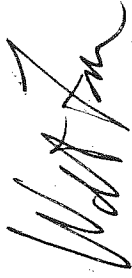



AGREEMENT BIBLIOGRAPHY

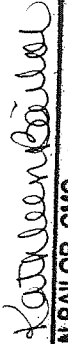
Agreement With:	Frome Garden Grove Commerce Center
Agreement Type:	Lease Agreement for the building located at 12821 Western Ave., Unit B
Date Approved:	02 23 2016
Start Date:	03 01 2016
End Date:	02 28 2021
Contract Amount:	\$1.00
Comments	Police Department
Insurance Expiration:	N/A
Date Archived:	ARCHIVED 03/10/2016

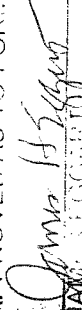
IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease, consisting of the foregoing Basic Lease Provisions, the Standard Provisions hereafter set forth, and the Rules and Regulations attached as Exhibit A hereto, as of the date first above written.

FROM GARDEN GROVE COMMERCE CENTER LLC

By:  "Landlord"

By: 
Scott Stiles, City Manager, The City of Garden Grove, as an individual "Tenant"

ATTEST: 
KATHLEEN BAILOR, CMC
City Clerk
City of Garden Grove
DATED: 2/19/2010

APPROVED AS TO FORMS:

JAMES HIGGINS
Deputy City Manager
City of Garden Grove
DATED: _____

STANDARD PROVISIONS

1. **Term.** The term of this Lease shall be the period specified in paragraph 2 of the Basic Lease provisions and, subject to the provisions of Section 2 hereof, shall commence on the Lease Commencement Date specified in paragraph 3 of the Basic Lease Provisions.
2. **Possession.** Landlord shall use its best efforts to tender possession of the Premises to Tenant on the Lease Commencement Date specified in paragraph 3 of the Basic Lease Provisions. Tenant agrees that in the event Landlord is unable for any reason to tender possession of the Premises by the Lease Commencement Date, this Lease shall not be void or voidable, and Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, but in such event Tenant shall not be liable for the payment of rent, other than the first month's Basic Monthly Rental, as provided in Section 3 hereof, until such time as Landlord shall tender possession of the Premises to Tenant. In the event of any such delayed tender of possession of the Premises to Tenant, the actual date of commencement of the term of this Lease for purpose of Section 1 hereof shall be the date on which possession is tendered to Tenant, but the term of this Lease shall not be extended by reason of any such delay.
3. **Monthly Rental.** Tenant shall pay Landlord, as monthly rental for the Premises, the Monthly Rental specified in paragraph 4 of the Basic Lease Provisions. The Monthly Rental shall be payable in advance on the first day of each calendar month during the term of this Lease, except that the first month's rent shall be paid by Tenant to Landlord concurrently with the execution hereof. In the event the term of this Lease commences or ends on a day other than the first day of a calendar month, then the rental for such fractions of a calendar month shall be prorated in the proportion that the number of days during the term of this Lease during such periods bears to thirty days. Rent shall be paid to Landlord without abatement, deduction or offset in lawful money of the United States, at the address of Landlord indicated in Paragraph 7 of the Basic Lease Provisions, or to such other person or at such other place as Landlord may from time to time specify by written notice to Tenant.
4. **Late Payments; Returned Checks.** Tenant hereby acknowledges that the late payment by Tenant to Landlord of the Monthly Rental or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Therefore, if the Monthly Rental or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) calendar days after such amount shall be due, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. No late charge may be imposed more than once for the same late payment. The imposition of such late charge shall not constitute a waiver of such default nor prevent Landlord from exercising any of the other rights and remedies granted hereunder. In the event of any check given by Tenant to Landlord in payment of the Monthly Rental or any other amount due from Tenant to Landlord is returned for insufficient funds or any other reason by Tenant's bank, Tenant shall pay to Landlord a processing fee of \$35.00 for each such check, which amount shall be in addition to any applicable late charge.
5. **Use of Premises.** Tenant may use the Premises for the purpose or purposes set forth in paragraph 6 of the Basic Lease Provisions, and for no other use or purpose whatsoever. Tenant shall promptly comply with all laws, ordinances, orders and regulations applicable to the Premises, and shall not conduct its business or use the Premises in any way which may cause injury to the Premises or interfere with or be a nuisance to other tenants of the project in which the Premises are located. **Notwithstanding anything to the contrary in this Lease, Tenant shall no use the Premises or allow the Premises to be used for the use, distribution, possession and/or cultivation of medical marijuana regardless of whether such use, distribution, possession and/or cultivation is permissible by law (including but not limited to the "Compassionate Use Act of 1996" (Health & Safety Code section 11362.5 et. seq.) or the Medical Marijuana Program Act (Healthy & Safety Code section 11362.7 et seq.)).** Such use, distribution, possession and/or cultivation shall be deemed a material breach of this Lease and shall entitle Landlord to immediately terminate the Lease and recover possession of the Premises. In the event Tenant's business requires the use of fiberglass material, chemicals or other allied substances, Tenant shall place on the floor of that portion of the Premises in which such material or substances are used two layers of asphalt laminated craft paper or equivalent material, and shall cause the same to be replaced as needed during the term of this Lease.
6. **Security Deposit.** Concurrently with the execution of this Lease, Tenant has deposited with Landlord the amount specified in paragraph 5 of the Basic Lease Provisions, which amount shall be held by Landlord as security for the faithful performance by Tenant of all of the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the term hereof. If Tenant breaches any provision of this Lease, including but not limited to the provisions relating to the payment of rent, Landlord may (but shall not be required to) use, apply or retain all or any part of the security deposit for the payment of any rent or any other sum owing to Landlord, or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's breach. If any portion of the security deposit is so used or applied, Tenant shall, upon demand therefore, deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount. Landlord's remedies in the event of Tenant's failure to do so shall be the same as for a failure to pay rent due hereunder. Landlord shall not be required to keep the security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. Landlord shall return the security deposit or any balance thereof to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within two weeks after the expiration or earlier termination of this Lease. In the event Landlord sells its interest in the Premises during the term of this Lease, and if Landlord deposits with the purchaser the then remaining amount of such deposit, then Landlord shall be discharged from any responsibility for such deposit.
7. **Personal Property Taxes.** Tenant shall be liable for and shall pay, ten (10) days before delinquency, any and all taxes levied against any personal property or trade fixtures placed by Tenant in or about the Premises. If any such taxes are levied against Landlord or Landlord's property, either directly or as a result of the assessed valuation of the project in

