

ADDENDUM TO STANDARD MULTI-TENANT OFFICE LEASE-GROSS
Dated July 24th, 2012
wherein Carlton Commercial Properties, LLC is referred to as "Lessor"
and the County of El Dorado is referred to as "Lessee"
with reference to the Premises located at 3883 Ponderosa Road
City of Shingle Springs, County of El Dorado, State of California

This Addendum shall, in the event of a conflict, supersede that provision set forth in the Lease.

ADDITIONAL PROVISIONS:

50. LESSOR SUPPLIED SERVICES

Lessor shall be solely responsible for the cost of providing the following services to the Building and Premises:

- i. Janitorial Service and supplies during the work week (as detailed in Exhibit D)
- ii. Propane
- iii. Building and liability insurance
- iv. Property taxes
- v. Snow removal
- vi. Natural gas
- vii. Water
- viii. Sewer
- ix. Landscaping
- x. Trash / Disposal Services
- xi. Pest control / extermination

51. MONTHLY BASE RENT SCHEDULE

Months 1 through 2	\$13,800.00
Months 3 through 12	\$27,600.00
Months 13 through 14	\$14,068.80
Months 15 through 24	\$28,137.60
Months 25 through 26	\$14,342.98
Months 27 through 36	\$28,685.95
Months 37 through 38	\$14,622.64
Months 39 through 48	\$29,245.27
Months 49 through 60	\$29,815.78
Months 61 through 72	\$30,397.69
Months 73 through 84	\$30,991.25
Months 85 through 96	\$31,596.67
Months 97 through 108	\$32,214.20
Months 109 through 120	\$32,844.09
Months 121 through 130	\$33,486.57

Tenant's monthly base rent is calculated as follows:

\$.40 per square foot per month for the 1,800 square foot 2nd floor space with no annual increases and \$1.60 per square foot for the 16,800 square foot 1st floor space with 2.0% annual increases. Months one (1), two (2), thirteen (13), fourteen (14), twenty-five (25), twenty-six (26), thirty-seven (37), and thirty-eight (38) shall be half rent.

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52. DELIVERY OF THE PREMISES

Lessee and Lessor will work cooperatively towards an October 1st, 2012 commencement, with three (3) weeks early access to the Premises for installation of Lessee’s furniture, fixtures and equipment.

In no event shall the lease commence prior to substantial completion of all Lessee improvement work.

53. TERMINATION OPTION

Lessee shall have the ongoing right to terminate this lease (“Termination Option”) upon one-hundred eighty (180) days written notice in the event the United States of America, the State of California, the County of El Dorado and/or private foundations reduce, eliminate, withhold or make unavailable to Lessee the necessary funding to meet the obligations of the lease. Lessee shall include in said written notice a copy of the notification of reduction, elimination, withholding, or unavailability of said funding by the funding source. Said written notice shall be mailed to Lessor by registered mail, return receipt requested.

The Termination Option can only be exercised after the eighteenth (18th) month of the initial Lease term.

In the event that Lessee exercises the termination option during the first sixty (60) months of the lease, Lessee shall pay to Lessor a penalty equal to Lessor’s unamortized out-of-pocket costs for free rent, tenant improvements and Lessee’s Broker’s leasing commissions, straight lined over the first sixty (60) months of the initial lease, as outlined on Exhibit C.

In the event that Lessee exercises the Termination Option after the first sixty (60) months of the lease, there shall be no penalty or further financial obligation.

54. OPERATING EXPENSES & REAL ESTATE TAXES

Notwithstanding anything to the contrary in the Lease, during the Term, in no event shall Lessee’s Proportionate Share of the increases of Operating Expenses increase by more than four percent (4%) on an annual, non-cumulative basis, from the preceding Lease Year (including the Base Year). Only Operating Expenses associated with Building A shall be applicable and allocable to the calculation of Operating Expenses.

