STANDARD INDUSTRIAL LEASE — GROSS

AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION



1. Parties. This Lease, dated, for reference purposes only.	August 1	. 19 <u>87</u>	, is made by and
between Rancho Murieta Association			
Parties. This Lease, dated, for reference purposes only. Detween Rancho Murieta Association	res District	(he	rein called "Lessor")
and	263 01361166	(her	oin called "Leaster")
2. Premises. Lessor hereby leases to Lessee and Lessee leases fr	om Lessor for the lerm, at the	rental and upon all of the	conditions set forth
berein that certain real property situated in the County of Sac	ramento	State of Californi	a
commonly known asSecurity Gate Structure and described as240 square feet of Securisketch of the area subject to this lease			
and described as 240 square feet of Securi	ty Gate Building or	the parcel per	the attached
_sketch of the area_subject to this lease		The private per	THE GUILLIE
Said real property including the land and all improvements therein,	is herein called "the Premise:	s".	
3. Term.	/ C \		
3.1 Term. The term of this Lease shall be for	5) years	21 1000	
3.1 Term. The term of this Lease shall be for	and ending on	31, 1992	
3.2 Delay in Possession. Notwithstanding said commenceme	nt date, if for any reason Less:	or cannot deliver possessi	on of the Premises to
3.2 Delay in Possession. Notwinstanding said commenceme Lessee on said date, Lessor shall not be subject to any liability there Lessee hereunder or extend the term hereof, but in such casa, Lessee to Lessee; provided, however, that if Lessor shall not have delivered date, Lessee may, at Lessee's option, by notice in writing to Lessor wi be discharged from all obligations hereunder; provided further, how ten (10) day period, Lessee's right to cancel this Lease hereunder s	shall not be obligated to pay r	ent until possession of the	Premises is tendered
to Lessee; provided, however, that if Lessor shall not have delivered	possession of the Premises w thin ten (10) days thereafter, c	/ilhin sixty (60) days from : ancel this Lease, in which (said commencement
be discharged from all obligations hereunder; provided further, how	ever, that if such written notic	e of Lessee is not received	by Lessor within said
ten (10) day period, Lessee's right to cancer his Lease nereunder's	said commencement date, si	rther force or effect. ich occupancy shall be sul	niect to all provisions
hereof, such occupancy shall not advance the termination date, and	essee shall pay rent for such p	eriod at the initial monthly	rates set forth below.
3.3 Early Possession. If Lessee occupies the Premises prior to hereof, such occupancy shall not advance the termination date, and 4. Rent. Lessee shall pay to Lessor as rent for the Premises, mount day of each mount of the term hereof. Lessee shall pay Lessor upon	h payments of \$ 1.00	, in advanc	e, on the <u>1st</u>
day of each mould of the term hereof. Lessee shall pay Lessor upon	the execution hereof \$1	as r	ent for the
year August 1, 1987 to July 31, 1988.			
	0.4.00	. 41	
Rent for any period during the term hereof which is for less than on payable in lawful money of the United States to Lessor at the addres	e month shall be a pro rata po s stated herein or to such othe	rtion of the monthly insta persons or at such other	places as Lessor may
designate in writing.			
5. Security Deposit. Lessee shall deposit with Lessor upon exe performance of Lessee's obligations hereunder. If Lessee fails to pay	cution hereof \$No	as security	for Lessec's faithful
performance of Lessee's obligations nereunder. If Lessee falls to pay provision of this Lease, Lessor may use, apply or retain all or any por	rent or other charges due here lion of said deposit for the pay	ment of any rent or other c	narge in default or for
the payment of any other sum to which Lessor may become obligated	by reason of Lessee's default,	or to compensate Lessor for	or any loss or damage
performance of Lessee's obligations nereunder. I Lessee lails to pay provision of this Lease, Lessor may use, apply or retain all or any por the payment of any other sum to which Lessor may become obligated which Lessor may suffer thereby, If Lessor so uses or applies all of demand therefor deposit cash with Lessor in an emount sufficient to	restore said deposit to the full	amount hereinabove state	and Lessee's failure
to do so shall be a material breach of this Lease. If the monthly rent	shall, from time to time, incre	ase during the term of this held by Lessor shall at all	s Lease, Lessee shall
proportion to current rent as the original security deposit bears to	the original monthly rent set I	orth in paragraph 4 hereo	Lessor shall not be
required to keep said deposit separate from its general accounts. If Litherent as has not theretofore been applied by Lessor, shall be return	assee performs all of Lessee s led, without payment of intere	obligations hereunder, sai st or other increment for its	deposit, or so much use, to Lessee (or, at
demand therefor deposit cash with Lessor in an amount sufficient to to do so shall be a material breach of this Lease. If the monthly renthereupon deposit with Lessor additional security deposit so that it proportion to current rent as the original security deposit bears to required to keep said deposit separate from its general accounts. If Lethereof as has not theretofore been applied by Lessor, shall be return Lessor's option, to the last assignee, if any, of Lessee's interest here Premises. No trust relationship is created herein between Lessor and the second	runder) at the expiration of the	e term hereof, and after Le	ssee has vacated the
	d Lessee with respect to said	Security Deposit.	
 Use. 6.1 Use. The Premises shall be used and occupied only for _ 	Community Services	District Securi	ty Operations
0.1 032. 11011011000			-3 -characteria
or any other use which is reasonably comparable and for no other	purpose.		
on Describe as with Law			
(a) Lessor warrants to Lessee that the Premises, in its state use for which Lessee will use the Premises, does not violate any coving the premises.	existing on the date that the Lu	ase term commences, but	without regard to the
and in a floor on such i need form commencement date in the	event it is determined that this	s warranty has been vintale	od then it shall be the
obligation of the Lessor, after written notice from Lessee, to promp Lessee does not give to Lessor written notice of the violation of this	IIV al i assor's sole cost and s	A USING AUGUST SEUCH A	uniation in the event
correction of same shall be the obligation of the Lessee at Lessee's so	ole cost. I ne warranty contain	ed in this paragraph 6.2 (a)	snail be of no force or
effect if, prior to the date of this Lease, Lessee was the owner or occur at Lessee's sole cost.	ant of the Premises, and, in su	ch event, Lessee shall corr	ect any such violation
(h) Except as provided in paragraph 6.2(a), Lessee shall, a	Lessee's expense, comply pr	omplly with all applicable	statules, ordinances,
rules, regulations, orders, covenants and restrictions of record, and the use by Lessee of the Premises. Lessee shall not use nor permit the	e use of the Premises in any ma	anner that will tend to creat	rm nereor, regulating e waste or a nuisance
or, if there shall be more than one tenant in the building containing	the Premises, shall tend to di	isturb such other tenants.	
 6.3 Condition of Premises. (a) Lessor shall deliver the Premises to Lessos clean and 	tree of debris on Lease cor	nmencement date (unlers	Lessee is already in
possession) and Lessor further warrants to Lessee that the plumbing	, lighting, air conditioning, he	aling, and loading doors in	the Premises shall be
in good operating condition on the Lease commencement date. In the obligation of Lessor, after receipt of written notice from Lessees	a event that it is determined that etting forth with specificity the	at this warrenty has been vi- e nature of the violation, to	promptly, at Lessor's
sale cost, rectify such violation. Lessee's failure to give such written	n notice to Lessor within thirty	(30) days after the Lease	commencement date
shall cause the conclusive presumption that Lessor has complied paragraph 6.3(a) shall be of no force or effect if prior to the date of	this I gave I eased was the or	wher or occupant of the Pr	emises
(b) Except as otherwise provided in this Lease, Lease commencement date or the date that Lessee takes possession of it county and state laws, ordinances and regulations governing and re-	hereby accepts the Premise	es In their condition exist	ling as of the Lease
county and state laws, ordinances and regulations governing and re	gulating the use of the Premis	es, and any covenants or	estrictions of record.
and accepts this Lease subject thereto and to all matters disclosed the Lessor nor Lessor's agent has made any representation or warranty a	iereby and by any exhibits atta	iched hereio. Lessee ackni	owieddes mar heimer
business.		,	
7. Maintenance, Repairs and Alterations.			
7.1. Legac's Obligations Subject to the provisions of Paragra	phs 6, 7.2, and 9 and except fo	r damage caused by any ne	gligent or intentional
act or omission of Lessee, Lessee's agents, employees, or invitees in keep in good order, condition and repair the foundations, exterior	r walls and the exterior roof	of the Premises, Lessor st	hall not, however, be
obligated to paint such exterior, nor shall Lessor be required to main	lain the interior surface of exte	rior walls, windows, doors	or plate glass. Lessor
shall have no obligation to make repairs under this Paragraph 7.1 un Lessee expressly waives the benefits of any statute now or hereaft	er in effect which would other	rwise afford Lessee the rig	ht to make repairs at
Lessor's expense or to terminate this Lease because of Lessor's fai	ure to keep the Premises in g	ood order, condition and	repair.
7.2 Lessee's Obligations.	opena el l'accepio evance ch	all keen in good order co.	dition and tanair the