which the Premises are located being increased by the inclusion therein of a value attributable to Tenant's personal property or trade fixtures, and if Landlord pays such taxes, then Tenant shall upon demand pay the amount of such taxes to Landlord as additional rent.

8. **Condition of Premises.** Tenant hereby accepts the Premises in their condition existing as of the date of the execution hereof, subject to all applicable zoning, municipal, county and state laws, ordinances and regulations governing and regulating the use of the premises, and subject to all matters affecting title to the project in which the Premises are located and to all matters disclosed in this Lease and by any exhibits attached hereto. Tenant acknowledges that Landlord has not made any warranty or representation of any kind whatsoever pertaining to the Premises and/or the project in which the premises are located except as may be expressly set forth in this Lease, and without limiting the generality of the foregoing, Tenant acknowledges that Landlord has not made any representation or warranty as to the suitability of the Premises for the conduct of Tenant's business.

9. **Repairs and Alterations.**

(a) Tenant shall, at its sole cost and expense, keep and maintain the Premises and appurtenances and every part thereof (excepting exterior walls and roof of the building within which the Premises are located, all of which Landlord agrees to repair and maintain), including windows, skylights, doors and the interior of the Premises, in good and sanitary order, condition and repair. In addition, Tenant shall have the sole responsibility to maintain, repair and replace all plumbing, electrical appliances and other fixtures installed in or located upon the Premises.

(b) Tenant shall not, without Landlord's prior written consent, make any alterations, improvements, additions or utility installations in, on or about the premises, except for non-structural alterations not exceeding One Thousand Dollars (\$1,000.00) in cost (collectively the "Alterations" herein). As used in this Section 9(b), the term "utility installations" shall include power panels, fluorescent fixtures, space heaters, conduits and wiring. As condition precedent to giving such consent, Landlord may require, among other things, that:

(i) Tenant agrees to remove any such Alterations, at the expiration of the term, and to restore the Premises to their prior condition;

(ii) Tenant provide to Landlord, at Tenant's sole cost and expense, a lien and completion bond in an amount equal to one and one-half (1-1/2) times the estimated cost of such Alterations, to insure Landlord against any liability for mechanic's and materialmen's liens and to insure completion of the work;

(iii) Tenant present Landlord with architectural plans and specifications reflecting Alterations to be undertaken, which plans and specifications and the Alterations therein reflected shall be reasonably satisfactory to Landlord.

In determining whether to give the written consent called for in this Section 9, Landlord shall be entitled to make its decision in light of the foregoing factors as well as any other reasonable factors it deems relevant.

(c) Notwithstanding the provisions of subparagraph (b) of this Section 9, Tenant may, without the written consent of the Landlord, install trade fixtures, machinery or other equipment on the Premises in conformance with the ordinances and codes of the applicable governmental authorities, and the same may be removed at any time prior to the expiration or sooner termination of this Lease, provided Tenant shall not then be in default under any of the terms and conditions of this Lease, and the Premises are not damaged by such removal. Tenant shall return the Premises on the expiration or sooner termination of this Lease in the same condition as when leased to Tenant, reasonable wear and tear excepted. Tenant shall keep the Premises and the project in which the Premises are located free from any liens arising out of any work performed for, materials furnished to, or obligations incurred by Tenant. All such work provided for above shall be done at such times and in such manner as Landlord may from time to time designate. Tenant shall give Landlord written notice five (5) days prior to employing any laborer or contractor to perform work resulting in an Alteration of the Premises so that Landlord may post a notice of non-responsibility.

(d) Should Tenant fail to pay and discharge, when due and payable, any tax or assessment, or any premium or other charge in connection with any insurance policy or policies which Tenant is obligated to pay, or any lien or claim for labor or material employed or used in, or any claim for damages arising out of the repair, alterations, maintenance and use of the premises, as provided in this Lease, after ten (10) days written notice from Landlord, then Landlord may, at its option, and without waiving or releasing Tenant from any of Tenant's obligations hereunder, pay any such tax, assessment, lien, claim, insurance premium or charges, or settle or discharge any action therefore or satisfy any judgment thereon. All costs, expenses and other sums, incurred or paid by Landlord in connection therewith, together with interest at the rate of ten percent (10%) per annum on such costs, expenses and sums from the date incurred or paid by Landlord, shall be deemed to be additional rent hereunder and shall be paid by Tenant with and at the same time as the next installment of rent hereunder, and any default therein shall constitute a breach of the covenants and conditions of this Lease.