“**Operating Expenses**” means all costs incurred by Landlord in owning, maintaining, repairing, replacing, altering, managing and operating the Project (including the Building and the Parking Structure) during or allocable to the term of the Lease, including, but not limited to, all costs for (a) utilities, (b) supplies, (c) insurance maintained by or for Landlord (including but not limited to, public liability and property damage, earthquake, rent continuation, and/or fire and extended coverage insurance for up to the full replacement cost of the Project), (d) services of independent contractors, (e) compensation (including employment taxes and fringe benefits) of all persons who perform regular duties connected with the day-to-day management, operation, maintenance, repair and overhaul of the Project, including, without limitation, office personnel for the office of the Building, engineers, janitors, painters, floor waxers, window washers, parking attendants, watchmen, and gardeners, (f) management of the Project or any portion of it, and the rent or rental value of the management office for the Building to the extent used to manage the Building, (g) rental expenses for, or a reasonable allowance for depreciation of, personal property used in the

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management, maintenance, operation and repair of the Project, (h) any costs or expenses allocated to the Project in connection with any REA that may now exist or may hereafter affect the Project, (i) the cost of any capital improvements made to the Project after the date of the Lease which improvements are either intended to reduce other Operating Costs, or are required by any Law enacted after the date of this Lease, in any such case such cost to be amortized over the useful life of the improvement ("**Permitted Capital Items**") (j) Taxes, (k) the cost of providing Basic Services, and (l) any other costs and expenses incurred by Landlord relating to the Project or under or relating to the Lease and not reimbursed separately by tenants of the Project. Landlord may designate other land and improvements outside the boundaries of the Project to be a part of the common areas, provided that such other land and improvements have a reasonable and functional relationship to the Project. The Operating Costs during the Base Year and in each successive year shall be adjusted to reflect the Operating Cost and Taxes at a 95% occupancy level. Landlord may, as necessary, establish different cost pools to allocate Operating Expenses among tenants that should equitably pay a portion of such expenses and to avoid inequitably allocating expenses to tenants.

a. "**REA**" means any reciprocal easement and/or operating agreement, and any covenants, conditions and restrictions, now existing or hereafter entered into between the owner or ground lessee of the Project, with or for the benefit of any other party who is the owner or ground lessee of any land adjacent to or in the vicinity of the Project, including land separated from the Project by a public right-of-way. Landlord shall be entitled to enter into any REA(s) at any time during the Term, and Tenant agrees that this Lease shall be subordinate and subject to all REAs now existing or so entered into by Landlord.

b. "**REA Parties**" means the parties to any REA now or hereafter affecting the Project.

The following list of items shall be excluded in the computation of Operating Expenses and Taxes:

OPERATING EXPENSES – EXCLUSIONS

Notwithstanding anything to the contrary in the definition of Operating Expenses in the Lease, Operating Expenses shall not include the following, except to the extent specifically permitted by a specific exception to the following:

- (1) the cost of providing any service directly to and paid directly by any lessee (outside of such lessee's Excess Expense payments);
- (2) costs of any items (including, but not limited to, costs incurred by Lessor for the repair or damage to the Building) to the extent Lessor receives reimbursement from insurance proceeds or other third parties;
- (3) any real estate brokerage commissions or other costs incurred in procuring lessees, or any fee in lieu of commission;
- (4) depreciation, amortization of principal and interest on Mortgages or ground lease payments (if any);
- (5) costs of items considered capital repairs, replacements, improvements and equipment under generally accepted accounting principles consistently applied, except for Permitted Capital Items;
- (6) Lessor's general corporate overhead and general and administrative expenses;
- (7) costs incurred to (i) comply with Laws relating to the removal of any Hazardous Material requiring removal which were in existence on the Building as of the Commencement Date, and (ii) to remove, remedy, contain, or treat any Hazardous Material, which Hazardous Material is brought onto the Building after the date hereof by Lessor, Lessor's Agents or any other lessees of the Project;