(a) Subject to the provisions of Paragraphs 6, 7.1 and 9, Lessee, at Lessee's expense, shall keep in good order, condition and repair the Premises and every part thereof (whether or not the damaged portion of the Premises or the means of repairing the same are reasonably or readily accessable to Lessee) including, without limiting the generality of the foregoing, all plumbing, heating, air conditioning, (Lessee shall procure and

maintain, at Lessee's expense, an air conditioning system maintenance contract) ventilating, electrical and lighting facilities and equipment within the Premises, fixtures, interior walls and interior surface of exterior walls, cellings, windows, doors, plate glass, and skylights, located within the Premises, and all landscaping, driveways, parking lots, fences and signs located in the Premises and all sidewalks and parkways adjacent to the

- (b) If Lessee fails to perform Lessee's obligations under this Paragraph 7.2 or under any other paragraph of this Lease, Lessor may at Lessor's option enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf and put the Premises in good order, condition and repair, and the cost thereof logether with interest thereon at the maximum rate then allowable by law shall be due and payable as additional rent to Lessor together with Lessee's next
- (c) On the last day of the term hereof, or on any sooner termination, Lessee shall surrender the Premises to Lessor in the same condition as received, ordinary wear and tear excepted, clean and free of debris. Lessee shall repair any damage to the Premises occasioned by the installation or removal of its trade fixtures, furnishings and equipment. Notwithstanding anything to the contrary otherwise stated in this Lessee shall leave the air lines, power panels, electrical distribution systems, lightling fixtures, space heaters, air conditioning, plumbing and length of the contrary of the conditioning on the premises in good operating condition.

7.3 Alterations and Additions.

7.3 Alterations and Additions.

(a) Lessee shall not, without Lessor's prior written consent, nake any alterations, improvements, additions, or Utility Installations in, on or about the Premises, except for nonstructural alterations not exceeding \$2,500 in administer or not in excess of \$2,500 in cuprilative cost, Lessee shall make no change or alteration to the exterior of the Premises partie exterior that the Premises partie exterior of the building(s) on the Premises without Lessor's prior written consent. As used in this Paragraph 7.3 the term "Utility Installation" shall mean carpeting, window openings, air lines, power panels, electrical distribution systems, lighting fixtures, space heaters, air conditioning, plumbing, and fencing. Lessor may require that Lessee remove any or all of said alterations, improvements, additions or Utility Installations at the expiration of the term, and restore the Premises to their prior condition. Lessor may require Lessee to provide Lessor, at Lessee's sole soft and expense, a light and completion of not an amorphic equal to one and ope-half limes the estimated cost of such improvements, to insure Lessor against any liability for mechanic's and materialmen's liens and to insure completion of the work. Should Lessee make any afterations, improvements, additions or Utility Installations without the prior approval of Lessor, Lessor may require that Lessee remove any or all of the same.

(b) Any alterations, improvements, additions or Utility Installations in or about the Premises that Lessee shall desire to make and which requires the consent of the Lessor shall be presented to Lessor in written form, with proposed detailed plans. If Lessor shall give its consent, the consent shall be deemed conditioned upon Lessee acquiring a fermit to do so from appropriate governmental agencies, the furnishing of a copy thereof to Lessor prior to the commencement of the work and the compliance by Lessee of all conditions of said permit in a prompt and expeditious manner.