10. **Entry by Landlord.** Landlord reserves and shall at any and all times have the right to enter the Premises to inspect the same, to supply any services to be provided by Landlord to Tenant hereunder, to submit the Premises to inspection by prospective mortgagees, purchasers or tenants, and any holders of an underlying mortgage, to post notices of non-responsibility, or to alter, improve, maintain or repair the premises or any other portion of the project in which the Premises are located, all without being deemed guilty of an eviction of Tenant. Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. Landlord shall have the right to use any and all means

that Landlord may deem proper to obtain access to the Premises in an emergency. Landlord may at any time place any ordinary "For Sale" or "For Lease" signs on or about the Premises.

11. Utilities. Tenant shall pay for all gas, electricity, telephone service and all other utilities and services furnished or supplied to the Premises.

12. Bankruptcy. In the event a debtor, trustee or debtor in possession under the Bankruptcy Code, or other person with similar rights, duties and powers under any other law, proposes to cure any default under this Lease or to assume or assign this Lease, and is obliged to provide adequate assurance to Landlord that (f) a default will be cured, (ii) Landlord will be compensated for its damages arising from any breach of this Lease, or (iii) future performance under this Lease will occur, then adequate assurance shall include any or all of the following, as designated by Landlord:

(a) Those acts specified in the Bankruptcy Code or other law as included within the meaning of adequate assurance, even if this Lease does not concern a shopping center or other facility described in such laws;

(b) A prompt cash payment to compensate Landlord for any monetary defaults or damages arising from a breach of this Lease;

(c) A cash deposit in an amount at least equal to the Security Deposit described in paragraph 5 of the Basic Lease Provisions;

(d) The credit worthiness and desirability, as a tenant, of the person assuming this Lease or receiving an assignment of this Lease, at least equal to Landlord's customary and usual credit worthiness requirements and desirability standards in effect at the time of the assumption or assignment; and

(e) The assumption or assignment of all of Tenant's interest in and obligations under this Lease.

13. Indemnification. Except for the willful acts or gross negligence of Landlord, its agents or employees, Tenant shall make no claim against Landlord for any act or omission with respect to the Premises or the project in which the Premises are located. Tenant shall indemnify Landlord against and hold Landlord harmless from any and all claims arising from Tenant's use of the Premises, Tenant's conduct of its business and from any activity, work, or thing done, permitted or suffered by Tenant in or about the premises. Tenant shall further indemnify Landlord against and hold Landlord harmless from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act, neglect, fault or omission of Tenant, its agents or employees, and from and against all costs, attorneys' fees, expenses and liabilities incurred in or related to such claim or any action or proceeding brought thereon. In the event any action or proceeding is brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend Landlord at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to person in, upon or about the Premises from any cause whatsoever, except that which is caused by the failure of Landlord to observe any of the terms and conditions of this Lease and such failure has persisted for an unreasonable period of time after written notice of such failure was given by Tenant to Landlord, and Tenant hereby waives all claims in respect thereof against Landlord.

14. Damage to Tenant's Property. Neither Landlord nor its agents or employees shall be liable for any loss of or damage to property entrusted to employees of the Project, nor for loss of or damage to any property by theft or otherwise, nor for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, or from water or rain that may leak from any part of the project in which the Premises are located, including the pipes, appliances or plumbing works therein, or from the roof, street, subsurface or from any other place, that results in dampness, or any other cause whatsoever.

15. Insurance.

(a) Liability Insurance. Tenant shall, at Tenant'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 Landlord and Tenant against any liability arising out of the ownership, use, occupancy, or maintenance of the Premises, all areas appurtenant thereto and all common areas of the project in which the Premises are located. Such insurance shall be a combined single limit policy in an amount not less than One Million Dollars (\$1,000,000). The policy shall contain cross liability endorsements and shall insure performance by Tenant of the indemnity provisions of this Lease. The limits of said insurance shall not, however, limit the liability of Tenant hereunder. Said insurance shall have a landlord's protective liability endorsement attached thereto. If Tenant shall fail to procure and maintain said insurance Landlord may, but shall not be required to, procure and maintain the same, but at the expense of Tenant.

(b) Use of Premises by Tenant. Tenant shall not use the Premises or common areas of the project in which the Premises are located nor permit the Premises or such common areas to be used nor acts to be done thereon, which will (1) increase the premium of any insurance policies maintained by Landlord upon the project in which the premises are located, or (2) cause cancellation of any such insurance policies. Tenant shall not keep in or about the Premises or the common areas of the project in which the Premises are located any article which may be prohibited by any standard form policy of fire insurance, nor shall Tenant store thereon any hazardous materials. If Tenant's conduct or use of the Premises or common areas of the project in which the Premises are located shall cause an increase in the premiums of such insurance policies, Tenant shall pay, as additional rent, on demand from Landlord, all of such increase. Tenant shall pay any such premium increase to Landlord with the next succeeding rental payment due after receipt by Tenant of a copy of the premium statement or other satisfactory evidence of the amount due. Tenant shall, at Tenant's expense, comply with all insurance company requirements pertaining to the use of the Premises and the common areas of the project in which the

Premises are located so that the Premises and such common areas shall at all times be insurable by Landlord for fire, extended coverage and other risks.

