of its past and future claims, demands, damages, obligations, losses, liabilities, costs and expenses (including attorneys' fees and expenses) directly or indirectly related to or arising out of or in connection with the Original Lease. Tenant expressly waives the provisions of California Civil Code Section 1542, which provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

10. **No Further Modification.** Except as specifically set forth in this Third Amendment, all of the terms and provisions of the Original Lease remain unmodified and in full force and effect, and, except as expressly amended or modified hereby, all terms and provisions of the Original Lease are hereby incorporated herein by reference thereto. Notwithstanding the foregoing, Landlord hereby reserves all rights and remedies Landlord may have as to the date hereof arising from any acts or

omissions of Tenant occurring under the Original Lease. All references to the "Lease" in the Original Lease shall mean the Original Lease, as amended by this Third Amendment.

11. **Estoppel.** As of the date hereof, Tenant acknowledges and agrees that Landlord has performed all obligations required of Landlord under the Lease, and there are no offsets, counterclaims or defenses of Tenant under the Original Lease existing against Landlord. Tenant further acknowledges and agrees that no events have occurred that, with the passage of time or the giving of notice, or both, would constitute a basis for an offset, counterclaim or defense against Landlord, and that the Original Lease, as amended hereby, is in full force and effect.

12. **Counterparts.** This Third Amendment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument. The parties hereto agree to accept a digital image of this Third Amendment, as transmitted via facsimile, email or other electronic means, as executed, as a true and correct original and admissible as best evidence for the execution and delivery of same by the parties hereto.

[Signatures Continue on Next Page]

IN WITNESS WHEREOF, the undersigned have executed this Third Amendment as of the first date written above.

LANDLORD

CHRIS NEILSON,
as Receiver and Successor-in-Interest to
MAIN STREET STOCKTON LLC,
a Delaware limited liability company,
and William J. Hoffman, as receiver

By: _____

CHRIS NEILSON

TENANT

THE CITY OF STOCKTON,
a municipal corporation

By: _____

Name: Steve Colangelo

Title: Interim City Manager

ATTEST:

CLERK OF THE CITY OF STOCKTON

By: _____



Approved as to form
Office of the City Attorney

By: _____

SCHEDULE 1

Depiction of Fourth Floor IT Space

[See Attached]