(c) Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use in the Premises, which claims are or may be secured by any mechanics' or materials filen against the Premises or any interest theyelen. Lessee shall give Lessor not less than ten (10) pays' notice prior to the commencement of any work in the Premises, and Lessor shall have the right to post notices of non/responsibility in or on the Premises as provided by law. If Lessee shall, in good faith, contest the validity of any such line, claim or demand, they lessee shall, at ity sole expense deleyed liself and Lessor against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement hereof against the Lessor or the Premises, upon the condition that if Lessor shall require, Lessee shall furnish to Lessor a surery bond satisfactory/o Lessor in an amount equal to such contested lish claim or demand indemnifying Lessor against liability for the same and polding the Premiser free from the effect of such lien or claim. In addition, Lessor may require Lessee to pay Lessor's attorneys fees and costs in participating in such action if Lessor shall decide it is to its best interest to do so.

(d) Unless Lessor requires their removal, as set forth in Paragraph 7.3(a), all alterations, improvements, additions and Utility Installations (whether or not such Jullity Installations constitute trade fixtures of Lessee), which may be made on the Premises, shall become the property of Lessor and remain upon and be surrendered with the Premises at the expiration of the ferm. Notwithstanding the provisions of this Paragraph 7.3(d). Lessee is machinery and equipment, other than that which is affixed to the Premises so that it cannot be proved without material damage to the provisions of Paragraph 7.2(c).

Insurance; Indemnity.

- 8. Insurance; Indemnity.

 8.1 Liability Insurance Lessee. Lessee shall, at Lessee's expense, obtain and keep in force during the term of this Lease a policy of Combined Single Limit Bodily Injury and Property Damage Insurance insuring Lessee and Lessor against any liability arising out of the use, occupancy or maintenance of the Premises and all other areas appurtenant thereto. Such insurance shall be in an amount not less than \$500,000 per occurrence. The policy shall insure performance by Lessee of the Indemnity provisions of this Paragraph 8. The limits of said insurance shall not, however, limit the liability of Lessee hereunder.

 8.2 Liability Insurance Lessor. Lessor shall obtain and keep in force during the term of this Lease a policy of Combined Single Limit Bodily Injury and Property Damage Insurance, insuring Lessor, but not Lessee, against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto in an amount not less than \$500,000 per occurrence.
- 8.3 Property Insurance. Lessor shall obtain and keep in force during the term of this Lease a policy or policies of insurance covering loss or damage to the Premises, but not Lessee's fixtures, equipment or tenant improvements in an amount not to exceed the full replacement value thereof, as the same may exist from time to time, providing protection against all perils included within the classification of fire, extended coverage, vandalism, mallclous mischief, flood (in the event same is required by a lender having a lien on the Premises) special extended perils ("all risk", as such term is used in the insurance industry) but not plate glass insurance. In addition, the Lessor shall obtain and keep in force, during the term of this Lease, a policy of rental value insurance covering a period of one year, with loss payable to Lessor, which insurance shall also cover all real estate taxes and insurance costs for said period. estate taxes and insurance costs for said period.

8.4 Payment of Premium Increase.

8.4 Payment of Premium Increase.

(a) Lessee shall pay to Jessor, during the term hereof, in addition to the reny, the amount of any increase in premiums for the insurance required under Paragraphs 8.2 and 8.3 over and above such premiums paid during the Base Period, as hereingiter defined, whether such premium increase shall be the result of the nature of Lessee's occupancy, any act or omission of Lessee, requirements of the holder of a mortgage or deed of trust covering the Premises, horeased valuation of the Premises, or general rate increases. In the event that the Premises have been occupied previously, the words "Base Period" shall mean the last levelve months of the prior occupancy. In the event that the Premises have never been previously occupied, the permiums during the "Base Period" shall be deemed to be the lowest premiums reasonably obtainable for said insurance assuming the most nominal use of the Premises. Provided, however, in fleud the Base Period, the parties may insert a dollar amount at the end of this sentence which figure shall be considered as the insurance premium or the Base Period:

\$ In no event, however, shall Lessee be responsible for any portion of the premium cost attributable to liability insurance coverage in excess of \$1,000,000 procures under paragraph 8.2.

paragraph 8.2,

- shall Lessee be responsible for any portion of the premium cost attributable to liability insurance coverage in excess of \$1,000,000 procured under paragraph 8.2.

 (b) Lessee shall pay any such premium increases to Lessor within 30 days after receipt by Lessee of a copy of the premium statement or other satisfactory evidence of the amount due. If the insurance policies maintained hereunder cover other improvements in addition to the Premises, Lessor shall also deliver to Lessee a statement of thy amount of such increases attributable to the Premises and showing h reasonable detail, the manner in which such amount was computed. If the term of this Lease shall not expire concurrently with the expiration of the period covered by such increases. The promises are part of a larger building, then Lessee shall not be responsible for paying any increases in the property insurance premium caused by the acts or omissions of any other cenant of the building of which the Premises are a part.

 8.5 Insurance Policies. Insurance required hereunder shall be in companies holding a "General Policyholders Ralling" of at least 8 plus, or such other dating as may be required by a lender herying a lien on the Premise, as set forth in the most cyrrent issue of "Best's Insurance Guide". Lessee shall deliver to Lessor copies of policies of liability insurance required under Paragraph 8.1 or certificates evidencing the existence and amounts of such insurance who such policy ship be cancellable or subject to reduction of coverage or other modification except after thirty (30) days prior to the expiration of sich policies, furnish Lessor with renewals or "bindery" thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee upon demant. Lessee shall fold do or permit to be done anything which shall invalidate the insurance policies referred to in Paragraph 8.3.

 8.6 Walver of Subrogation, Lessee/and Lessor each horeby refease and relieve the other and waive their entire right of

contained in this Lease.

- exhained in Jhis Lease.

 8.7 Indemnity. Lessee shall indemnity and hold harmless Lessor from and against any and all claims arising from Lessee's use of the Premises, or from the conduct of Lessee's business or from any activity, work or things done, permitted or suffered by Lessee in or about the Premises or elsewhere and shall further indemnity and hold harmless Lossor from and against any and all claims arising from any pregigned of the Lessee, or any office of any obligation on Lessee's part to be performed under the terms of this Lease, or arising from any negligence of the Lessee, or any of Lessee's agents, contractors, or employees, and from and against all costs, alterney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding be brought against Lessor by reason of any such claim. Lessee upon notice from Lessor shall defend the same at Lessee's expense by counsel satisfactory to Lessor, Lessee, as a material part of the consideration to Lessor, hereby assumes all risk of damage to property or injury to persons, in, upon or about the Premises arising from any cause and Lessee hereby waives all claims in respect thereof against Lessor.
- 8.8 Exemption of Lessor from Liability. Lessee hereby agrees that Lessor shall not be liable for injury to Lessee's business or any loss of income therefrom or for damage to the goods, wares, merchandise or other property of Lessee, Lessee's employees, invitees, customers, or any other person in or about the Premises, nor shall Lessor be liable for injury to the person of Lessee, Lessee's employees, agents or contractors, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether the said damage or injury results from conditions arising upon the Premises or upon other portions of the building of which the Premises are a part, or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Lessee. Lessor shall not be liable for any damages arising from any act or neglect of any other tenant, if any, of the building in which the Premises are lessed.

initials:	

9. Damage or Destruction.

9 1 Definitions.