(c) **Insurance Policies.** Insurance required to be procured by Tenant hereunder shall be in companies acceptable to Landlord holding a "General Policy-holders Rating" of A+ or better as set forth in the most current issue of "Best Insurance Guide". Tenant shall deliver to Landlord copies of policies of liability insurance required under subparagraph (a) of this Section 15 or certificates evidencing the existence and amounts of such insurance with loss payable clauses satisfactory to Landlord. Landlord shall be named as an additional insured and no modification except after thirty (30) days' prior written notice to Landlord. Tenant shall, within ten (10) days prior to the expiration of such policies, furnish Landlord with renewals or "binders" thereof, or Landlord may order such insurance and charge the cost thereof to Tenant, which amount shall be payable by Tenant upon demand. Tenant shall not do or permit to be done anything which shall invalidate the insurance policies referred to in this section.

(d) **Waiver of Subrogation.** Tenant and Landlord each hereby waives any and all rights of recovery against the other, or against the officers, employees, agents and representatives of the other, for loss of or damage to such waiving party or its property or the property of others under its control, where such loss or damage is insured against under any insurance policy in force at the time of such loss or damage. Tenant and Landlord shall give notice to their respective insurance carriers that the foregoing mutual waiver of subrogation is contained in the Lease.

16. **Damage or Destruction.**

(a) In the event of a partial destruction of the building in which the Premises are located by fire or other perils covered by "All-Risk" insurance, to an extent not exceeding twenty-five percent (25%) of the full replacement value thereof, if the damage thereto is such that such building may be repaired, reconstructed or restored within a period of ninety (90) days from the date of the happening of such casualty, and if Landlord will receive insurance proceeds sufficient to cover the cost of such repairs, then Landlord shall commence and proceed diligently with the work of repair, reconstruction and restoration and this Lease shall continue in full force and effect. In the event of any damage to or destruction of such building other than as provided in the preceding sentence, Landlord may either elect to repair, reconstruct and restore such building, in which case this Lease shall continue in full force and effect, or Landlord may elect not to repair, reconstruct or restore such building, in which case this Lease shall terminate. Landlord shall give written notice to Tenant of any election not to repair, reconstruct or restore such building within thirty (30) days following the date of such damage or destruction. In the event Landlord elects not to repair, reconstruct or restore such building, this Lease shall be deemed to have terminated as of the date of such damage or destruction.

(b) Upon the termination of this Lease under any of the provisions of this Section 16, the parties shall be released hereby without further obligation to the other from the date possession of the Premises is surrendered to the Landlord, except for items which have theretofore accrued and are then unpaid, and for claims related to the damage that are not otherwise released under the terms hereof.

(c) In the event Landlord repairs, reconstructs and restores the building in which the Premises are located as herein provided, the rent shall abate proportionate to the ratio by which Tenant's use of the Premises is impaired during the period of such damage, repair, reconstruction and restoration, unless Landlord provides Tenant with other space in the project in which the Premises are located during the period of repair, which space, in Tenant's reasonable opinion, is suitable for the temporary conduct of Tenant's business, or unless the damage was caused by the willful acts or gross negligence of Tenant or its employees, licensees or invitees. Tenant shall not be entitled to any compensation or damages for loss in the use of the whole or any part of the Premises or for any inconvenience, annoyance or injury to Tenant's business occasioned by any such damage, repair, reconstruction and restoration.

(d) Tenant shall not be released from any of its obligations under this Lease except to the extent and upon the conditions expressly stated in this Section 16. Notwithstanding anything to the contrary contained in this Section 16, if Landlord is obligated to or elects to repair, reconstruct and restore the building in which the Premises are located as provided herein, but is delayed or prevented from completing the repair, reconstruction and restoration of such building by reason of acts of God, war, governmental restrictions, inability to procure the necessary labor or materials, or other cause beyond the control of Landlord, then Landlord shall be relieved of its obligation to make such repairs, reconstruction and restoration during the pendency of such condition. The time within which the repairs, reconstruction and restoration must be completed shall be extended accordingly, and Tenant may not terminate this Lease for Landlord's failure to so repair, reconstruct and restore such building during such periods. However, if for any reason such building is not repaired, reconstructed and restored within six (6) months after the occurrence of the damage or destruction, this Lease shall terminate as of the end of said six-month period.

(e) It is hereby understood that if Landlord is obligated to or elects to repair, reconstruct and restore the building in which the Premises are located as herein provided, Landlord shall be obligated to repair, reconstruct and restore only those portions of such building and the Premises that were originally provided at Landlord's expense; the repair, reconstruction and restoration of items contained in or affixed to the Premises that were not provided at Landlord's expense shall be the obligation of Tenant.

(f) Notwithstanding anything to the contrary contained in this Section 16, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty described in paragraph (a) of this Section 16 above occurs during the last three (3) months of the term of this Lease or any extension hereof.

(g) The provisions of California Civil Code Sections 1932 (2) and 1988 (4) are hereby waived by Tenant.