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- (8) marketing costs, legal fees, space planners' fees and advertising and promotional expenses incurred in connection with the original development, subsequent improvement, or original or future leasing or subleasing or assignment of the Building;
- (9) any bad debt loss, rent loss, or reserves for bad debts or rent loss or any reserves of any kind;
- (10) costs associated with the operation of the business of the partnership or entity which constitutes the Lessor, as the same are distinguished from the costs of operation of the Building,
- (11) costs of defending any lawsuits with any Lender, costs of selling, syndicating, financing, mortgaging or hypothecating any of Lessor's interest in the Building, and costs incurred in connection with any disputes between Lessor and its employees, between Lessor and Building management, or between Lessor and other lessees or occupants;
- (12) penalties and interest, except to the extent caused by the failure of Lessee to comply with its obligations under this Lease;
- (13) amounts paid as ground rental or as rental for the Building by the Lessor;
- (14) costs, including permit, license and inspection costs, incurred with respect to the installation of tenant improvements made for new lessees in the Building or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for lessees or other occupants of the Project (excluding, however, such costs relating to any Common Areas of the Building or parking Facilities);
- (15) overhead and profit increment paid to Lessor or to subsidiaries or affiliates of Lessor for services in the Building to the extent the same exceeds the costs of such services rendered by qualified, unaffiliated third parties on a competitive basis;
- (16) electric power costs or other utility costs for which any lessee directly contracts with the local utility provider;
- (17) costs, other than those incurred in ordinary maintenance and repair, for sculpture, paintings, fountains or other objects of art;
- (18) tax penalties incurred as a result of Lessor's failure, negligence, inability or unwillingness to make payments when due;
- (19) fees and reimbursements payable to Lessor (including its parent organization, subsidiaries and/or affiliates) or by Lessor for, management of the Building, which materially exceed the amount which would normally be paid to a company, in connection with the management of comparable buildings, with a general reputation for excellence and integrity used at "arm's length" and which is not, directly or indirectly, affiliated with Lessor;
- (20) any costs expressly excluded from Operating Costs elsewhere in the Lease;
- (21) rent for any office space occupied by Building management personnel to the extent the size or rental rate of such office space materially exceeds the size or fair market rental value of office space occupied by management personnel of the comparable buildings in the vicinity of the Building, with adjustment where appropriate for the size of the applicable project; and
- (22) costs arising from Lessor's charitable or political contributions;
- (23) depreciation, amortization and interest payments, except as specifically included in the Operating Costs pursuant to the terms of this Lease and except on materials, tools, supplies and vendor-type equipment purchased by Lessor to enable Lessor to supply services Lessor might otherwise contract for with a third party, where such depreciation, amortization and interest payments would otherwise have been included in the charge for such third party's services, all as determined in accordance with generally accepted accounting principles, consistently applied, and when depreciation or amortization is permitted or required, the item shall be amortized over its reasonably anticipated useful life;
- (24) advertising and promotional expenditures, and costs of signs in or on the Building identifying the owner of the Building or other lessees' signs, except for Building directories or Building standard signage;
- (25) costs reimbursed to Lessor under any warranty carried by Lessor for the Building;

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- (26) any compensation paid to persons who are at or above the Building Manager;
- (27) franchise taxes, income taxes, gross receipts taxes and transfer and gains taxes of Lessor and other taxes excluded from Taxes;
- (28) the cost of correcting defects in the original construction of the Project and parking garage;
- (29) costs incurred as a result of the negligent or otherwise tortious acts or omissions of Lessor and Lessor's Agents;
- (30) costs incurred (including attorneys' fees, interest and penalties) due to any violation by Lessor or any lessee of the terms and conditions of any lease, ground or underlying lease, mortgage or other agreement affecting the Building or property, including increases in the costs of insurance policies; and
- (31) repairs or other work occasioned by fire, windstorm or other casualty or by condemnation to the extent insurance coverage is required.

55. LESSEE'S AUDIT RIGHTS

Lessee shall have the right to review and/or audit Lessor's books and records regarding Lessee's Proportionate Share of Operating Costs at Lessor's offices during normal business hours on ten (10) business days' prior notice given one hundred eight (180) days after receipt of the Annual Statement (the "**Review Period**"). At the time Lessee conducts its first such audit, Lessee may also audit Operating Costs for the Base Year. Any audit shall be conducted by a reputable firm of certified public accountants ("**Lessee's CPA**") which, along with Lessee, agrees to be bound by a confidentiality agreement in a commercially reasonable form, on a noncontingent fee basis. Lessee shall have no right to contest, review or audit such statement if a Default has occurred, or if Lessee fails to give such written notice during the Review Period. Lessor may elect to contest the conclusion of Lessee's auditor by giving a written contest notice (the "**Contest Notice**") to Lessee within sixty (60) days after receipt of the audit, such Contest Notice containing the name of a firm of certified public accountants appointed by Lessor ("**Lessor's CPA**"). Lessor's CPA and Lessee's CPA shall meet and confer within 30 days after the Contest Notice is given in an attempt to agree on any disputed items. If Lessor's CPA and Lessee's CPA are unable to agree on all disputed items within 45 days after the Contest Notice, then each of Lessor's CPA and Lessee's CPA shall propose and deliver to each other in writing an amount to be paid by Lessee to Lessor or Lessor to Lessee relating to the Operating Costs being audited. Lessee's CPA and Lessor's CPA shall agree on a third CPA experienced in real estate accounting unaffiliated with Lessor, Lessee and their respective CPA's and who has not worked for Lessor, Lessee or their respective CPA's in the last ten (10) years. Such third CPA (the "**Deciding CPA**") shall meet for one day or less with Lessor's CPA and Lessee's CPA within 15 days after the appointment of such Deciding CPA, and at the end of such meeting the Deciding CPA shall choose in writing either Lessee's CPA's proposal or Lessor's CPA's proposal, and such decision shall be final, binding and nonappealable. Lessor shall pay for Lessor's CPA, Lessee shall pay for Lessee's CPA and the cost of the Deciding CPA shall be divided equally among the parties. No books and records may be removed from Lessor's office. Notwithstanding the foregoing, if it is determined that Operating Costs reflected in the Annual Statement have been overstated by five percent (5%) or more, than Lessor shall pay for the reasonable cost of Lessee's CPA and the Deciding CPA. Lessor shall be required to maintain records of all Operating Costs for three (3) years following Lessor's delivery of the applicable Annual Statement. The provisions of this Section 54 shall survive the expiration or earlier termination of the Term (as the same may be extended).