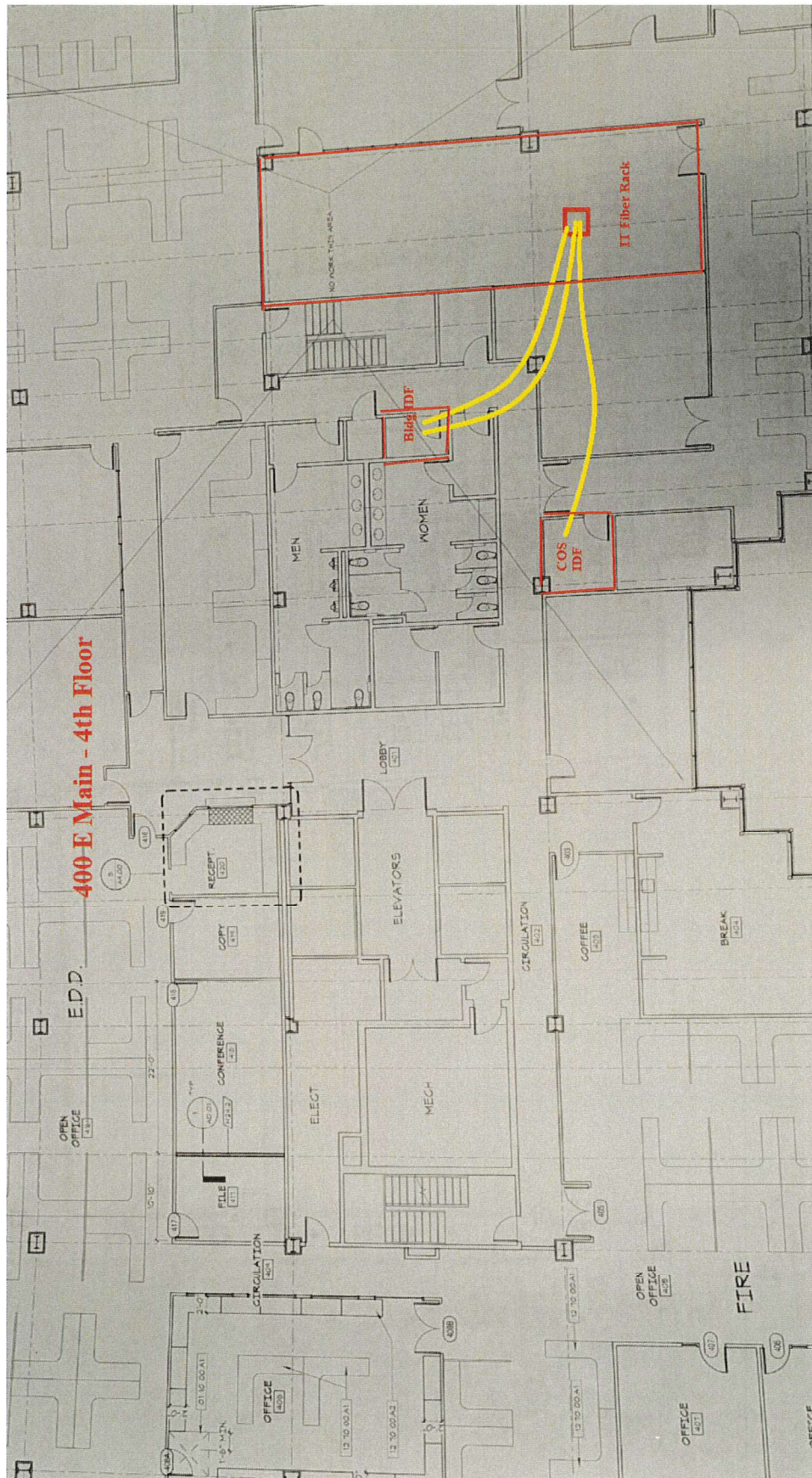


EXHIBIT A

Form of Second Memo Amendment

[See Attached]

SECOND AMENDMENT TO MEMORANDUM OF OPTION AGREEMENT

This Second Amendment to Memorandum of Option Agreement, dated as of _____, 2025 (this "**Second Amendment**") is by and between THE CITY OF STOCKTON, a municipal corporation ("**Optionor**"), and FOUR HUNDRED MAIN STREET LLC, a Delaware limited liability company ("**Optionee**"), with reference to the following:

RECITALS

A. Pursuant to that certain Real Property Option Agreement and Joint Escrow Instructions, dated as of February 25, 2015, between Optionor and Optionee, which was amended by that certain First Amendment to Real Property Option Agreement and Joint Escrow Instructions, dated as of February 21, 2023 (collectively, the "**Original Option Agreement**"), Optionor granted to Optionee an option to purchase certain real property as more specifically set forth therein.

B. The Original Option Agreement is evidenced by a Memorandum of Option Agreement, recorded April 21, 2015 in the real property records of San Joaquin County, California (the "**Real Property Records**"), as Instrument Number 2015-044221, which was amended by that certain First Amendment to Memorandum of Option Agreement, dated as of February 21, 2023, and recorded on February 27, 2023 in the Real Property Records as Instrument Number 2023-014898 (collectively, the "**Memo of Option Agreement**"). Each initially capitalized term not otherwise defined herein shall have the meaning set forth for such term in the Original Option Agreement.

C. On or about the date hereof, Optionor and Optionee entered into that certain Third Amendment to Standard Office Lease (the "**Third Lease Amendment**") for the purpose of extending the term thereof, which, pursuant to the terms of the Original Option Agreement, similarly extended the term of the Original Option Agreement (the "**Option Term**").

D. Optionor and Optionee desire to amend the Memo of Option Agreement to reflect that the Option Term has been extended, pursuant to the terms of the Original Option Agreement and Third Lease Amendment. Except as expressly amended or modified by the provisions and conditions of this Second Amendment, it is intended by Optionor and Optionee that the Memo of Option Agreement shall remain unchanged and otherwise in full force and effect.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained, Optionor and Optionee amend the Memo of Option Agreement to reflect the following:

1. Consistent with the terms of the Memo of Option Agreement and the Original Option Agreement, (i) the Option Term shall run concurrently with the term of the City Lease and (ii) the expiration date of the Option Term shall be the same date as the City Lease expiration date (as the same may be extended or sooner terminated pursuant to the terms of the City Lease); therefore, as a result of the Third Lease Amendment, the expiration date of the City Lease (as defined in the Memo of Option Agreement) is now the earlier of (1) December 31, 2025, or (2) the date Landlord's fee interest in the Premises is sold.

2. Except as specifically set forth in this Second Amendment, all of the terms and provisions of the Memo of Option Agreement remain unmodified and in full force and effect.

3. This Second Amendment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.


[Signatures Continue on Next Page]

IN WITNESS WHEREOF, the undersigned have executed this First Amendment as of the first date written above.