17. **Eminent Domain.** In the event the whole of the project in which the Premises are located, or such part thereof as shall substantially interfere with the Tenant's use and occupancy of the Premises, shall be taken for any public,

quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to prevent such taking, Tenant or Landlord, at their respective options, may terminate this Lease effective as of the date possession is required to be surrendered to said authority. Tenant shall not because of such taking assert any claim against Landlord or the taking authority for any compensation because of such taking, and Landlord shall be entitled to receive the entire amount of any award without deduction for any estate or interest of Tenant. Nothing contained in this Section 18 shall be deemed to give Landlord any interest in any award made to Tenant for the taking of personal property and fixtures belonging to Tenant, or for the costs of Tenant moving to a new location.

18. Defaults and remedies.

(a) The occurrence of any one or more of the following events shall constitute a default hereunder by Tenant:

(i) The abandonment of the Premises by Tenant. Abandonment is defined to include, but is not limited to, any absence by Tenant from the Premises for five (5) days or longer while in breach of any provision of this Lease.

(ii) The failure by Tenant to make any payment of Monthly Rent required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of three (3) days after written notice thereof from Landlord to Tenant; provided however, that any such notice shall be in lieu of, and not in addition to, any notice required under Section 1161 of the California Code of Civil Procedure.

(iii) The failure by Tenant to observe or perform any of the express or implied covenants or provisions of this Lease to be observed or performed by Tenant, other than as specified in (i) or (ii) above, where such failure is incurable, or is curable and shall continue for a period of ten (10) days after written notice thereof from Landlord to Tenant; provided however, that any such notice shall be in lieu of, and not in addition to, any notice required under Section 1161 of the California Code of Civil Procedure.

(iv) (1) Tenant makes an assignment for the benefit of creditors,

(2) A receiver, trustee or custodian is appointed to, or does take title, possession or control of all, or substantially all, of Tenant's assets,

(3) Tenant's interest in this Lease passes by operation of law to any person named in clause (2),

(4) A person named in clause (2) purports to transfer Tenant's interest in this Lease,

(5) Tenant is generally not paying its debts as they become due,

(6) An order for relief is entered against Tenant pursuant to a voluntary or involuntary proceeding commenced under any chapter of the Bankruptcy Code,

(7) An involuntary petition is filed against the Tenant under any chapter of the Bankruptcy Code and is not dismissed within twenty (20) days, or

(8) Tenant's interest in this Lease is attached, executed upon, or otherwise judicially seized and such action is not released within twenty (20) days of the action.

(b) In the event of any such default by Tenant, in addition to any other remedies available to Landlord at law or in equity, Landlord shall have the immediate option to terminate this lease and all rights of Tenant hereunder. In the event that Landlord has elected to terminate this lease, or such termination is declared by a court with jurisdiction, then Landlord may recover from Tenant:

(i) The worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus

(ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss Tenant proves could have been reasonably avoided; plus

(iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus

(iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform his obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including any brokerage commissions incurred by Landlord in reletting the Premises for the balance of the term of this Lease; plus

(v) At Landlord's election, any other amounts in addition to or in lieu of the foregoing permitted from time to time under applicable California laws.

As used in subsections (i) and (ii) above, the "worth at the time of award" is computed by allowing interest at the rate of three percent (3%) per annum plus the discount rate set by the Federal Reserve Bank of San Francisco of the twenty-fifty (25th) day of the month preceding the date each payment of rent reflected in the

award was due. As used in subsection (iii) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

(c) In the event Tenant abandons the Premises, and Landlord elects not to terminate this Lease or Tenant's right to possession of the Premises, Landlord may enforce all of its rights and remedies under this lease, including the right to recover the rent as it becomes due and payable by Tenant. Any acts by Landlord to re-enter, maintain, preserve or relet the Premises, or to appoint a receiver to protect Landlord's interest under this Lease, or to remove property or store it at a public warehouse or elsewhere at the cost of and for the account of Tenant, shall not constitute an election to terminate this Lease or Tenant's right of possession unless written notice of such intention is given to Tenant or termination is decreed by a court of competent jurisdiction. Landlord may elect to terminate this Lease upon a reletting of the premises or at any other time after electing the remedy provided by this subsection, in which event the rent shall cease to accrue and the damages provided by subsection (b) shall become available to Landlord.

19. **Assignment and Subletting.** Tenant shall not, either voluntarily or by operation of law, assign, sell, hypothecate or transfer this Lease, or sublet the Premises or any part thereof, or permit or suffer the Premises or any part thereof to be used or occupied by anyone other than Tenant or Tenant's employees without the prior written consent of Landlord in each instance, which consent Landlord may, in its sole discretion, withhold. The acceptance of rent by Landlord from any other person shall not be deemed a waiver of this provision or a consent to any sublease or assignment. Any sale, assignment, hypothecation or transfer of this lease or subletting of the Premises that is not consented to by Landlord shall be void and shall, at the option of Landlord, terminate this Lease. The consent by Landlord to an assignment or subletting shall not be construed as relieving Tenant or any assignee of this Lease or sublessee of the Premises from obtaining the express written consent of Landlord to any further assignment or subletting or as releasing Tenant or any assignee or sublessee of Tenant from any liability or obligation hereunder whether or not then accrued.

20. **Estoppel Certificates; Subordination.**

(a) Tenant shall, at any time and from time to time upon not less than ten (10) days prior written notice from Landlord, execute, acknowledge and deliver to Landlord 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 dates to which the rental and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part.