56. OPTIONS TO RENEW

Provided Lessee is not in Default as of the date of exercise or the commencement of the renewal term, Lessee shall be entitled to two (2) options (each, an "**Option**") to extend the term of the Lease for a period

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of five (5) years (each, an "**Option Term**"), on the same terms and conditions of the Lease, except that (a) the Base Rent at the beginning of each Option Term shall be the lesser of the rental rate then being paid or 95% of the current fair market rate for the premises. Such Option shall be exercised (if at all) by Lessee giving irrevocable written notice to Lessor nine (9) months prior to the expiration of the Term, or the first Option Term, as applicable. The Options shall be not be personal to the Lessee signing this Lease ("**Original Lessee**").

The prevailing market rental rate for the first year of each Option shall be determined in the following manner, which shall reflect the prevailing market rent for comparable space within the Project and comparable first-class office buildings in Placer County and El Dorado County as of the date of commencement of the relevant Option. Prevailing market rental rate shall be determined taking into account all relevant factors, including (to the extent relevant) number of months of free rent, if any (which shall be part of the determination of the rental rate), tenant improvement obligations, moving allowances, and leasing commissions and costs. The term "comparable leases" shall not include leases entered into under special circumstances affecting the economics of the tenancies, including following the exercise of options to lease space at other than then current prevailing market rate, or the sublease of space by a sublessor not primarily in the business of leasing space similar to the Premises. Prior to the date which is five (5) months before the expiration of the Term, and assuming that Lessee has properly exercised its option to renew, Lessor shall give Lessee notice of Lessor's proposed prevailing market rental value for the Premises. Lessee shall give Lessor written notice within thirty (30) days thereafter as to whether or not Lessee agrees with Lessor's proposed prevailing market rental value. If Lessee disagrees with Lessor's proposed prevailing market rental value, the parties shall negotiate in good faith to resolve their differences for a period of thirty (30) days. Upon the expiration of such thirty day period, if the parties are not in agreement as to such fair market rental value, then either party may initiate appraisal to determine the fair market rental value by giving written notice to the other party, such notice containing the name of an appraiser appointed by such initiating party. Within fifteen (15) days thereafter, the party receiving such notice shall appoint its own appraiser and give written notice thereof to the initiating party. If the second appraiser is not appointed within such fifteen day period, then the appraiser selected by the initiating party shall determine the fair market rental value of the Premises, and such appraisal shall be binding upon the parties. If the second appraiser is timely appointed, then the two appraisers shall confer and attempt to agree on the prevailing market rental value. If the two appraisers are unable to agree, but the higher appraisal is no more than ten percent (10%) higher than the lower appraisal, then the prevailing market rental value shall be the average of the two appraisals. If the higher appraisal is more than ten percent (10%) greater than the lower appraisal, the two appraisers shall together select a third appraiser who shall also determine the prevailing market rental value. If three appraisers are ultimately appointed and any two appraisers agree on the prevailing market rental value, the value agreed upon by the two appraisers shall be the prevailing market rental value. If the three appraisers all determine different prevailing market rental values, then the prevailing market rental value shall be the average of the two closest appraisals.