OPTIONOR:

THE CITY OF STOCKTON,
a municipal corporation

By:


Name: Steve Colangelo
Title: Interim City Manager

ATTEST:
CLERK OF THE CITY OF STOCKTON

By:



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____)
)ss
COUNTY OF _____)

On _____, 202_ before me, _____, a Notary Public in and for said County and State, personally appeared, _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she/he executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

[Signatures Continue on Next Page]

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Joaquin County

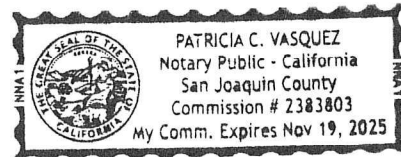
On June 9, 2025 before me, Patricia C. Vasquez, Notary Public
(insert name and title of the officer)

personally appeared Steven Colangelo,
who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature Patricia C. Vasquez (Seal)
Notary Public



OPTIONEE:

FOUR HUNDRED MAIN STREET LLC,
A Delaware limited liability company

By: _____
Name:
Title:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____)
)ss
COUNTY OF _____)

On _____, 202_ before me, _____, a Notary Public in and for said County and State, personally appeared, _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she/he executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

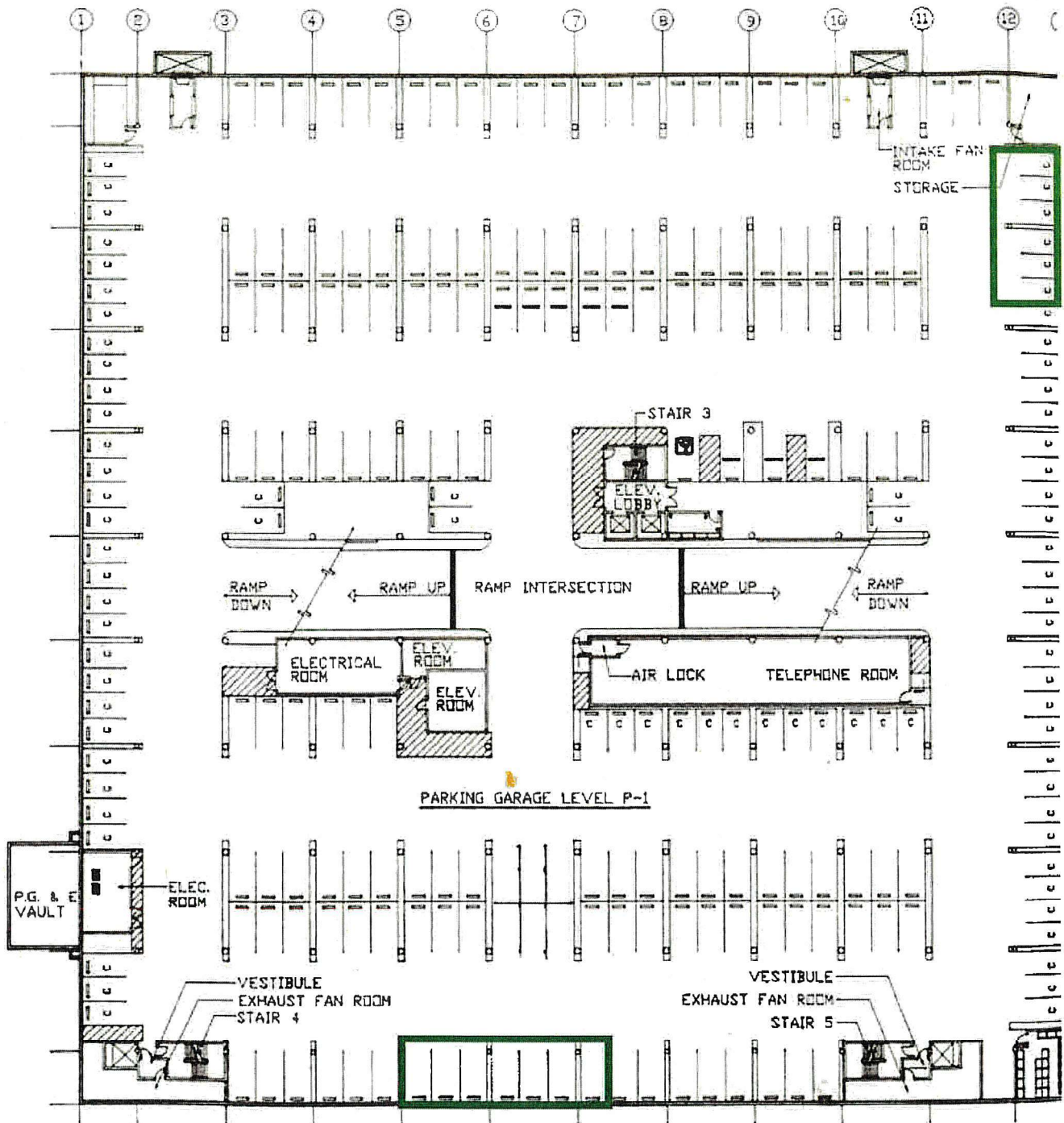
WITNESS my hand and official seal.