(b) Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are no uncured defaults in Landlord's performance, and (iii) that not more than one month's rental has been paid in advance.

(c) This Lease shall, without further act on the part of Tenant, at the option of Landlord, be subject and subordinate to all ground or underlying leases and the lien of any mortgage and/or any deed of trust or other encumbrance which may now, or which may hereafter, affect the Premises, together with all renewals, modifications, consolidations, replacements or extensions thereof. Tenant covenants and agrees that it will execute without further consideration any and all instruments desired by Landlord subordinating in the manner requested by Landlord this Lease to any such lease, mortgage, deed of trust or other encumbrance; provided that any lienor or encumbrancer relying on such subordination of such additional agreements will covenant with Tenant that this Lease shall remain in full force and effect, and Tenant shall not be disturbed in the event of sale or foreclosure so long as Tenant is not in default hereunder. Tenant agrees to attorn to the successor in interest of Landlord following any transfer of such interest either voluntarily or by operation of law and to recognize such successor as Landlord under this Lease. However, if Landlord so elects, this Lease shall be deemed prior in lien to any mortgage, deed of trust or other encumbrance upon or including the Premises regardless of date of recording and Tenant will execute a statement in writing to such effect at Landlord's request.

21. **Surrender of Premises.** No surrender of possession of any part of the Premises shall release Tenant from any of its obligations hereunder unless accepted by Landlord. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, operate as an assignment to it of any or all subleases or subtenancies.

22. **Attorney's Fees.** In the event that Landlord brings suit for possession of the Premises, or for recovery of any sum due under this Lease, or in the event either party brings suit for damages or other relief arising from the alleged breach of any provision of this Lease or from the allegedly tortious acts of the other party or its agents, employees or invitees, then all costs and expenses, including reasonable attorney's fees, incurred by the prevailing party in such action shall be paid by the other party, whether or not such action is prosecuted to judgment.

23. **Definition of Landlord.** The term "Landlord" as used in this Lease, so far as covenants or obligations on the part of Landlord are concerned, shall be limited to mean and include only Landlord or its successor in interest under this Lease at the time in question. In the event of any transfer, assignment or other conveyance of Landlord's title or lease hold, the Landlord herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall be automatically freed and relieved from and after the date of such transfer, assignment or conveyance of all liability for the performance of any covenants or obligations contained in this Lease thereafter to be performed by Landlord and, without further agreement, the transferee of such title or leasehold shall be deemed

to have assumed and agreed to observe and perform any and all obligations of Landlord hereunder, during its ownership or ground lease of the Premises. Landlord may transfer its interest in the Premises or this Lease without the consent of Tenant and such transfer or subsequent transfer shall not be deemed a violation on the part of Landlord or the then grantor of any of the terms or conditions of this Lease.

24. **Waiver and Modification.** No provision of this Lease may be modified, amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. The waiver by Landlord of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained, nor shall any custom or practice which may grow up between the parties in the administration of the terms hereof be deemed a waiver of, or in any way affect the right of Landlord to insist upon the performance by Tenant in strict accordance with said terms. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

25. **Signs and Landscaping.** Landlord shall have the right to control landscaping for the project in which the Premises are located and to approve the placing of signs and the size and quality of same on or about the project or the Premises. Tenant shall make no alterations or additions to the Premises or landscaping and shall place no exterior signs on the Premises without the prior written consent of Landlord and the approval of the appropriate governmental entity to the extent required.

26. **Parking.** Tenant shall be entitled to park in common with other tenants of Landlord in the parking area comprising a part of the project in which the Premises are located. Tenant agrees not to overburden the parking facilities, agrees that such facilities will not be used for vehicle storage or overnight parking, and agrees to cooperate with Landlord and other tenants of the project in the use of such parking facilities. Landlord shall have the right to tow away any vehicles parked overnight in the parking area, and the expense of such towing and vehicle storage shall be payable by Tenant in the event such vehicle was parked by Tenant, its agents, employees or invitees.

27. **Environmental Matters.**

(a) **Compliance with Environmental Laws.** Tenant shall at all times and in all respects comply with all federal, state and local laws, ordinances, regulations and rules that are presently in effect or that may be promulgated in the future, as such statutes, ordinances, regulations or rules may be amended from time to time ("Hazardous Materials Laws") relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, disposal or transportation of any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous or toxic substance, or other similar term, by a Hazardous Materials Law (collectively, "Hazardous Materials").

(b) **Hazardous Materials Handling.** Tenant shall at its own expense procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for Tenant's use of the Premises including, without limitation, discharge of (appropriately treated) materials or wastes into or through any sanitary sewer serving the Premises. Except as discharged into the sanitary sewer in strict accordance and conformity with all applicable Hazardous Materials Laws, Tenant shall cause any and all Hazardous Materials removed from the Premises to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. Tenant shall in all respects handle, treat, deal with and manage any and all Hazardous Materials in, on, under or about the Premises in total conformity with all applicable Hazardous Materials Laws and prudent industry practices regulating management of such Hazardous Materials. Upon expiration or earlier termination of the term of the lease, Tenant shall cause all Hazardous Materials to be removed from the Premises and transported for use, storage or disposal in accordance and compliance with all applicable Hazardous materials Laws. Tenant shall not take any remedial action in response to the presence of any Hazardous Material in or about the Premises nor enter into any settlement agreement consent degree or other compromise in respect to any claims relating to any Hazardous Materials in any way connected with the Premises without first notifying Landlord of Tenant's intention to do so and affording Landlord ample opportunity to appear, intervene or otherwise appropriately assert and protect Landlord's interest with respect thereto.