All appraisers shall be members of the MAI and shall have at least ten (10) years' experience appraising similar property in the CBD sub-market of Sacramento. Each party shall bear the cost of the appraiser appointed by such party, and the parties shall share equally in the cost of the third appraiser, if appointed. If the two appraisers initially appointed are unable to agree on a third appraiser, then either party shall have the right to apply to the presiding judge of the Superior Court having jurisdiction over the Building for the appointment of a third appraiser.

57. ARCHITECTURAL & WORKING DRAWINGS

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Lessee shall have the right to select its architects and engineers for the purpose of producing its construction documents.

In addition to the Tenant Improvement Allowance, Lessor shall provide an allowance of \$7,000.00, ("Working Drawing Allowance") for space planning and construction drawings ("Working Drawings"), and that such payment shall be made to Lessee's architects and engineers within thirty (30) days of receipt of an outstanding invoice.

58. TENANT IMPROVEMENT ALLOWANCE

Lessor shall construct improvements in the Premises (the "Tenant Improvements") pursuant to a mutually agreed upon plan and specifications (collectively, the "Plans") pursuant to this Section 57, at a cost not to exceed \$37,200, based upon \$2.00 per rentable square foot (the "Initial Tenant Improvement Allowance"); provided, however, that the cost to complete the Tenant Improvements may exceed the Initial Tenant Improvement Allowance. In the event the Tenant Improvements exceed the Initial Tenant Improvement allowance, any additional costs in excess which arise in connection with the Tenant Improvements shall be considered to be an "Over-Allowance Amount." The Over-Allowance Amount shall be paid by Tenant to Lessor, as Additional Rent, within thirty (30) days after Tenant's receipt of an invoice therefor.

Lessee shall approve or reasonable disapprove any draft of the Plans within five (5) business days after Lessee's receipt thereof.

Once the Plans have been approved or are deemed to have been approved, Lessor shall cause the architect employed by Lessee (the "Architect") to prepare detailed plans and specifications for the Tenant Improvements. The cost of preparing the Working Drawings and the Plans shall be deducted from the Working Drawing Allowance. Lessor shall then forward the Working Drawings to Lessee for Lessee's approval. Lessee shall approve or reasonable disapprove any draft of the Working Drawings within five (5) business days after Lessee's receipt thereof.

The parties agree that the Initial Tenant Improvement Allowance shall apply to all hard and soft costs associated with the Tenant Improvements, including all construction, architectural, engineering, and consultant fees, and furniture moving costs, Lessee's security system, wiring costs, telephony costs, project management costs, building and/or monument signage and/or rental abatement.

Demolition work shall be included in the tenant improvement allowance.

In the event the Initial Tenant Improvement Allowance is exceeded, Lessee is responsible for paying for those additional costs directly to Lessor within thirty (30) days of receipt of an outstanding invoice.

Tenant shall be responsible for ensuring that all Tenant Improvement work will be constructed to then current ADA standards.

After the sixtieth (60th) month of paid rent, Lessor shall provide an additional \$7.00 per rentable square foot (\$130,200.00) tenant improvement allowance, ("the Additional Tenant Improvement Allowance"). Any unused portion of the Additional Tenant Improvement Allowance can be applied to additional rent abatement.

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Per California Labor Code section 1720.2, Lessor shall require all tenant improvement work to be performed at prevailing wage.

59. RETENTION OF CONTRACTOR

Lessor hereby assigns to Lessee all warranties and guaranties by the contractor who constructs the Tenant Improvements (the "**Contractor**") relating to the Tenant Improvements, and Lessee hereby waives all claims against Lessor relating to, or arising out of the construction of, the Tenant Improvements. The Contractor shall be selected pursuant to a competitive bidding process. Lessor shall select three (3) qualified, licensed and reputable general contractors to participate in the process, which contractors shall have no direct or indirect financial ties to Lessor. Additionally, Lessor shall require at least three (3) bids from any subcontractors providing work in excess of \$10,000 as part of the Tenant Improvement construction. Each such contractor shall be notified in the bidding package of the time schedule for construction of the Tenant Improvements and that, unless Lessor otherwise requires, such contractors shall be required to use the fire, lifesafety subcontractor reasonably designated by Lessor. Once Lessor adjusts the bids to correct any inconsistent or incorrect assumptions, Lessor and Lessee shall mutually agree upon the Contractor from among the three (3) bids. Lessor shall enter into a contract with Contractor for completion of the Tenant Improvements.