- 3. Premises Partial Damage" shall herein mean damage or destruction to the Premises to the extent that the cost of repair is less than 50% of the fair market value of the Premises immediately prior to such damage or destruction. "Premises Building Partial Damage" shall herein mean damage or destruction to the building of which the Premises are a part to the extent that the cost of repair, is less than 50% of the fair market value of such building as a whole immediately prior to such damage or destruction.
- value of such building as a whole immediately prior to such damage or destruction.

 (b) "Premises Total Destruction" shall herein mean damage or destruction to the Premises to the extent that the cost of repair is 50% or more of the fair market value of the Premises immediately prior to such damage or destruction. "Premises Building Total Destruction" shall herein mean damage or destruction to the building of which the Premises are a part to the extent that the cost of repair is 50% or more of the fair market value of such building as a whole immediately prior to such damage or destruction.
- (c) "Insured Loss" shall herein mean damage or destruction which was caused by an event required to be covered by the insurance described in paragraph 8.
- 9.2 Partial Damage Insured Loss. Subject to the provisions of paragraphs 9.4, 9.5 and 9.6, if at any time during the term of this Lease there is damage which is an insured Loss and which falls into the classification of Premises Partial Damage or Premises Building Partial Damage, then Lessor's sole cost, repair such damage, but not Lessee's fixtures, equipment or tenant improvements, as soon as reasonably possible and this Lease shall continue in full force and effect.
- possible and this Lease shall continue in full force and effect.

 9 3 Partial Damage Uninsured Loss. Subject to the provisions of Paragraphs 9.4, 9.5 and 9.6, if at any time during the term of this Lease there is damage which is not an Insured Loss and which falls within the classification of Premises Partial Damage or Premises Building Partial Damage, unless caused by a negligent or willfull act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may at force and effect, or (ii) give written notice to Lessee within thirty (30) days after the date of the occurrence of such damage of Lessor's intention to cancel and terminate this Lease, as of the date of the occurrence of such damage of Lessor's intention to to cancel and terminate this Lease, Lessee shall have the right within ten (10) days after the receipt of such notice to give such notice of Lessor's intention to cancel and terminate this Lease, Lessee's expense, without reimbursement from Lessor, in which event this Lease shall continue in full force and effect, and Lessee's shall proceed to make such repairs as soon as reasonably possible. If Lessee does not give such notice within such 10-day period this Lease shall be cancelled and terminated as of the date of the occurrence of such damage.

 9 4 Total Destruction. If at any time during the term of this Lease there is damage, whether or not an Insured Loss, (including destruction)
- 10-day period into Lease shall be cancelled and terminated as of the date of the occurrence of such damage.

 9.4 Total Destruction. If at any time during the term of this Lease there is damage, whether or not an insured Loss, (including destruction required by any authorized public authority), which falls into the classification of Premises Total Destruction or Premises Building Total Destruction, this Lease shall automatically terminate as of the date of such total destruction.

- (a) If at any time during the last six months of the term of this Lease there is damage, whether or not an Insured Loss, which falls within the classification of Premises Partial Damage, Lessor may at Lessor's option cancel and terminate this Lease as of the date of occurrence of such damage by giving written notice to Lesser of Lessor's election to do so within 30 days after the date of occurrence of such damage.
- dainage by giving written notice to Lessee of Lessor's election to do so within 30 days after the date of occurrence of such damage.

 (b) Notwithstanding paragraph 9.5(a), in the event that Lessee has an option to extend or renew this Lease, and the time within which said option may be exercised has not yet expired, Lessee shall exercise such option, if it is to be exercised at all, no later than 20 days after the occurrence of an insured Loss falling within the classification of Premises Partial Damage during the last six months of the term of this Lease. If and this Lease such option during said 20 day period, Lessor shall, at Lessor's expense, repair such damage as soon as reasonably possible option terminate and cancer this Lease as of the expiration of said 20 day period by giving written notice to Lessee of Lessor's election to do so within 10 days after the expiration of said 20 day period, notwithstanding any term of provision in the grant of option to the contrary.

- (a) In the event of damage described in paragraphs 9.2 or 9.3, and Lessor or Lessee repairs or restores the Premises pursuant to the provisions of this Paragraph 9, the rent payable hereunder for the period during which such damage, repair or restoration continues shall be abated against Lessor for any damage suffered by reason of any such damage, destruction, repair or restoration. (b) If Lessor shall be obligated to repair or restore the Premises under the provisions of this Paragraph 9 and shall not commence such Lessor written notice of Lessee's election to do so at any time prior to the commencement of such repair or restoration. In such event this Lease by giving shall terminate as of the date of such notice.
- 9.7 Termination Advance Payments. Upon termination of this Lease pursuant to this Paragraph 9, an equitable adjustment shall be made concerning advance rent and any advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's security deposit as has not theretofore been applied by Lessor.
- 9 8 Walver. Lessor and Lessee waive the provisions of any statutes which relate to termination of leases when leased property is destroyed and agree that such event shall be governed by the terms of this Lease.

 10. Real Property Taxes.

- 10. Real Property Taxes.

 10.1 Payment of Tax Increase. Lessor shall pay the real property tax, as defined in paragraph 10.8, applicable to the Premises; provided flowever, that Lessee shall pay, in addition to rent, the arrount, if any, by which yeal property taxes applicable to the Premises forcease over the state tax year 19.

 10. Such payment shall be made by Lessee within thirty (30) days after receipt of Lessor's written expiration of the tax fiscal year, Lessee's liability for increased taxes for the last partial lease year, shall be prorated on an annual basis.