(c) **Notices.** Tenant shall immediately notify Landlord in writing of:

- (i) Any regulatory inquiry or non-routine inspection, formal or informal, and all investigations and potential investigations by any private or governmental representative regarding any aspect of the Premises, including, without limitation, the presence of any Hazardous Materials on the Premises or the migration thereof from or to other property.
- (ii) Any actual spills, releases or discharges of Hazardous Materials (including, without limitation, any preexisting spills, release or discharges of which Tenant may become aware): (1) occurring as a result of any activity relating to the operation of the Premises, whether on or off the Premises; or (2) which have occurred on the Premises at any time;
- (iii) Any enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Materials Laws;

- (iv) Any claim, made or threatened by any person against Tenant or the Premises relating to damage, contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Materials;
- (v) All matters of which Tenant is required to give notice pursuant to section 25359.7 of the California Health and Safety Code; and
- (vi) Any reports made to any environmental agency arising out of or in connection with any Hazardous Materials in or removed from the Premises, including any complaints, notices, warnings or asserted violations in connection therewith. Tenant shall also supply to Landlord as promptly as possible, and in any event within five (5) business days after Tenant first receives or sends the same, with copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Premises or Tenant's use thereof. Tenant shall promptly deliver to Landlord copies of hazardous waste manifests reflecting the legal and proper disposal of all Hazardous Materials removed from the Premises.
- (d) Additional Rights of Landlord. Landlord shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions affecting the Premises initiated in connection with breach of any Hazardous Materials Law by Tenant and have its attorneys' fees in connection therewith paid by Tenant.
- (e) Indemnification of Landlord. Tenant shall indemnify, defend (by counsel reasonably acceptable to Landlord), protect and hold Landlord, and each of Landlord's partners, directors, officers, employees, agents, attorneys, lenders, successors and assigns free and harmless from and against any and all claims, liabilities, penalties, forfeitures, losses or expenses (including, without limitation, any consequential damages), losses, liens, liabilities, penalties, fines, lawsuits, other proceedings, costs and expenses including, without limitation, costs incurred in connection with any administrative proceedings and attorney's fees and court costs, or death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by:
- (i) The presence in, on, under or about the Premises or discharge in or from the Premises of any Hazardous Materials or Tenant's use, analysis, storage, transportation, disposal, release, threatened release, discharge or generation of Hazardous Materials to, in, on, under about or from the Premises;
 - (ii) Tenant's violation or alleged violation of any Hazardous Materials Law;
 - (iii) All foreseeable and unforeseeable consequences including, without limitation, loss or rents and liabilities arising in connection with third-party claims and actions, directly or indirectly arising out of the presence or use, generation, handling, storage or disposal of Hazardous Materials by Tenant;
 - (iv) Any required or necessary repair, removal, cleanup or detoxification and the preparation of any closure or other required plans, whether such action is required or necessary prior to or of allowing transfer of title to the Property, to the full extent that such action is attributable, directly or indirectly, to the presence or use, generation, storage, handling, release, threatened release or disposal of hazardous Materials on or about the Premises;
 - (v) Any reduction in the realized or realizable value of the Property to the full extent that any such reduction in the realized or realizable value of the Property, is attributable, directly or indirectly to the presence or use, generation, storage, release, threatened release or disposal of Hazardous Materials on the Premises; or;
 - (vi) Any action taken by Landlord to enforce the duties, liabilities and obligations of Tenant under this Lease. Tenant's obligations hereunder, shall include, without limitation, and whether foreseeable or unforeseeable, all costs of any required or necessary repair, cleanup or detoxification or decontamination of the Premises and the preparation and implementation of any closure, remedial action or other required plans in connection therewith, and shall survive the expiration or earlier termination of the term of the Lease. For purposes of the release and indemnity provisions hereof, any acts or omissions of Tenant or others acting for or on behalf of Tenant (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Tenant. This indemnification obligation shall survive the termination of this Lease.

28. **Accessibility; Americans with Disabilities Act.**

The Premises have not undergone an inspection by a Certified Access Specialist (CASp). Since compliance with the Americans with Disabilities Act (ADA) is dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in ADA compliance, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

29. **Miscellaneous Provisions.**

(a) Notices. Any notice, consent, demand, bill, statement or other communication required or permitted to be given hereunder must be in writing and may be given by personal delivery or by mail, and if given by mail shall be deemed sufficiently given two (2) days after being sent if sent by registered or certified mail, addressed to Tenant or Landlord at the addresses shown in paragraph 7 of the Basic Lease Provisions. Either party may, by notice to the other given pursuant to this Section, specify additional or different addresses for notice purposes.

(b) Entire Agreement. The terms of this Lease are intended by the parties as a final expression of their agreement with respect to the terms as are included herein, and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Lease constitutes the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial proceeding, if any, involving this Lease. The Basic Lease Provisions, Standard Provisions and the exhibits hereto all constitute a single document and are incorporated herein.