To the extent the Lessee fails to bring an action against the contractor regarding a breach of warranty or guarantee within the term of the Lease all rights associated with such an action shall lapse on the expiration of the term of the Lease.

60. LESSEE'S COVENANTS

Lessee shall, at no cost to Lessee, cooperate with Lessor and the space planner or architect to cause a Notice of Completion to be recorded in the office of the Recorder of the County in accordance with Section 3093 of the Civil Code of the State of California or any successor statute upon completion of construction of the Tenant Improvements.

61. SUBSTANTIAL COMPLETION

For purposes of this Lease, "Substantial Completion" of the Tenant Improvements in the Premises shall occur upon the completion of construction of the Tenant Improvements pursuant to the approved working drawings, with the exception of any punch list items and any tenant fixtures, work-stations, built-in furniture, or equipment to be installed by Lessee.

62. LESSEE'S ENTRY PRIOR TO SUBSTANTIAL COMPLETION

Provided that Lessee and its agents do not interfere with Contractor's work in the Building and the Premises, Contractor shall allow Lessee and Lessee's contractors, subcontractors, laborers, materialmen and suppliers access to the Premises for a period of two (2) weeks prior to Substantial Completion of the Tenant Improvements for the purpose of Lessee installing communication lines, moveable work stations and other personal property. Prior to Lessee's entry, Lessee shall submit a schedule to Lessor and Contractor, for their reasonable approval, which schedule shall detail the timing and purpose of Lessee's entry.

63. FURNITURE

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Lessee shall have the right to use all existing furniture (with inventory outlined on Exhibit E) in the Premises for the initial and extended term(s) of the lease, at no charge.

Lessor shall retain some of the existing file cabinets for Lessor's use in their new space.

Attached to the lease shall be an exhibit of the furniture inventory available for Lessee's use during the initial and extended term(s) of the Lease.

Lessor shall accept normal wear and tear on the Furniture.

Lessor has received no consideration for the use of the furniture.

64. MAINTENANCE

Lessor shall keep and maintain: (a) the foundation, exterior, windows, walls, elevators, stairs, structural components and roof of the Building; (b) all Land and Building common areas; (c) all Land and Building parking areas; (d) all Land and Building landscaping; and, (e) all Land and Building plumbing, HVAC, mechanical, fire safety, security and electrical systems, and any other Land and Building systems, in good order, repair and condition.

Lessor and Lessee shall mutually agree on janitorial specifications that will be attached to the Lease as an exhibit.

The Building's security system is provided by Bay Alarm and is a monitored system. If Lessee elects to have this service provided by another vendor (such as Sonitrol), it would be the Lessee's responsibility to have that work done and to pay for the additional expenses.

Lessor shall also provide snow removal for the initial and extended term(s) of the lease.

65. LOAN

Lessor shall provide detailed information on the status of any existing or future debt on the Building.

The information will detail loan-to-value, current and future interest rates, remaining principal balance, existing and future amortization schedule(s) and available funds for tenant improvements and leasing commissions.

66. NON-DISTURBANCE AGREEMENT

Notwithstanding anything to the contrary contained herein, Lessee's obligations to subordinate its rights hereunder to any future Mortgage or to attorn to any future lender shall be conditioned upon Lessor's obtaining from the Lender (upon request from Lessee) a non-disturbance agreement in such other commercially reasonable form as may be acceptable to Lessor's lender ("**Non-Disturbance Agreement**") providing in substance that: (i) so long as Lessee is not in Default under this Lease, Lessee's tenancy will not be disturbed, nor its rights under this Lease affected by, any default under such Mortgage nor shall Lessee be named as a defendant in any foreclosure proceeding (unless the Lender is legally required to

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do so), (ii) any Successor Lessor shall, subject to this Lease, assume the obligations of Lessor under this Lease accruing thereafter, and (iii) the Non-Disturbance Agreement shall be binding upon and inure to the benefit of the successors or assigns of the parties thereto.

67. PARKING

The property has eighty-one (81) parking spaces. None are covered. Lessor shall reserve the sixteen (16) spaces that are between the two buildings to serve Building B. The sixty-five (65) spaces required by the Lessee will be serve Building A.

In the event Building B is unoccupied, Tenant shall have the right to use eighty-one (81) stalls. In the event Building B is occupied, Tenant shall only be allowed to use sixty-five (65) stalls.

Parking shall be free for the initial and extended term(s) of the lease.