 10.2 Additional Improvements. Notwithstanding paragraph 10.1 hepeol, Lessee shall pay to Lessor upon demand therefor the entirety of any increase in real property tax is assessed solely by reason of additional improvements placed upon the Premises by Lessee or at Lessee's request. General real property tax is assessed solely by reason of additional improvements placed upon the Premises by Lessee or at Lessee's request. General, special, ordinary or extraordinary and any license fee, commercial rental tax, improvement bond or bonds, levy or tax/other than city, state or federal government, or any school, agricultural, sandary, fire, street, drainage or other improvement bond or bonds, levy or tax/other than city, state or federal government, or any school, agricultural, sandary, fire, street, drainage or other improvement bond or bonds, levy or tax/other than interest of Lessor in the Premises or in the real property of which the Premises are a part, as against Lessor's right to rent or other increased since busy of the property lax, as against any legal or equitable interest of Lessor in the Premises or in the real property of which the Premises are a part, as against Lessor's right to rent or other included within the definition of "real property lax," or (iii) which is imposed for a result of a transfer, either partiel or lotal, of Lessor's inferest in the Premises or which is added to a lax or charge hereinabove included within the definition
- 10.4 Joint Assessment. If the Premises are not separately assessed, Lessee's liability shall be an equitable proportion of the real property valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lesser's reasonable determination that the conclusive.

10.5 Personal Properly Taxes.

- (a) Lessee shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Lessee contained in the Premises or elsewhere. When possible, Lessee shall cause said trade fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor.

 (b) If any of Lessee's said personal property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.
- 11. Utilities. Lessee shall pay for all water, gas, heat, light, power, telephone and other utilities and services supplied to the Premises, together with any taxes thereon. If any such services are not separately metered to Lessee, Lessee shall pay a reasonable proportion to be determined by Lessor of all charges jointly metered with other premises.

12. Assignment and Subletting.

- 12.1 Lessor's Consent Required. Lessee shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of Lessee's interest in this Lease or in the Premises, without Lessor's prior written consent, which Lessor shall not unreasonably withhold. Lessor shall respond to Lessee's request for consent thereunder in a timely menner and any attempted assignment, transfor, mortgage, encumbrance or subletting without such consent shall be void, and shall constitute a breach of this Lease.

 12.2 Lessee Affillate. Notwithstanding the provisions of paragraph 12.1 hereof, Lessee may assign or sublet the Premises, or any portion thereof, without Lessor's consent, to any corporation which controls, is controlled by or is under common control with Lessee, or to any corporation resulting from the merger or consolidation with Lessee, or to any person or entity which acquires all the assets of Lessee as a going concern of the business that is being conducted on the Premises, provided that said assignee assumes, in full, the obligations of Lessee under this Lease. Any such assignment shall not, in any way, affect or limit the liability of Lessee under the terms of this Lease even if after such assignment or subletting the terms of this Lease are materially changed or altered without the consent of Lessee, the consent of whom shall not be necessary.

 12.3 No Release of Lessee. Regardless of Lessor's consent, no subletting or assignment shall release Lessee of Lessee's obligation or alter the
- 12.3 No Release of Lessee. Regardless of Lessor's consent, no subletting or assignment shall release Lessee of Lessee's obligation or alter the prunary liability of Lessee to pay the rent and to perform all other obligations to be performed by Lessee hereunder. The acceptance of rent by Lessor from any other person shall not be deemed to be a waiver by Lessor 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 any assignee of Lessee or any successor of Lessee, in assignee. Lessor may consent to subsequent assignments or subletting of this Lesse or amendments or modifications to this Lesso with assignee. Without notifying Lessee, or any successor of Lessee, and without obtaining its or their consent thereto and such action shall not relieve
- 12.4 Altorney's Fees. In the event Lessee shall assign or sublet the Premises or request the consent of Lessor to any assignment or subletting or if Lessee shall request the consent of Lessor for any act Lessee proposes to do then Lessee shall pay Lessor's reasonable attorneys fees incurred in connection therewith, such attorneys fees not to exceed \$350.00 for each such request.

13. Defaults; Remedies.

- 13.1 Defaults. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by
 - (a) The vacating or abandonment of the Premises by Lessee.
- (b) The failure by Lessee to make any payment of rent or any other payment required to be made by Lessee hereunder, as and when due, where such failure shall continue for a period of three days after written notice thereof from Lessor to Lessee. In the event that Lessor serves Lessee required by this subparagraph.
- (c) The failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Lessee, other than described in paragraph (b) above, where such failure shall continue for a period of 30 days after written notice thereof from Lesser to Lessee; provided, however, that if the nature of Lessee's default is such that more than 30 days are reasonably required for its cure, then Lessee shall not be deemed to be in default if Lessee commenced such cure within said 30-day period and thereafter diligently prosecutes such
- or effect. Of the making by Lessee of any general arrangement or assignment for the benefit of creditors; (ii) Lessee becomes a "debtor" as defined in 11 U.S.C. §101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days. Provided, however, in the event that any provision of this paragraph 13.1(d) is contrary to any applicable law, such provision shall be of no force

- (e) The discovery by Lessor that any financial statement given to Lessor by Lessee, any assignee of Lessee, any subtenant of Lessee, any successor in interest of Lessee or any guarantor of Lessee's obligation hereunder, and any of them, was materially false.

 13.2 Remedies. In the event of any such material default or breach by Lessee, Lessor may at any time thereafter, with or without notice or demand and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such default or breach:

 (a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lesses shall terminate and Lessee shall immediately surrender possession of the Premises to Lessor. In such event Lessor shall be entitled to recover from Lessee all damages incurred by Lessor by reason of Lessee's default including, but not limited to, the cost of recovering possession of the Premises; expenses of reletting, including of award by the court having jurisdiction thereof of the amount by which the unpaid rent for the balance of the term after the time of such rental loss for the same period that Lessee proves could be reasonably avoided; that portion of the leasing commission paid by Lessor pursuant to Paragraph 15 applicable to the unexpired term of this Lease.