(c) Holding Over. If Tenant remains in possession of the Premises after the expiration or earlier termination of the term hereof without the express written consent of Landlord, Tenant shall become a tenant at sufferance only, at one-hundred twenty percent (120%) of the Monthly Rental specified in paragraph 4 of the Basic Lease Provisions and otherwise upon the terms, covenants and conditions herein specified, so far as applicable. Acceptance by Landlord of rent after such expiration or earlier termination shall not constitute a holdover hereunder or result in a month to month tenancy or a renewal or reinstatement of this Lease. The foregoing provisions of this Section are in addition to and do not affect Landlord's right or re-entry or any other rights of Landlord hereunder or as otherwise provided by law.

(d) Successors and Assigns. Except as otherwise provided in this Lease, all of the covenants, conditions and provisions of this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, devisees, personal representatives, successors and assigns.

(e) Definition of Tenant. If more than one person executes this Lease as Tenant, each of them shall be jointly and severally liable for the keeping, observing and performing of all of the terms, covenants and conditions of this Lease to be kept, observed and performed by Tenant, and the term "Tenant" as used in this Lease shall mean and include each of them jointly and severally. The act of, notice from, notice to, refund to, or the signature of, any one or more of them, with respect to their tenancy or this Lease, including, but not limited to, any renewal, extension, expiration, termination or modification of this Lease, shall be binding upon each and all of the persons executing this Lease as Tenant with the same force and effect as if each and all of them had so acted, so given or received such notice or refund or so signed.

(f) Conflict of Laws. This Lease shall be governed by and construed pursuant to the laws of the State of California.

(g) Time. Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor; provided however, that the inability of Landlord to tender possession of the Premises to Tenant by the Commencement Date shall be governed by the provisions of Section 2 hereof.

(h) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal in no way affects, impairs or invalidates any other provision hereof, and such other provisions shall remain in full force and effect.

(i) Recording. Neither Landlord nor Tenant shall record this Lease or a short form memorandum hereof without the consent of the other.

(j) Rules and Regulations. Tenant shall comply in all respects with the Rules and Regulation relating to the Project which are attached as Exhibit "A" hereto.



"Tenant" Signature

3/8/16

Date

EXHIBIT "A"

RULES AND REGULATIONS

1. No animal of any kind shall be brought into or kept in or about the Leased Premises or the building.
2. No sidewalks, entrances or passages shall be obstructed or encumbered by Tenant or use for any purpose other than ingress and egress to and from the Leased Premises. Tenant shall further, at Tenant's own expense, keep the sidewalks and curb directly in front of the Leased Premises clean and free from rubbish.
3. No awning or other projection shall be attached to the outside walls of the Building without the prior written consent of Landlord.
4. No sign, beyond the minimum authorized for all other Tenants, or advertisements, or notices or other lettering shall be exhibited, inscribed, painted or affixed by Tenant on any part of the outside or inside of the Leased Premises or of the Building, without prior written consent of Landlord. In the event of the violation of the foregoing by Tenant, Landlord may remove same without any liability, and may charge the expense incurred by such removal to Tenant. Interior signs on doors and directory tablet shall be of a quality, type, design, color, size, style, composition, material, location and general appearance acceptable to Landlord.
5. No showcases or other articles shall be put in front of or affixed to any part of the exterior of the Building, without the prior written consent of Landlord.
6. The water and wash closets and other plumbing fixtures shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags or other substances shall be thrown therein. All damages resulting from any misuse of the fixtures shall be borne by Tenant.
7. Tenant shall not mark, paint, drill into or in any way deface any part of the Leased Premises or the Building. No boring, cutting or stringing or wires shall be permitted, except with the prior written consent of Landlord, and as Landlord may direct.
8. Any Tenant improvements to the Leased Premises shall remain as part of the Premises or shall be returned to the original condition by Tenant, at the option of Landlord.
9. Tenant shall not make, or permit to be made, any unseemly or disturbing noises or disturb or interfere with occupants of the Building or neighboring buildings or premises or those having business with them, whether by the use of any musical instrument, radio, television set, talking machine or unusual noise.
10. Neither Tenant nor any of Tenant's servants, employees, agents, visitors or licensees shall at any time bring or keep upon the Leased Premises any inflammable, combustible or explosive fluid, chemical or substance which are other than normally used in Tenant's profession or specialty.
11. Tenant must, upon the termination of the tenancy, restore to Landlord all keys, and in the event of the loss of any keys, Tenant shall pay to Landlord the locksmith costs.
12. Landlord shall have the right to prohibit any advertising by Tenant which, in Landlord's opinion, tends to impair the reputation of the Building or its desirability, and upon notice from Landlord, Tenant shall refrain from or discontinue such advertising.
13. The Leased Premises shall not be used for lodging or sleeping or for any illegal purposes.
14. Canvassing, soliciting and peddling in the Building are prohibited and Tenant shall co-operate to prevent the same.
15. Tenants are required to conform to all local City and Fire Department codes and regulations. Tenants are required to obtain and maintain fire extinguishers throughout their units according to Fire Department guidelines.
16. If trash services are provided by the Landlord, tenants are allowed to use the trash facilities within reasonable limits. Tenants who have excessive trash requirements will be responsible to take excess trash to the dump and/or obtain their own trash service over and above the one provided by Landlord.

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