Signature: _____

EXHIBIT E

Location of Reserved Spaces

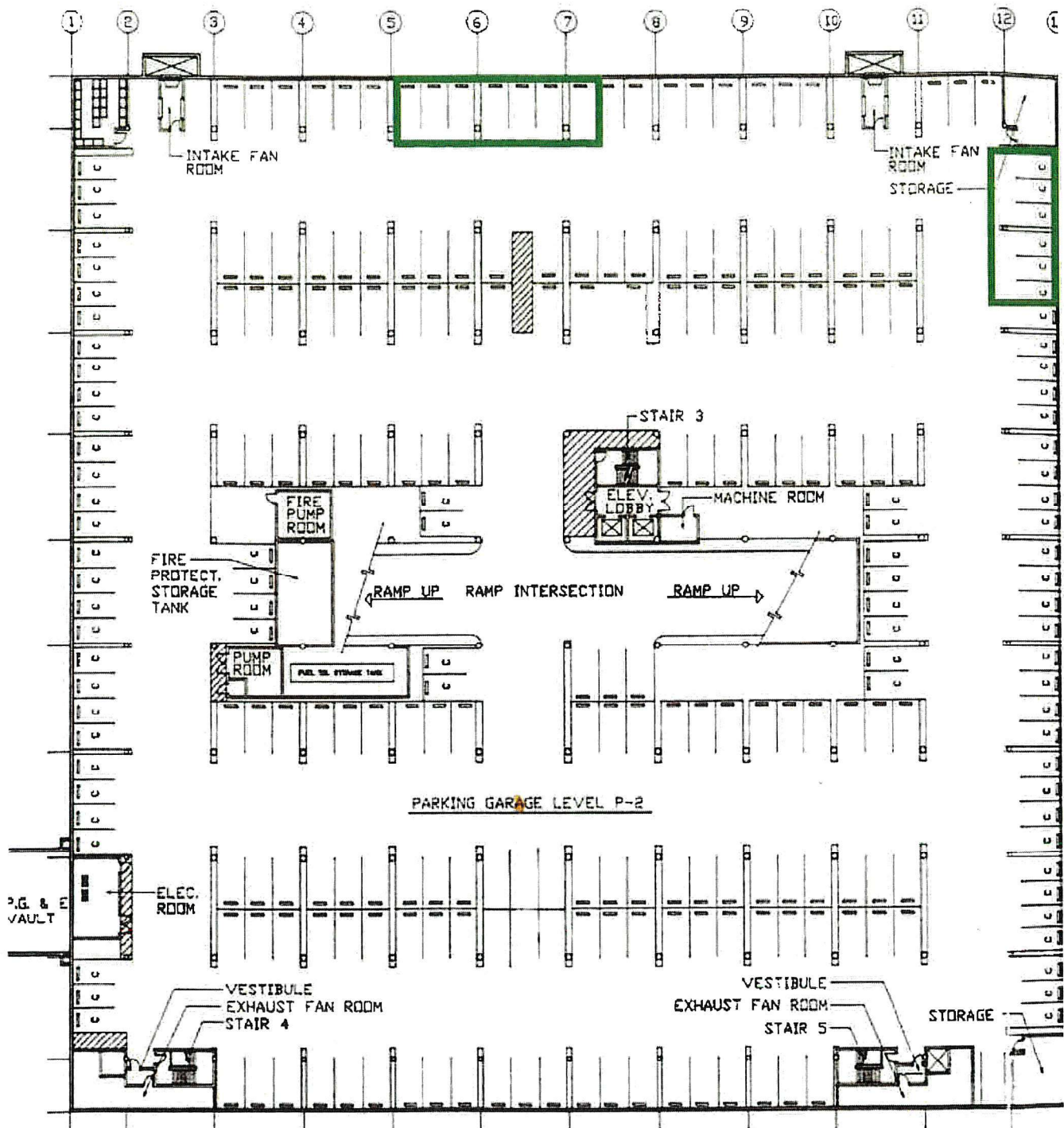
[See Attached]



UPPER PARKING LEVEL P-1 PLAN

SCALE: 1"=30'-0"





LOWER PARKING LEVEL P-2 PLAN

SCALE: 1"=30'-0"