 (b) Maintain Lessee's right to possession in which case this Lease shall continue in effect whether or not Lessee shall have abandoned the
- (b) Maintain Lessee's right to possession in which case this Lease shall continue in effect whether or not Lessee shall have abandoned the s. In such event Lessor shall be entitled to enforce all of Lessor's rights and remedies under this Lease, including the right to recover the rent as it becomes due hereunder.
- (c) Pursue any other remedy now or hereafter available to Lessor under the laws or judicial decisions of the state wherein the Premises are located. Unpaid installments of rent and other unpaid monetary obligations of Lessee under the terms of this Lease shall bear interest from the date due at the maximum rate then allowable by law.
- 13.3 Default by Lessor. Lessor shall not be in default unless Lessor fails to perform obligations required of Lessor within a reasonable time, but in no event later than thirty (30) days after written notice by Lessoe to Lessor and to the holder of any first mortgage or deer of trust covering the Premises whose name and address shall have theretofore been furnished to Lessoe in writing, specifying wherein Lessor has failed to perform such Lessor shall not be in default if Lessor commences performance within such 30-day period and thereafter diligently prosecutes the same to
- Lessor shall not be in default (**Lessor commences performance within such 30-day period and thereafter diligently prosecutes the same to completion.

 13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee to Lessor of rent and other sums/due hereunder will cause Lessor to incur costs not cortemplated by this kease. The exact amount of which will be extremely difficult to ascertain such costs include, but are not limited to, processing end accounting charges, and late charges which may be imposed of Lessor by the terms of any mortgage of trust deed covering the Premises. Accordingly, if any installment of rent or any other sum due from Lessee shall not be received by Lessor or Lessor's designee within ten (10) days atter such amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of late payment by Lessee. Acceptance of sych late charge by Lesso shall in no event constitute a waiver of Lesses's default incur by reason of late payment by Lessee. Acceptance of sych late charge by Lesso shall in no event constitute a waiver of Lesses's default late charge is payable hereunder, whether or not collected, forthree (3) consecutive inskallments of rent, then rent shall autonialized by become due and payable quaderly in advance, rather than monthly, notytithstanding paragraph 4 or any other provision of this Lease to the contrary.

 13.5 Impounds. In the event that a late charge is payable hereunder, whether or not collected, for three (3) consecutive inskallments of rent, then rent shall autonialized by become due and payable quaderly in advance, rather than monthly, notytithstanding paragraph 4 or any other provision of this Lease to the contrary.

 13.5 Impounds. In the event that a late charge is payable hereunder, whether or not collected, for three (3) installments of rent or any other required under this Lease, a monthly advance installment, payable at the same timess the monthly rent, as estimated by Lessor, for r may, at the option or Lesso and insurance premiums.
- 14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain, or sold under the threat of the exercise of said power (all of which are herein called "condemnation"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes little or possession, whichever first occurs. If more than 10% of the floor area of the building on the Premises, or more than 25% of the land area of the Premises which is not occupied by any building, is taken by condemnation, Lessee may, at Lessee's option, to be exercised in days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be reduced in the proportion that the floor area of the building taken bears to the total floor area of the building situated on the Premises. No reduction of rent shall be reduced in the propertion that the floor area of the building taken bears to the total floor area of the building situated on the Premises. No reduction of rent shall be reduced or of eminent domain or any payment made under threat of the exercise of such power shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold or for the taking of the fee, or as severance damages; provided, however, that Lessee shall be entitled to any award for loss of or damage to Lessee's related to severance damages received by Lessor in connection with such condemnation, repair any damage to the Premises caused by such condemnation except to the extent that Lessee has been reimbursed therefor by the condemning authority. Lessee shall pay any amount in excess

of such se	verance damages requ	ired to complete such re	spair.	the condemning autho	rity. Lessee shall pay any	amount in excess
15. Broke	er's Vee. a) Upon execution of t	his Lease by both partie	s, Lessor shall pay to	/		
broker(s),	lee as set forth in a s	separate agreement bety	veen Lessor and said t	roker(s), or in the eve	nt there is no separate ag	ensed real estate
Lessor and this Lease, any rights Option her after havin pertaining broker(s) a faving ar of Lease, whe	Jazid broker(s), the su) Lessor/urther agree or any subsequently g to the Premises or oth- ein granted to Lessee g failed to exercise and to the Premises and/oil Lessor agrees to pay the in accordance with Lessor agrees to pay ther such trans(er is by	um of \$	In Drokerage sist and Option as defined abstantially similar to a prist Lease which are see remains in posses; (s) are the procuring n which Lessor has an roker(s) in effect at the posses of the see	invice rendered by sain paragraph 39.1 of the of pinn granted to Les obstantially similar to sion of the Premises a cause of any other lea interest, then as to any a time of execution of on behalf of any pyrson here is due herende media have assumed to any extractions of the sound of the so	id broker(s) to Lessor in his Lesse, which is grante sseg under this Lesse, or o what Lessee would have ifter the expiration of the lesses or sale entered into be	this transaction. d to lessee under if Lessee acquires a acquired had an erm of this Lease tween the parties sor shall pay said on, or other entity

- (a) Lessee shall at any time upon not less than ten (10) days' prior written notice from Lessor execute, acknowledge and deliver to Lessor a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Lessee's knowledge, any uncured defaults on the part of Lessor hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises.

 (b) At Lessor's option, Lessee's failure to deliver such statement within such time shall be a material breach of this Lease or shall be conclusive upon Lessee (i) that this Lease is in full force and effect, without modification except as may be represented by Lessor, (ii) that there are no uncured defaults in Lessor's performance, and (iii) that not more than one month's rent has been paid in advance or such failure may be considered by Lessor as a default by Lessee under this Lease.

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16. Estoppel Certificate.