68. TELECOMMUNICATIONS

Lessor shall provide Lessee and/or its telecommunications companies, including but not limited to local exchange telecommunications companies and alternative access vendor service companies, with the right of access to, from and within the Building (including a pathway to the Premises) for the installation and operation of Lessee's telecommunications systems, including but not limited to voice, video, data, and any other telecommunications services provided over wire, fiber optic, microwave, wireless, and any other transmission systems, for part or all of Lessee's telecommunications to, from and within the Building and Premises.

Comcast fiber will be available to the building prior to Lease commencement. (DSL and T1 has been the connection prior to this date). The cost of fiber service shall be the responsibility of Lessee.

69. PREMISES ACCESS

Lessee shall have access 24 hours per day, 7 days per week, 52 weeks per year to the Premises, the building and the parking facilities.

Lessor shall have access to the Premises in case of emergencies only or required maintenance and/or repairs of the Premises all coordinated through Lessee's management.

70. SIGNAGE AND IDENTIFICATION

Lessee shall have the following sign identity rights, to be installed at Lessee's sole cost and expense.

- 1) in a mutually acceptable location on the Property
- 2) in the most prominent position or "top billing" on the Building's monument sign(s),

The size, design, color and other physical aspects of any and all permitted sign(s) will be subject to (i) Lessor's written approval prior to installation, which approval shall not be unreasonably withheld or

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delayed, (ii) any recorded covenants, conditions or restrictions governing the Premises, and (iii) any applicable municipal or governmental permits and approvals.

71. ASBESTOS

Lessor represents and warrants that there is no asbestos on the premises.

72. SATELLITE ANTENNA & CABLE TELEVISION

Lessee shall have the option, at its sole cost and expense, to install and operate a satellite antenna dish and cables thereto on the roof of Lessor's building at no charge. Lessor shall provide local Cable TV to the Premises. At Lessee's option and sole cost, Lessee may contract with the local provider Cable TV services for their use.

73. HOLDOVER

Lessee shall have the right, at then Base Rent in effect as of the last day of the Term, for a period of six (6) months, with or without Lessor's consent. If Lessee holds over after the expiration of or after the earlier termination of the Term with or without the express written consent of Lessor, such Tenancy shall be from month-to-month only, at a rental rate equal to one hundred ten percent (110%) of the Base Rent in effect upon the date of such expiration or termination, and otherwise subject to the terms, covenants and conditions herein specified. Such holdover tenancy shall be terminable by Lessee upon thirty (30) days' advance written notice, notwithstanding that such tenancy is month-to-month.

74. RELOCATION

Lessor shall not have the right to relocate Lessee under any circumstances.

75. RESTORATION

Lessee shall not be obligated to restore the premises.

76. COMPLIANCE WITH LAWS

Lessor shall be responsible for the performance and cost of all existing federal, state and local statutes, codes and ordinances, including ADA and Title 24 requirements in the construction of the Tenant Improvements, common areas of the Building and Project in effect at the time of Lease commencement.

Each party represents and warrants that it shall obey and conform at its sole cost and expense and in every manner of its business related to this Lease to any Law, including, without limitation, the Americans With Disabilities Act ("ADA"). During the Term and any extension, Lessor shall be responsible for any repairs, improvements, or upgrades to the Project, required to comply with such laws, regulations and directives, except for such repairs, improvements or upgrades required in the interior of or access to the Premises or as a result of Lessee's particular use of or improvement to the Premises, which shall be Lessee's responsibility.

77. INSURANCE

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Lessee shall have the right to self-insure the insurance coverages and limits required of Lessee, in whole or in part, in lieu of any other Lessee insurance requirement.

78. LESSEE EXCLUSIONS

Lessor shall not lease Building B to the following types of Lessees: marijuana dispensaries, tattoo parlors, and/or any business that serves alcoholic beverages.

79. BUILDING SERVICES DEFAULTS

In the event Building Services (including but not limited to water, propane and sewer) are discontinued due to Lessor's failure to pay, Lessee shall have the option to assume payment for the Building Services, in which event Lessee will be entitled to a rent credit equal to the amount thus paid by Lessee, plus 15% annual interest, which shall be applied against the first installments of rent due under the Lease until the obligation is fully satisfied.

80. INSURANCE

Lessor shall provide proof

81. COMMISSION

Both Lessor and Lessee acknowledge that Colliers International ("Lessee's Broker") represents the Lessee in this transaction and that all brokerage fees shall be the obligation of the Lessor. Lessee's Broker shall be paid a fee equal one hundred eleven thousand seven hundred ten and 67/100 dollars (\$111,710.67).