- (c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee hereby agrees to deliver to any lender or purchaser designated by Lessor such financial statements of Lessee as may be reasonably required by such lender or purchaser. Such statements shall include the past three years' financial statements of Lessee. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.
- 17. Lessor's Liability. The term "Lessor" as used herein shall mean only the owner or owners at the time in question of the fee title or a lessee's interest in a ground lease of the Premises, and except as expressly provided in Paragraph 15, in the event of any transfer of such title or interest, Lessor herein named (and in case of any subsequent transfers then the grantor) shall be relieved from and after the date of such transfer of all liability as respects Lessor's obligations thereafter to be performed, provided that any funds in the hands of Lessor or the then grantor at the time of such transfer, in which Lessee has an interest, shall be delivered to the grantee. The obligations contained in this Lease to be performed by Lessor shall, subject as aforesaid, be binding on Lessor's successors and assigns, only during their respective periods of ownership.
- 18. Severability. The invalidity of any provision of this Lease as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.
- 19. Interest on Past-due Obligations. Except as expressly herein provided, any amount due to Lessor not paid when due shall bear interest at the maximum rate then allowable by law from the date due. Payment of such interest shall not excuse or cure any default by Lessee under this Lease, provided, however, that interest shall not be payable on late charges incurred by Lessee nor on any amounts upon which late charges are paid by
- 20. Time of Essence. Time is of the essence.
- 21. Additional Rent. Any monetary obligations of Lessee to Lessor under the terms of this Lease shall be deemed to be rent.
- 22. Incorporation of Prior Agreements; Amendments. This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Lease may be modified in writing only, signed by the parties in interest at the time of the modification. Except as otherwise stated in this Lease, Lessee hereby acknowledges that neither the real estate broker listed in Paragraph 15 hereof nor any cooperating broker on this transaction nor the Lessor or any employees or agents of any of said persons has made any oral or written warranties or representations to Lessee relative to the condition or use by Lessee of said Premises and Lessee acknowledges that Lessee assumes all responsibility regarding the Occupational Safety Health Act, the legal use and adaptability of the Premises and the compliance thereof with all applicable laws and regulations in effect during the term of this Lease except as otherwise specifically stated in this Lease.
- 23. Notices. Any notice required or permitted to be given hereunder shall be in writing and may be given by personal delivery or by certified mail, and if given personally or by mail, shall be deemed sufficiently given if addressed to Lessee or to Lessor at the address noted below the signature of the respective parties, as the case may be. Either party may by notice to the other specify a different address for notice purposes except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice purposes. A copy of all notices required or permitted to be given to Lessor hereunder shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to lime hereafter designate by notice to Lessee.
- 24. Walvers. No waiver by Lessor or any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Lessee of the same or any other provision. Lessor's consent to, or approval of any act, shall not be deemed to render unnecessary the obtaining of Lessor's consent to or approval of any subsequent act by Lessoe. The acceptance of rent hereunder by Lessor shall not be a waiver of any preceding breach by Lessee (any provision hereof, other than the failure of Lessee to pay the particular rent so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.
- 25. Recording. Either Lessor or Lessee shall, upon request of the other, execute, acknowledge and deliver to the other a "short form" memorandum of this Lesse for recording purposes.
- 26. Holding Over. If Lessee, with Lessor's consent, remains in possession of the Premises or any part thereof after the expiration of the term hereof, such occupancy shall be a lenancy from month to month upon all the provisions of this Lease pertaining to the obligations of Lessee, but all options and rights of first refusal, if any, granted under the terms of this Lease shall be deemed terminated and be of no further effect during said month to month tenancy.
- 27. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.
- 28. Covenants and Conditions. Each provision of this Lease performable by Lessee shall be deemed both a covenant and a condition.
- 29. Binding Effect; Choice of Law. Subject to any provisions hereof restricting assignment or subjecting by Lessee and subject to the provisions of Paragraph 17, this Lease shall bind the parties, their personal representatives, successors and assigns. This Lease shall be governed by the laws of the State wherein the Premises are located.

- (a) This Lease, at Lessor's option, shall be subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation or security now or hereafter placed upon the real property of which the Premises are a part and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding such subordination, Lessee's right to quiet possession of the Premises shall not be disturbed if Lessee is not in default and so long as Lessee shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgage, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and shall give written notice thereof to Lessee, this Lease shall be deemed prior to such mortgage, deed of trust, or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust or ground lease or the date of recording thereof.
- of trust or ground lease or the date of recording inefeur.

 (b) Lessee agrees to execute any documents required to effectuate an attornment, a subordination or to make this Lease prior to the lien of any mortgage, deed of trust or ground lease, as the case may be. Lessee's failure to execute such documents within 10 days after written demand shall constitute a material default by Lessee hereunder, or, at Lessor's option, Lessor shall execute such documents on behalf of Lessee as Lessee's attorney-in-fact. Lessee's constitute and irrevocably appoint Lessor as Lessee's attorney-in-fact and in Lessee's name, place and stead, to execute such documents in accordance with this paragraph 30(b).
- 31. Attorney's Fees. If either party or the broker named herein brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party in any such action, on trial or appeal, shall be entitled to his reasonable attorney's fees to be paid by the losing party as fixed by the court. The provisions of this paragraph shall inure to the benefit of the broker named herein who seeks to enforce a right hereunder.
- 32. Lessor's Access. Lessor and Lessor's agents shall have the right to enter the Premises at reasonable times for the purpose of inspecting the same, showing the same to prospective purchasers, lenders, or lessees, and making such alterations, repairs, improvements or additions to the Premises or to the building of which they are a part as Lessor may deem necessary or desirable. Lessor may at any time place on or about the Premises any ordinary "For Sale" signs and Lessor may at any time during the last 120 days of the term hereof place on or about the Premises any ordinary "For Lease" signs, all without rebate of rent or liability to Lessee.
- 33. Auctions. Lessee shall not conduct, nor permit to be conducted, either voluntarily or involuntarily, any auction upon the Premises without first having obtained Lessor's prior written consent. Notwithstanding anything to the contrary in this Lease, Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to grant such consent.
- 34. Signs. Lessee shall not place any sign upon the Premises without Lessor's prior written consent except that Lessee shall have the right, without the prior permission of Lessor to place ordinary and usual for rent or sublet signs thereon.
- 35. Merger. The voluntary or other surrender of this Lease by Lessee, or a mulual cancellation thereof, or a termination by Lessor, shall not work a merger, and shall, at the option of Lessor, terminate all or any existing subtenancies or may, at the option of Lessor, operate as an assignment to Lessor of any or all of such subtenancies.
- 36. Consents. Except for paragraph 33 hereof, wherever in this Lease the consent of one party is required to an act of the other party, such consent shall not be unreasonably withheld.
- 37. Guarantor. In the event that there is a guarantor of this Lease, said guarantor shall have the same obligations as Lessee under this Lease.
- Quiet Possession. Upon Lessee paying the rent for the Premises and observing and performing all of the covenants, conditions and provisions on Lessee's part to be observed and performed hereunder, Lessee shall have quiel possession of the Premises for the entire term hereof subject to all of the provisions of this Lease. The individuals executing this Lease on behalf of Lessor represent and warrant to Lessee that they are fully authorized and/egally capable of executing this Lease on behalf of Lessor and that such execution is binding upon all parties holding an ownership interest, in the Premises.

39.	Options		,		1			,		1	20	
	39.1 Del	lipition.	As used in t	his paragrap	oh/the word	"Options" h	as the follow	ving meaning:	(1) the righ	t or option to	extend the	term of this
Lea	se or lo r	ehew thi	s Lease or to	extend or re	enew any le	ase that Less	see has on o	ther property of	(Lessor: (2	the option	or right offir	st refusal to
lea	so the Pre	mises or	the right of I	irst offer to)	ease the Pre	emise's or the	right of first	refusal to leas	e other prop	erly of Lesso	r or the right	of first offer
101	ease of Kei	r properi	y of Lessor;	(3) the right	or option to	purghase the	Premises, c	r the right of fir	si yelusal lo	purchase the	Premises, or	the right of
firs	toffeylop	urchase	the Premise	s or the right	or option to	purchase of	lher propert	y of Lessor, or t	hy right of ti	rst refusal to	purchase oth	er property
of L	essor or	the right	of first offer	to purghas	e other brot	efty of Less	or. /		/		/	5) 65 55
	34.2 Op	lions Pa	rsonal. Eacl	h Option or	anled to Le	see in this	Lease are r	ersonal to Lea	see and ma	av hat he ex	ercised or h	bannisse a

voluntarily or involuntarily, by or to any person or entity other than Lessye, provided, however, the Option may be exercised by or assigned to any

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Lessee Allillate as addinged in parastraph 12.2 of this Lease. The Options harein granted to Lassee are not assignable separate and apart from this Lease. Lesse Annihate as opinined in parepreph 12.2 of this Lease. The Options herein granted to Lessee are not assignable separate and apart from this Lease. 3.3 Multiple Difform. In the event that Lessee has any multiple options to extend or renew this Lease a later option cannot be exercised unless the prior option to extend or renew this Lease has been an exercised.

39.4 Effect of Default on Options.

(a) Lessee shall have no right to exercise an Option, notwithstanding any provision in the grant of Option to the contrary. (i) during the time commencing from the series of the contrary of the series of the serie that Lessee/intends to exercise the subject Option.

(i) The period of time within which an Option may be specicised shall not be extended or ephanged by reason of Lessee's Inability to exercise in Option because of the plovisions of pagagraph 19.4(a)

(a) All rights of Lasee under the provisions of pagagraph 19.4(a)

(b) All rights of Lasee under the provisions of an Option rhall terminate and be of no turther (docs or effect, notwithstanding Lessee's due and timely exercise of the Option, if alter such exercise and during the term of this Lessee, to a period of 30 days after such obligation becomes duely without any needs. (i) Lessee 18/15 to pay to Lessee or a monetary obligation of Lessee) are period of 30 days after such obligation becomes duely without any needs. (ii) the notice thereof of Lessee, or (iii) Lessee last threater of the state of th or ript the defaults are curred. /
40. Multiple Tenant Building. In the event that the Premises are part of a larger building or group of buildings then Lessée agrees that it will ablide by, keep and observe all reasonable rules and regulations which Lessor may make from time to time for the management, safely, care, and cleanfiness of the building and grounds, the parking of vehicles and the preservation of good order thera as well as for the convenience of other occupants and tenants of the building. The vibilations of any such rules and regulations shall be deemed a material breach of this Lease by Lesses. 41. Security Messures, Lesses hereby scknowledges that the rental payable to Lessor hersunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lesses assumes all responsibility for the protection of Lesses, its agents and invitees from acts of third parties. 42. Ensements. Lessor reserves to itself the right, from time to time, to grant such easements, rights and dedications that Lessor deems necessary or desirable, and to cause the recordation of Parcel Maps and restrictions, so long as such easements, rights, dedications, Maps and restrictions do not indesconably interfere with the use of the Premises by Lessee. Lessee shall stign any of the algrementioned documents upon request of Lessor and failure to do so shall constitute a material breach of this Lease. 43. Performance Under Protest. If at any time a dispute shall arise as to any amount or sum of money to be paid by one party to the other under the provisions hereof, the party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such paymentshall not be regarded as a voluntary payment, and there shall survive the right to me part of said party to institute suit for recovery of such sum. If I shall be adjudged that there was no legal obligation on the part of said party to payment about or services and the recover such sum or so much thereof as it was not legally required to pay under the provisions of this Lease. emitted to recover such sum or so much thereof as it was not legally required to pay under the provisions of this Lease.

44. Authority. It ussee is a concernation, trust, or general or limited partnership, each individual execution this Lease or behalf of such entity represents and warrants that he or she is duly authorized to execute and derive this Lease or behalf of said-entity. It lesses is a corporation, trust or paymership, Lease, she think the provision of the paymership, Lease, she there or ease when the printing days after execution of his dease, deliver or easer widepec of such exploiting to all said or the provisions and the lypewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions. 46. Addendum, Alsched hereto is an addendum or addendarcontaining paragraphs _______ through partial this Leape. which constitutes a LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN AND, BY EXECUTION OF THIS LEASE, SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, ATTHETIME THIS LEASE IS EXECUTED. THE TERMS OF THIS LEASE HARE COMMERCIALLY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES. IN I AND PUMPUSE UP LESSUM AND LESSEE WITH RESPECT TO THE PREMISES.

IF THIS LEASE HAS BEEN FILLED IN IT HAS BEEN PREPARED FOR SUBMISSION TO YOUR ATTORNEY FOR HIS APPROVAL. NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION OR BY THE REAL ESTATE BROKER OR ITS AGENTS OR EMPLOYEES AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION RELATING THERETO, THE PARTIES SHALL RELY SOLLLY UPON THE ADVICE OF THEIR OWN LEGAL COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE. The parties hereto have executed this Lease at the place on the dates specified immediately adjacent to their respective signatures. Rancho, Murieta, Association

By Way Horizon Executed at ___ Rancho Murieta 1987 July 1 - 13 Address 7220 Murieta Drive Rancho Murieta, CA 95683 "LESSOR" (Corporate seal) ___Rancho_Murieta_Community_Services_District But Executed at ___Rancho_Murieta July , 1987 . ! Rancho Murieta, CA 95683 "LESSEE" (Corporate seal) For these forms write or call the American Industrial Real Estate Association, 345 South Figueroa St., M-1, Los Angeles, CA 90071