Lessee's Broker's commission shall be paid twenty percent (20%) upon lease execution, twenty percent (20%) upon lease commencement and ten percent (10%) in monthly installments beginning thirty (30) days after lease commencement. Lessee's broker shall direct bill Lessor for all commissions due.

In the event Lessor fails to pay the commission due to Lessee's Broker as and when such commission is due and payable (within 30 days of receiving an electronic and/or written invoice), Lessee shall pay the commission to Lessee's Broker (Scott Kingston with Colliers International) that Lessor fails to pay, in which event Lessee will be entitled to a rent credit equal to the commission thus paid by Lessee, plus 15% annual interest, which shall be applied against the first installments of rent due under the Lease until the obligation is fully satisfied.

82. UTILITIES

Lessor's obligation to provide utilities and services for the Premises are subject to the Rules and Regulations of the Building, applicable legal requirements (including the rules or actions of the public utility company furnishing the utility or service), and shutdowns for maintenance and repairs, for security purposes, or due to strikes, lockouts, labor disputes, fire or other casualty, acts of God, or other causes beyond the control of Lessor. In the event of an interruption in, or failure or inability to provide any service or utility for the Premises for any reason, such interruption, failure or inability shall not constitute an eviction of Lessee, constructive or otherwise, or impose upon Lessor any liability whatsoever, including, but not limited to, liability for consequential damages or loss by Lessee, or entitle Lessee to any

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abatement or offset of Rent, Operating Expenses or any other amounts due from Lessee under this Lease. Lessee hereby waives the provisions of California Civil Code Section 1932(1) or any other applicable existing or future legal requirement permitting the termination of this Lease due to such interruption, failure or inability.


83. TEMPERATURE BALANCE

If the temperature otherwise maintained in any portion of the Premises by heating, air conditioning or ventilation system is affected as a result of (i) the type or quantity of any lights, machines or equipment (including without limitation typical office equipment) used by Lessee in the Premises, (ii) the occupancy of such portion of the Premises by more than one person per two hundred (200) square feet of rentable area therein, (iii) an electrical load for lighting or power, or (iv) any rearrangement of partitioning or other improvements, then at Lessee's sole cost, Lessor may install any equipment, or modify any existing equipment (including the standard air conditioning equipment) Lessor deems necessary to restore the temperature balance (such new equipment or modifications to existing equipment termed herein "Temperature Balance Equipment"). Lessee agrees to keep closed, when necessary, draperies and/or window treatments which, because of the sun's position, must be closed to provide for the efficient operation of the air conditioning system, and Lessee agrees to cooperate with the Lessor and to abide by the regulations and requirements which Lessor may prescribe for the proper functioning and protection of the heating, ventilating and air conditioning system. Lessor makes no representation to Lessee regarding the adequacy or fitness of the heating, air conditioning or ventilation equipment in the Building to maintain temperatures that may be required for, or because of, any computer or communications rooms, machine rooms, or other areas of high concentration of personnel or electric usage, or any other uses other than or in excess of the fractional horsepower normally required for office equipment, and Lessor shall have no liability for loss or damage suffered by Lessee or others in connection therewith.

84. LESSORS'S LIABILITY: SALE OF BUILDING

Lessor's Liability: Sale of Building. The term "Lessor" as used in this Lease, shall mean only the owner or owners of the Real Property at the time in question. In addition, in the event of any conveyance of title to the Real Property, then the grantor or transferor shall be relieved of all liability with respect to Lessor's obligations to be performed under this Lease after the date of such conveyance. In no event shall Lessor be deemed to be in default under this Lease unless Lessor fails to perform its obligations under this Lease, Lessee delivers to Lessor written notice specifying the nature of Lessor's alleged default, and Lessor fails to cure such default within thirty (30) days following receipt of such notice (or, if the default cannot reasonably be cured within such period, to commence action within such thirty (30) day period and proceed diligently thereafter to cure such default). Upon any conveyance of title to the Real Property, the grantee or transferee shall be deemed to have assumed Lessor's obligations to be performed under this Lease from and after the date of such conveyance.

AGREED TO AND ACCEPTED BY LESSOR:

By: 

Its: Manager

Date: 7/26/12

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AGREED TO AND ACCEPTED BY LESSEE:

By: _____

Its:

Date: _____

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